



**Drug Market Analysis**

**2008**

**South Florida**

**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 South Florida 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 South Florida HIDTA.

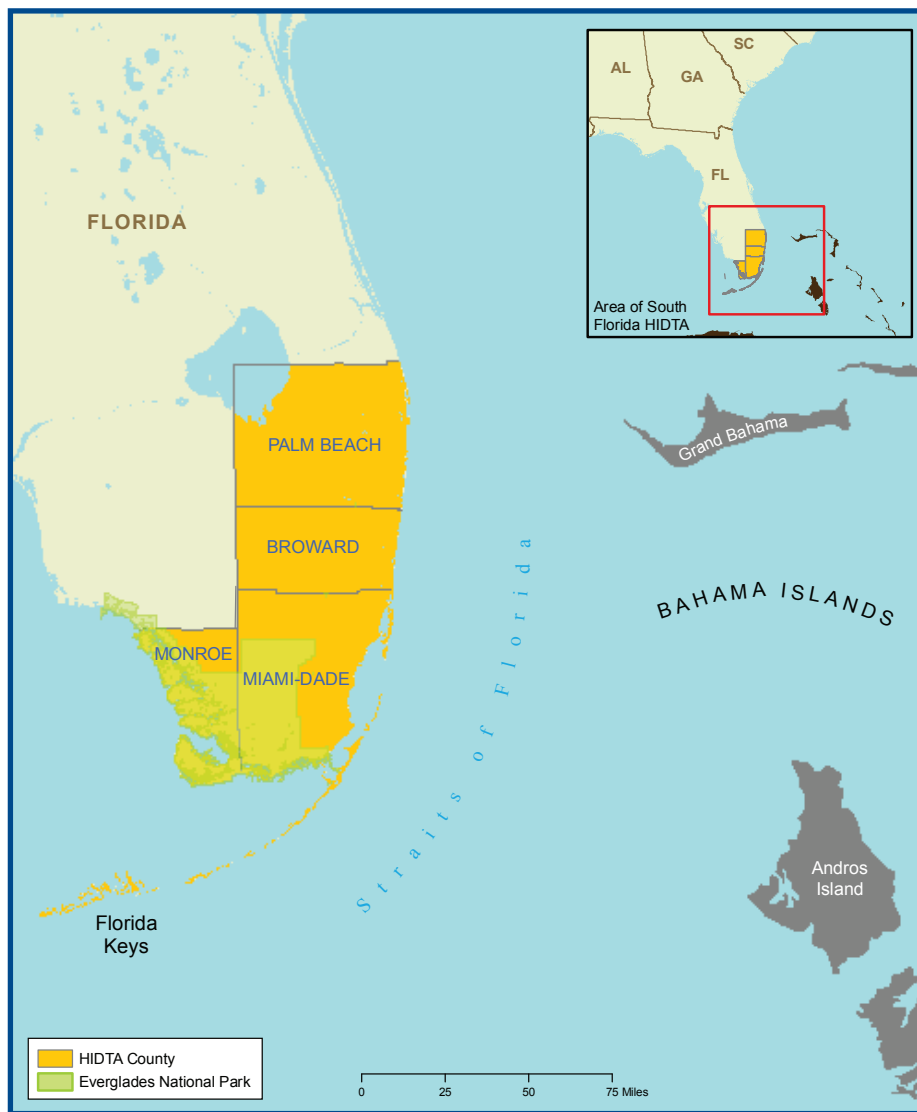


Figure 1. South Florida High Intensity Drug Trafficking Area.



### STRATEGIC DRUG THREAT DEVELOPMENTS

- Colombian and Mexican drug trafficking organizations (DTOs) are increasingly collaborating to transport and distribute cocaine and to launder illicit drug proceeds in the South Florida HIDTA region.
- Demand for high-potency marijuana is increasing in the region, leading various traffickers, including Caucasian and Cuban criminal groups, to cultivate increasing quantities of cannabis at indoor grow sites in South Florida. According to Domestic Cannabis Eradication/Suppression Program (DCE/SP) data, the number of cannabis plants eradicated from indoor grow sites in the region increased almost 81 percent between 2005 and 2007.
- The South Florida HIDTA region has emerged as a source for diverted pharmaceutical drugs distributed in areas of the eastern United States, including Alabama, Georgia, and North Carolina. Distributors and abusers often travel to the region to obtain diverted pharmaceutical drugs from distributors of various races/ethnicities and pain management clinics; they also use the Internet to order pharmaceuticals from Florida-based Internet pharmacies.
- Heroin abuse, while at low levels, is rising in the South Florida HIDTA region, particularly among young Caucasians who previously abused prescription narcotics. Public health officials attribute this, in large part, to the lower price of heroin as compared with prescription narcotics, particularly OxyContin.

### HIDTA OVERVIEW

The South Florida HIDTA encompasses Broward, Miami-Dade, Monroe, and Palm Beach Counties. (See Figure 1 on page 1.) The region

is a principal U.S. arrival zone<sup>1</sup> for powder cocaine and South American (SA) heroin; it is also a distribution center for powder cocaine, SA heroin, marijuana, and pharmaceutical drugs intended for distribution throughout the eastern United States, including drug markets in Alabama, Connecticut, Georgia, Kentucky, Maryland, Massachusetts, New Jersey, New York, and North Carolina. The South Florida HIDTA region also is a significant money laundering area used by traffickers throughout the country because of its sophisticated financial infrastructure and extensive international banking community.

The South Florida HIDTA region consists of a racially/ethnically diverse population and possesses a varied economy based on tourism, manufacturing, import/export businesses, banking, and information technology.<sup>2</sup> As such, U.S. citizens and foreign nationals are attracted and often relocate to the South Florida HIDTA region. Moreover, many foreign nationals and/or immigrants in the region come from drug source or transit countries such as Colombia, the Dominican Republic, Haiti, Jamaica, and Venezuela. Consequently, the region's demographic and economic diversity easily enables DTOs of various races/ethnicities to blend with and exploit the local population.

The South Florida HIDTA region has a highly developed transportation infrastructure composed of seaports, airports, and roadways, such as Interstates 75 and 95, that link it to drug source and transit areas as well as major eastern U.S. drug markets. (See Figure 2 on page 8.) DTOs routinely exploit this infrastructure to transport illicit drugs into, through, and from the region to other drug markets in Florida and the eastern United States.

1. U.S. arrival zones are land, air, and maritime entry points along the borders of and within the United States, the U.S. Virgin Islands, and Puerto Rico.

2. According to U.S. Census Bureau data from 2000 (the latest year for which such data are available), Caucasians account for 45 percent of the South Florida High Intensity Drug Trafficking Area (HIDTA) population, followed by Hispanics (34%), African Americans (18%), and other races (3%).



## DRUG THREAT OVERVIEW

Cocaine trafficking and abuse pose the most significant drug-related threat to the South Florida HIDTA region. According to the National Drug Intelligence Center (NDIC) National Drug Threat Survey (NDTS) 2007, 24 of the 31 local law enforcement agency respondents in the South Florida HIDTA identified cocaine as the greatest drug threat in their jurisdictions. Additionally, law enforcement officials often associate high levels of violence and property crime in the region with the distribution and abuse of cocaine, particularly crack cocaine.

The production and distribution of marijuana also pose a significant threat to the South Florida HIDTA region. Marijuana is widely available throughout the HIDTA region and is abused by members of all racial/ethnic and social groups. Most of the marijuana available in the region is produced locally at indoor and, to a lesser extent, outdoor grow sites. Significant quantities of marijuana available in the region also are produced in Jamaica and Mexico and transported to the area by various traffickers. The demand for high-potency marijuana is increasing in the region, as is the number of indoor cannabis cultivation sites that produce the drug.

The diversion, distribution, and abuse of pharmaceutical drugs are of serious concern to law enforcement and public health officials throughout the HIDTA region. Florida medical examiner data reveal that more drug-related deaths are typically associated with the abuse or improper use of pharmaceutical drugs than those associated with the abuse of other drugs, including cocaine or heroin. Prescription narcotics, mainly OxyContin (oxycodone) and Vicodin (hydrocodone) are widely abused in the region. Central nervous system (CNS) depressants, including benzodiazepines such as Xanax (alprazolam), and steroids also are available and abused. Pharmaceutical drug abusers are enticed in part by the ease with which they can obtain the drugs over the Internet from retail-level distributors and

abusers or pain clinics. Moreover, distributors and abusers from markets in other areas of the country, including Alabama, Georgia, and North Carolina, often travel to the region to purchase diverted pharmaceutical drugs from various distributors and pain management clinics; they also use the Internet to order pharmaceuticals from Florida-based Internet pharmacies.<sup>3</sup>

SA heroin, methamphetamine, and other dangerous drugs (ODDs), primarily MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy), pose varying levels of threat to the South Florida HIDTA region. Most of the heroin transported into the HIDTA region is further transported to drug markets in the eastern states, such as Maryland and New Jersey; some of the heroin remains in southern Florida to meet the limited local demand for the drug. Heroin abuse had been largely confined to an established population of Hispanic long-term heroin abusers in the region; however, heroin abuse is increasing among Caucasian prescription narcotic abusers. Methamphetamine availability and abuse are low in the region; demand is satisfied with Mexican ice methamphetamine distributed by local independent dealers who have ties to Atlanta-based Mexican DTOs. According to National Seizure System (NSS) data, no methamphetamine laboratories were reported seized in the region as of June 12, 2008, no methamphetamine laboratories were seized in 2007, and only three methamphetamine laboratories were seized through 2006 and 2005. The availability and abuse of ODDs, principally MDMA, are at stable levels; however, law enforcement seizures of MDMA have declined in the region over the past year.<sup>4</sup>

3. The full extent of prescription drug sales from Florida-based Internet pharmacies is an intelligence gap.

4. The reason for the decline in MDMA seizures is an intelligence gap.



### DRUG TRAFFICKING ORGANIZATIONS

Colombian DTOs and criminal groups in the South Florida HIDTA region control the movement of cocaine and SA heroin from source, staging, and transit areas in Colombia, Mexico, and Venezuela to South Florida, often at the behest of Colombian DTOs based in Colombia; they also facilitate the transportation of cocaine to Europe. Colombian DTOs dominate the wholesale distribution of cocaine and SA heroin in the South Florida HIDTA region; they also are the region's principal money launderers. Colombian DTOs rely heavily on Caribbean-based DTOs and criminal groups, including Bahamian, Dominican, Puerto Rican, and Venezuelan groups, to transport cocaine and heroin from South America to the region, generally through transit areas in the Caribbean; they typically pay these organizations with drugs or money. In addition, the Drug Enforcement Administration (DEA) Miami Field Division reports that Colombian DTOs are working closely with Mexican DTOs to coordinate the transportation of powder cocaine from Colombia through Central America and Mexico into the United States, and eventually into southern Florida.

Cuban DTOs<sup>5</sup> and criminal groups distribute marijuana, powder cocaine, SA heroin, and MDMA in the South Florida HIDTA region. They also operate numerous indoor high-potency cannabis grow sites in the area. Cuban traffickers in the region are typically affiliated in loosely organized criminal groups. However, some law enforcement officials in Florida and other southeastern states have identified more structured Cuban DTOs operating in their jurisdictions that engage in the production and distribution of high-potency marijuana.

5. Cuban drug trafficking organizations (DTOs) are composed of individuals of Cuban descent and ethnic Cubans located in the United States.

### 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.

Mexican DTOs transport and distribute powder cocaine, heroin, Mexican methamphetamine, and Mexican commercial-grade marijuana in the South Florida HIDTA region. They also facilitate the transportation of powder cocaine into the region on behalf of Colombian DTOs. Mexican DTOs are most concentrated in Broward and Palm Beach Counties. They typically obtain illicit drugs from Mexican DTOs in Atlanta, Georgia, or southwestern states.

Other DTOs and criminal groups of various races/ethnicities, including African American, Caucasian, and Jamaican, distribute illicit drugs at the midlevel and retail level in the South Florida HIDTA region. These traffickers often obtain powder cocaine and heroin from Colombian DTOs and ice methamphetamine and Mexican commercial-grade marijuana from Mexican DTOs. African American criminal groups generally distribute cocaine, heroin, marijuana, and limited quantities of pharmaceutical drugs and MDMA. Caucasian criminal groups distribute cocaine, marijuana, methamphetamine, pharmaceutical drugs, and ODDs. Jamaican DTOs transport and distribute cocaine and marijuana.

Street gangs, both local and nationally affiliated, are involved in drug distribution in many areas of southern Florida; outlaw motorcycle gangs (OMGs) also distribute limited quantities of illicit drugs at the retail level. Local street gangs, such as 112 Avenue Boys, Baby Demons, and Davie Boys, and national street gangs, including Latin Kings, Mara Salvatrucha (MS 13), and Sureños 13 (Sur 13), distribute powder and crack cocaine and marijuana as well as lesser quantities of heroin, methamphetamine, MDMA, and pharmaceutical drugs. Street gang activity is prevalent among African American and Hispanic youths in the region. Local street gangs commonly adopt multiple facets of gang culture from national-level street gangs, often by observing them over the Internet, rather than through direct contact with the national-level gangs. Most street gangs in the region are violent and operate in a defined area, or turf. Most gang-related violence is a result of significant rivalries or disputes over drug territories among street gangs; however, some gang violence is directed at members of the same gang over theft and jealousy. The level of drug distribution by OMGs is generally low in the region; however, some OMGs distribute limited quantities of cocaine, heroin, marijuana, methamphetamine, ODDs, and diverted pharmaceuticals at the retail level. Outlaws is the preeminent OMG operating in the region.

## **PRODUCTION**

Most of the marijuana available in the South Florida HIDTA region is produced locally at indoor and, to a lesser extent, outdoor cannabis grow sites; marijuana available in the region is also produced in Jamaica and Mexico. Indoor cannabis cultivation is prevalent throughout Florida, including in the South Florida HIDTA region. According to DCE/SP data, approximately 74,698 cultivated cannabis plants were eradicated from 944 indoor grow sites and roughly 9,116 cultivated plants were eradicated from 263 outdoor plots in Florida during 2007; approximately 42 percent of the indoor plants eradicated in 2007 (31,679)

were eradicated from the South Florida HIDTA region.<sup>6</sup> Moreover, DCE/SP data reveal that the total number of eradicated indoor cannabis plants increased from 2005 through 2007 in the region. (See Table 1 on page 6.) The Florida Department of Law Enforcement further reports that marijuana producers are increasingly moving cannabis cultivation operations indoors to avoid law enforcement detection and to increase the quality of the marijuana being produced. The controlled environment of indoor grow sites, combined with sophisticated growing techniques such as hydroponics, typically yields high-potency marijuana, which commands higher prices.<sup>7</sup> For example, the wholesale price for commercial-grade marijuana in Miami ranged from \$650 to \$1,200 per pound in 2007, while the wholesale price for hydroponic marijuana ranged from \$3,500 to \$4,000 per pound, according to DEA Miami Division. Moreover, indoor cannabis operations can be conducted year-round, yielding four to six harvests per year, compared with the two harvests per year that are typical for outdoor cultivation. As a result, Florida House Bill 0173 was presented for signature to the governor on June 11, 2008, addressing the increasing use of residences for high-potency cannabis cultivation.<sup>8</sup>

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6. Domestic Cannabis Eradication/Suppression (DCE/SP) changed the methodology for collecting data in 2007 by adding eradication totals from public land agencies. Therefore, 2007 data from outdoor operations cannot be compared with previous years' data.

7. According to the Florida Department of Law Enforcement, the THC (delta-9-tetrahydrocannabinol) quantifications of marijuana samples submitted to the University of Mississippi Potency Monitoring Project by federal, state, and local law enforcement officials in 2006 (the latest year for which such data are available) indicate that marijuana produced in Florida had an average THC content of 7.73 percent; Drug Enforcement Administration (DEA) Miami Division submitted samples with the highest THC levels in the state that year (21.26%).

8. Florida House Bill 0173 prohibits the cultivation of cannabis for specified purposes and prohibits owning, leasing, or possessing a place, structure, or trailer, or other described place with the knowledge that it will be used to manufacture, sell, or traffic in a controlled substance and provides that possession of 25 or more cannabis plants is prima facie evidence of intent to sell or distribute.



**Table 1. Indoor Cannabis Cultivation Sites Seized and Plants Eradicated in South Florida HIDTA Counties, 2005–2007**

HIDTA County	2005		2006		2007	
	Sites Seized	Plants Eradicated	Sites Seized	Plants Eradicated	Sites Seized	Plants Eradicated
Broward	31	2,669	33	3,021	30	1,906
Miami-Dade	157	12,016	206	15,749	382	26,019
Monroe	5	501	0*	0*	2	27
Palm Beach	29	2,356	26	1,938	36	3,727
<b>Total HIDTA</b>	<b>222</b>	<b>17,542</b>	<b>265</b>	<b>20,708</b>	<b>450</b>	<b>31,679</b>
<b>Total Florida</b>	<b>367</b>	<b>43,727</b>	<b>480</b>	<b>36,172</b>	<b>944</b>	<b>74,698</b>

Source: Domestic Cannabis Eradication/Suppression Program.  
 \*Monroe County did not participate in the program in 2006.

Various DTOs and criminal groups operate indoor cannabis cultivation sites in the South Florida HIDTA region; however, law enforcement reporting reveals that a large percentage are controlled by Cuban growers. Law enforcement reporting further reveals that Cuban growers have expanded their indoor cannabis operations to other parts of Florida as well as areas of the southeast, such as Georgia and North Carolina. Moreover, intelligence derived from recent law enforcement investigations reveals that over the past several years, indoor cannabis cultivation by Cuban growers has advanced from small grow sites to large, highly profitable operations. Many indoor grow sites in the South Florida HIDTA region, including those operated by Cuban growers, are located in residential homes. Cuban growers often recruit illegal immigrants of various races and ethnicities to live in residential grow sites to cultivate cannabis and to provide the appearance of typical activity in the home. Law enforcement officials report that some Cuban growers force illegal immigrants to reside at grow houses and oversee their operations as payment for their illegal passage into the United States, which is generally provided by Cuban criminal organizations affiliated with the growers.

### Operation D-Day

On May 1, 2008, the U.S. Attorneys Office for the Southern District of Florida announced preliminary results of a coordinated law enforcement effort aimed at dismantling suspected indoor hydroponic cannabis grow houses throughout Florida. The operation, coordinated by the South Florida HIDTA in conjunction with the Central Florida and North Florida HIDTAs and supported by numerous law enforcement agencies, conducted coordinated raids of high-potency cannabis grow houses in 48 Florida counties. The primary goal of this operation was to combat the rise in hydroponic cannabis grow operations in Florida, particularly those that are operated as organized criminal enterprises and have been linked to violent crimes, including home invasions, armed robberies, kidnappings, arsons, and homicides. This operation resulted in 135 arrests and the seizure of 9,249 cannabis plants from more than 150 houses used to produce high-potency marijuana. Participating officials in the South Florida HIDTA region made 74 arrests and seized over 3,400 cannabis plants from 74 grow houses. The resulting cases will be prosecuted by local and federal authorities.



Powder cocaine is converted into crack throughout the region. This trafficking activity is a serious concern to law enforcement officials, as it is frequently associated with high levels of abuse, property crime, and related violence. Retail-level crack cocaine distributors, generally members of local street gangs, convert powder cocaine to crack near intended markets; the crack is distributed on an as-needed basis, typically in ounce quantities.

## TRANSPORTATION

The South Florida HIDTA region is a principal U.S. arrival zone for cocaine and SA heroin; it is also a distribution center for powder cocaine, SA heroin, marijuana, and pharmaceutical drugs intended for distribution throughout the eastern United States. As such, traffickers use numerous methods and means of conveyance to transport illicit drugs into, through, and from the South Florida HIDTA region.

Drug traffickers commonly transport illicit drugs into, through, and from the South Florida HIDTA region in private and commercial vehicles traveling on interstate, state, and local roadways; they often conceal significant quantities of illicit drugs in hidden compartments or in shipments of legitimate goods. For instance, Mexican DTOs transport large quantities of powder cocaine, heroin, Mexican commercial-grade marijuana, and Mexican ice methamphetamine into the region from Atlanta and Southwest Border states using private and commercial vehicles on I-75 and I-95; these DTOs also transport drug proceeds back to the Southwest Border using the same means. Additionally, Colombian DTOs employ couriers, including members of Cuban, Dominican, Puerto Rican, and Venezuelan DTOs and criminal groups, to transport SA heroin and cocaine from the South Florida HIDTA region to markets in central Florida and eastern states, such as Massachusetts and New York, by vehicle.

DTOs also transport large quantities of illicit drugs, particularly powder cocaine, marijuana,

and SA heroin, into and from the South Florida HIDTA region on commercial flights transiting the Miami International Airport and the Fort Lauderdale-Hollywood International Airport. According to NSS data, law enforcement officials seized 417 kilograms of powder cocaine, 118,200 milliliters of liquid cocaine, 388 kilograms of marijuana, and 77 kilograms of heroin at the Miami International Airport and Fort Lauderdale-Hollywood International Airport in 2007; the majority of these drugs were seized at the Miami International Airport.

A number of DTOs and criminal groups transport cocaine, SA heroin, marijuana, and MDMA into the region using maritime means such as container ships, cruise ships, commercial fishing vessels, and recreational vessels. For example, on January 18, 2008, the U.S. Coast Guard intercepted the *Black Widow*, a recreational vessel loitering almost 2 miles off the coast of Port Everglades in Broward County. Coast Guard personnel boarded the vessel, which was occupied by two Bahamian nationals, and seized more than 2,000 pounds of suspected marijuana and approximately 9 kilograms of cocaine. The U.S. Attorneys Office for the Southern District of Florida shortly thereafter charged the two Bahamian nationals with conspiracy to possess with intent to distribute cocaine and marijuana, conspiracy to import into the United States cocaine and marijuana, possession with intent to distribute cocaine and marijuana, and importation of cocaine and marijuana into the United States.

Traffickers and some abusers also transport illicit drugs, including marijuana, methamphetamine, and pharmaceutical drugs, into and from the South Florida HIDTA region using the U.S. Postal Service (USPS) and package delivery services. For instance, law enforcement officials in the region report that indoor cannabis growers in the region use package delivery services to supply high-potency marijuana to distributors and abusers in the region and in eastern drug markets, including those in Georgia, Massachusetts, and New York. Traffickers also use USPS and package delivery services to transport illicit drug proceeds from the region to their sources of supply.

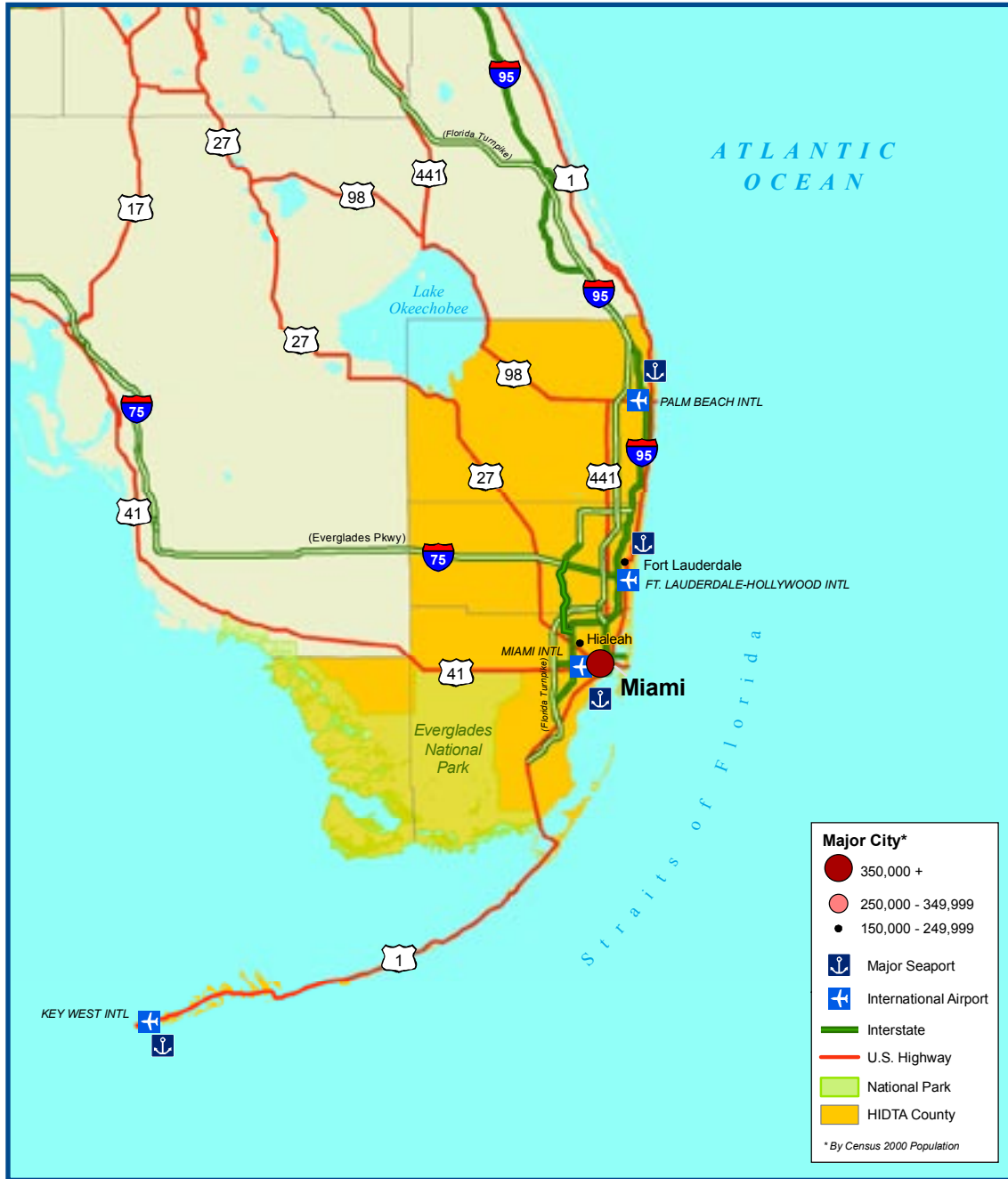


Figure 2. South Florida HIDTA transportation infrastructure.

## DISTRIBUTION

Colombian DTOs routinely use the South Florida HIDTA region as a national-level distribution center for powder cocaine and SA heroin destined for eastern drug markets, including

markets in Alabama, Connecticut, Georgia, Kentucky, Maryland, Massachusetts, New Jersey, New York, and North Carolina; a number of traffickers also use the region as a distribution center for marijuana and pharmaceutical drugs to many of these areas. Most midlevel and

retail-level distributors in southern Florida and some areas of the southeast rely on Colombian DTOs as their primary source for cocaine and SA heroin. Law enforcement officials report that an increasing number of lower-level traffickers in South Florida are acquiring supplies of some drugs, particularly commercial-grade marijuana and ice methamphetamine, from Mexican DTOs.

Various DTOs, criminal groups, street gangs, and local independent dealers distribute illicit drugs at the midlevel and retail level in the region (see Table 2). Their methods of operation change little from year to year. Retail-level distribution typically takes place at open-air drug markets, in local clubs, apartment buildings, local motels, vehicles, on local beaches, and at prearranged meeting sites such as parking lots.

Drug distributors facilitate drug sales in the South Florida HIDTA region using electronic communications, primarily cellular telephones and the Internet. Drug traffickers typically use disposable cellular telephones and those that are activated through prepaid calling cards. Most traffickers use such cell phones for a limited time to reduce the risk of having conversations monitored by law enforcement personnel. Additionally, data from a 2007 Florida Department of Law Enforcement gang survey reveals that street gang members frequently use Internet social networking sites such as MySpace.com, hi5.com, Niggaspace.com, Youtube.com, and cpixel.com to recruit members, share information, and communicate by instant messaging. Street gangs also communicate using two-way radios, radio frequency scanners, and cellular telephones with push-to-talk capabilities. They also use text messaging capabilities on these telephones.

South Florida is emerging as a significant source area for diverted pharmaceutical drugs. Distributors and abusers from markets in other areas of the country, including Alabama, Georgia, and North Carolina, often travel to the region to purchase diverted pharmaceutical drugs from various distributors and pain management

**Table 2. Retail-Level Drug Distribution in the South Florida HIDTA Region, 2008**

Retail Distributors	Drugs
African American	Powder and crack cocaine, heroin, MDMA, marijuana, and diverted pharmaceuticals
Caucasian	Powder cocaine, GHB, MDMA, marijuana, methamphetamine, and diverted pharmaceuticals
Cuban	Powder cocaine, SA heroin, marijuana, and MDMA
Haitian	Powder cocaine, heroin, and marijuana
Jamaican	Powder and crack cocaine and marijuana
Other Hispanics	Powder cocaine, marijuana, and ice methamphetamine

Source: South Florida High Intensity Drug Trafficking Area.

clinics; they also use the Internet to order pharmaceuticals from Florida-based Internet pharmacies. For instance, a Florida man was sentenced to 235 months' imprisonment and a Massachusetts man was sentenced to 168 months' imprisonment for conspiracy to possess oxycodone with intent to distribute. The Florida man led an oxycodone distribution organization that recruited members to visit various doctors' offices in southern Florida to obtain prescriptions for oxycodone and other controlled substances. He provided members with money to pay the doctors' examination fees, coached the members as to what to say to the doctors to obtain prescriptions for the largest amount of oxycodone, and then paid to have the prescriptions filled at local pharmacies. The members visited numerous doctors each month and obtained prescriptions for as many controlled substances as possible. The organization distributed the oxycodone and other controlled substances to markets outside Florida, including a number of markets in Massachusetts.



### DRUG-RELATED CRIME

Drug-related violent and property crime are a common occurrence in the South Florida HIDTA region as distributors, particularly street gang members, protect their distribution territories and abusers seek money to sustain their addictions. According to the NDTs 2007, 23 of the 31 local law enforcement agency respondents in the South Florida HIDTA region reported that crack cocaine was the drug that most contributed to violent and property crime in their jurisdictions. Moreover, findings from a recent state grand jury proceeding reveal that gang-related violent crime is increasing in the state and the region. (See text box.)

#### Increasing Gang Violence

In August 2007 the Office of the Florida Attorney General summoned a statewide grand jury to study the growth of gangs and criminal gang activity, including drug-related crime and violations of the Florida Racketeer Influenced and Corrupt Organizations Act (RICO Act or RICO). The interim findings, released in December 2007, revealed a statewide increase in the number of street gangs, an increase in gang membership, and an increase in the number of violent crimes committed by gang members. The first arrests and indictments resulting from the grand jury proceedings were announced in December 2007. On December 14, 2007, law enforcement officers arrested 10 members of the Sur 13 street gang in Palm Beach County and charged them with criminal racketeering and conspiracy to commit racketeering. Law enforcement officials also have linked these members to other crimes, including the attempted murder of rival gang members during a drive-by shooting that severely injured an innocent bystander, a series of armed robberies, retaliatory arson, aggravated battery, multiple thefts, and drug-related crimes.

### ABUSE

Marijuana is the most commonly abused illicit drug throughout Florida, including in the HIDTA region; it is also the primary illicit substance

identified in treatment admissions to publicly funded facilities in the state. According to data from the Substance Abuse and Mental Health Services Administration (SAMHSA) Treatment Episode Data Set (TEDS), the number of marijuana-related treatment admissions in Florida from 2002 through 2006 (the latest year for which such data are available) exceeded the number of treatment admissions for cocaine, pharmaceutical drugs (including other opiates, tranquilizers, and sedatives), heroin, and amphetamines (which includes methamphetamine).<sup>9</sup> (See Table 3 on page 11.) Moreover, 48.4 percent of marijuana-related treatment admissions in 2006 involved individuals between 12 and 17 years of age at the time of admission.

Cocaine abuse is prevalent in the South Florida HIDTA region and throughout Florida. According to TEDS data, cocaine-related treatment admissions to publicly funded facilities in the state increased substantially between 2005 (8,918) and 2006 (11,074). Moreover, despite the fact that marijuana is the most commonly abused illicit substance in the state, law enforcement and public health officials report that the most severe drug-related societal and personal consequences are typically associated with powder and crack cocaine abuse.

Pharmaceutical drugs are widely available and frequently abused in the South Florida HIDTA region. The most commonly abused pharmaceutical drugs are prescription narcotics such as Vicodin and Lortab (hydrocodone), methadone, and OxyContin (oxycodone). CNS depressants, including benzodiazepines such as Valium (diazepam) and Xanax (alprazolam) are also commonly abused. Florida medical examiner data reveal that the number of deaths associated with pharmaceutical drugs (prescription narcotics and benzodiazepines),

9. Treatment Episode Data Set (TEDS) data are available only at the state level; thus, the number of admissions is reflective of the entire state of Florida and not just the South Florida HIDTA. Additionally, in 2006 approximately 46 percent of TEDS admissions in Florida were referred to treatment through the criminal justice system, compared with 38 percent of TEDS admissions nationwide.



**Table 3. Drug-Related Treatment Admissions to Publicly Funded Facilities in Florida, 2002–2006**

Drug	2002	2003	2004*	2005	2006
Marijuana	19,287	20,129	30,489	10,652	13,322
Cocaine (by all routes of administration)	17,368	16,648	21,511	8,918	11,074
Pharmaceuticals**	5,099	4,253	6,321	2,504	4,315
Heroin	5,078	4,021	4,227	1,222	1,782
Amphetamine (including methamphetamine)	741	1,022	1,753	893	1,051

Source: Treatment Episode Data Set, as of May 7, 2008.

\*Florida changed its methodology for reporting treatment admissions to TEDS between 2004 and 2005; this resulted in a significant decline in the number of reported treatment admissions between these years (public health officials believe significant duplicate admissions were occurring under the prior reporting mechanism). Additionally, trend analysis cannot be conducted for years prior to 2005 with current year data.

\*\*Pharmaceutical drugs include other opiates, tranquilizers, and sedatives.

used either alone or in combination with other drugs,<sup>10</sup> exceeded the number of deaths associated with cocaine and heroin in the South Florida HIDTA region during 2006 (the latest full year for which data are available). (See Table 4.) Additionally, treatment admissions to publicly funded facilities for pharmaceutical drug abuse increased significantly between 2005 (2,504) and 2006 (4,315), according to TEDS data.

Heroin abuse, while limited, is increasing in the South Florida HIDTA region. Heroin abuse had been largely confined to an established population of Hispanic long-term heroin abusers in the region; however, according to public health officials, heroin abuse is increasing in the region, particularly among male Caucasians and prescription narcotics abusers. This increase is reflected in the number of heroin-related treatment admissions in the state, which increased between 2005 (1,222) and 2006 (1,782), according to TEDS data. Additionally, public health officials report that prescription narcotics abusers are increasingly switching to heroin because the cost of the drug is less. For example, the retail price of 1 gram (at least 10 dosage units) of heroin in Miami ranged between \$33 and \$50 in 2007, while the retail price of OxyContin ranged between \$10 and \$15 per 40-milligram tablet (one dosage unit) and was \$20 for an 80

10. More than one drug type may be associated with each deceased person because of mixed toxicities.

**Table 4. Drug Mentions in Deceased Persons in Broward, Dade, Monroe, and Palm Beach Counties, 2003–2007\***

	2003	2004	2005	2006	2007*
Pharmaceutical drugs**	996	1,173	1,177	1,048	548
Cocaine	485	441	513	539	228
Heroin	109	83	58	42	14

Source: Florida Department of Law Enforcement; Florida Medical Examiners.

\*January 2007 through July 2007.

\*\*Pharmaceutical drugs include benzodiazepines and prescription narcotics.

milligram tablet (one dosage unit). SA heroin was the principal type available in retail-level heroin markets in Miami in 2006 (the latest year for which such data are available), according to the 2006 Heroin Domestic Monitor Program.<sup>11</sup>

11. The DEA Heroin Domestic Monitor Program (HDMP) provides data on the price, purity, and geographic source of heroin at the retail level in 28 U.S. cities. In 2006, 23 qualified HDMP samples were purchased in Miami. All of these samples were analyzed as SA heroin. These samples ranged from 2.8 percent to 85.9 percent purity, with an average purity of 24.4 percent. Compared with 2005 levels, the average purity of Miami's exhibits rose by 5 percent; this level of average heroin purity has not reached comparable levels in Miami since 2003.



### ILLICIT FINANCE

Colombian DTOs are the primary money launderers in the South Florida HIDTA region. They routinely launder illicit drug proceeds through local financial institutions, money remittance businesses, shell corporations, and the Colombian Black Market Peso Exchange (BMPE). Law enforcement officials report that Colombian money launderers send an estimated \$5 to \$15 billion in illicit drug proceeds from the United States to Colombia annually, a large percentage of which passes through Florida. Moreover, DEA Miami Division reports that Mexican DTOs also are increasingly using a version of the BMPE to launder their drug proceeds.

#### Colombian Black Market Peso Exchange

The Colombian Black Market Peso Exchange (BMPE) system originated in the 1960s, when the Colombian Government banned the U.S. dollar, intending to increase the value of the Colombian peso and boost the Colombian economy. The government also imposed high tariffs on imported U.S. goods, hoping to increase the demand for Colombian-produced goods. However, this situation created a black market for Colombian merchants who were seeking U.S. goods and cheaper U.S. dollars. Those merchants possessed Colombian pesos in Colombia but wanted cheaper U.S. dollars (purchased under official exchange rates) in the United States to purchase goods to sell on the black market. Colombian traffickers had U.S. dollars in the United States—from the sale of illicit drugs—but needed Colombian pesos in Colombia. Consequently, peso brokers began to facilitate the transfer of U.S. drug proceeds to Colombian merchants, and business agreements were forged enabling those Colombian merchants to purchase U.S. dollars from traffickers in exchange for Colombian pesos. Although the ban on possession of U.S. dollars was later lifted, the black market system became ingrained in the Colombian economy, and Colombian drug traffickers continue to rely on this system to launder their U.S. drug proceeds.

Law enforcement officials further report that traffickers are increasingly smuggling bulk cash from the South Florida HIDTA region, in part because they fear increased law enforcement scrutiny and detection, particularly under the USA PATRIOT Act.<sup>12</sup> Traffickers typically smuggle bulk cash from the region by couriers aboard maritime and air conveyances to countries in the Caribbean and to South America; they also transport bulk cash by private and commercial vehicle overland to Mexico. To this end, DEA Miami Division reports that Mexican DTOs are more frequently transporting bulk currency from the region to southwestern states and Mexico concealed in private vehicles.

Traffickers operating in the South Florida HIDTA region also launder illicit proceeds through other means, including purchasing real estate and luxury items, using money services businesses, structuring bank deposits, and commingling drug proceeds with revenue generated by cash-intensive businesses such as auto repair shops, dealerships, and hair salons. Additionally, some criminal groups and street gangs are investing in startup record labels and recording studios. To illustrate, two Miami residents were sentenced in federal court to 30 years' imprisonment in March 2008 for distributing cocaine and money laundering. These individuals used a variety of methods to launder their illicit drug proceeds, including mortgage fraud, and front businesses such as a coin laundry, a fast food franchise, and a record label.

12. Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (commonly known as the USA PATRIOT Act or, simply, the Patriot Act), was signed into law on October 26, 2001.

## **OUTLOOK**

The distribution and abuse of powder and crack cocaine will remain the primary drug threats in the South Florida HIDTA region. Demand for cocaine is strong, and Colombian DTOs are able to supply sufficient quantities to meet this demand. Stable levels of cocaine distribution and abuse in the region will cause the continued expenditure of limited law enforcement and public health resources to counter the violent and property crime occasioned by cocaine trafficking and to fund cocaine treatment programs.

Indoor cannabis cultivation will increase in the South Florida HIDTA region. Cuban growers will expand their high-potency cannabis cultivation operations to meet increasing demand for the drug in the region and the southeastern United States.

Heroin abuse will probably increase in the South Florida HIDTA region, particularly among Caucasian abusers who switch to the drug from prescription narcotic abuse. As a result, the consequences associated with heroin abuse in the region, including associated crime and treatment costs, will increase in the HIDTA region.

The South Florida HIDTA region will remain a source of diverted pharmaceutical drugs to areas of the eastern United States because of diversion networks established by distributors in South Florida. Pain management clinics and, possibly, Internet pharmacies operating in South Florida will further complicate this situation.



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## SOURCES

### Local and Regional

Broward County Sheriff's Office  
City of Miami Police Department  
    Narcotics Division  
    Special Investigations Unit  
Here's Help, Inc.  
House of Hope and Stepping Stones  
Miami-Dade Medical Examiners Department  
    Toxicology Laboratory  
Miami-Dade Police Department  
    Major Crimes Unit  
    Narcotics Division  
    Special Investigations Unit  
State of Florida  
    Department of Children and Families  
    Department of Corrections  
    Department of Justice  
        Miami-Dade Office of the State Attorney, 11th Judicial District  
        Public Information Office  
    Department of Law Enforcement  
        Domestic Marijuana Eradication Program  
        Highway Patrol  
        Contraband Interdiction Unit  
        Medical Examiners Commission  
        Office of Drug Control  
Florida State Courts  
    11th Judicial District Miami-Dade  
        Summary Reporting System

### Federal

Executive Office of the President  
    Office of National Drug Control Policy  
        High Intensity Drug Trafficking Area  
        South Florida  
U.S. Department of Commerce  
    U.S. Census Bureau  
U.S. Department of Health and Human Services  
    Substance Abuse and Mental Health Services Administration  
        Office of Applied Studies  
        Treatment Episode Data Set  
U.S. Department of Homeland Security  
    U.S. Coast Guard  
    U.S. Customs and Border Protection

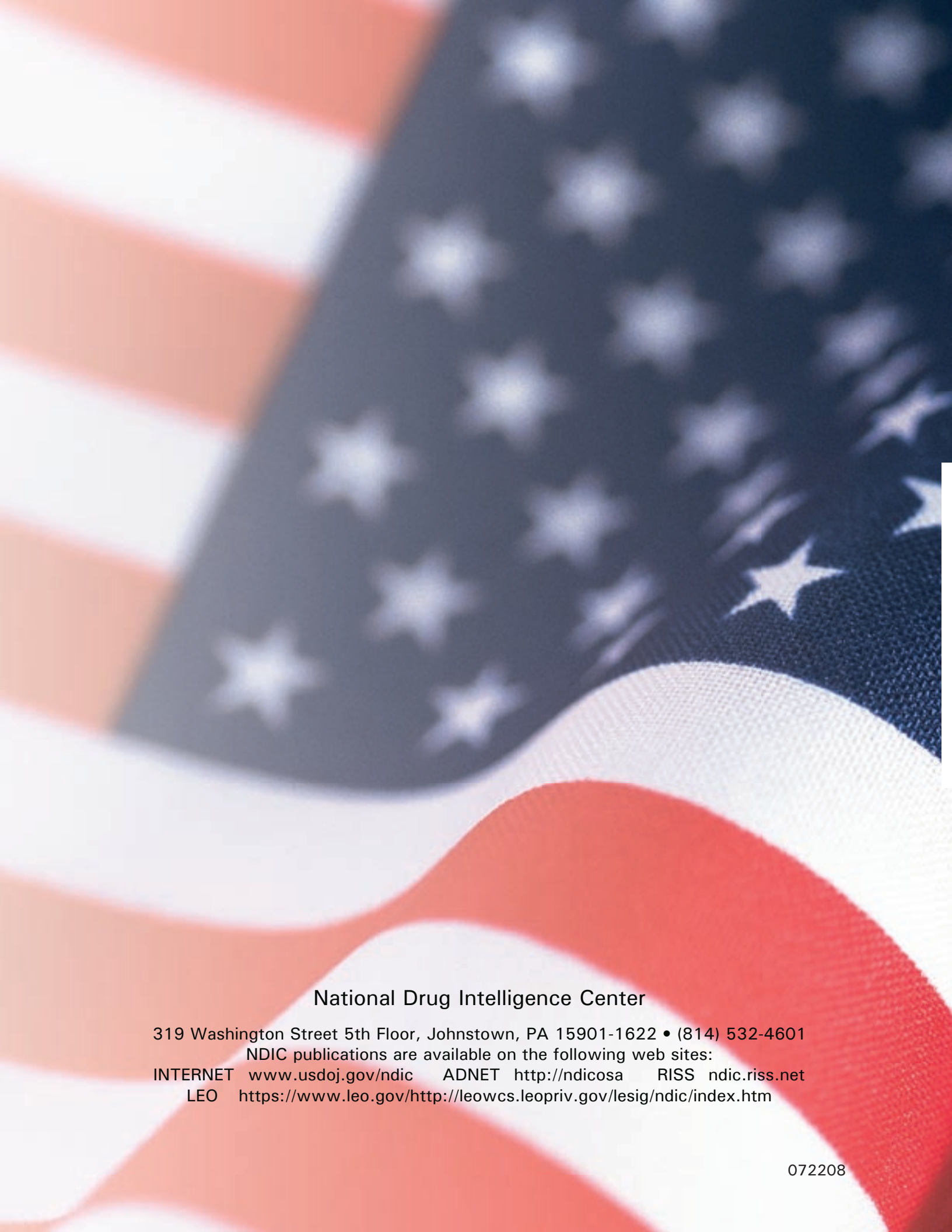
U.S. Immigration and Customs Enforcement  
U.S. Department of Justice  
    Drug Enforcement Administration  
        Caribbean Field Division  
        El Paso Intelligence Center  
        National Seizure System  
        Miami Field Division  
        Fort Lauderdale District Office  
U.S. Attorneys Office  
    Southern District of Florida



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LEO <https://www.leo.gov/http://leowcs.leopriv.gov/lesig/ndic/index.htm>