



# Drug Market Analysis

# 2008

# Arizona

# 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 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. Arizona High Intensity Drug Trafficking Area.



## STRATEGIC DRUG THREAT DEVELOPMENTS

- Mexican drug trafficking organizations (DTOs) that smuggle marijuana across the U.S.–Mexico border in Arizona are an increasing threat to the Arizona HIDTA region; they use the border area in Arizona as the principal U.S. arrival zone for Mexican marijuana.
- Mexican DTOs are stockpiling increasing amounts of Mexican marijuana on the Mexico side of the U.S.–Mexico border in areas adjacent to the HIDTA region in order to ensure the steady flow of Mexican marijuana to drug markets in Arizona and the rest of the United States.
- Public and reservation lands are being increasingly exploited by Mexican DTOs in an effort to avoid law enforcement detection.
- Cocaine and ice methamphetamine availability decreased throughout the region in 2007, partly the result of increased Mexican law enforcement and military targeting of Mexican DTO activity. As such, cocaine and methamphetamine prices increased, while the purity of both drugs correspondingly decreased.
- Violence between Mexican DTOs and alien smuggling organizations is escalating along the U.S.–Mexico border in Arizona, further compounding the threat posed to the HIDTA region by Mexican DTOs.
- Firearms trafficking is a significant threat to the Arizona HIDTA region; many of the firearms used by DTOs in neighboring Mexican states are either obtained in Arizona HIDTA counties or transit the area en route to Mexico.
- Mexican DTOs are increasingly using subterranean tunnels through which to smuggle illicit drugs into Arizona; the majority of smuggling tunnels along the U.S.–Mexico border have been discovered in Arizona, primarily Nogales.

## 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 U.S.–Mexico border in Arizona.<sup>1</sup> The HIDTA region also contains a number of federal lands controlled by the Department of Defense, National Forest Service (NFS), National Park Service (NPS), and the Bureau of Indian Affairs (BIA). The HIDTA region is experiencing increasingly high levels of drug smuggling into the area from Mexico and bulk transport of drug proceeds from the area into Mexico. These trafficking activities are facilitated by several factors unique to the region, including the continuing economic and population growth<sup>2</sup> in Arizona's two primary drug markets (Phoenix and Tucson), the highways that connect major metropolitan areas in Arizona with major illicit drug source areas in Mexico, and a remote, largely underprotected border area between Arizona's ports of entry (POEs).

Vast stretches of remote, sparsely populated border areas are located within the HIDTA region; these areas are especially conducive to large-scale drug smuggling. Few physical barriers exist in border areas, particularly between POEs, to impede drug traffickers, chiefly Mexican DTOs, from smuggling illicit drug shipments into the United States from Mexico. Additionally, drug traffickers are able to easily conceal drug shipments among

1. The total population residing within the Arizona High Intensity Drug Trafficking Area (HIDTA) counties accounts for approximately 90 percent of the total Arizona population. Population numbers are based on U.S. Census annual estimates of population for counties as of July 1, 2007.

2. Between July 1, 2006, and July 1, 2007, the Phoenix metropolitan area experienced a 3.3 percent increase in population and Tucson experienced a 1.9 percent increase. The population residing in the two metropolitan areas (Phoenix and Tucson) accounts for approximately 79 percent (approximately 5 million residents) of the Arizona population. The two major drug market areas within the Arizona HIDTA region are the Phoenix and Tucson metropolitan areas. Population changes are based on U.S. Census annual estimates of population for counties as of July 1, 2007.



the high volume of legitimate cross-border traffic at the region's POEs, creating significant challenges for law enforcement officers. Thousands of private vehicles, commercial tractor-trailers, and pedestrians that cross the U.S.–Mexico border daily provide ideal cover for drug smuggling operations.

The Arizona HIDTA region's location along the U.S.–Mexico border also makes it vulnerable to homeland security issues, some of which support drug trafficking operations. Drug traffickers and other criminal groups engage in activities such as firearms trafficking and alien smuggling along the U.S.–Mexico border in Arizona. Firearms trafficking is a significant threat to the Arizona HIDTA region; many of the firearms used by DTOs in neighboring Mexican states are either obtained in Arizona HIDTA counties or transit the area en route to Mexico. Traffickers use these firearms to protect their smuggling operations from rival smuggling organizations and law enforcement personnel. Alien smuggling is a rising concern to law enforcement officials in the Arizona HIDTA region. Some criminal organizations smuggle aliens and gang members into the United States. These particular individuals typically have extensive criminal records and pose a threat, not only to the Arizona HIDTA region, but also to communities throughout the United States. Alien smuggling organizations reportedly also smuggle aliens from countries other than Mexico, including special interest countries.<sup>3</sup>

## **DRUG THREAT OVERVIEW**

Mexican DTOs are the primary drug-related threat to the Arizona HIDTA region. They regularly smuggle ton quantities of marijuana and multikilogram quantities of cocaine, heroin, and ice methamphetamine from Mexico into the HIDTA region. According to U.S. Customs and

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3. Special interest countries are those designated by the intelligence community as countries that could export individuals who could bring harm to the United States through terrorism.

Border Protection (CBP) officials, more marijuana is seized along the border in Arizona than in any other Southwest Border state; most of this marijuana is seized from Mexican traffickers. Mexican DTOs have established sophisticated and far-reaching drug transportation and distribution networks along the U.S.–Mexico border in Arizona. Most of these networks incorporate operational cells based in communities within Arizona HIDTA counties. Their expansive trafficking networks extend from the Arizona HIDTA region throughout the United States, including to the New England, New York/New Jersey, Southeast, and West Central regions of the country.

Mexican commercial-grade marijuana is the most commonly abused illicit drug in the Arizona HIDTA region. Methamphetamine distribution, abuse, and its related violence pose considerable problems for the region, despite domestic law enforcement initiatives and public awareness campaigns as well as Mexican law enforcement and military operations aimed at dismantling Mexican DTOs, including those that produce and smuggle methamphetamine to the United States. Cocaine and heroin are also abused within the HIDTA region, but to a lesser degree than are marijuana and methamphetamine.

Illicit drug production in the Arizona HIDTA region is limited—small quantities of powder methamphetamine are produced, some cannabis is cultivated, and small amounts of powder cocaine are converted to crack cocaine. The Arizona HIDTA's proximity to Mexico and the abundance of illicit drugs available in Mexico mitigate the need for large-scale drug production in the area.

## **DRUG TRAFFICKING ORGANIZATIONS**

Mexican DTOs and their smuggling operations are firmly entrenched in border communities within the Arizona HIDTA region. Their influence and control over drug trafficking in the region is unrivaled by any other trafficking group. Mexican



DTOs operate sophisticated and widespread drug smuggling, transportation, and distribution networks that extend from Mexico, through Arizona, to many regions of the United States; these networks facilitate the DTOs' transportation and nationwide distribution of large quantities of cocaine, heroin, marijuana, and ice methamphetamine. In addition, many Mexican DTOs operating in the HIDTA region either produce drugs themselves in Mexico or maintain direct connections to organizations that produce illicit drugs in Mexico. Such production capabilities and connections ensure the flow of Mexican marijuana, methamphetamine, and heroin to drug markets within and outside the HIDTA region.

### 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' Association 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.

Caucasian criminal groups, independent dealers, and Jamaican DTOs are active in the Arizona HIDTA region. Prison, street, and outlaw motorcycle gangs (OMGs) also transport and distribute illicit drugs in the region. For instance, the Arizona Department of Public Safety (AZ DPS) Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) reports that the Arizona New Mexican Mafia prison-based gang works cooperatively

with the Barrio Hollywood street gang; both gangs operate in Tucson to transport ton quantities of marijuana into Tucson and Phoenix for distribution throughout the area. GIITEM further reports that East Side Torrance, a Douglas-based street gang, transports wholesale quantities of marijuana from the border and distributes the drugs to members of the West Side Brown Pride street gang in the western part of Phoenix. Moreover, law enforcement reporting reveals that numerous Bloods sets distribute wholesale quantities of marijuana throughout the HIDTA region.

Traffickers in the HIDTA region generally negotiate drug transactions and prearrange meetings with customers using cell phones. Traffickers prefer to conduct business conversations by phones with point-to-point capabilities. Text messaging is also used by traffickers to communicate and arrange meetings between distributors and customers. Traffickers typically use cell phones for a limited period of time before switching to a new phone with a new number to further reduce the possibility of having calls monitored.

## PRODUCTION

Marijuana is produced locally from cannabis cultivated most commonly on public lands in and around the Arizona HIDTA region. Many of these grow sites are located within the Tonto, Coconino, and Prescott National Forests. The Drug Enforcement Administration (DEA) Domestic Cannabis Eradication/Suppression Program (DCE/SP) reports the eradication of 35,227 cannabis plants in the region during calendar year 2007; the plants were confiscated from 30 outdoor and 43 indoor grow sites. Of the total number of plants eradicated in 2007, 23,593 were eradicated from federal public lands.<sup>4</sup>

4. Domestic Cannabis Eradication/Suppression Program (DCE/SP) reporting for 2007 will become the baseline data for the upcoming years. A different methodology was used to collect the State Cannabis Eradication/Suppression Program (SCE/SP) this year, and the data from previous years cannot be compared with the 2007 data.

**Table 1. Methamphetamine Laboratories Seized in the Arizona HIDTA Region, 2002–2008\***

Year	2002	2003	2004	2005	2006	2007	2008*
Number Seized	203	109	97	51	24	10	4

Source: El Paso Intelligence Center National Seizure System.

\*Data current as of May 15, 2008.

Methamphetamine production occurs in the HIDTA region, but it is generally limited to personal use quantities. The number of methamphetamine laboratories in the Arizona HIDTA region has been trending downward for the past several years as a result of legislation regulating the sale of precursor chemicals and the wide availability of Mexican ice methamphetamine. (See Table 1.) Small powder methamphetamine laboratories are occasionally seized by law enforcement officials in the Arizona HIDTA region, but most are capable of producing only an ounce or two per production cycle. In addition to limited local powder methamphetamine production, isolated incidents involving seizures of liquid methamphetamine intended for further processing in the region have been reported by law enforcement. In December 2006, CBP, in conjunction with the DEA Tucson District Office, seized liquid methamphetamine from the gas tank of a private vehicle. In September 2007, CBP effected another seizure of liquid methamphetamine from the gas tank of a private vehicle. CBP officials believe that the liquid methamphetamine was being smuggled from Mexico to the HIDTA region, where it was going to be separated, mixed with hydrogen chloride (HCl), “bubbled,” and then crystallized into ice methamphetamine.

Crack cocaine is regularly converted from powder cocaine by retail-level distributors in urban areas of the region, particularly Phoenix. Distributors convert most crack cocaine at or near distribution sites on an as-needed basis in an attempt to minimize their exposure to the severe penalties mandated for the possession and distribution of crack cocaine.<sup>5</sup>

5. Possession of 5 grams of crack cocaine carries a mandatory minimum sentence, whereas powder cocaine must weigh 500 grams before the mandatory minimum sentence can be imposed.

## TRANSPORTATION

Mexican DTOs control the smuggling of cocaine, marijuana, methamphetamine, and Mexican black tar heroin (MBT) from Mexico into Arizona and continually challenge U.S. law enforcement officers responsible for safeguarding the border. Gatekeepers<sup>6</sup> regulate the drug flow from Mexico across the U.S.–Mexico border into the United States by controlling drug smugglers’ access to areas along the border. Gatekeepers collect “taxes” from smugglers on all illicit shipments, including drugs and illegal aliens, moved through these areas. The taxes are generally paid to the DTO that controls the area; the DTO then launders the tax proceeds. Gatekeepers sometimes resort to extortion, intimidation, and acts of violence to collect taxes from smugglers. Gatekeepers also reportedly bribe corrupt Mexican police and military personnel in order to ensure that smuggling activities occur without interruption.

According to CBP officials, Mexican DTOs smuggle cocaine, methamphetamine, and MBT into Arizona from Mexico through POEs (see Table 2 on page 7); they generally smuggle marijuana between POEs. (See Table 3 on page 7.) Once traffickers have smuggled illicit drug shipments into the United States, across the U.S.–Mexico border into Arizona, they often transport them in the HIDTA region on I-9, which connects directly with Mexican Federal Highway 15 at the Nogales POE.

6. Gatekeepers are smuggling organizations that oversee the transportation of drugs into the United States from Mexico. Gatekeepers generally operate at the behest of a Mexican DTO and enforce the will of the organization through bribery, intimidation, extortion, beatings, and murder.

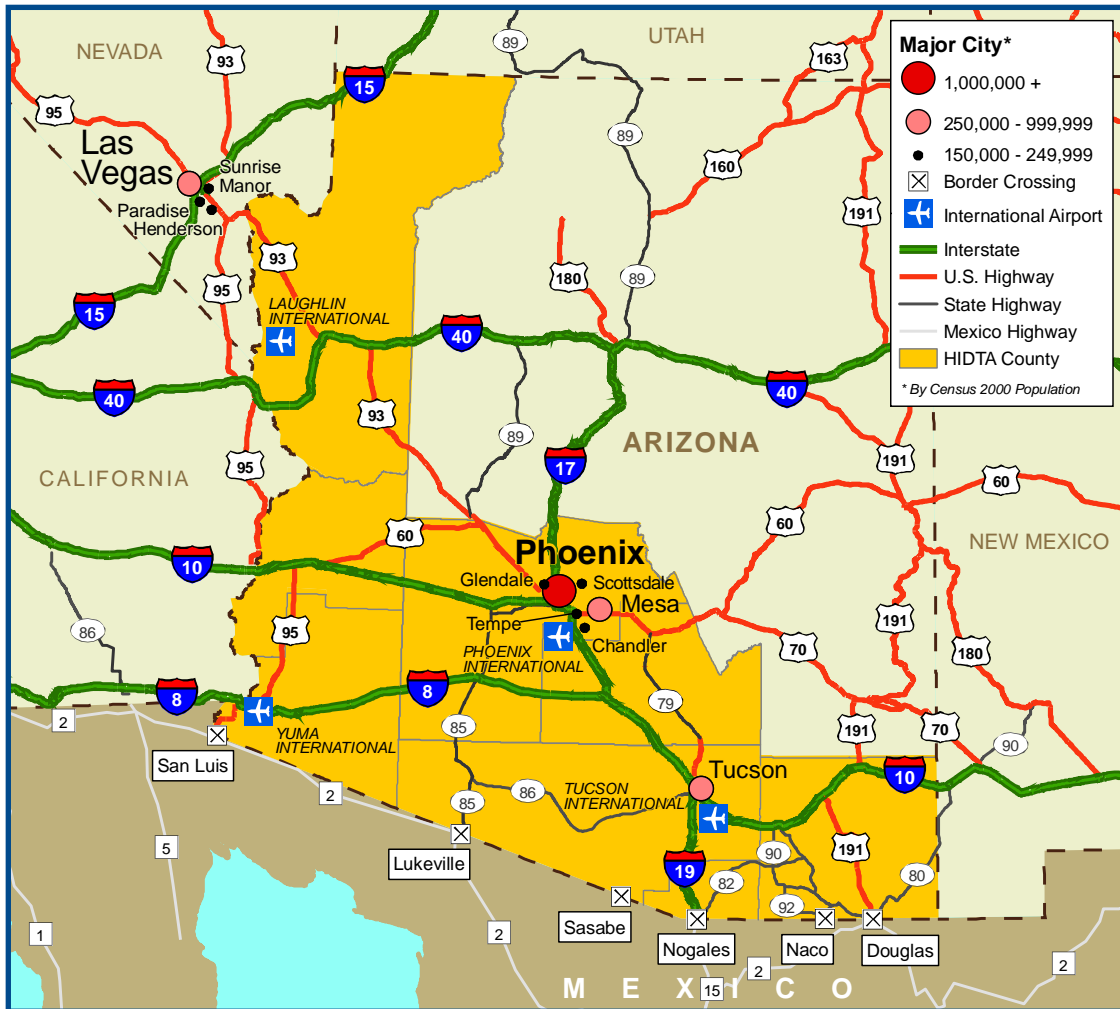


Figure 2. Arizona HIDTA transportation infrastructure.

Mexican DTOs primarily transport wholesale quantities of illicit drugs into Arizona using private and commercial vehicles, often equipped with hidden compartments, using heavily traveled roadways, such as I-10 and I-40. However, Mexican DTOs are increasingly using alternate routes and less traveled roads in an attempt to avoid law enforcement patrols. Traffickers also commonly use other major Arizona highways, including State Routes 80, 82, 85, 90, 92, and 86 to transport illicit drug shipments from the border area to Phoenix and Tucson. (See Figure 2.) Moreover, Mexican traffickers smuggling wholesale quantities of marijuana from Sonora into the Arizona HIDTA region through the Tohono O’odham

Indian Reservation (see Figure 3 on page 13) typically transport illicit drugs north on US 93 to Phoenix for distribution; they also further transport the drugs to Las Vegas, Nevada, and other market areas throughout the country. (See Figure 2.)

Tucson is a primary transshipment area, followed by Phoenix, 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 DTOs transport large quantities of cocaine, heroin, marijuana, and ice methamphetamine from Sonora into Tucson and Phoenix, often storing the drugs at stash sites.

**Table 2. Illicit Drug Seizures at POEs in Arizona, by Drug , FY2002–FY2007**

Year	Cocaine		Heroin		Marijuana		Methamphetamine	
	Number	Pounds	Number	Pounds	Number	Pounds	Number	Pounds
2002	97	4,943	4	10	640	119,622	25	704
2003	91	5,861	1	11	827	132,353	56	2,529
2004	156	10,905	10	294	710	135,308	83	3,304
2005	159	4,597	12	75	521	54,710	100	1,781
2006	153	5,584	27	189	412	47,709	57	884
2007	129	3,966	9	68	566	73,818	51	554

Source: U.S. Customs and Border Protection.

**Table 3. Illicit Drug Seizures Between POEs in Arizona, by Drug , FY2002–FY2007\***

Year	Cocaine		Heroin		Marijuana		Methamphetamine		Firearms**
	Number	Pounds	Number	Pounds	Number	Pounds	Number	Pounds	Number
2002	28	113	5	24	1,198	277,269	33	1	25
2003	40	116	7	17	1,840	383,599	89	29	63
2004	53	882	7	37	2,161	459,328	86	9	52
2005	66	1,206	7	2	2,264	523,816	82	17	54
2006	83	106	6	1	3,876	661,985	142	8	84
2007	47	177	2	42	3,245	874,384	50*	65	65

Source: U.S. Customs and Border Protection.

\*All data (from the El Paso Intelligence Center (EPIC) National Seizure System (NSS), CBP and Arizona HIDTA Operation COBIJA reporting) consistently indicate a decrease in the amount of methamphetamine seized with the exception of CBP data between POEs. One explanation for this anomaly may be that methamphetamine seizures between POEs are occurring within the high-number marijuana shipments rather than single seizures of methamphetamine loads, resulting in an increased volume of methamphetamine seized.

\*\*Seized in same event.

Most illicit drugs transported into Tucson and Phoenix are destined for distribution to markets throughout the nation; however, some are offloaded in either city for local distribution. Mexican traffickers also commonly use national parks, national monuments, and national forests as well as tribal lands located along the U.S.–Mexico border to smuggle illicit drugs into and through the Tucson area.

In addition to smuggling illicit drugs by vehicle, Mexican DTOs smuggle drugs, particularly marijuana, across the U.S.–Mexico border into Arizona by hiring Mexican nationals to carry

smaller loads in backpacks, weighing approximately 50 pounds. The backpackers hike to remote, predetermined locations and either transfer the backpacks to an awaiting trafficker or hide them for later retrieval. The backpackers sometimes hike several days to arrive at predetermined points along the highways. Smuggling attempts frequently take place at night or during periods of limited visibility. DTO scouts or individuals who reside on either side of the border monitor U.S. Border Patrol (USBP) and CBP patrol patterns and determine the best times to conduct illicit drug smuggling operations.



**Table 4. Drugs Seized in Arizona HIDTA Counties, in Pounds, 2005–2007**

Year	Cocaine	Heroin	Marijuana	Methamphetamine
2005	7,750	96	856,836	1,564
2006	6,479	153	897,916	1,229
2007	5,135	157	1,243,189	941
<b>Change from 2006 through 2007</b>	<b>-21%</b>	<b>+2%</b>	<b>+38%</b>	<b>-27%</b>

Source: El Paso Intelligence Center National Seizure System.

Significant quantities of illicit drugs are regularly seized by law enforcement officials in the Arizona HIDTA region (See Table 4). Arizona is the primary arrival zone along the Southwest Border for Mexican marijuana; 42 percent of all marijuana seizures that occurred along the Southwest border took place in the state during 2007. Cocaine and methamphetamine also are smuggled through the region in large quantities; however, NSS data reveal that cocaine seizures in Arizona HIDTA counties decreased approximately 21 percent, and methamphetamine seizures decreased approximately 27 percent between 2006 and 2007. Moreover, seizure data from Operation COBIJA<sup>7</sup> indicate cocaine seizures decreased approximately 27 percent and methamphetamine seizures decreased roughly 6 percent during the same time period. The decrease in the amount of cocaine seized most likely can be attributed to large seizures of the drug while in transit toward Mexico as well as law enforcement operations against Mexican DTOs operating within and outside the United States, including extraditions of key members of Mexican DTOs. The decrease in the amount of methamphetamine seized can most likely be attributed to a decrease in methamphetamine production in Mexico—the probable result of decreases in the availability of pseudoephedrine, the primary precursor chemical used in methamphetamine production. Additionally, NSS and COBIJA seizure data both reveal

an increase in heroin seizures between 2006 and 2007; this increase is likely occasioned by an apparent increase in demand for MBT heroin in East Coast and Great Lakes drug markets rather than an increasing demand for heroin within the HIDTA region.

Traffickers employ subterranean tunnels in their smuggling operations within the HIDTA region, particularly in the Nogales metropolitan area (see Appendix A); the number of tunnels discovered in Arizona is higher than the number discovered in any other Southwest Border state. According to law enforcement officials, many tunnels discovered in the Nogales area utilized the area's intricate system of underground drainage tunnels and sewage and irrigation systems.

The Arizona HIDTA region plays a significant role in the transportation and distribution of illicit drugs from Mexico into and throughout the United States. The Phoenix and Tucson metropolitan areas are national-level transportation and distribution centers for drug trafficking and drug availability within the southwest region, such as California and Texas, as well as throughout the nation, including the New England, Mid-Atlantic, and West Central regions. In addition, smaller border communities such as Douglas, Nogales, and Yuma are significant transshipment and distribution areas for illicit drug shipments primarily destined for the Phoenix and Tucson drug market areas.

7. Operation COBIJA (Spanish for blanket) is an enhanced countermuggling and drug interdiction effort involving personnel from federal, state, and local law enforcement agencies.

## DISTRIBUTION

Mexican DTOs operate wholesale drug distribution networks that extend from Mexico, through the HIDTA region, to drug markets across the United States. Once Mexican DTOs have smuggled cocaine, heroin, marijuana, and methamphetamine shipments into the Arizona HIDTA region, they often store the drugs in stash houses in communities throughout the region, particularly in the Phoenix and Tucson areas. The drugs, after arrival at the stash location, are typically consolidated into larger shipments for further transport to drug market areas throughout the United States or are divided into smaller quantities for distribution within the region. Additionally, drug distributors from throughout the United States often travel to stash sites in the Arizona HIDTA region to obtain illicit drugs for distribution in their home markets, such as in the New England, Mid-Atlantic, and Southeastern regions as well as the Pacific and Great Lakes regions.

Mexican DTOs supply wholesale quantities of cocaine, heroin, marijuana, and methamphetamine, primarily to Mexican, Jamaican, and Caucasian criminal groups as well as prison gangs, street gangs, and OMGs. These groups supply midlevel quantities of illicit drugs to retail distributors—predominantly smaller street gangs and independent dealers in the HIDTA region. Hispanic and African American street gangs dominate retail-level distribution of illicit drugs throughout the Arizona HIDTA region.

## DRUG-RELATED CRIME

Mexican DTOs that operate in Mexico and Arizona often use violence, corruption, and intimidation to maintain their cross-border smuggling routes. According to law enforcement officials, drug-related violence has increased over the past year along the border. Escalating drug-related violence in the Arizona HIDTA region is most likely a result of the retaliation by Mexican DTOs against U.S. law enforcement personnel participating in

heightened counterdrug operations. Within the past year, U.S. law enforcement personnel at the border have experienced assaults by “rocking,” gunfire, Molotov cocktails, vehicular assaults, and physical assaults. Violence directed at law enforcement officers along the border is often intended to deter agents from seizing illicit drug shipments or is used as a diversion to smuggle drug shipments.

Violent conflicts between Mexican DTOs and alien smuggling organizations are also emerging along the U.S.–Mexico border in Arizona. Law enforcement investigation of not only drug trafficking operations but also alien smuggling operations increases the risk of apprehension for drug traffickers, the seizure of drug shipments, and the discovery of drug smuggling routes. As such, drug traffickers are increasingly engaging in violent confrontations—including kidnapping, murder, and theft—with alien smugglers in order to deter them from using established smuggling routes, potentially exposing them to law enforcement scrutiny. In response, as a means of protection alien smugglers, as well as the individuals they are escorting, are carrying weapons to a greater extent.

Compounding the problems posed to the region by drug-related violence, criminals commonly referred to as border bandits, or *bajadores*, conduct armed assaults of both drug and alien smugglers. They typically identify the location of an intended smuggling operation from informants and attack those running the operation in order to steal whatever “load” is being smuggled by the organization—whether currency, drugs, or illegal aliens. A smuggling organization that loses illegal contraband, such as illicit drugs or groups of individuals being smuggled across the U.S.–Mexico border, to *bajadores* usually attempts revenge, occasionally through execution-style homicides. Most *bajadores* are low-level drug traffickers; however, some reportedly work for high-level Mexican DTOs.

Identity theft is a significant concern to law enforcement officers and community leaders throughout the region. Methamphetamine abusers regularly commit 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 2007, the latest year for which such data are available.

Mexican DTOs frequently obtain firearms from Federal Firearms Licensees (FFLs) at U.S. gun shows or pawnshops. They often employ individuals to make purchases for them to insulate themselves from the transaction. DTOs also obtain weapons at gun shows from private individuals, who are legally permitted to sell personal weapons collections without a license and do not need to conduct criminal record checks or file paperwork to document the transaction, and by way of thefts from private residences and gun stores.

## ABUSE

Marijuana is the most widely available and abused illicit drug in the Arizona HIDTA region. Additionally, the distribution and abuse of methamphetamine pose a serious drug-related concern to law enforcement officials because of the drug's widespread availability, highly addictive nature, association with violence, and apparent appeal to youth. According to the 2006 Arizona Youth Survey,<sup>8</sup> the most recent survey of its kind available, 4.3 percent of Arizona teenagers between the ages of 13 and 17 have tried methamphetamine. This figure is almost twice the national average.

Cocaine and heroin are also abused within the HIDTA region, but to a lesser degree than marijuana and methamphetamine. Powder cocaine and crack are readily available in the region as is MBT; these drugs are abused to varying degrees throughout the area.

8. The 2006 Arizona Youth Survey was administered from January through April of 2006 in Arizona public and charter schools. This statewide effort encompassed all 15 counties and 362 schools, which resulted in the participation of 60,401 eighth, tenth, and twelfth grade students throughout Arizona.

## Arizona Meth Project Launched

In response to high levels of methamphetamine abuse within Arizona, the state Attorney General's office launched a media public awareness campaign called Arizona Meth Project (AMP) that targets junior and senior high school students, young adults between the ages of 18 and 24, and parents. The purpose of the campaign is to graphically communicate to potential methamphetamine users the risks of methamphetamine use and to substantially reduce it. Six of the Arizona HIDTA region counties, Cochise, La Paz, Maricopa, Mohave, Pinal, and Yuma, are involved in the media campaign.

Sources: Arizona Attorney General's Office; Arizona Meth Project; Arizona High Intensity Drug Trafficking Area.

## ILLICIT FINANCE

The Arizona HIDTA region's proximity to Mexico and its role in national and regional level drug trafficking render the area a significant money laundering center for Mexican DTOs. Mexican DTOs typically consolidate illicit proceeds generated in the region at stash locations, combine them with funds generated in other regions of the country, and transport the proceeds in bulk to Mexico. They generally smuggle bulk cash in hidden compartments of private and commercial vehicles that are driven through POEs. Mexican DTOs also smuggle bulk currency in commercial and private aircraft, by couriers on passenger bus lines, and through the use of package delivery services. According to the Arizona Attorney General's Office, once bulk cash arrives in Mexico from Arizona, it is often deposited into a Mexican bank and/or a *casa de cambio*<sup>9</sup> and then repatriated to the United States through

9. *Casas de cambio* located in Mexico are nonbank financial institutions (currency exchangers) that provide a variety of financial services and are highly regulated by the Mexican Government. As of March 2007, 24 *casas de cambio* were registered with Mexico's Federal Income Secretary.



electronic wire transfers or bulk cash transportation by armored car or courier services.

Mexican DTOs often launder large sums of illicit drug proceeds through money transmitters throughout the United States. Many wire transmitters send funds to the Southwest Border area, including the Arizona HIDTA region. Once the funds arrive in the HIDTA region, DTO members or accomplices collect the funds and often transport them to local stash houses for consolidation. The funds, in the form of bulk cash shipments, are then smuggled into Mexico. Law enforcement officials report that such wire transfers are common in the region, but that they are occurring less frequently than in previous years. The Arizona Attorney General's Office reports that effective law enforcement efforts that targeted drug and alien traffickers who rely on wire transfers for money laundering purposes forced the traffickers to reroute transfers. Many traffickers now avoid Arizona and electronically wire transfer their drug proceeds to other U.S. destinations or directly to Mexico.

DTOs, gangs, and independent dealers operating in the Arizona HIDTA region also launder illicit proceeds through a variety of other methods. They commonly commingle illicit proceeds with funds from legitimate businesses, such as automobile dealerships, retail stores, real estate companies, and restaurants. These groups or individuals also purchase high-value assets, such as luxury residences and vehicles.

## **PHOENIX AND TUCSON MARKET AREAS**

Two major drug market areas exist in the Arizona HIDTA region, the Phoenix and Tucson metropolitan areas; both serve as transshipment centers for cocaine, heroin, marijuana, and methamphetamine smuggled into the United States from Mexico and are the most noteworthy areas of illicit drug trafficking and abuse in the HIDTA region.

## **PHOENIX**

### **OVERVIEW**

Phoenix, the state capital and county seat of Maricopa County, is a regional and national-level transportation and distribution center for methamphetamine and marijuana and a regional distribution center for cocaine and MBT. The area's well-developed highway system facilitates the shipment of illicit drugs from Mexico to Phoenix for local distribution and transshipment to drug markets throughout the country, including Atlanta, Georgia; Columbia, South Carolina; Columbus, Ohio; Denver, Colorado; Las Vegas, Nevada; Nashville, Tennessee; and Philadelphia, Pennsylvania.

### **PRODUCTION**

Limited drug production occurs in the Phoenix metropolitan area; small powder methamphetamine laboratories and cannabis cultivation sites are occasionally seized by law enforcement and the number of seized methamphetamine laboratories has been decreasing each year since 2002 (see [Table 5 on page 12](#)). Most laboratories seized were capable of producing less than 1 pound of low-quality methamphetamine per production cycle; the methamphetamine produced at these laboratories was intended for personal use or very limited, local distribution, according to law enforcement officials.

Personal-use amounts of marijuana are produced by independent cannabis growers and marijuana dealers at a limited number of outdoor and indoor cannabis grow sites throughout the Phoenix area. According to DCE/SP data, approximately 33,381 outdoor cannabis plants and 1,449 indoor cannabis plants were seized and eradicated by law enforcement officials in Arizona during 2007.



**Table 5. Methamphetamine Laboratories Seized in the Phoenix Drug Market Area, 2002–2008\***

Production	2002	2003	2004	2005	2006	2007	2008*
Under 2 ounces	68	24	15	10	6	3	1
2-8 ounces	11	10	9	8	1	0	2
9 ounces-1 pound	7	4	4	5	0	0	0
2-9 pounds	3	2	0	0	1	0	0
10-19 pounds	1	0	0	0	0	0	0
<b>Total Laboratories</b>	<b>90</b>	<b>40</b>	<b>28</b>	<b>23</b>	<b>8</b>	<b>3</b>	<b>3</b>

Source: El Paso Intelligence Center National Seizure System.

\*Data as of May 15, 2008.

## TRANSPORTATION

Mexican DTOs and other traffickers operating in the Phoenix metropolitan area primarily transport drugs into Phoenix using private and commercial vehicles such as cars, trucks, and tractor-trailers on heavily traveled roadways, such as I-10 and I-40. However, Mexican DTOs are increasingly using alternate routes and less traveled roads in an attempt to avoid law enforcement patrols. Moreover, Mexican traffickers smuggling wholesale quantities of marijuana from Sonora into the Arizona HIDTA region through the Tohono O’odham Indian Reservation (see Figure 3 on page 13) typically transport illicit drugs north on US 93 to Phoenix for distribution; they also further transport the drugs to Las Vegas, Nevada, and other market areas throughout the country. (See Figure 2 on page 6.)

## DISTRIBUTION

Mexican DTOs dominate wholesale drug distribution in and around Phoenix; they supply large quantities of methamphetamine, cocaine, MBT, and marijuana to various street gangs, prison gangs, OMGs, criminal groups, and local independent dealers for retail-level distribution in the Phoenix area. Mexican DTOs also store wholesale quantities of illicit drugs—particularly marijuana

and methamphetamine—at stash locations<sup>10</sup> in the Phoenix area until the drugs can be repackaged and transhipped to other drug markets.

Gangs in Phoenix, while predominantly involved in retail-level drug distribution, are also involved in wholesale and midlevel drug distribution, primarily marijuana distribution. According to GIITEM, Westside Brown Pride (WSBP) from Phoenix works in conjunction with East Side Torrance (EST) from Douglas, Arizona, to transport wholesale quantities of marijuana from the U.S.–Mexico border to WSBP in Phoenix. WSBP redistributes the marijuana to other gangs within the city. The prison-based gang Arizona New Mexican Mafia and the Tucson street gang Barrio Hollywood also distribute large quantities of marijuana in both Phoenix and Tucson. Various Bloods and Crips sets distribute up to hundred-pound quantities of marijuana throughout the Phoenix area.

## DRUG-RELATED CRIME

Much of the violent and property crime in Phoenix is drug- and/or gang-related. According to the Maricopa County Sheriff’s Office, Arizona New Mexican Mafia is being prosecuted for Racketeer Influenced and Corrupt Organizations

10. Secured locations often include rented office space, warehouses, houses, and apartments.

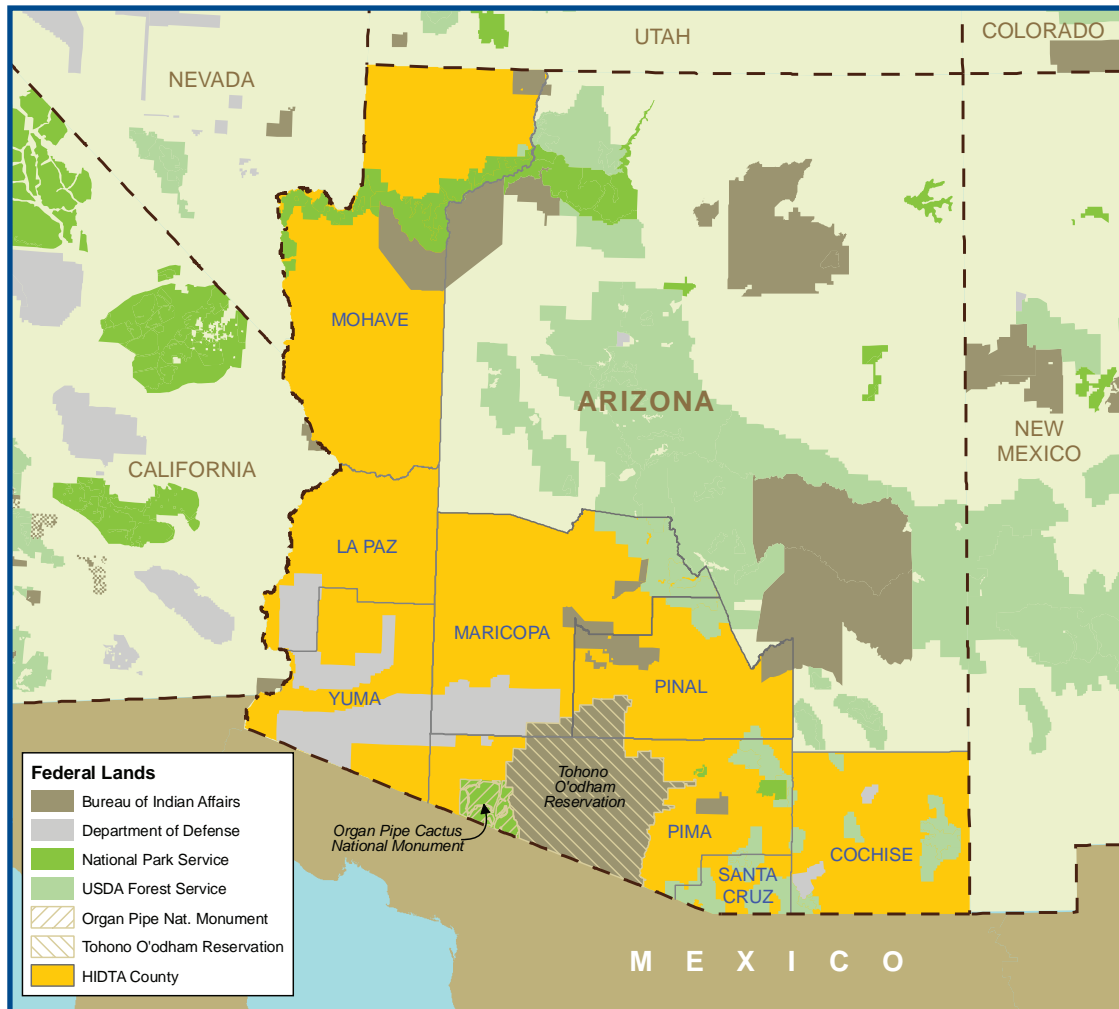


Figure 3. Federal and tribal lands in Arizona.

Act (RICO) offenses and on several state homicide charges. Additionally, Phoenix Police Department officials indicted 43 members of the Westside City Crips on RICO charges in March 2008. Additionally, the Westside City Crips and other African American street gangs, such as Vista Bloods and Park South Crips, have been increasingly committing home invasions over the past year throughout the Phoenix area. Moreover, African American street gangs in Phoenix are increasingly engaging in intergang violence.

## TUCSON

### 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; the city is located only 65 miles from the U.S.–Mexico border and is situated near the Tohono O’odham Indian Reservation, the Coronado National Forest, and Organ Pipe Cactus National Monument—vast tracts of remote land commonly used by Mexican DTOs to transport illicit drugs into and through Arizona. Tucson’s



proximity to the U.S.–Mexico border and its access to major interstates and secondary highways render it a key Southwest Border distribution center and stash location.

### PRODUCTION

Drug production is minimal in the Tucson metropolitan area; however, law enforcement officials occasionally seize small-scale methamphetamine laboratories. In 2007, only one methamphetamine laboratory was seized in Pima County; it was capable of producing only personal-use quantities of low-quality methamphetamine. Additionally, independent dealers cultivate cannabis at indoor and outdoor grow sites in the Tucson area; only limited, personal-use quantities of marijuana are produced at such sites.

### TRANSPORTATION

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 DTOs transport large quantities of cocaine, heroin, marijuana, and ice methamphetamine from Sonora into the city, often storing the drugs at stash sites. Most illicit drugs transported into Tucson are destined for distribution to markets throughout the nation; however, some are offloaded in Tucson for distribution in the city. Mexican traffickers also commonly use national parks, national monuments, and national forests as well as tribal lands located along the U.S.–Mexico border to smuggle illicit drugs into and through the Tucson area.

### DISTRIBUTION

Mexican DTOs dominate wholesale drug distribution in and around Tucson; they supply large quantities of methamphetamine, cocaine, MBT, and marijuana to various street gangs, prison gangs, OMGs, criminal groups, and local independent dealers for retail-level distribution. Mexican DTOs also store wholesale quantities of

illicit drugs—particularly marijuana and methamphetamine—at stash locations in the Tucson area pending distribution to markets outside the HIDTA region. They use stash houses to consolidate bulk cash shipments destined for Mexico.

Gangs in Tucson, while predominantly involved in retail-level drug distribution, are also involved in wholesale and midlevel drug distribution, primarily marijuana distribution. According to GIITEM, the largest street gang in Tucson, Barrio Hollywood, works with the Arizona New Mexican Mafia to transport large amounts of marijuana from the U.S.–Mexico border to Tucson and Phoenix for distribution in the cities.

### DRUG-RELATED CRIME

Drug-related crime poses a considerable threat to Tucson; most is committed by street gangs involved in drug distribution within the city. For instance, the Arizona New Mexican Mafia “taxes” other street gangs that distribute illicit drugs in Tucson; if a street gang does not pay the “tax,” violent retribution usually ensues. Additionally, African American street gangs, such as Bloods and Crips sets, are increasingly conducting home invasions in the Tucson area—home invasions were previously the domain of Hispanic street gangs. Moreover, street gangs in the area are engaging in a rising level of intergang rivalry, including violent offenses against each other.

### OUTLOOK

The Arizona HIDTA region’s position as the principal U.S. arrival zone for Mexican marijuana will persist. Mexican DTOs active in the HIDTA region maintain large-scale cannabis grow sites in Mexico and have direct connections to organizations in Mexico that provide a ready supply of marijuana. Such production capabilities and connections ensure that the flow of Mexican marijuana will continue, despite law enforcement seizures of large quantities of marijuana in the United States and Mexico.

The availability of methamphetamine in the Arizona HIDTA region may remain below previous levels for the near term. Continuing law enforcement pressure on Mexican DTOs in both the U.S. and Mexico will likely force Mexican DTOs to alter their methamphetamine smuggling operations in the region. Additionally, enhanced import and chemical control restrictions in Mexico will hinder the production of methamphetamine in the short term until DTOs find alternative precursor sources or alternative production methods.

The use of subterranean tunnels may increase. These tunnels are a viable method for Mexican DTOs to avoid apprehension by law enforcement and military officials particularly in the Nogales, Arizona, area because of the intricate structure of subterranean water, sewage, and drainage systems.



## Appendix A.

**Table 1. Tunnels Discovered Along the U.S.–Mexico Border in Arizona, 2005 Through January 8, 2008**

Tunnel Name	Location	Discovery Date	Comments
Nogales No. 17	Nogales, AZ Nogales, Sonora, Mexico	March 1, 2005	Border Patrol agents discovered the incomplete tunnel 100 yards west of the Nogales POE. The tunnel was constructed using wood and steel support beams.
Nogales No. 18	Nogales, AZ Nogales, Sonora	March 15, 2005	A Border Patrol fence-welding crew discovered an incomplete tunnel while drilling a fencepost hole. It appeared that the intended exit would have been in nearby warehouses.
Nogales No. 19	Nogales, Sonora	August 1, 2005	Mexican authorities discovered the completed tunnel, which passed under a plaza and reached a vault that extended into the United States.
Nogales No. 20	Nogales, AZ	October 29, 2005	Border Patrol agents discovered the incomplete tunnel near a pedestrian checkpoint when a small portion of the tunnel collapsed.
Nogales No. 21	Nogales, AZ	October 31, 2005	Border Patrol agents discovered that the tunnel was a new branch of a previous tunnel discovered on December 11, 2001.
Nogales No. 22	Nogales, AZ	March 2, 2006	The Border Patrol bike unit discovered an incomplete tunnel in the storm drain on the south side of the interstate.
Nogales No. 23	Nogales, AZ	March 4, 2006	Mexican officials located an incomplete tunnel in a house located in Nogales, Sonora, while investigating another house allegedly owned by a Mexican drug trafficker.
Nogales No. 24	Nogales, AZ	January 6, 2007	This tunnel was discovered when a contractor broke through a concrete driveway with a jackhammer, causing the ground to collapse and reveal the tunnel.
Nogales No. 25	Nogales, AZ	January 10, 2007	Border Patrol agents discovered a tunnel that was being dug at an abandoned house.
Nogales No. 26	Nogales, AZ	February 8, 2007	General Service Administration employees discovered this incomplete tunnel while filling a previously discovered tunnel.
Nogales No. 27	Nogales, AZ	April 19, 2007	Border Patrol agents discovered a tunnel opening under the kitchen cabinets of an apartment.
Nogales No. 28	Nogales, AZ	June 28, 2007	Immigration and Customs Enforcement (ICE) and DEA, working with Mexican authorities, discovered a completed tunnel in an apartment in Nogales, Sonora, Mexico. The U.S. opening was found in a utility room beneath a piece of plywood weighted down with sandbags.

*(Table continued from previous page.)*

**Table 1. Tunnels Discovered Along the U.S.–Mexico Border in Arizona, 2005 Through January 8, 2008**

Nogales No. 29	Nogales, AZ	June 29, 2007	A Border Patrol canine unit discovered the completed tunnel in a warehouse after agents requested assistance from the Nogales Police Department.
Nogales No. 30	Nogales, AZ	July 11, 2007	DEA agents discovered the completed tunnel just inside the door of an apartment in Nogales, AZ, subsequent to an investigation.
Nogales No. 31	Nogales, AZ	July 29, 2007	Border Patrol agents discovered the completed tunnel during patrolling.
Nogales No. 32	Nogales, AZ	September 7, 2007	DEA provided information to Mexican authorities that resulted in the discovery of an incomplete tunnel in Nogales, Sonora.
San Luis No. 1	San Luis, AZ	September 17, 2007	Border Patrol agents discovered the incomplete tunnel after a water truck sank 4 ft. into the ground about 50 yd. north of the U.S.–Mexico border.
Nogales No. 33	Nogales, AZ	September 23, 2007	Border Patrol agents found the tunnel after POE inspectors reported a sink hole at the curb.
Nogales No. 34	Nogales, AZ	October 3, 2007	A Border Patrol agent discovered the completed tunnel about 75 ft. from a pedestrian POE.
Nogales No. 35	Nogales, AZ	December 2, 2007	Border Patrol agents discovered the completed tunnel while checking storm drain grates.
Nogales No. 36	Nogales, AZ	December 11, 2007	Border Patrol agents discovered the completed tunnel subsequent to suspicious activity reported by a member of the Arizona National Guard.
Nogales No. 37	Nogales, AZ	December 18, 2007	The Santa Cruz Metro Task Force discovered the completed tunnel in a residence in Nogales, AZ. The exit was in the kitchen floor.
Nogales No. 38	Nogales, AZ	January 16, 2008	This tunnel consisted of three short tunnels connected to approximately 250 ft. of storm drain to create one continuous passage.

Source: Department of Homeland Security, Master List of Border Tunnels, as of January 31, 2008.



## SOURCES

### Local, State, and Regional

Arizona Attorney General's Office  
Arizona Counter Narcotics Alliance  
Cochise County Sheriff's Office  
Cochise County Attorney's Office  
Maricopa County Sheriff's Office  
Phoenix Police Department  
Pima County Sheriff's Department  
Sierra Vista Police Department  
State of Arizona  
    Arizona Criminal Justice Commission  
    Department of Corrections  
    Department of Public Safety  
        Gang and Immigration Intelligence Team Enforcement Mission  
        Gang Interdiction Unit  
    Joint Drug Intelligence Group  
Tucson Police Department

### 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  
                        Arizona HIDTA Methamphetamine Group  
    Office of State and Local Affairs  
U.S. Department of Commerce  
    U.S. Census Bureau  
U.S. Department of Defense  
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 the Interior  
    Bureau of Indian Affairs  
    Bureau of Land Management  
    U.S. Fish and Wildlife Service  
    U.S. Forest Service  
    U.S. National Park Service



U.S. Department of Justice  
Criminal Division  
Organized Crime Drug Enforcement Task Force  
Drug Enforcement Administration  
Domestic Cannabis Eradication/Suppression Program  
El Paso Intelligence Center  
National Seizure System  
Phoenix Field Division  
Federal Bureau of Investigation  
U.S. Department of the Treasury  
Bureau of Alcohol, Tobacco, Firearms and Explosives  
U.S. Federal Trade Commission  
U.S. Government Accountability Office  
U.S. House of Representatives  
House Committee on Homeland Security  
Subcommittee on Investigations  
Minority Staff of the Committee on Homeland Security

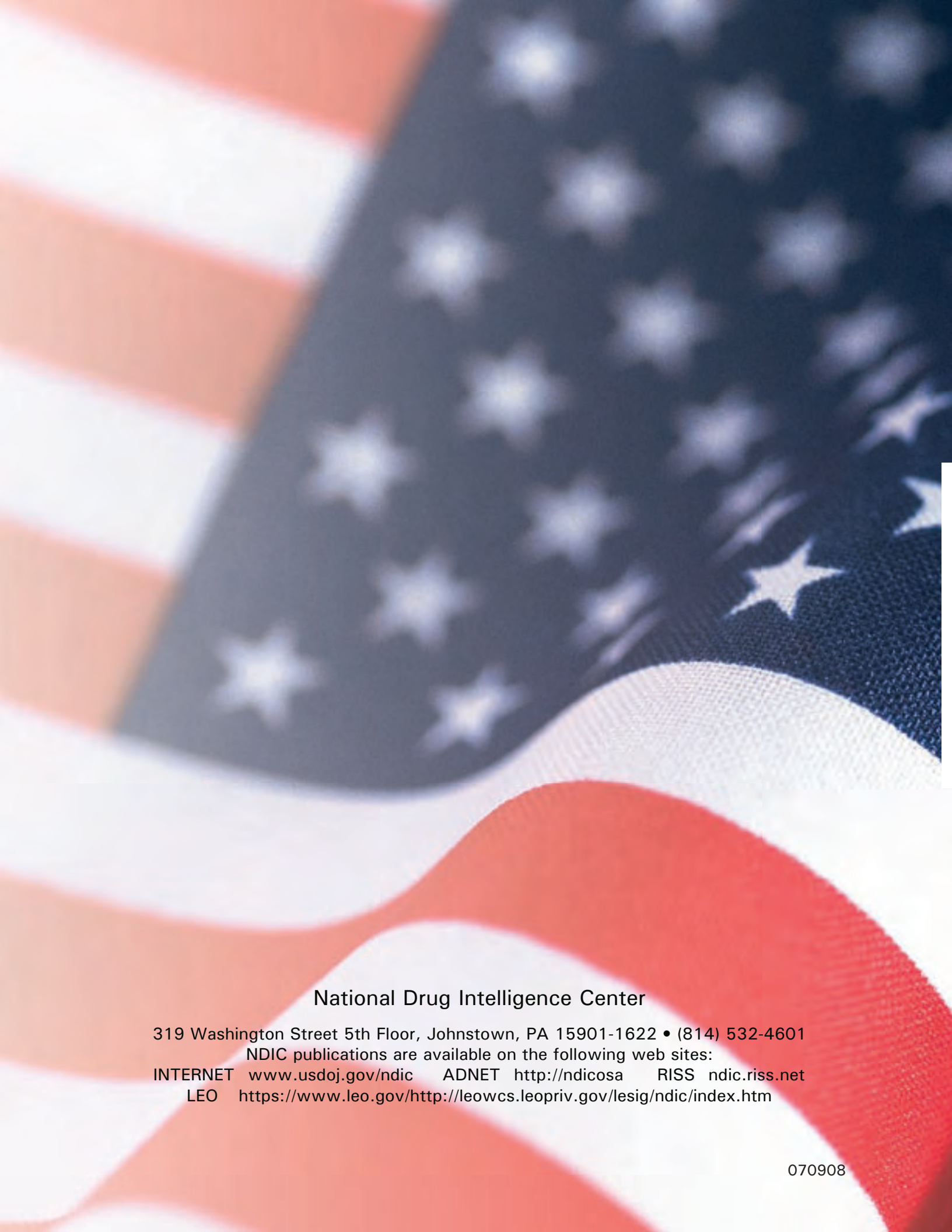
**Other**

*Arizona Daily Star*  
*Arizona Republic*  
*Business Journal*  
*Imperial Valley News*  
*International Herald Tribune*  
National Association of Counties  
*Payson Roundup*  
Trans-Border Institute of San Diego University  
*Washington Times*



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