



**Drug Market Analysis**

**2008**

**Chicago**

**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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# PREFACE

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



Figure 1. Chicago High Intensity Drug Trafficking Area.



### STRATEGIC DRUG THREAT DEVELOPMENTS

- Mexican drug trafficking organizations (DTOs) dominate the wholesale distribution of cocaine, heroin, and marijuana in the Chicago HIDTA region; they are increasingly expanding their distribution operations to suburban communities in the region.
- Street gang drug distribution operations are concentrated in urban areas of Chicago; however, suburban law enforcement agencies, many of which lack sufficient resources, report an increasing presence of Chicago gang members who distribute drugs in their jurisdictions. Officials attribute the movement of gang members from Chicago to suburban areas to several factors—the breakdown of traditional hierarchical gang structures, the razing of some large Chicago public housing projects, an abundance of wholesale illicit drug suppliers, and the expectation of high profits from new suburban drug operations.
- Cocaine trafficking and abuse in the Chicago HIDTA region are widespread; however, fluctuations in cocaine availability were reported by law enforcement officials in 2007. Declining cocaine purity levels in the second half of 2007 may indicate increased cutting of cocaine by traffickers to stretch supplies or increase profits.
- Heroin availability and abuse levels in the Chicago HIDTA region are high, as indicated by increased heroin purity levels, lower wholesale heroin prices, and the large number of heroin treatment provider services.<sup>1</sup> More individuals seek treatment for heroin abuse in publicly funded facilities in Chicago than for the abuse of any other substance, including alcohol.

1. Treatment provider services include detoxification, outpatient care, intervention care, resident rehabilitation, and other services.

- The availability and abuse of MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy) are rising in the Chicago HIDTA region, particularly in African American and Hispanic communities. Rising availability and abuse are most likely the result of increased retail-level distribution by African American and Hispanic street gangs, which are typically supplied by Canada-based Asian traffickers.

### HIDTA OVERVIEW

The Chicago HIDTA region is composed of Cook, Grundy, Kendall, and Will Counties and is home to over 6 million residents, nearly half of the population of Illinois.<sup>2</sup> The Chicago metropolitan area is one of the nation's largest drug markets and a national-level distribution center for cocaine, heroin, and marijuana available in the Midwest and the eastern United States. Cook County, which includes the city of Chicago, is second only to Los Angeles County, California, as the most populated county in the United States. According to U.S. Census estimates, Kendall County and Will County are two of the fastest-growing counties in the United States, with population growths of 61.7 percent and 33.0 percent, respectively, from 2000 to 2006.

The Chicago metropolitan area<sup>3</sup> is densely populated and ethnically diverse, enabling members of DTOs, criminal groups, and street gangs to assimilate within communities and conceal their drug trafficking activities. The Mexican community in Chicago, the second-largest of any metropolitan area in the United States, is experiencing substantial growth as a result of ongoing immigration and higher-than-average birth rates. Chicago also has the fifth-largest immigrant population among U.S. metropolitan areas, with approximately 1.4 million immigrants. The largest immigrant populations in the metropolitan

2. U.S. Census estimates indicate that approximately 47 percent of Illinois residents resided in the Chicago HIDTA region as of July 1, 2005, the date for which the most recent data are available.

3. The Chicago metropolitan area includes Cook, DuPage, Kane, Lake, McHenry, and Will Counties. (See Figure 1 on page 1.)



area are from Mexico, Poland, and India, while the fastest-growing populations are from Ghana, Nigeria, Russia, Pakistan, and Vietnam. Although ethnic communities are typically concentrated in Cook County, suburban counties are also experiencing substantial growth in immigrant populations.

The region has a highly developed transportation infrastructure that facilitates the continuous movement of licit and illicit goods to and from the area. Chicago is one of the nation's largest trucking centers, principally because of the city's proximity to Interstates 55, 57, 80, 88, 90, and 94, which pass through the metropolitan area. These major highways are frequently used by traffickers to transport illicit drugs to Chicago from Mexico and locations along the Southwest Border. Two major international airports, O'Hare and Midway, are located within the HIDTA region; they processed approximately 95 million passengers and approximately 1.7 million tons of cargo during 2007. These major airports are frequently used by traffickers to smuggle illicit drugs into the Chicago area. In addition, Chicago's train, bus, mail, and parcel delivery services are exploited by DTOs, criminal groups, and street gangs to transport drugs and drug proceeds to and from the region.

## DRUG THREAT OVERVIEW

The distribution and abuse of cocaine (particularly crack), heroin, and marijuana are the primary drug threats in the Chicago HIDTA region. According to the National Drug Intelligence Center (NDIC) National Drug Threat Survey (NDTS) 2007, 24 of the 42 state and local law enforcement respondents in the Chicago HIDTA region identified cocaine as the drug that posed the greatest threat to their jurisdictions; seven respondents identified heroin, and 10 respondents identified marijuana. Large quantities of these drugs are transported to the area by Mexican DTOs and criminal groups, principally from locations along the Southwest Border. In 2007 Chicago HIDTA initiatives reported the seizure of 1,086 kilograms of cocaine, 70 kilograms of heroin, and 10,286 kilograms of marijuana. The HIDTA region has one of the largest illicit drug user populations in

the United States. According to the Illinois Department of Human Services, Division of Alcoholism and Substance Abuse (DASA), the Chicago HIDTA region (Cook, Grundy, Kendall, and Will Counties) accounted for 51.6 percent of all treatment provider services rendered in Illinois in 2006 (the latest year for which such data are available). Mexican DTOs and criminal groups dominate the wholesale transportation and distribution of cocaine, heroin, and marijuana; they typically obtain these drugs directly from DTOs operating in Mexico and provide them to street gang leaders in the region for retail-level distribution. Street gangs are the primary retail distributors of illicit drugs. These gangs regularly engage in violent criminal activities to protect their drug supplies, distribution territories, and illicit drug proceeds. For example, of the 443 murders investigated by the Chicago Police Department in 2007, 43.8 percent were gang-related.

Cocaine trafficking and abuse in the Chicago HIDTA region are widespread; however, fluctuations in wholesale-level cocaine availability were reported by law enforcement officials during 2007. In the first half of 2007, law enforcement reported decreased cocaine availability coupled with increased prices. This shortage was at least partially due to successful law enforcement operations in Mexico and large seizures of the drug. Law enforcement officials reported that availability returned to previous levels in the third quarter of 2007 but decreased again in the fourth quarter. Cocaine purity levels in the region declined significantly in the second half of 2007, possibly indicating increased cutting of cocaine by traffickers to stretch supplies or increase profits. For example, law enforcement officials reported increased incidents of "re-rocking" facilities located in the HIDTA region. "Re-rocking" is a process of diluting kilograms of powder cocaine and reforming the cocaine into kilogram bricks with a hydraulic press, making the cocaine appear authentic and uncut.

Heroin supplied by Colombian, Nigerian, other West African, and Mexican traffickers is widely available in the region. Most of the heroin available in the Chicago HIDTA region



is South American (SA). Colombian DTOs that produce heroin typically employ Mexican DTOs to transport multikilogram quantities of the drug through Mexico to the HIDTA region. Nigerian and other West African traffickers smuggle multiounce quantities of Southwest Asian (SWA) heroin and, to a much lesser extent, Southeast Asian (SEA) heroin to Chicago on commercial aircraft through various concealment methods and through package delivery services. Mexican brown powder and black tar heroin are also available in Chicago, particularly in Hispanic communities. Street gangs are the principal retail heroin distributors in the region.

Heroin availability and abuse levels in the Chicago HIDTA region are high, as indicated by increased heroin purity levels, lower wholesale heroin prices, and the large number of individuals seeking heroin treatment services. According to the Drug Enforcement Administration (DEA) Heroin Domestic Monitor Program (HDMP), retail-level heroin purity in Chicago increased to 21.4 percent in 2007, ending a near-steady 10-year decline. (See Figure 2.) In addition, wholesale prices for SA heroin in Chicago declined from December 2006 (\$45,000 to \$80,000 per kg) to December 2007 (\$30,000 to \$70,000 per kg), most likely indicating increased availability. According to the Illinois

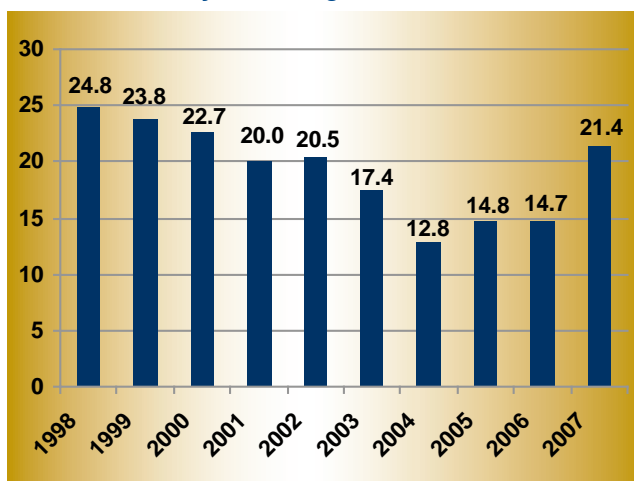
Department of Human Services DASA, the number of heroin treatment services rendered in the Chicago HIDTA region (Cook, Grundy, Kendall, and Will Counties) increased 30.6 percent from 2004 to 2006, the latest year for which such data are available. Much of this increase is quite likely a consequence of the growing number of suburban heroin abusers over the past few years.

Marijuana is widely available and abused in the Chicago HIDTA region. Mexican DTOs typically transport commercial-grade marijuana to the region from the Southwest Border, often in multi-ton quantities, using tractor-trailers. Although most of the marijuana distributed in the HIDTA region is commercial-grade, law enforcement reporting indicates that the demand for, and the distribution and abuse of, high-potency marijuana are increasing. High-potency marijuana is transported to the region from California and Washington, primarily by Mexican traffickers, but also by Asian (primarily Chinese and Vietnamese) and Caucasian traffickers. Asian, Albanian, and Caucasian traffickers increasingly transport significant quantities of high-potency marijuana to the region from Canada. Small amounts of marijuana are produced locally at indoor and outdoor grow operations.

Methamphetamine distribution and abuse occur at low levels in the area; however, wholesale quantities of ice methamphetamine transit the Chicago HIDTA region en route to other markets. Mexican DTOs transport wholesale quantities of ice methamphetamine to the region and break them down for further distribution to drug markets in the Midwest. Law enforcement reporting indicates that methamphetamine distribution and abuse are limited to some Asian abusers and members of gay communities on the North Side of Chicago.

The availability and abuse of MDMA, diverted pharmaceutical drugs, and other dangerous drugs (ODDs) vary throughout the region. The availability and abuse of MDMA in the HIDTA region are increasing. Asian, Albanian, and Caucasian traffickers transport the drug into the region from Canada. Law enforcement reporting indicates that MDMA is available throughout the region and typically is

**Figure 2. Average Retail-Level Heroin Purity in Chicago, 1998–2007**



Source: Drug Enforcement Administration, Heroin Domestic Monitor Program.

abused by young Caucasians, primarily of Polish descent; however, abuse among individuals in African American and Hispanic communities is expanding and is quite likely the result of increased MDMA distribution by African American and Hispanic street gangs. Diverted pharmaceutical drugs and ODDs including PCP (phencyclidine), LSD (lysergic acid diethylamide), GHB (gamma-hydroxybutyrate), khat, and ketamine are available and abused in the region, but to a much lesser extent.

## **DRUG TRAFFICKING ORGANIZATIONS**

Mexican DTOs pose the most significant organizational threat to the Chicago HIDTA region; they are the dominant transporters and wholesale distributors of most cocaine, heroin, and marijuana available in the area. These highly organized and compartmentalized drug trafficking groups often have connections to large DTOs in Mexico from which they receive their drug supplies. They often use familial connections within the large local Mexican population to facilitate and conceal their drug operations. Mexican DTOs operating in

Chicago also have drug distribution relationships with high-ranking local street gang members, supplying them with drugs for retail distribution. Mexican DTOs operating in Chicago generally store large quantities of cocaine and marijuana and smaller quantities of heroin and ice methamphetamine in local stash houses for later transportation to other drug markets in the Midwest and the eastern United States.

Various other drug trafficking groups also distribute wholesale quantities of illicit drugs in the Chicago HIDTA region. Colombian DTOs distribute cocaine and SA heroin in Chicago; they sometimes contract with Mexican traffickers to smuggle these drugs to the region on their behalf. Asian, Albanian, and Caucasian traffickers transport and distribute wholesale quantities of high-potency Canadian marijuana and MDMA. Nigerian and other West African traffickers are the primary transporters and distributors of SWA and SEA heroin; they smuggle multiounce quantities of heroin through package delivery services and couriers on commercial airlines.

The Chicago HIDTA region has a high concentration of nationally affiliated African American and Hispanic street gangs, such as Gangster Disciples, Vice Lords, and Latin Kings, which maintain unrivaled control over retail drug distribution in the region. According to the Chicago Police Department Gang Intelligence Unit, approximately 75 street gangs are active in Chicago, with an estimated membership of 100,000. Some street gangs, primarily Hispanic gangs such as Latin Kings, are supplied with wholesale quantities of illicit drugs by Mexican DTOs. Gangs with direct contacts to wholesale sources of supply often operate as midlevel distributors to other street gangs in the region.

Street gang drug distribution operations are concentrated in Chicago; however, many suburban law enforcement agencies in the region report an increasing presence of Chicago gang members in their jurisdictions, many of whom distribute drugs. Officials attribute the movement of gang members from Chicago to suburban areas

### **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.



to several factors—the breakdown of traditional hierarchical gang structures resulting from law enforcement targeting of gang leaders, the razing of some large Chicago public housing projects, an abundance of wholesale illicit drug suppliers, and the expectation of high profits from new suburban drug operations. Street gang members who have relocated their drug distribution activities to suburban areas run operations that vary from the highly structured and cohesive organizations typically found in Chicago, to loosely structured groups that operate independently. These gang members often maintain their gang associations but no longer answer to gang leaders from Chicago or share profits from drug distribution with them.

## PRODUCTION

Illicit drug production in the region is limited to crack cocaine conversion and small indoor and outdoor cannabis grow operations; however, some large outdoor cannabis grow sites have been established in the region by traffickers. Methamphetamine typically is not produced in the region. According to National Seizure System (NSS) data, no methamphetamine laboratories were seized in the region in 2007.

### Over 38,000 Cannabis Plants Eradicated in Cook County Nature Preserve

In July 2007 the Cook County Forest Preserve Police and DEA announced the eradication of over 38,000 cannabis plants from several fields in the Crabtree Nature Preserve located in Cook County. Law enforcement officials discovered an irrigation system, fertilizer, camping equipment, and food near the grow sites that were operated by two Mexican immigrants. Three other grow sites discovered in the Cook County Forest Preserve earlier in 2007 yielded an additional 17,000 cannabis plants.

Source: Cook County Forest Preserve Police; Drug Enforcement Administration.

Powder cocaine is routinely converted to crack cocaine by street gang members in the Chicago HIDTA region. Because of harsh federal criminal penalties associated with trafficking crack cocaine, street gangs and independent dealers typically convert powder cocaine to crack in the vicinity of the intended market to limit exposure to law enforcement operations.

Cannabis cultivation in the region is typically limited to small indoor and outdoor grows operated by independent dealers, from which marijuana is produced for personal use or limited distribution to friends or associates. However, several large-scale outdoor cultivation sites were seized on public lands in the region in 2007. The largest such seizure included over 38,000 cannabis plants in the Crabtree Nature Preserve in Cook County. (See text box.)

## TRANSPORTATION

The Chicago HIDTA region's highly developed transportation infrastructure is routinely exploited by Mexican DTOs and criminal groups to transport wholesale quantities of cocaine, heroin, marijuana, and ice methamphetamine into the region from locations along the Southwest Border. Mexican traffickers typically transport the drugs in private and commercial vehicles, often concealing them in elaborate hidden compartments or commingling them among legitimate freight goods. Mexican DTOs generally store cocaine, heroin, and marijuana in local stash houses for subsequent distribution in the region and for later transportation to other drug markets in the Midwest and the eastern United States. The ice methamphetamine Mexican DTOs transport to the region is usually further transported to mid-western drug markets because of the low demand for the drug in the HIDTA region. Chinese, Vietnamese, Albanian, and Caucasian traffickers also use commercial and private vehicles to transport significant quantities of MDMA and high-potency marijuana from Canada into the region.

Major international airports in the Chicago HIDTA region are often used by Colombian, Nigerian, and other West African DTOs and criminal groups to transport illicit drugs, particularly heroin, into the region. Colombian traffickers sometimes employ couriers to smuggle small quantities of SA heroin by commercial air into the region. They also smuggle SA heroin into New York and Miami on commercial flights; some of this heroin is further transported by Colombian couriers to Chicago in private vehicles. Nigerian and other West African DTOs use couriers on commercial aircraft to transport small quantities of SWA and SEA heroin from Europe and Canada to Chicago. Couriers transporting illicit drugs on commercial airlines typically conceal the drugs in their clothing, inside false compartments in their luggage, or by swallowing it.

### **Canadian Traffickers Supply MDMA and Marijuana to Chicago Distributors**

In December 2007, 21 defendants were charged in a federal complaint in the Northern District of Illinois as a result of a 4-year investigation for their alleged participation in an international conspiracy to distribute Canadian MDMA and high-potency Canadian marijuana in the Chicago metropolitan area. The sources of supply were identified as two Canadian citizens of Chinese ethnicity who, with the assistance of individuals from Chicago's Chinatown neighborhood, had transported the drugs from Canada and provided them to two distribution groups. One of these groups was headed by a South Korean national, the other by a member of Flip City Kings, a Filipino-based faction of the Latin Kings street gang. During the course of the investigation, more than 180,000 MDMA tablets and over \$500,000 in drug proceeds were seized; however, investigative authorities estimate that hundreds of thousands of MDMA tablets were supplied to the Chicago distributors by this organization.

Source: U.S. Attorney Northern District of Illinois and U.S. Immigration and Customs Enforcement.

Traffickers also use other methods to transport drugs into and throughout the region, including mail, package delivery services, and couriers on buses and trains. The Chicago HIDTA Package Interdiction Initiative regularly intercepts parcels containing various illicit drugs, particularly marijuana, from California, Texas, and Washington. It also seizes parcels containing cocaine, heroin, and methamphetamine from Arizona, California, and Texas. Traffickers also use couriers on buses and trains to transport illicit drugs and bulk cash into, through, and from the Chicago HIDTA region. Nationwide bus and train companies have terminals in Chicago and offer transportation to other parts of the country, including the Southwest Border and neighboring drug markets. In addition, several bus companies offer direct connections between Chicago and Southwest Border cities with travel times of less than 24 hours.

## **DISTRIBUTION**

Mexican DTOs and criminal groups dominate wholesale cocaine, heroin, and marijuana distribution in the Chicago HIDTA region; their domination is unlikely to be challenged by other groups in the near term. Mexican traffickers are increasingly expanding their distribution operations to suburban communities in the region, where they also store large drug shipments. The growing Mexican population in suburban areas enables these organizations to conceal their trafficking activities by blending into expanding Hispanic communities. Asian, Albanian, and Caucasian traffickers distribute wholesale quantities of MDMA and high-potency Canadian marijuana in the region.

Retail drug distribution in the region is largely controlled by street gangs. High-ranking street gang members often have access to multiple sources of supply, including Mexican, Colombian, and Nigerian and other West African traffickers, ensuring them a steady supply of drugs for retail distribution. Street corner drug sales in urban areas are the principal means by which retail-level dealers distribute drugs in Chicago. However, over the



past few years, the Chicago Police Department's initiatives targeting street corner drug distribution have been successful in reducing open-air markets and associated violent crime in the city. As a result, some retail-level dealers have established operations in outlying suburban communities; this has caused an increase in drug-related crimes in these areas, including robberies, drive-by shootings, and homicides. Many suburban law enforcement agencies report that they are increasingly burdened with the responsibility of combating gang-related criminal activity, often without the necessary resources.

The Chicago HIDTA region serves as a national-level distribution center for illicit drugs available throughout the Midwest and the eastern United States. Some of the illicit drugs (cocaine, heroin, marijuana, and ice methamphetamine) transported to the Chicago area are destined for other drug markets, including those in Indiana, Iowa, Kentucky, Michigan, Minnesota, Ohio, and Wisconsin. Mexican DTOs transport ice methamphetamine into and through Chicago for eventual distribution in other markets in the Midwest where local methamphetamine production has declined and demand for the drug remains high. Additionally, distributors and abusers in other states routinely travel to the region to purchase drugs and return to their home locations to distribute them. For example, heroin abusers from northern Indiana and southern Wisconsin often travel to the Chicago HIDTA region to purchase heroin.

### DRUG-RELATED CRIME

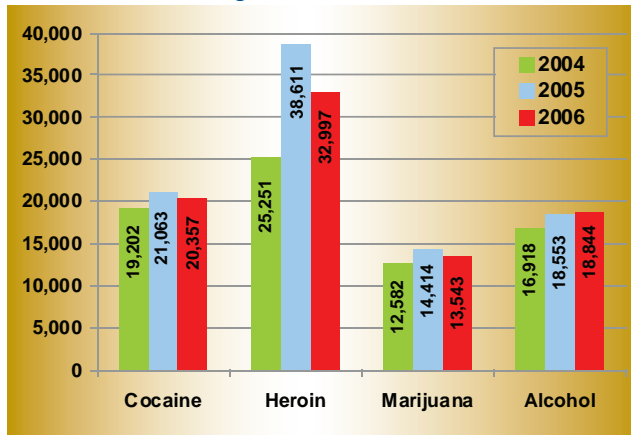
Drug-related violent crime committed by street gangs is a primary public safety concern for law enforcement officials in the Chicago HIDTA region. Drug-related violence in the area often results from disputes between street gang members vying for control of drug distribution territories or drug and money "rip-offs" of dealers or buyers. When violence does occur, retaliation typically follows, leading to increased hostilities and often homicides. Of the 443 murders investigated by

the Chicago Police Department in 2007, 43.8 percent were identified as gang-related and 74 percent involved firearms. The overall threat of gang violence is elevated by the availability of firearms supplied to Chicago street gang members from associates in states with less stringent gun control laws. Although a large percentage of drug-related gang violence occurs in urban areas, suburban communities are experiencing an increase in such violence. For example, the Joliet Police Department reports that gang-related shootings have more than tripled over the past 5 years in their jurisdiction, from 49 in 2003 to 162 in 2007.

### ABUSE

The Chicago HIDTA region has one of the largest drug abuser populations in the United States. The consequences associated with the abuse of heroin and cocaine (both powder and crack) in the HIDTA region are considerably more severe than those associated with the abuse of any other drug. According to the Illinois Department of Human Services DASA, the Chicago HIDTA region accounted for more than half (nearly 52 percent) of all treatment provider services received by patients in Illinois in 2006 (the latest year for which such data are available). The number of heroin treatment provider services (32,997) and cocaine treatment provider services (20,357) in the Chicago HIDTA region (Cook, Grundy, Kendall, and Will Counties) were higher than the number of treatment provider services for any other substance of abuse, including alcohol (18,844), in 2006 and represented 83.4 percent of all heroin treatment provider services and 58.7 percent of all cocaine treatment provider services for the entire state that year. (See Figure 3 on page 9.) The number of heroin, cocaine, and marijuana treatment services rendered in Cook County decreased from 2005 to 2006 but still exceeded 2004 levels, indicating that these drugs are readily available and widely abused in the area.

**Figure 3. Number of Treatment Provider Services Rendered in the Chicago HIDTA Region, 2004–2006**



Source: Illinois Department of Human Services, Division of Alcoholism and Substance Abuse.

## ILLICIT FINANCE

Law enforcement officials estimate that billions of dollars of illicit drug proceeds are generated in or pass through the Chicago HIDTA region annually. Drug traffickers use the region’s highly developed financial and transportation infrastructure to launder and transport these proceeds to drug source locations, primarily along the Southwest Border. Bulk cash smuggling is the primary method used by traffickers to move drug proceeds from Chicago; however, traffickers also use banks, money services businesses (MSBs), the Black Market Peso Exchange (BMPE), mortgage fraud, and cash-intensive businesses to launder drug proceeds in the region.

Bulk cash derived from illicit drug sales in the HIDTA region and in surrounding drug markets is typically transported to Chicago, where it is consolidated by Mexican DTOs for shipment to locations along the Southwest Border or in Mexico. Currency is often concealed in hidden compartments in private vehicles or commercial tractor-trailers and, to a lesser extent, transported by couriers on trains and buses. Law enforcement reporting indicates that use of package delivery

services for the shipment of bulk cash may be declining in the Chicago area.

Traffickers in the HIDTA region often use MSBs and bank services such as wire remittances, automated teller machines (ATMs), and Internet banking to move and launder drug money. Traditional bank accounts are also used by drug traffickers to launder illicit funds; traffickers typically deposit drug proceeds in the Chicago HIDTA region and have associates in other states or other countries withdraw the funds from the account using ATMs. Various MSBs also offer traveler’s checks, money orders, and stored value cards, which traffickers use to launder money. Money order purchases under \$3,000 do not require identification, a circumstance that is exploited by traffickers who purchase money orders at multiple locations in amounts under the reporting threshold. The money orders are then sent by courier or package delivery service to other locations (domestic and foreign) for deposit in financial institutions.

Colombian traffickers in the HIDTA region sometimes use the BMPE to launder drug proceeds. In this system, Colombian traffickers receive Colombian pesos in Colombia in exchange for U.S. drug dollars located in the United States. Brokers then sell the U.S. dollars located in the United States at a discount to Colombian merchants, who use the funds to purchase U.S. goods.

Street gang members operate businesses and engage in mortgage fraud schemes to launder drug proceeds. Gang members and other drug traffickers use cash-based businesses such as beauty salons, car washes, and used car lots to commingle drug proceeds with legitimate business revenue. Gang members also employ mortgage fraud schemes that involve straw purchasers and unscrupulous mortgage brokers and appraisers to purchase property at a minimal cost and sell it at a higher value to a third party. Gang members also use drug proceeds to purchase luxury vehicles and jewelry.



### OUTLOOK

The dominance that Mexican DTOs exert over wholesale cocaine, heroin, and marijuana distribution in the Chicago HIDTA region is unlikely to be challenged by other drug trafficking organizations in the near term. As the Mexican population expands into suburban areas of the region, Mexican traffickers will more easily mask their drug distribution operations by assimilating into these communities.

Law enforcement initiatives targeting street gang drug distribution and related violence in Chicago have been successful. As these efforts continue, gang members will increasingly relocate to surrounding jurisdictions that often lack the law enforcement resources to deal with gang-related criminal activity. Without increased resources and law enforcement efforts, street gangs will most likely entrench themselves in these communities and increase their criminal activities.

The threat posed by distribution and abuse of heroin will quite likely increase in the Chicago HIDTA region in the near term. The growing number of heroin abusers from suburban areas and neighboring states in addition to rising purity levels and lower wholesale prices indicates that the demand for and availability of heroin are increasing. Consequently, heroin treatment provider services in the region will continue to outpace those for cocaine, marijuana, alcohol, or other substances of abuse.

The availability and abuse of MDMA in the HIDTA region are likely to increase in the near term as Asian, Albanian, and Caucasian traffickers supply increasing quantities of the drug to the region from Canada. Law enforcement reporting indicates that MDMA abuse among new user groups in African American and Hispanic communities is expanding as a result of increased MDMA distribution by African American and Hispanic street gangs.



## SOURCES

### Local, State, and Regional

Arlington Heights Police Department  
Barrington Hills Police Department  
Bedford Park Police Department  
Berwyn Police Department  
Bolingbrook Police Department  
Braidwood Police Department  
Bridgeview Police Department  
Burbank Police Department  
Calumet City Police Department  
Chicago Police Department  
    Gang Intelligence Unit  
Chicago Ridge Police Department  
Cicero Police Department  
Cook County Forest Preserve Police  
Cook County Sheriff's Office  
Des Plaines Police Department  
Elk Grove Village Police Department  
Evanston Police Department  
Frankfort Police Department  
Harvey Police Department  
Hoffman Estates Police Department  
Homewood Police Department  
Illinois Department of Human Services  
    Division of Alcoholism and Substance Abuse  
    Bureau of Planning and Performance Management  
Illinois State Police  
Indian Head Park Police Department  
Joliet Police Department  
Lemont Police Department  
Lynwood Police Department  
Maywood Police Department  
Melrose Park Police Department  
Mount Prospect Police Department  
Norridge Police Department  
Northbrook Police Department  
Oak Lawn Police Department  
Oak Park Police Department  
Orland Park Police Department  
Palatine Police Department  
Park Forest Police Department  
Riverdale Police Department  
Sauk Village Police Department  
Schaumburg Police Department  
Skokie Police Department  
South Barrington Police Department



## National Drug Intelligence Center

Tinley Park Police Department  
Will County Sheriff's Department  
Willow Springs Police Department

### Federal

Executive Office of the President

Office of National Drug Control Policy

Chicago High Intensity Drug Trafficking Area

Consolidated Priority Organization Targets Initiative

Domestic Highway Enforcement Initiative

Drug Related Violent Crimes Initiative

Gangs/International Sources of Supply Initiative

Inner City Street Gang Source of Supply Initiative

Investigative Support Center

Management and Coordination Initiative

Money Laundering & Financial Crimes Initiative

Package Interdiction Initiative

Regional Drug Trafficking Organizations/Violent Crime/Money Laundering Initiative

Suburban Narcotics and Gangs/Jail Intelligence/Technical Unit Initiative

Training Initiative

Tri-County Initiative

U.S. Census Bureau

U.S. Department of Homeland Security

U.S. Immigration and Customs Enforcement

Chicago Field Division

U.S. Department of Justice

Criminal Division

Organized Crime Drug Enforcement Task Force

Drug Enforcement Administration

Chicago Field Division

El Paso Intelligence Center

National Seizure System

Heroin Domestic Monitor Program

Federal Bureau of Investigation

Chicago Field Division

U.S. Attorneys Office

Northern District of Illinois

U.S. Department of the Treasury

Financial Crimes Enforcement Network

U.S. Postal Service

U.S. Postal Inspection Service

### Other

Chicago Crime Commission

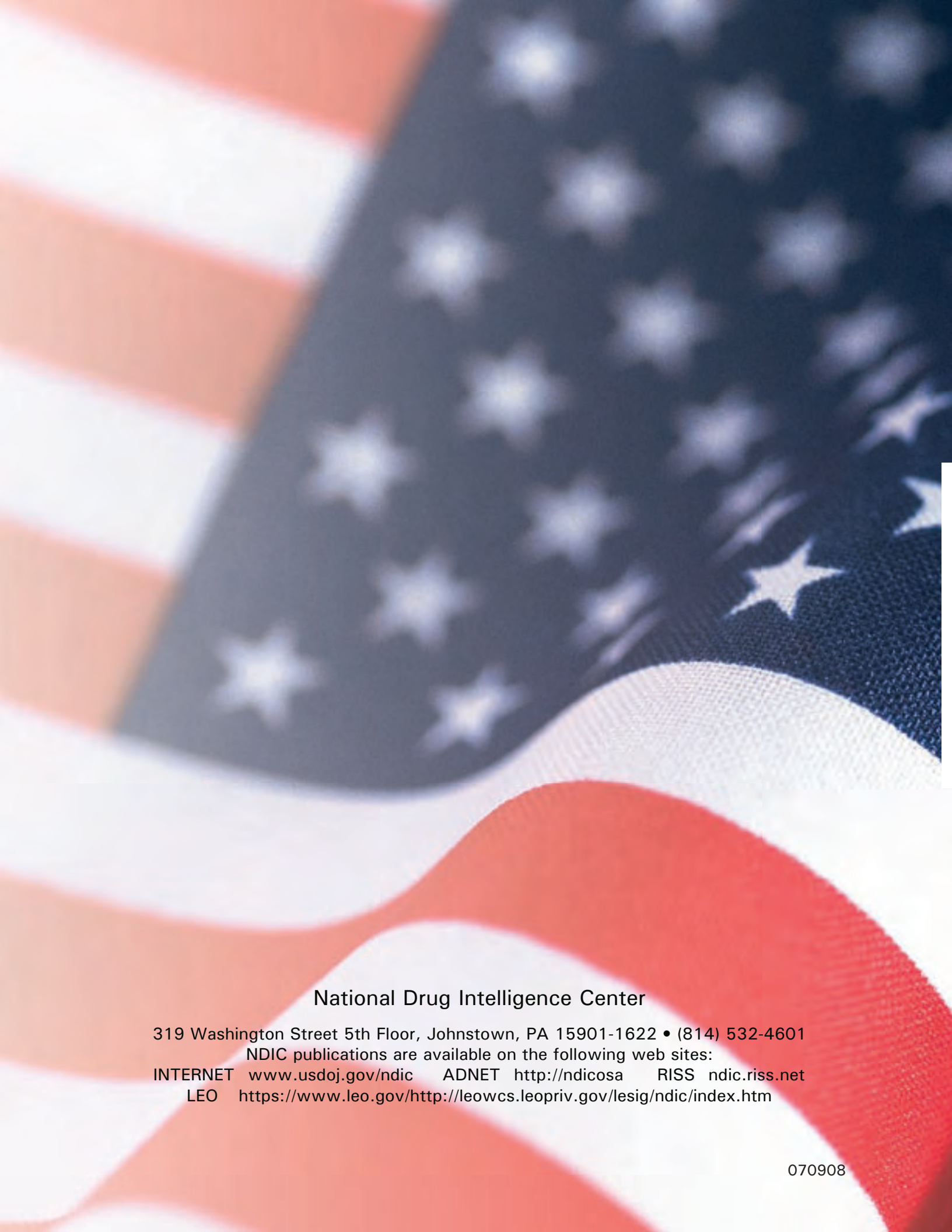
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