



Nevada

High Intensity Drug Trafficking Area

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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Preface

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

Figure 1. Nevada High Intensity Drug Trafficking Area



Strategic Drug Threat Developments

- Mexican ice methamphetamine trafficking and abuse in the Nevada HIDTA region are widespread; however, law enforcement officials in Washoe County (Reno) reported decreases in wholesale methamphetamine availability during the first half of 2008, evidenced by increased methamphetamine prices and decreased methamphetamine purity levels reported throughout the state.
- Rising demand for high-potency marijuana by area abusers and greater profit margins from sales of the drug are leading to an expansion in indoor cannabis cultivation in the Nevada HIDTA region. In 2008, 89 indoor grow sites were seized, a significant increase from the 18 indoor grow sites seized in 2005. In addition, the number of indoor cannabis plants eradicated by local law enforcement officials increased from 1,059 plants in 2005 to 6,826 plants in 2008.
- Mexican drug trafficking organizations (DTOs) are expanding their use of public lands and remote areas outside the HIDTA region, primarily in Esmeralda and Humboldt Counties, for outdoor cannabis grow operations to meet the growing demand for marijuana.
- Law enforcement agencies report an increase in the abuse of controlled prescription drugs (CPDs) within the region. CPD abuse contributes to more drug-related deaths in Clark County than any other substance of abuse.

HIDTA Overview

The Nevada HIDTA region consists of Clark and Washoe Counties. Las Vegas (Clark County) and Reno (Washoe County) are the two largest metropolitan areas in the HIDTA region and are distribution centers for illicit drugs supplied to

markets throughout the HIDTA region and other areas of the United States. Clark County is located less than 300 miles from Los Angeles, California, and Phoenix, Arizona, and less than 400 miles from several official ports of entry (POEs) along the Southwest Border, including Douglas and Nogales in Arizona and Calexico, Otay Mesa, and San Ysidro in California. Washoe County is located on the eastern slopes of the Sierra Nevada Mountains and is less than 200 miles from San Francisco, California. (See Figure 1 on page 1.)

Clark County covers 7,910 square miles. Interstate 15, located at the southern tip of the state, is a primary route used by traffickers to transport illicit drugs from Los Angeles and southern California to Las Vegas; traffickers also use I-80 to transport illicit drugs from California drug markets into and through the northern part of the state. U.S. Highways 93 and 95 provide traffickers with additional routes to Las Vegas from drug markets in the Phoenix area and the Nogales and Douglas POEs.

In 2008, Clark County accounted for 71 percent of the state population (1,967,716 of 2,783,733). Approximately 28 percent of the Clark County population is Hispanic, the area's largest and fastest-growing minority group. The growing Hispanic population enables Mexican DTOs to easily assimilate into Clark County communities, expand their drug trafficking activities, recruit new members, and reduce their risk of law enforcement detection.

Washoe County, which borders California and Oregon, covers an area of 6,600 square miles in the northwest section of Nevada. Major roadways that transit Washoe County include I-80, which passes through Reno and connects the county with San Francisco to the west and major metropolitan areas such as Salt Lake City, Utah; Denver, Colorado; and Kansas City and St. Louis, Missouri, to the east. Traffickers use I-80 to supply most of the illicit drugs available in the county. US 395 transits Washoe County and intersects with I-80 in Reno. Traffickers use

US 395 to move drugs from California into the region through Reno and Carson City, Nevada.

The population of Washoe County increased 24 percent from 341,416 in 2000 to an estimated 423,833 in 2008. Increasing growth in the county's Hispanic population, including a significant influx of illegal immigrants, has been exploited by Mexican DTOs to expand their operations in the area. Approximately 21 percent of the population in Washoe County is Hispanic, accounting for the county's largest minority group.

The gaming and entertainment industry attracts over 40 million visitors to the Nevada HIDTA region annually. Drug traffickers often use the large volume of tourists as cover for their illicit drug transportation and distribution operations. Traffickers typically move illicit drugs to or through the region in the same modes of transportation used by tourists—personal and commercial vehicles, buses, trains, and aircraft. Moreover, the nature of the 24-hour lifestyle in the gaming and entertainment industry attracts some visitors who may be vulnerable to drug abuse, thus compounding local drug distribution in the region. Additionally, the high volume of cash transactions taking place in the local gaming and entertainment industry provides opportunities for drug traffickers to commingle their illicit funds with gaming proceeds in an attempt to mask the origin of such funds.

Drug Threat Overview

The distribution and abuse of ice methamphetamine pose the most significant drug threat to the Nevada HIDTA region. Most of the ice methamphetamine available in the region is supplied by Mexican DTOs that transport the drug to the region from sources of supply in Mexico, Arizona, and California. Ice methamphetamine availability varies throughout the Nevada HIDTA region; this variability is most likely associated

with different domestic source areas that supply ice methamphetamine to markets in the region. For example, the principal domestic source of supply for methamphetamine available in Las Vegas is the Los Angeles area; Sacramento and San Francisco, California, are the primary source areas for methamphetamine available in Reno. Mexican DTOs typically have been able to fully meet demand for ice methamphetamine in the Nevada HIDTA region, particularly in Las Vegas, where availability remained stable during 2008 and where law enforcement officials continue to seize multipound quantities of the drug. However, decreased methamphetamine production in Mexico, resulting from government restrictions on precursor chemical imports and transportation difficulties caused by escalating violence among drug cartels in Mexico, resulted in decreased ice methamphetamine availability and increased prices in some markets in the HIDTA region in 2008. For example, the Reno Police Department reported a sharp decline in the availability of ice methamphetamine during the first half of 2008; by the end of the year, supplies had returned to 2007 levels. Ice methamphetamine prices also increased to as much as \$1,600 per ounce in 2008; prices in 2007 had stabilized between \$1,000 and \$1,150 per ounce. The decreased availability of ice methamphetamine in the Reno area also impacted secondary markets supplied from Reno, such as Carson City, where law enforcement officials reported in early 2009 that some distributors were able to sell only eight-ball (one-eighth ounce) quantities of ice methamphetamine because of the difficulty in obtaining larger quantities. The decreased availability of ice methamphetamine in some markets in the region also resulted in lower purity levels at the midlevel and retail level, since distributors cut the drug to stretch supplies and maintain profit levels.

Marijuana is the most widely available and frequently abused drug in the Nevada HIDTA region. Most of the marijuana available in the

region is produced in Mexico¹ and transported overland to the region; however, locally produced and Canadian high-potency marijuana are also available. Demand for high-potency marijuana by area abusers is increasing, leading to an expansion in indoor hydroponic cannabis cultivation in the region. According to local law enforcement officials the number of cannabis plants eradicated from indoor grow sites, as well as the number of indoor sites seized, increased in 2008. Outdoor cannabis cultivation is limited in Nevada; however, Mexican DTOs are expanding their use of public lands and remote areas outside the HIDTA region, primarily in Esmeralda and Humboldt Counties, for outdoor cannabis grow operations.

Mexican DTOs transport cocaine into the region from Mexico through POEs in California and Arizona and use the Nevada HIDTA region as a distribution center, supplying wholesale quantities of cocaine to other traffickers in the region and to other drug markets throughout the country, particularly markets in midwestern and eastern states. Powder cocaine availability (much like methamphetamine availability) varies throughout the Nevada HIDTA region, largely because of the different source areas that supply cocaine to markets in the region. The principal domestic source of supply for cocaine available in Las Vegas is the Los Angeles area; Sacramento and San Francisco are the primary source areas for cocaine available in Reno. The Reno Police Department reported steady availability of cocaine in 2008 and increases in early 2009. However, Las Vegas experienced cocaine shortages in the fourth quarter of 2008 that were attributed to decreased availability of the drug from sources of supply in Los Angeles. Decreased cocaine availability in Las Vegas

and Los Angeles resulted in increased prices for wholesale quantities of the drug in both markets during this same period. Mexican DTOs in the HIDTA region supply local African American and Hispanic street gangs, such as Gerson Park Kingsmen and Sureños, with powder cocaine for conversion into crack cocaine. Street gangs typically distribute crack in urban areas, primarily Las Vegas and Reno.

Mexican black tar heroin and, to a lesser extent, Mexican brown powder heroin are readily available and abused throughout the Nevada HIDTA region. Mexican DTOs are the principal suppliers of various quantities of heroin to distributors, mainly Hispanic street gangs, and local abusers in the area; however, they generally use the region as a transshipment center for heroin destined for drug markets throughout most of the country, primarily those in southwestern, midwestern, and eastern states. Mexican DTOs often recruit Mexican nationals, primarily illegal aliens who reside in urban areas of Nevada, to distribute retail quantities of heroin. During 2008 the Nevada HIDTA participated in several significant investigations targeting Mexican heroin trafficking organizations operating in both the northern and southern regions; these organizations also distributed other drugs and maintained familial and organizational ties with the Mexican state of Nayarit. Seizures of heroin in the region increased from 1 kilogram in 2007 to 6 kilograms in 2008.

The increasing distribution and abuse of CPDs pose a significant threat to the HIDTA region. CPD abuse contributed to more drug-related deaths in Clark County than any other substance of abuse. The most widely available and commonly abused CPDs are opioids, such as Vicodin and Lortab (hydrocodone products), methadone, and OxyContin (oxycodone), and central nervous system (CNS) depressants, including Xanax (alprazolam) and Valium (diazepam)—both benzodiazepines. CPDs are diverted by distributors and abusers in the region

1. Mexican marijuana is typically cultivated along the western Sierra Madre Mountains in Chihuahua, Sinaloa, and Durango, Mexico, as well as farther south in Michoacán and Guerrero, Mexico. This type of marijuana contains parts of the marijuana plant such as stems and seeds that are not of high potency. Mexican marijuana is generally the least expensive marijuana because of its prevalence and lower potency, which typically ranges from only 4 to 6 percent THC (delta-9-tetrahydrocannabinol) content.

through prescription fraud, theft, illicit sale by patients, and illegal purchases over the Internet.

Other dangerous drugs (ODDs) are distributed by traffickers in the Nevada HIDTA region, including MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy), LSD (lysergic acid diethylamide), psilocybin mushrooms, PCP (phencyclidine), and ketamine; however, ODDs pose a relatively low threat to the region compared with other illicit drugs. Asian DTO members, mostly of Chinese descent, are the primary wholesale, midlevel, and retail distributors of MDMA in the region. Law enforcement officials in Reno and the surrounding area are reporting the availability of “Mollys”—an adulterated tablet that is often distributed as MDMA but is a combination of various drugs such as methamphetamine, MDMA, or BZP (N-benzylpiperazine).² Traffickers typically transport Mollys to the Reno area from the Central Valley HIDTA region and Susanville, California, in 1,000-tablet quantities known as boats; prices range from \$1,100 to \$1,200 per boat and \$10 to \$25 per tablet. African American street gang members obtain PCP and ketamine from sources in California and distribute the drugs locally. Caucasian independent dealers are the primary retail distributors of LSD and psilocybin mushrooms.

Drug Trafficking Organizations

Mexican DTOs and criminal groups present the greatest organizational threat to the Nevada HIDTA region. These DTOs are highly organized and deeply entrenched in many of the local Hispanic communities throughout the region, allowing them to operate with some degree of anonymity. Mexican DTOs control the wholesale and midlevel distribution of ice methamphetamine,

2. BZP is a common name for the synthetic stimulant N-benzylpiperazine. BZP tablets, especially those that also contain the hallucinogen TFMPP (1-(3-trifluoromethylphenyl) piperazine), are often sold as MDMA or promoted as an alternative to MDMA.

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 marijuana, powder cocaine, and Mexican black tar heroin and brown powder heroin and regularly transport wholesale quantities of these drugs from Mexico into the area for subsequent regional- and national-level distribution.

Asian DTOs and criminal groups distribute MDMA and high-potency marijuana in the region. They generally obtain supplies of MDMA from sources in Los Angeles for distribution in Las Vegas and from sources in San Francisco for distribution in Reno. Asian DTOs and criminal groups also transport high-potency marijuana to the region from California, Oregon, Washington, and Canada; they supply the marijuana to retail-level distributors and abusers in the region, primarily to Washoe County in the north. Additionally, law enforcement officials report that Asian criminal groups engage in limited indoor cannabis cultivation in the HIDTA region.

Caucasian criminal groups and independent dealers also distribute MDMA and high-potency marijuana in the Nevada HIDTA region. Caucasian

traffickers typically travel to California, Oregon, Washington, and Canada to obtain supplies of these drugs and then transport them back to their home areas for local distribution. Caucasian criminal groups and local independent dealers also cultivate cannabis within the region, primarily at indoor grow sites; they distribute the marijuana throughout Nevada.

Street gangs, primarily African American and Hispanic gangs, are actively engaged in retail-level drug distribution within the region. (See Table 1.) African American street gangs are the primary retail distributors of crack cocaine and PCP. African American street gangs produce most of their crack supplies locally but occasionally transport small quantities to the region that they obtain from gang associates in southern California. They often distribute crack cocaine from motel rooms and apartment buildings in Las Vegas and Reno. Hispanic street gangs are engaged in the retail distribution of ice methamphetamine, powder cocaine, Mexican marijuana, and heroin throughout the area. These gangs also distribute crack, but to a lesser extent. Additionally, law enforcement officials report that a number of “hybrid” street gangs are active in metropolitan areas of the region and engage in

drug trafficking. The hybrid gangs emulate national gangs, such as Bloods and Crips, but have little or no affiliation with them other than adopting their names, symbols, and style. Hybrid gang members are much less likely to wear colors, display gang signs, or have tattoos, making it much harder for law enforcement officials to identify them.

Production

Illicit drug production in the Nevada HIDTA region is typically limited to small-scale methamphetamine production, indoor and outdoor cannabis cultivation, and crack conversion. Local production of powder methamphetamine has declined significantly as a result of restrictions the Nevada legislature placed on retail pseudoephedrine sales in 2001. The Nevada legislature also implemented enhanced penalties for manufacturing methamphetamine under certain circumstances, further curtailing methamphetamine production in the region.³ Local methamphetamine laboratory seizures decreased 95 percent over the past 7 years from a high of 81 laboratories seized statewide in 2002 to only 4 laboratories seized in 2008. (See Table 2 on page 7.) Most laboratories in the region are small and capable of producing less than an ounce of the drug per production cycle—enough for personal use or limited retail-level distribution.

Marijuana is the most widely abused drug in the region, and demand for high-potency marijuana is increasing. To meet demand, traffickers in the region are increasingly establishing indoor cannabis cultivation operations—Nevada’s arid climate and poor soil conditions are not conducive to outdoor cultivation. Most indoor cultivation sites employ sophisticated hydroponic

Table 1. Significant African American and Hispanic Street Gangs Operating in the Las Vegas Area

African American	Number of Members	Hispanic	Number of Members
Gerson Park Kingsmen	697	Sureños	693
Rolling 60s Crips	517	18th Street	380
The Wood	286	San Chucos	286
Squad Up	232	Barrio Naked City	286
Hustlers Taking Over	161	Brown Pride Locotes	252

Source: Las Vegas Metropolitan Police Department, Gangs Crime Bureau.

3. Assembly Bill 33, Chapter 11 doubles the penalty for manufacturing methamphetamine within 500 feet of a residence, business, place of worship, school, park, playground, or recreation facility; in the presence of a child; or in any manner that creates great risk or harm to another person.

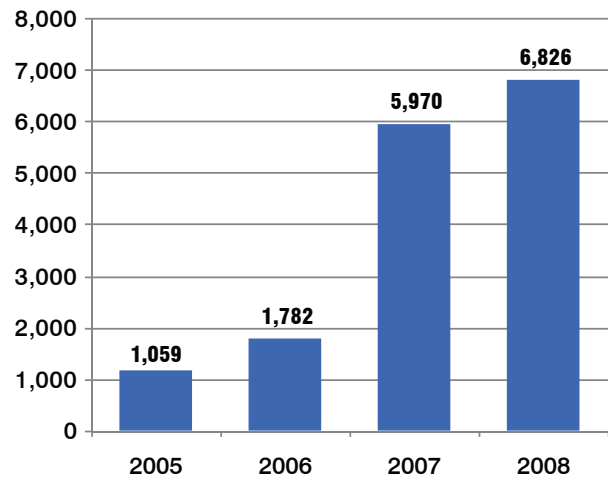
Table 2. Methamphetamine Laboratories Seized in Clark County, Washoe County, and State of Nevada, 2002–2008

Year	Clark County	Washoe County	State of Nevada
2002	69	10	81
2003	67	6	76
2004	42	9	51
2005	24	2	29
2006	16	1	20
2007	7	1	8
2008	3	0	4

Source: National Seizure System, as of February 19, 2009.

growing techniques necessary for high-potency marijuana production. Caucasian criminal groups, independent dealers, and Asian DTOs are the predominant cannabis cultivators in the region; they generally manage grow sites independently; however, Asian DTOs often operate several sites simultaneously, working in coordination with associates in other cities within and outside the region. In 2008, 89 indoor grow sites were seized—a 394 percent increase from the 18 indoor grow sites seized in 2005. Moreover, the number of indoor cannabis plants eradicated by officials increased from 1,059 plants in 2005 to 6,826 plants in 2008, according to data from the Drug Enforcement Administration (DEA) Domestic Cannabis Eradication/Suppression Program (DCE/SP). (See Figure 2.) Some cannabis plants are cultivated legally in the region under Nevada’s medical marijuana law, which allows for limited, personal-use marijuana production. Individuals registered with the state may cultivate up to three mature and four immature plants at one time for medicinal purposes. Reno Police Department officials report that some cannabis cultivators exploit these medical marijuana laws to conduct illegal grow operations that exceed cultivation and possession limits.

Figure 2. Indoor Cannabis Plants Eradicated in Nevada, 2005–2008

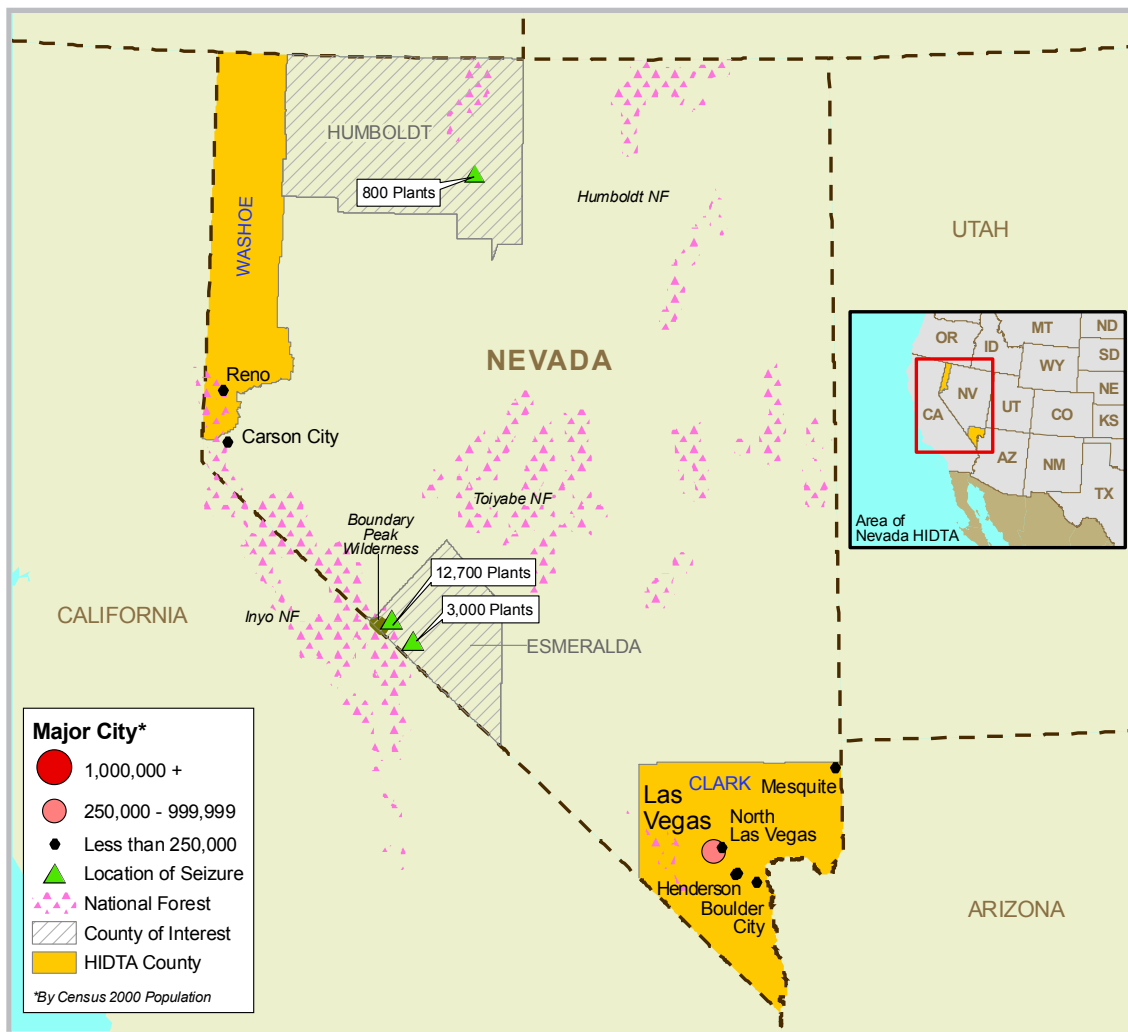


Source: Domestic Cannabis Eradication/Suppression Program.

Outdoor cannabis cultivation is limited because of the arid climate in the region; however, Mexican DTOs are expanding their use of rural and public lands in Nevada outside the HIDTA region to support outdoor cultivation, particularly in Esmeralda and Humboldt Counties. In August 2008, law enforcement officials seized 3,000 cannabis plants at a remote outdoor grow located near the Nevada-California state line, midway between Reno and Las Vegas. Mexican traffickers who tended the site irrigated the plants by diverting water from a nearby stream. Less than a month later, officials conducting aerial surveillance discovered an additional 12,700 cannabis plants at a separate Esmeralda County outdoor grow site in a remote area of the White Mountains, and in October 2008, an 800-plant outdoor grow was seized near the Little Humboldt River in Humboldt County. (See Figure 3 on page 8.)

African American street gangs and, to a lesser extent, Hispanic street gangs convert most of the crack cocaine available in the region from powder cocaine, which they typically acquire from Mexican DTOs and criminal groups. They generally produce crack cocaine at or near distribution sites in urban areas such as Las Vegas, North Las Vegas, and Reno.

Figure 3. Outdoor Cannabis Cultivation Grows Seized in Esmeralda and Humboldt Counties, 2008



Source: Bureau of Land Management; Nevada Department of Public Safety.

Transportation

The Nevada HIDTA region, particularly Las Vegas, is a regional and national-level transshipment area for Mexican DTOs that transport wholesale quantities of ice methamphetamine, cocaine, and marijuana. Mexican DTOs also use the region as a transshipment center for methamphetamine and Mexican black tar heroin and brown powder heroin. Illicit drugs destined for markets outside the region are often stored by

traffickers at stash locations in the area before being transshipped to drug markets throughout the country, including markets in southwestern, midwestern, and eastern states and in Hawaii.

Mexican traffickers transport most illicit drugs available in the Nevada HIDTA region from Mexico, southern California, and Arizona into the area in privately owned and commercial vehicles traveling on Interstates 15 and 80 as well as U.S. Highways 93, 95, and 395. Traffickers also use

commercial aircraft, buses, and railroads to transport drugs to the region. Additionally, distributors and abusers who acquire ODDs and CPDs over the Internet typically receive them by package delivery services and U.S. mail.

Many Mexican traffickers use vehicles modified with hidden storage compartments capable of concealing multipound shipments of drugs or bulk cash. These compartments generally have electronic or magnetic switches that require several steps to open. They are usually welded into body frames, gas tanks, and passenger areas. For example, Nevada law enforcement officials report that in 2008, members of a Mexican DTO installed a lead-lined compartment in a recreational vehicle to avoid detection by X-ray screening equipment. They paid a Nevada couple to transport drugs and money in the vehicle to and from Mexico, the United States, and Canada. Additionally, trafficking vehicles may have global positioning system (GPS) devices hard-wired into them to enable DTO leaders to track shipments and observe deviations from prescribed routes as a result of law enforcement intervention. The drivers of these vehicles are frequently illegal immigrants who are hired to drive from one location to another without knowledge of the contraband that is in the vehicle or specific knowledge of the DTO. Additionally, the drivers usually hold fraudulent identification.

Asian criminal groups, particularly Vietnamese and Chinese, and some outlaw motorcycle gangs (OMGs) transport high-potency marijuana and MDMA from Canada, California, and the Pacific Northwest to the Nevada HIDTA region in privately owned vehicles, rental cars and, to a lesser extent, commercial aircraft, buses, and trains. They also use package delivery services and the U.S. mail to ship illicit drugs into the region.

Distribution

Mexican DTOs and criminal groups dominate the wholesale distribution of methamphetamine, powder cocaine, Mexican commercial-grade marijuana, and Mexican black tar heroin and brown powder heroin. They typically store bulk quantities of these drugs at stash locations, such as rented storage facilities, private residences, retail businesses, and warehouses, where they are repackaged for distribution to other traffickers within and outside the HIDTA region. Asian DTOs and Caucasian traffickers generally control the wholesale distribution of high-potency marijuana and MDMA in the northern area of the HIDTA region, primarily Washoe County. (See Table 3 on page 10).

Various criminal groups, street gangs, OMGs, and independent dealers are involved in the retail distribution of illicit drugs in the Nevada HIDTA region. Mexican criminal groups and Hispanic street gangs are the primary retail-level distributors of methamphetamine, powder cocaine, and Mexican black tar and brown powder heroin in the region, while African American and Hispanic street gangs control retail crack distribution, which typically takes place in urban areas such as Las Vegas and Reno. Reno law enforcement officials report that distributors from northern California are now traveling to Reno to sell crack cocaine on weekends. They typically arrive in Reno on Thursday, rent an inexpensive motel room downtown to conduct sales, and return to California on Sunday. Asian criminal groups, primarily Vietnamese and Chinese, Caucasian dealers and, to a lesser extent, OMGs are the primary retail-level distributors of high-potency marijuana and MDMA in the region. Most criminal groups, street gangs, and OMGs also distribute commercial-grade marijuana at the retail level. Particular groups and dealers tend to dominate the distribution of certain drugs in the region; however, most groups and dealers will distribute any illicit drug if sufficient quantities become

Table 3. Drug Distribution in the Nevada HIDTA Region, by Group, 2008

Drug Distribution Group	Drugs Distributed at the Wholesale Level	Drugs Distributed at the Retail Level
African American	NA	Crack cocaine, Mexican black tar and brown powder heroin, marijuana, ODDs
Asian	High-potency marijuana, MDMA	High-potency marijuana, MDMA
Caucasian	Marijuana, MDMA	Cocaine, marijuana, MDMA, methamphetamine, diverted CPDs, ODDs
Hispanic	Powder cocaine, Mexican black tar and brown powder heroin, methamphetamine, marijuana	Powder and crack cocaine, ice methamphetamine, methamphetamine, marijuana, Mexican black tar and brown powder heroin
Mexican	Powder cocaine, Mexican black tar and brown powder heroin, ice methamphetamine, marijuana	Powder cocaine, marijuana, Mexican black tar and brown powder heroin, ice methamphetamine, powder methamphetamine
Native American	NA	Methamphetamine, marijuana, diverted CPDs
Vietnamese	High-potency marijuana, MDMA	High-potency marijuana, MDMA
Street gangs	NA	Powder and crack cocaine, Mexican black tar and brown powder heroin, marijuana, MDMA, methamphetamine, ODDs, diverted CPDs
OMGs	NA	Marijuana, methamphetamine

Source: Drug Enforcement Administration.

NA—Not applicable.

available to them (see Table 3). Retail distribution typically occurs at open-air markets, night-clubs, and strip clubs and on college campuses. Caucasian independent dealers are the primary retail distributors of diverted CPDs, primarily OxyContin, Lortab, Percocet, Soma, and Vicodin. African American street gang members and Native American independent dealers also distribute CPDs, but to a lesser extent.

Many retail distributors use cell phones to facilitate drug sales in the HIDTA region. They typically use cell phones for a limited period of time, usually 30 days, and then discard the phones to enhance their communication security. Distributors also use text messaging for communication and control of illicit drug-related activities. Internet web sites such as FaceBook and MySpace are popular among some Las Vegas street gang members, who use the sites to publicize their gangs and communicate with other members.

Drug-Related Crime

Methamphetamine trafficking and abuse contribute significantly to crime in the Nevada HIDTA region. According to the National Drug Intelligence Center (NDIC) National Drug Threat Survey (NDTS) 2009, seven of the nine state and local law enforcement respondents in the region identify methamphetamine as the drug most associated with violent crime; all nine respondents report the same for property crime.⁴ Additionally, law enforcement officials report that many violent crimes, such as armed robbery, assault, and homicide, are committed by drug distributors in the course of drug trafficking operations, while a

4. National Drug Threat Survey (NDTS) data for 2009 cited in this report are as of February 12, 2009. NDTS data cited are raw, unweighted responses from federal, state, and local law enforcement agencies solicited through either the National Drug Intelligence Center (NDIC) or the Office of National Drug Control Policy's (ONDCP) High Intensity Drug Trafficking Area (HIDTA) program. Data cited may include responses from agencies that are part of the NDTS 2009 national sample and/or agencies that are part of HIDTA solicitation lists.

considerable number of property crimes, such as burglary, identity theft, larceny, and theft of copper wire from industrial, commercial, and residential sites, are committed by methamphetamine abusers seeking to acquire drug funds.

The abuse of CPDs has also been linked to identity theft in the HIDTA region. According to DEA officials, CPD abusers are increasingly engaging in identity theft to obtain fraudulent prescriptions for oxycodone and hydrocodone. Moreover, pharmacy break-ins by CPD abusers have increased because some abusers who have become addicted to the drugs are becoming more desperate to acquire supplies.

Street gangs operating in the region, many of which engage in retail-level drug trafficking, perpetrate a considerable portion of the crime that occurs in the region each year, according to law enforcement officials. The Las Vegas Metropolitan Police Department, Gang Crimes Bureau, reports that the number of documented gangs in the area increased overall from 254 in 2005 to 457 in 2008. Gang members are typically 15- to 26-year-olds who commit crimes such as armed robbery, assault, and drive-by shooting to enhance their status in the gang, generate income, and protect their territory. According to the Reno Police Department, the number of documented gangs in the area has consistently ranged from 30 to 40 since 2004. However, the number of gang members in Reno increased overall from 1,500 in 2006 to approximately 1,800 in 2008. Reno gang members commonly commit residential and commercial burglary to steal high-value items, such as weapons, electronics, and jewelry, that they can sell or trade for drugs.

Playboy Blood Gang Members Charged with Racketeering, Murder, and Drug Trafficking Offenses

In October 2008, 10 members of a Las Vegas street gang, the Playboy Bloods, were indicted on several charges, including conspiracy to engage in a Racketeer Influenced Corrupt Organization, conspiracy to engage in drug trafficking, violent crime in aid of racketeering, use of firearm during a crime of violence, and possession with intent to distribute a controlled substance. Members of Playboy Bloods derived their income primarily from crack sales conducted at the Sherman Gardens Annex housing complex (known as the Jets) located at H and Doolittle Streets. Playboy Bloods gang members tend to use violence in the course of their drug trafficking activities; members commit murder, assault, and battery against security officers and rival gangs such as Donna Street Crips, Gerson Park Kingsmen, Piru Bloods, and Rolling 60s Crips.

Source: United States Attorney, District of Nevada.

Abuse

According to data from the Substance Abuse and Mental Health Services Administration (SAMHSA) Treatment Episode Data Set (TEDS),⁵ the number of methamphetamine-related admissions to publicly funded treatment facilities in Nevada exceeded those for any other substance of abuse, including alcohol, during 2007 (the latest year for which such data are available); this has been the case for the past

5. Treatment Episode Data Set (TEDS) is an annual compilation of data on the demographics and substance abuse problems of those admitted to substance abuse treatment. TEDS collects data on the approximately 1.8 million annual admissions to substance abuse treatment facilities, primarily those that receive some public funding. "Other Opiates" for TEDs data include nonprescription use of methadone, codeine, morphine, oxycodone, hydromorphone, meperidine, opium, and other drugs with morphine-like effects.

Table 4. Treatment Admissions to Publicly Funded Facilities in Nevada, by Substance, 2003–2007

Substance	Year				
	2003	2004	2005	2006	2007
Alcohol only	3,031	3,080	1,977	2,320	2,173
Alcohol with drug	1,542	1,512	1,335	1,265	1,503
Heroin	694	649	581	607	576
Other opiates	233	297	289	266	335
Cocaine (smoked)	967	872	539	662	681
Cocaine (other routes)	272	244	165	201	202
Marijuana/hashish	1,548	1,461	1,637	1,399	1,507
Methamphetamine/amphetamine	3,257	3,338	3,420	3,189	2,782

Source: Treatment Episode Data Set.

Note: These figures represent the entire state of Nevada. (Information is based on administrative data reported through March 15, 2009.)

several years. (See Table 4). In response to high levels of methamphetamine abuse in the state, the governor of Nevada commissioned a Governor's Working Group on Methamphetamine Use to fund methamphetamine-related substance abuse prevention, education, treatment, and law enforcement activities through 2009.

While methamphetamine is the most often reported substance of abuse for publicly funded treatment admissions in Nevada, diverted CPDs are cited in more drug-related deaths in Clark County than any other of substance of abuse. Moreover, the number of drug-related deaths associated with diverted CPDs in Clark County has increased each year since 2005 and more than doubled from 147 in 2005 to 338 in 2008. (See Table 5.)

Table 5. Drug-Related Deaths, Clark County, by Drug, 2005–2008

Drug	Year			
	2005	2006	2007	2008
CPDs	147	165	336	338
Cocaine	109	115	58	39
Methamphetamine	65	80	56	34
Heroin	40	35	45	17

Source: Clark County Coroner's Office.

Illicit Finance

The Nevada HIDTA region's proximity to the U.S.–Mexico border and extensive gaming and entertainment industries offer drug traffickers a variety of methods by which they can move and launder illegal drug proceeds. Mexican DTOs transport illicit drug proceeds primarily in bulk from the region to locations at or near the U.S.–Mexico border. Drug traffickers in midwestern and eastern markets often transport bulk cash through the Nevada HIDTA region en route to Mexico or source areas in northern California. For example, the Nevada Highway Patrol reports that bulk cash seized on I-80 is commonly destined for northern California. Traffickers generally smuggle bulk cash in hidden compartments in private and commercial vehicles that they drive to California or Mexico. Traffickers also ship bulk cash through parcel delivery services and, to a lesser extent, by couriers aboard commercial aircraft and buses. Additionally, some traffickers consolidate illicit proceeds generated in the region at local stash locations, combine them with funds generated in other regions of the country, and transport the proceeds in bulk to Mexico.

Many DTOs in the Nevada HIDTA region use local money services businesses (MSBs), traditional depository financial institutions, and money

Couple Charged with Transporting Drug Money From Mississippi to Las Vegas

In November 2008 a Las Vegas couple was charged with violating interstate and foreign travel regulations as well as transportation in aid of racketeering enterprises statutes for transporting illicit drug and drug proceeds within the United States and between the United States and Mexico. Law enforcement officials recovered over \$3.7 million in U.S. currency that they believe was generated from drug transactions. The money was seized from bank accounts, safety deposit boxes, storage units, and vehicles in California, Mississippi, and Nevada. During June 2008 the couple allegedly transported over \$60,000 in drug proceeds in a motor home from Waveland, Mississippi, to a Las Vegas credit union, where they stored the cash in a safety deposit box rented in a relative's name.

Source: United States Attorney, District of Nevada.

transmitters to launder drug proceeds, frequently in conjunction with bulk cash smuggling. Mexican DTOs often transmit illicit proceeds in structured⁶ amounts through MSBs to collection points in Southwest Border states, where the transmissions are cashed, and most of the money is then smuggled across the border. The funds are often deposited into a Mexican bank or a *casa de cambio* (exchange house) and then repatriated to the United States through electronic wires or bulk cash transportation by armored car or courier services.

6. A person structures a transaction if that person, acting alone, or in conjunction with or on behalf of other persons, conducts or attempts to conduct one or more transactions in currency, in any amount, at one or more financial institutions, on one or more days, in any manner, for the purpose of evading the reporting requirements under Title 31. "In any manner" includes but is not limited to the breaking down of a single sum of currency exceeding \$10,000 into smaller sums, including sums at or below \$10,000. The transaction or transactions need not exceed the \$10,000 reporting threshold at any single financial institution on any single day in order to constitute structuring within the meaning of this definition.

DTOs, gangs, and independent dealers operating in the region also purchase tangible assets and invest in cash-intensive front business, such as restaurants, night clubs, and convenience stores that they use to commingle drug proceeds with legitimate business earnings. Additionally, they invest drug proceeds in residential real estate in an attempt to mask the illicit nature of their proceeds. They often purchase properties that need minor improvements, overvalue the improvements when completed, and later sell the properties to associates or complicit individuals for an inflated profit, enabling them to conceal the true nature of their proceeds.

Law enforcement and media reports indicate that individuals typically attempt to launder money through casinos by exchanging illicit cash for casino chips and then either cash in the chips as legitimate gambling winnings or wire-transfer the money as winnings to out-of-state accounts.

Outlook

Ice methamphetamine trafficking and abuse will remain the most significant drug threats facing the Nevada HIDTA region in the near term because of widespread methamphetamine abuse and the high levels of violence associated with the drug's distribution and abuse. However, several HIDTA markets—notably Reno in Washoe County—may continue to experience methamphetamine shortages and higher prices in the near term.

Indoor cannabis cultivation will most likely increase in the Nevada HIDTA region as high-potency marijuana producers seek to meet the rising demand for the drug and capitalize on greater profit margins. Increased indoor cannabis cultivation will also be supported by a greater number of local marijuana producers moving their operations indoors to avoid outdoor eradication efforts and to gain higher profits through year-round production.

CPD abuse will continue to be a significant concern in the HIDTA region in the near term, resulting in increased treatment admissions and drug-related deaths. The 24-hour lifestyle associated with the Las Vegas area will continue to fuel demand for and abuse of CPDs.

Sources

Local, State, and Regional

Boulder City Police Department
 Carson City Sheriff's Office
 Churchill County Sheriff's Office
 North Central Narcotics Task Force
 City of Las Vegas
 Clark County Coroner's Office
 Douglas County Sheriff's Office
 Elko County Sheriff's Office
 Elko Combined Narcotics Unit
 Elko Police Department
 Eureka County Sheriff's Office
 Fallon Police Department
 Henderson Police Department
 Humboldt County Sheriff's Office
 Lander County Sheriff's Office
 Las Vegas Metropolitan Police Department
 Gang Crimes Bureau
 Lincoln County Sheriff's Office
 Lyon County Sheriff's Office
 Mesquite City Police Department
 Mineral County Sheriff's Office
 Nevada Commission on Tourism
 Nevada State Demographer's Office
 North Las Vegas Police Department
 Narcotics Division
 Nye County Sheriff's Office
 Pershing County Sheriff's Office
 Reno Police Department
 Street Enforcement Team
 State of Nevada
 Department of Justice
 Department of Public Safety
 Bureau of Records and Identification
 Nevada Highway Patrol
 Threat Analysis Center
 Health Division
 Sparks Police Department
 Storey County Sheriff's Office
 Tri-County Drug Enforcement Team
 Tri-Net Drug Task Force
 Washoe County Sheriff's Office
 West Wendover Police Department
 Winnemucca Police Department

Federal

Executive Office of the President
 Office of National Drug Control Policy
 High Intensity Drug Trafficking Area
 Nevada
 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. Immigration and Customs Enforcement
 Las Vegas Division
 U.S. Department of the Interior
 Bureau of Land Management
 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
 Los Angeles Field Division
 Las Vegas District Office
 Federal Bureau of Investigation
 Uniform Crime Report
 U.S. Attorneys Offices
 District of Hawaii
 District of Nevada
 U.S. Department of the Treasury
 Internal Revenue Service

Other

www.Kolotv.com
www.lasvegassun.com
www.knowgangs.com

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**Questions and comments may be directed to
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