



California Border Alliance Group

Drug Market Analysis 2009



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.



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Table of Contents

Preface..... 1

Strategic Drug Threat Developments..... 2

CBAG Overview 2

Drug Threat Overview 3

Drug Trafficking Organizations 4

Production..... 5

Transportation 6

Distribution 8

Drug-Related Crime..... 9

Abuse 9

Illicit Finance 10

Outlook 11

Sources..... 13

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Preface

This assessment provides a strategic overview of the illicit drug situation in the California Border Alliance Group (CBAG) region of responsibility, 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 CBAG region.

Figure 1. California Border Alliance Group Region



Strategic Drug Threat Developments

- Mexican ice methamphetamine availability declined in the CBAG region in 2008, quite likely the result of enhanced precursor chemical control restrictions and law enforcement efforts in Mexico and increased methamphetamine seizures at the California section of the U.S.–Mexico border.
- Heroin seizures along the U.S.–Mexico border in California increased significantly from 2007 to 2008, most likely the result of reduced opium poppy eradication and expanded heroin production in Mexico.
- Increasing indoor marijuana production in the CBAG region is a result of rising demand for higher-potency marijuana, both regionally and nationally. Many cultivators in the region have relocated or established their operations indoors because of the reduced risk of law enforcement detection and the increased profits generated from high-potency marijuana.
- Drug-related violence along the California–Mexico border is escalating, fueled by conflicts among Mexican drug trafficking organizations (DTOs) battling for control of major drug smuggling routes in Baja California and by clashes between DTOs and Mexican military and law enforcement personnel participating in counterdrug operations. Some of this violence, in the form of assaults, kidnappings, home invasion robberies, and homicides, is affecting U.S. communities near the border, U.S. citizens who visit Mexico, and U.S. law enforcement personnel who patrol border crossings.
- Illicit drug abuse in the CBAG region, particularly the abuse of marijuana and ice methamphetamine, is at high levels. The abundant supply of drugs transported across

the U.S.–Mexico border provides drug abusers in the region with ready access to most illicit drugs.

CBAG Overview

The CBAG region, which consists of San Diego and Imperial Counties and encompasses California's entire 140-mile portion of the U.S.–Mexico border, is a principal drug smuggling corridor for illicit drugs entering the country from Mexico. The CBAG region is a significant storage location as well as a regional and national transportation and distribution center. Mexican DTOs and criminal groups smuggle significant quantities of methamphetamine, cocaine, marijuana, and heroin to stash houses in the CBAG region and then transport the illicit drugs to destinations throughout the country.

The population of the CBAG region, along with that of the Mexican cities located along the U.S.–Mexico border in California, accounts for 60 percent of the population along the entire U.S.–Mexico border. San Diego, California (the largest U.S. city on the U.S.–Mexico border), and its sister city,¹ Tijuana (the second largest Mexican city on the border), have a combined population greater than that of any other border area. The cultural connections among the large population in the border area of California enable drug traffickers to exploit familial ties and extensive contacts on both sides of the border to assist in drug trafficking operations.

A high volume of cross-border vehicle and foot traffic facilitates illicit drug smuggling from Mexico into the CBAG region. The U.S. Department of Transportation, Bureau of Transportation Statistics reports that 30,897,447 personal

1. Sister cities are separate border cities located in proximity to one another; one of the cities is located in Mexico and the other in the United States. These cities often constitute binational and bicultural communities between which a high volume of individuals commute for work or school daily.

vehicles and 12,228,827 pedestrians crossed the U.S.–Mexico border into California in 2007 (the latest year for which data are available). The daily movement of individuals and goods across the border provides innumerable opportunities for traffickers to conceal smuggling activities among legitimate traffic. Mexican DTOs typically enter the CBAG region at or between the six land POEs along the U.S.–Mexico border in California: Andrade, Calexico East, Calexico West, Otay Mesa (the busiest commercial border crossing between California and Mexico), San Ysidro, and Tecate.

An extensive highway and rail transportation network facilitates commercial trade and traffic across the border, creating an ideal environment for drug trafficking operations. Mexican DTOs transport illicit drugs across the border using private and commercial vehicles, buses, rail, and package delivery services. Once in the United States, drugs typically are transported overland along State Routes 86 and 111 originating in Imperial County and Interstates 5, 8, 15, and 805, highways that link the region to drug markets throughout the United States. (See Figure 1 on page 1.)

The CBAG region is also vulnerable to air and maritime smuggling from Mexico. DTOs use commercial and private aircraft to smuggle illicit drugs from Mexico into and through the region. Additionally, DTOs use watercraft to retrieve drugs either in Mexico or from larger ships located offshore and transport them into the area by blending with commercial and recreational maritime traffic.

Drug Threat Overview

Mexican ice methamphetamine² trafficking and abuse are the predominant drug threats to the CBAG region. The U.S.–Mexico border in California accounts for the largest volume of methamphetamine smuggled into the United States from

Mexico. However, enhanced precursor chemical control restrictions and law enforcement efforts in Mexico along with increased methamphetamine seizures at the border have reduced the availability of Mexican methamphetamine in the region. Despite the apparent ability of Mexican DTOs to obtain precursor chemicals from Central and South American countries, their production capabilities remain lower than in previous years. Additionally, National Seizure System (NSS) data reveal that methamphetamine seizures in San Diego and Imperial Counties increased 20 percent from 2007 to 2008. (See Table 1 on page 4.) Reduced ice methamphetamine availability in the CBAG region is reflected in prices for the drug, which increased significantly from 2007 through the first 3 quarters of calendar year 2008 before stabilizing at year's end. For example, a pound of ice methamphetamine sold for between \$9,000 and \$12,500 in San Diego County in 2007; the price increased to between \$18,000 and \$23,000 per pound through the third quarter of 2008. Methamphetamine is one of the most abused drugs in the region, second only to marijuana. Methamphetamine abusers in the region are engaging in a significant number of drug-related crimes, including identity theft, assault, burglary, and domestic violence.

Mexican commercial-grade marijuana, domestically grown marijuana, and Canadian high-potency marijuana are readily available throughout the CBAG region. Mexican DTOs dominate and control the Mexican marijuana market. Law enforcement reports that in 2008, some outdoor marijuana crops were fully mature and harvested in May, a full month earlier than in previous years. This early harvest could possibly be attributable to a new strain of marijuana seed or early planting by cultivators in an indoor operation for subsequent seedling transfer to outdoor gardens. Additionally, the availability of high-potency marijuana, produced at an increasing number of indoor cannabis grow sites in the region as well as at domestic locations outside the region, is rising. An average

2. For the purposes of this report, ice methamphetamine refers to methamphetamine that has been crystallized from powder methamphetamine.

Table 1. Drug Seizures in San Diego and Imperial Counties, in Kilograms, 2004–2008

Drug	2004	2005	2006	2007	2008
Cocaine	2,192	3,923	4,377	4,317	3,959
Heroin	77	41	126	126	248
Marijuana	126,777	189,929	153,743	166,088	144,159
Methamphetamine	499	1,027	1,610	872	1,047

Source: National Seizure System data, as of January 14, 2009.

outdoor grow site in the region typically contains 1,000 or more cannabis plants, while indoor grows generally contain 200 or more plants.

Mexican black tar heroin and brown powder heroin are prevalent in the area; the CBAG region is a major transportation corridor used by Mexican DTOs to smuggle Mexican heroin from the U.S.–Mexico border in California to the Los Angeles metropolitan area—a national-level distribution center for Mexican heroin. NSS data reveal that the amount of heroin seized in San Diego and Imperial Counties increased 96 percent from 2007 to 2008 (See Table 1.) This increase is very likely the result of reduced opium poppy eradication efforts and rising heroin production in Mexico, which are fueling the expansion of Mexican heroin distribution in the United States.

Cocaine, controlled prescription drugs (CPDs), and other dangerous drugs (ODDs) are also available throughout the CBAG region. Cocaine is readily available; the region did not experience the cocaine shortages and purity reductions reported in the past year in other areas of the United States. CPDs are commonplace throughout the CBAG region because of the area’s proximity to Mexico and the relative ease with which abusers and dealers can purchase these drugs from Mexican pharmacies. As a result, an increasing number of young adults in San Diego are abusing OxyContin (oxycodone). ODDs, such as MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy), ketamine, and GHB (gamma-hydroxybutyrate) are available in the CBAG

region, but they pose lesser threats than other drugs of abuse.

Drug Trafficking Organizations

Mexican DTOs, primarily the Arellano Félix Organization (AFO) and the Sinaloa Cartel,³ are the principal organizational threats to the CBAG region—they are the dominant transporters and distributors of illicit drugs. They exert more influence over drug trafficking in the CBAG region than any other trafficking group, largely because of their extensive cross-border trafficking networks and their expansive transportation and distribution operations. Mexican DTOs manage complex smuggling, transportation, and distribution networks that compartmentalize duties; employ advanced security and communication techniques; gather intelligence; and use violence and intimidation to deter law enforcement authorities, control organization members, and secure smuggling territories. Mexican DTOs appear to have moved away from traditional hierarchical structures in favor of decentralized networks of interdependent, task-oriented cells. The diversity of the individual cells provides operational flexibility to Mexican DTOs and reduces the risk of apprehension for DTO leaders.

The AFO’s drug trafficking capabilities have been diminished over the past few years because of the death or capture of several of its leaders—the

3. The Sinaloa Cartel is led by the Joaquín “El Chapo” Guzmán Loera drug trafficking organization (DTO).

current leadership structure has yet to be ascertained by Mexican and U.S. law enforcement officials. Despite its weakened structure, the AFO reportedly maintains ties with DTOs in Bolivia, Colombia, Panama, Peru, and Venezuela to aid the organization in its drug trafficking activities.

Mexican DTOs in the CBAG region generally use cell phones, particularly prepaid phones, to conduct drug transactions. Additionally, Mexican DTOs are increasingly using cell phones with push-to-talk capability, text messaging, Voice over Internet Protocol (VoIP), and satellite radios.

A number of prominent and influential prison and street gangs are active in the CBAG area. Street and prison gangs such as 18th Street and Mexican Mafia (La Eme), along with a number of Barrio Logan gangs, maintain significant influence over most of the local suburban and rural gangs in the area. These gangs work closely with Mexican DTOs located in Tijuana, Mexico, to smuggle drugs and illegal aliens into the United States. Law enforcement reporting indicates that Mexican DTOs have also cultivated mutually beneficial relationships with other gangs in the CBAG region to facilitate drug trafficking activities. For instance, Mexican DTOs in Tijuana conceal black tar heroin in vehicles and hire street gang members from North County to drive the vehicles into the United States, where they transfer the heroin to members of the Mexican DTO. Other street gangs, such as Posole, Vista Homeboys, Deep Valley Bloods, Varrios San Marcos, and South Los, engage in drug distribution, assault, auto theft, robbery, homicide, money laundering, and firearms trafficking. These gangs are becoming more sophisticated in their operations and are evolving into well-structured organizations. Somali street gangs, such as Holy Blood Gang (HBG) and the Mission Clicc, are also present in the San Diego area and are involved in a number of criminal activities, such as drug trafficking, robbery, assault, prostitution, and theft of cell phones, baby formula, and food stamps.

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.

Production

Mexican DTOs dominate the production of marijuana in the CBAG region; they typically establish large-scale outdoor cannabis grow sites on public lands and private ranches throughout the area. The number of plants eradicated from outdoor grow sites in San Diego County decreased 2 percent from 2007 to 2008. (See Table 2 on page 6.) This small decline can be attributed to extensive soil damage caused by the October 2007 forest fires at major marijuana production sites in the region. Conversely, indoor cannabis cultivation increased in San Diego County over the past year; the number of plants eradicated from indoor grow sites in San Diego County increased 27 percent from 2007 to 2008. (See Table 2 on page 6.) Caucasian and, to a lesser extent, Asian independent growers run small-scale cultivation operations in commercial buildings and private residences, typically located in suburban neighborhoods.

Many cultivators, particularly Caucasian growers, have relocated or established their operations indoors because they perceive a reduced risk of law enforcement detection in comparison with outdoor grows, which are increasingly being targeted by vigorous outdoor cannabis eradication operations. Indoor cannabis cultivators are also able to generate higher profit margins, since controlled growing conditions generally yield higher-potency marijuana.

Mexican DTOs have historically controlled many of California's superlabs and major methamphetamine production facilities; however, in recent years they have transferred most large-scale methamphetamine production operations to Mexico. As such, most ice methamphetamine available in the CBAG region is produced in Mexico. Domestic methamphetamine production decreased significantly from 2004 through 2008, as evidenced by sharply declining laboratory seizures. (See Table 3 on page 7.) The decrease in domestic laboratory activity can be attributed to regulatory efforts to control precursor chemical diversion, the influx of Mexican methamphetamine, and law enforcement efforts in the United States and Mexico. Methamphetamine that is produced locally is generally manufactured in small-scale laboratories and is intended for personal use or limited distribution. Ice conversion laboratories—in which powder methamphetamine is converted to ice—reportedly exist in the area, but to a limited extent.

Transportation

The CBAG region is a primary smuggling corridor through which Mexican DTOs transport large quantities of methamphetamine, marijuana, cocaine, and heroin to wholesale markets within the CBAG region and throughout the United States. Most illicit drugs available in the CBAG region are transported from Mexico by traffickers in private and commercial vehicles through POEs along the California–Mexico border. Drug smuggling between POEs is also prevalent. The vast border area presents innumerable remote crossing points that traffickers exploit to smuggle illicit drugs, primarily marijuana, into the country from Mexico. These areas are easily breached by traffickers on foot, in private vehicles, or in all-terrain vehicles (ATVs) as they smuggle drugs between POEs, particularly the mountainous areas in eastern San Diego County and the desert and sand dune areas in Imperial County. Once in the CBAG region, traffickers use State Routes 86 and 111, which originate in Imperial County and connect to Interstate 10, a highway that spans from California to Florida. Additionally, traffickers use Interstates 5, 8, 15, and 805 to transport illicit drugs throughout and beyond the region.

Mexican DTOs use subterranean tunnels to smuggle illicit drugs into the United States; several new tunnels at the U.S–Mexico border have recently been discovered by law enforcement

Table 2. Cannabis Plants Seized in San Diego County, 2004–2008

	2004	2005	2006	2007	2008
Indoor	11,266	13,981	13,443	13,650	17,324
Outdoor	270,619	169,452	243,044	320,481	314,323
Total	281,885	183,433	256,487	334,131	331,647

Source: San Diego Law Enforcement Coordination Center, December 2008.

Table 3. Methamphetamine Laboratory Seizures in San Diego and Imperial Counties, 2004–2008

	2004	2005	2006	2007	2008
Chemicals only or equipment only	15	6	1	2	0
Dumpsites	0	0	2	0	0
Laboratories	23	12	4	6	4
Total incidents	38	18	7	8	4

Source: National Seizure System data as of January 14, 2009.

Table 4. Tunnels Discovered in the CBAG Region, 2004–2008

Location	2004	2005	2006	2007	2008
Calexico	0	1	1	0	1
Mexicali	0	0	0	0	1
Otay Mesa	1	1	5	3	0
San Ysidro	2	0	9	0	1
Tecate	0	0	0	1	0
Total	3	2	15	4	3

Source: Border Patrol Field Intelligence Center.

officials. Approximately 36 tunnels have been discovered along the California–Mexico border since 1993—22 have been discovered in the past 3 years alone. (See Table 4.) Use of tunnels is mostly limited to large-scale Mexican DTOs that have the resources and influence needed to organize, fund, and construct these tunnels.

Mexican DTOs also use maritime conveyances such as commercial and private watercraft to smuggle drugs, primarily marijuana, into the CBAG region. According to the San Diego Air and Marine Task Force,⁴ Mexican DTOs load illicit drugs onto go-fast boats and rendezvous with smaller, less conspicuous fishing vessels in

4. The San Diego Air and Marine Task Force is composed of representatives from the U.S. Immigration and Customs Enforcement (ICE); Drug Enforcement Administration (DEA); Federal Bureau of Investigation (FBI); U.S. Coast Guard (USCG); U.S. Customs and Border Protection (CBP); and Chula Vista, Coronado, and Harbor Police Departments.

Two Tons of Marijuana Seized on Catamaran

On July 15, 2008, U.S. Immigration and Customs Enforcement (ICE) officials seized a catamaran cruiser carrying 203 bundles of marijuana totaling 4,883 pounds and valued at \$2.5 million. The boat became disabled in Mexican waters and was towed into the U.S. Inspection area at Shelter Island, where agents found the marijuana bundles concealed in a custom-built roof section of the cabin.

Source: San Diego Air and Marine Task Force.

international waters to transfer the drugs. The fishing vessels then enter U.S. waters with the drugs hidden on board, destined for marinas along California’s West Coast. Additionally, independent smugglers use small boats to transport marijuana; occasionally they transport illegal aliens along with the marijuana. Boats transporting illegal aliens are usually poorly maintained vessels ranging from 18 to 27 feet in length; these boats are typically beached and abandoned after reaching the U.S. shoreline.

Mexican DTOs employ commercial and private aircraft as well as rail services to transport illicit drugs into and from the CBAG region. Drug traffickers transport drug shipments as air freight through the San Diego International Airport and the McClellan-Palomar Airport in Carlsbad, California, or by courier aboard passenger flights. Low-flying private aircraft use numerous privately owned “soft-surface” runways in San Diego and Imperial Counties in an attempt to avoid radar detection while smuggling drugs into the region. The U.S. Customs and Border Protection (CBP) Air and Marine Operations Center (AMOC)⁵

5. The Air and Marine Operations Center (AMOC) is a state-of-the-art law enforcement radar surveillance facility that attempts to detect drug smuggling or terrorist activity by tracking and seeking to identify general aviation aircraft that are inbound to the United States.

reported several recent incidents in California in which ultralight aircraft⁶ flew across the U.S.–Mexico border, particularly in the sand dune area of East Imperial County. For example, in January 2009, personnel working at the Andrade POE saw an ultralight cross the border, travel north for 100 yards, and circle the POE four times before returning to Mexico. Ultralights are ideal for trafficking drugs across the border, since they are difficult to detect using radar. Their frames are typically made of aircraft-grade aluminum tubes that do not contain enough metal for radar detection.

Additionally, law enforcement reporting reveals that Mexican DTOs use commercial and passenger rail service to transport and distribute drugs to the CBAG region and throughout the United States. Mexican DTOs conceal illegal drugs in rail cars that originate from the interior of Mexico. The rail cars are stopped for inspection in Calexico, California, as they cross into the United States from Mexicali, Mexico, but inspectors generally do not have sufficient time to conduct more than a cursory inspection before the rail cars must depart the inspection area. Once the rail cars clear the inspection area, they typically sit for a few hours at the Calexico rail yard before proceeding to subsequent destinations. At this point, illicit drugs are generally offloaded by traffickers—spotters relay the location of drug-laden rail cars to other traffickers, who approach the rail cars and abscond with the drugs.

Distribution

Mexican DTOs are the dominant wholesale distributors of methamphetamine, heroin, cocaine, and marijuana throughout the CBAG region. They use the area as a regional- and national-level distribution center for these drugs, distributing to drug markets in the area and throughout the

country, including Boston, Massachusetts; Denver, Colorado; Detroit, Michigan; Honolulu, Hawaii; Los Angeles, California; Portland, Oregon; Tampa, Florida; and Washington, D.C. Mexican DTOs typically store illicit drugs at stash sites throughout San Diego and Imperial Counties; they use residences, warehouses, storage facilities, and store fronts. At stash sites, drugs are generally repackaged for distribution throughout the CBAG region and for transportation to drug markets throughout the United States.

Mexican DTOs supply wholesale quantities of cocaine, heroin, marijuana, and methamphetamine, primarily to Mexican criminal groups as well as prison gangs, street gangs, and outlaw motorcycle gangs (OMGs). These groups supply midlevel quantities of illicit drugs to retail distributors—predominantly smaller street gangs and independent dealers. African American, Asian, Caucasian, and Hispanic street gangs dominate retail-level distribution throughout the CBAG region. Approximately 100 street gangs operate in San Diego County, with an estimated total membership of approximately 8,000. Imperial County is home to approximately 52 gangs, with an estimated membership of approximately 1,200.

The distribution of CPDs, particularly steroids, is prevalent in the CBAG region. CPD abusers and distributors from the region often travel to Tijuana, Mexico, to purchase drugs from the large number of pharmacies that are located along the border area—law enforcement officials estimate that Tijuana has approximately 10 times the number of pharmacies needed to support its population. Abusers smuggle the drugs into the United States for personal use, while distributors smuggle the drugs for retail-level sales to market areas throughout the United States. Additionally, Caucasian criminal groups and individuals are distributing increasing amounts of CPDs, including controlled prescription narcotics, sedatives, and steroids that they are acquiring in the CBAG region through traditional diversion methods,

6. Ultralights in the United States are classified as vehicles, not aircraft, and thus are not required to meet airworthiness certification standards.

such as copied or scanned prescriptions, forged prescriptions, theft, and unscrupulous physicians and pharmacists.

Drug-Related Crime

Violent conflicts between criminal organizations operating along the U.S.–Mexico border—particularly confrontations between rival Mexican DTOs, Mexican DTOs and alien smuggling organizations (ASOs), and rival Mexican ASOs, as well as clashes between Mexican counterdrug forces and drug traffickers—have resulted in a surge of violence throughout northern Mexico since 2007. Some of this violence, in the form of assaults, kidnappings, home invasion robberies, and homicides, is affecting U.S. communities near the border in California, U.S. citizens who visit Mexico, and U.S. law enforcement personnel who patrol border crossings. For example, according to the San Diego Division of the Federal Bureau of Investigation (FBI), kidnapping incidents in San Diego increased 53 percent from 2007 to 2008.

(See Table 5.) The actual number of kidnappings may be higher; many victims' families are unwilling to report the crime for fear that the victim will be killed, the kidnappers will retaliate against them, or law enforcement will discover the family's own drug trafficking activities. Typically, kidnapping victims are not randomly selected; kidnapping cells target victims who are (or appear to be) wealthy, and most victims have business or family ties to Mexico. Kidnappings are a lucrative way for DTOs and kidnapping cells to make money; in fact, ransom kidnappings are the primary source of income for the AFO. Violence directed at law enforcement officers, primarily U.S. Border Patrol (USBP) agents, is often intended to deter agents from seizing illicit drug shipments or is used as a diversion to smuggle drug shipments. Chula Vista and areas close to the border are already experiencing increasing numbers of drug-related homicides strikingly similar to those committed by Mexican DTOs in the Tijuana, Mexico area.

Table 5. FBI Kidnapping Cases in San Diego, 2002–2008

Fiscal Year	Number of Cases	Percentage Change From Previous Year
2002	3	Not Applicable
2003	4	+33
2004	6	+50
2005	7	+17
2006	12	+71
2007	15	+25
2008	23	+53

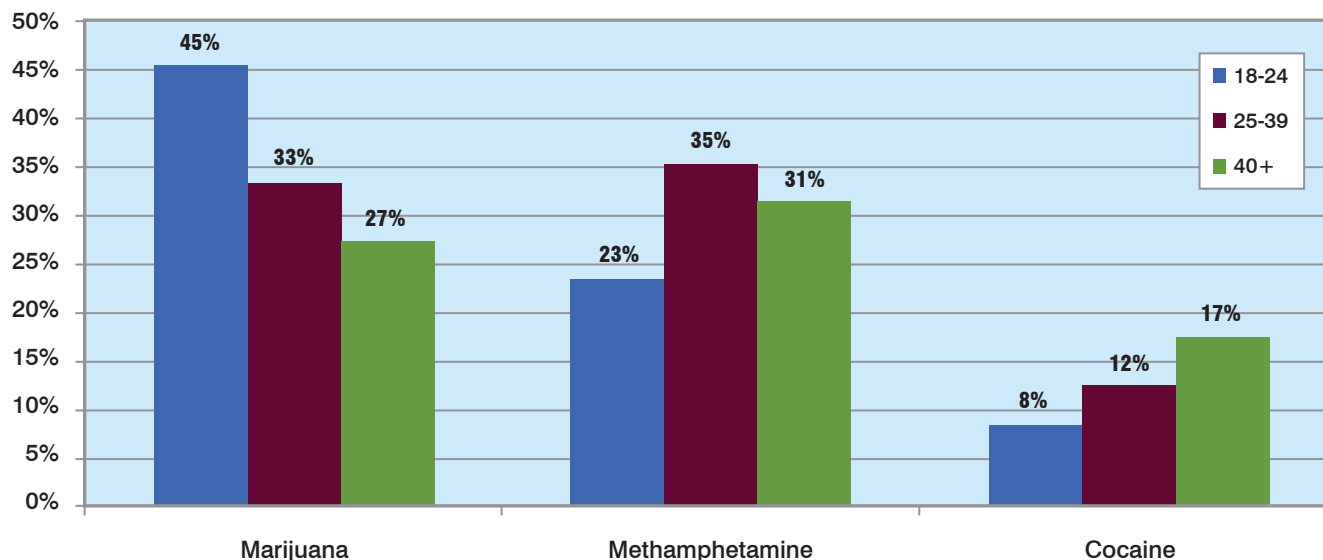
Source: Federal Bureau of Investigation, San Diego Division.

Illicit drug abusers in the region often engage in property crime to acquire money to purchase illicit drugs. The San Diego Police Department reports that abusers in its jurisdiction, particularly methamphetamine abusers, commonly commit identity theft, automobile theft, shoplifting, or prostitution to support their addictions. Additionally, methamphetamine abusers in the region often generate cash by stealing and subsequently cashing personal checks or by using stolen credit cards to purchase merchandise, which they sell for cash or trade for methamphetamine.

Abuse

Illicit drug abuse is prevalent throughout the CBAG region because of the area's sizeable abuser population and steady supply of illicit drugs from Mexico. According to the San Diego Association of Governments (SANDAG) Substance Abuse Monitoring (SAM) program, marijuana is the most abused and readily available drug in the region; approximately four out of every five arrestees in San Diego County report having used marijuana at some time in their life.⁷ In 2007 (the latest year for

7. Representatives from the San Diego Association of Governments (SANDAG) Substance Abuse Monitoring (SAM) program approach arrestees within 48 hours of their arrest or incarceration and ask them to answer a series of questions regarding their drug-use history.

Figure 2. Positive Drug Test Results Among Arrestees in San Diego County, by Age, 2007

Source: San Diego Association of Governments, Criminal Justice Research Division, Substance Abuse Monitoring Program, August 2008.

which data are available), 54 percent of male arrestees and 63 percent of female arrestees reported that they had used methamphetamine at least once in their lifetime, making it the second most commonly used illicit drug among San Diego County arrestees. According to SAM data, the typical abuser smokes methamphetamine (77% of all abusers), as opposed to snorting it (14%) or injecting it (9%). SAM data further reveal that heroin and cocaine abuse are stable at high levels. Abuse of ODDs and diverted CPDs, although significant, poses a less significant threat than the abuse of other illicit drugs. SAM data also indicate that age is a factor in the drug choice of arrestees; for example, arrestees 18 to 24 years of age were significantly more likely to test positive for marijuana, those 25 to 39 were more likely to test positive for methamphetamine, and those 40 and older were more likely to test positive for cocaine, compared with the other age groups. (See Figure 2.)

Treatment admission data indicate that methamphetamine abuse is a significant problem in San Diego County, accounting for 49 percent of all primary drug treatment admissions (excluding those for alcohol), followed by heroin (22%) and

marijuana (17%). The San Diego County Health and Human Services Agency reports that opiates (including heroin) account for the largest number of emergency room and hospital visits involving drug dependence.

Young adults in the CBAG region are increasingly abusing OxyContin. They are ingesting the drug through an unusual method in which the OxyContin tablet is placed in the mouth until the coating is dissolved; the tablet is then removed from the mouth, crushed, and placed on folded aluminum foil, which is heated, creating smoke vapors that are inhaled. Once addicted to OxyContin, many of these young adults begin abusing heroin because it is typically cheaper and easier to obtain and provides a more intense high.

Illicit Finance

Bulk cash smuggling to Mexico is the primary method used by traffickers to move drug proceeds from the CBAG region to Mexico, largely because of the area's proximity to the U.S.–Mexico border, limited inspections of southbound traffic by U.S. and Mexican law enforcement officers, and the

relative ease with which cash can be placed into Mexican financial systems. Traffickers, predominantly Mexican DTOs, typically smuggle bulk currency through the San Ysidro and Calexico POEs in hidden compartments within vehicles; however, some traffickers also smuggle bulk currency in commercial and private aircraft, by couriers on passenger bus lines, and by parcel carriers and express mail services.

Mexican DTOs also use the CBAG region as a consolidation point for illicit drug proceeds generated at drug markets throughout the country. Mexican traffickers either transport currency in bulk to the region or use money services businesses (MSBs) to wire funds to the area. The illicit funds are typically consolidated at stash sites in the region and eventually transported in bulk to Mexico. Once in Mexico, the funds are often deposited into a Mexican bank and/or a *casa de cambio*⁸ and then repatriated to the United States through electronic wire transfers or bulk cash transportation by armored car or courier services. Once in the United States, the illicit funds appear to be proceeds from a Mexican financial institution and are documented with a Currency or Monetary Instruments Report (CMIR),⁹ giving the funds the appearance of legitimacy.

Mexican DTOs also launder illicit drug proceeds in the CBAG region through money services businesses (MSBs) and wire remitters. The number of MSBs and wire transfer businesses

along the border has increased noticeably in the last several years. These businesses commonly are located within grocery stores and gas stations; they accommodate the Hispanic community's personal and financial dealings with family, friends, and businesses in Mexico and Central America, but are commonly exploited by traffickers. Additionally, ICE officials report that an increasing number of traffickers in the CBAG region use illegal drug proceeds to purchase prepaid stored value cards (PSVCs) as a means of laundering drug proceeds. Traffickers purchase PSVCs in the region and openly carry them across the U.S.–Mexico border in California without fear of seizure. PSVCs provide a unique and simple money laundering method that DTOs use to smuggle profits from the United States to Mexico and also to send instant cross-border remittances.

DTOs, gangs, and independent dealers operating in the CBAG 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 with proceeds or use underground banking services to launder illicit drug proceeds. Additionally, DTOs launder their drug proceeds through the many gambling establishments controlled by Native American tribes throughout San Diego County.

Outlook

The flow of Mexican heroin into the CBAG region will very likely increase in the near term. Reduced opium poppy eradication efforts and increased heroin production in Mexico will allow Mexican DTOs to smuggle increasing amounts of heroin into the region to supply Mexican heroin markets in the region and throughout the United States.

8. *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.

9. Currency or Monetary Instruments Reports (CMIRs) must be filed by (a) each person who physically transports, mails, or ships or causes to be physically transported, mailed, or shipped, currency or other monetary instruments in an aggregate amount exceeding \$10,000 at one time from the United States to any place outside the United States or into the United States from any place outside the United States, and (b) Each person in the United States who receives currency or other monetary instruments in an aggregate amount exceeding \$10,000 at one time that have been transported, mailed, or shipped to the person from any place outside the United States.

Despite enhanced methamphetamine precursor chemical control restrictions and law enforcement efforts in Mexico as well as increased methamphetamine seizures at the U.S.–Mexico border in California, Mexican DTOs will continue to supply sufficient quantities of methamphetamine to meet demand in the CBAG region and to distribute to other markets, albeit at higher prices.

Indoor cannabis cultivation operations in the CBAG region will quite likely increase as marijuana producers attempt to meet the rising demand for higher-potency marijuana and to capitalize on the profit potential of high-potency marijuana distribution in drug markets throughout the United States.

Drug-related violence in U.S. communities along the U.S.–Mexico border in California will most likely persist as drug-related violence in Mexico continues. Additionally, Mexican DTOs may increasingly retaliate against USBP officers who direct counterdrug and border security measures against them.

Sources

Local, State, and Regional

Chula Vista Police Department
 El Cajon Police Department
 Imperial County Narcotic Task Force
 Imperial Valley Street Interdiction Team
 Oceanside Police Department
 San Diego Association of Governments
 Criminal Justice Research Division
 Substance Abuse Monitoring Program
 San Diego County Health and Human Services Agency
 San Diego County Sheriff's Office
 San Diego Police Department
 San Diego Regional Pharmaceutical Narcotic Enforcement Team
 State of California
 Department of Justice
 Department of Public Health
 Department of Substances Control

Federal

Executive Office of the President
 Office of National Drug Control Policy
 High Intensity Drug Trafficking Areas
 Southwest Border–California Border Alliance Group
 National Marijuana on Public Lands Initiative
 San Diego Law Enforcement Coordination Center
 U.S. Department of Agriculture
 U.S. Forest Service
 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
 Drug Abuse Warning Network
 U.S. Department of Homeland Security
 U.S. Coast Guard
 U.S. Customs and Border Protection
 Border Patrol Field Intelligence Center
 U.S. Immigration and Customs Enforcement
 San Diego Air and Marine Task Force

U.S. Department of Justice
 Criminal Division
 Organized Crime Drug Enforcement Task Force
 Drug Enforcement Administration
 Diversion Program
 Domestic Cannabis Eradication/Suppression Program
 El Paso Intelligence Center
 National Seizure System
 San Diego Division
 Federal Bureau of Investigation
 San Diego Division
 U.S. Attorneys Office
 Southern District of California
 U.S. Department of the Treasury
 U.S. Department of Transportation
 Bureau of Transportation Statistics

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**Questions and comments may be directed to
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