



## **South Florida**

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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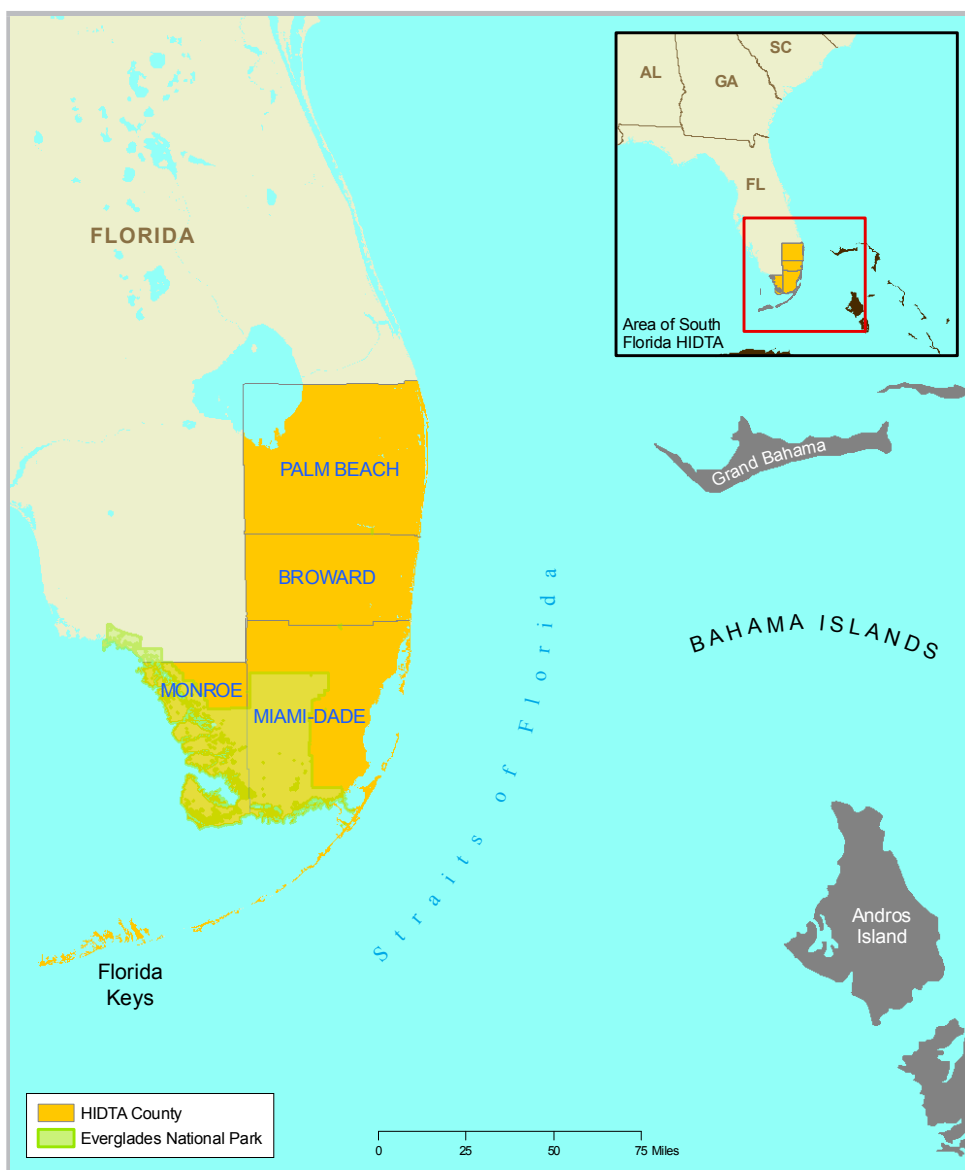
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# Preface

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

- Cocaine usually is readily available throughout the South Florida HIDTA region because of the region's proximity to reliable international sources of supply; however, large cocaine seizures in drug transit areas in the Caribbean and near the Southwest Border resulted in cocaine shortages and higher wholesale cocaine prices in the South Florida HIDTA region in early 2009.
- The diversion, distribution, and abuse of controlled prescription drugs (CPDs) such as oxycodone, hydrocodone, and diazepam are significant threats to the South Florida HIDTA region. CPD abusers are enticed in part by the ease with which they can obtain the drugs over the Internet and from retail-level distributors. The South Florida HIDTA region is a significant source area for CPDs available throughout a large portion of the eastern United States, including Alabama, Georgia, Massachusetts, North Carolina, and Tennessee; abusers travel to the region to illicitly purchase CPDs from various distributors and pain management clinics.
- Cannabis eradication data suggest increasing production of indoor grown—typically high-potency—marijuana. The total number of indoor cannabis plants eradicated in the region increased 71 percent from 2005 through 2008. Indoor cultivators, principally Cuban drug trafficking organizations (DTOs), are increasing indoor cannabis cultivation and marijuana production to satisfy the high and rising demand for high-potency marijuana in the South Florida HIDTA region and other areas. High-potency marijuana produced in the South Florida region is transported and distributed to drug markets throughout the region as well as in Georgia, New Jersey, New York, Tennessee, and other central and northeastern states.

- The South Florida HIDTA region is a significant money laundering area used by traffickers throughout the eastern United States. According to law enforcement officials, Colombian DTOs launder multibillions of dollars in illicit drug proceeds through the Black Market Peso Exchange (BMPE); a large portion of import and export activity associated with this money laundering scheme takes place in Florida, particularly Miami. Moreover, some DTOs in the region are increasingly using the black market in Venezuela to launder illicit drug proceeds.

## 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 for powder cocaine and South American (SA) heroin; it is also a distribution center for powder cocaine, SA heroin, marijuana, and CPDs intended for distribution throughout the eastern United States, including drug markets in Alabama, Connecticut, Georgia, Kentucky, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, and Pennsylvania.<sup>1</sup> The South Florida HIDTA region is also a significant money laundering area used by traffickers throughout the eastern United States as a result 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. As such, U.S. citizens and foreign nationals are attracted and often relocate

1. According to the *Rand McNally Road Atlas and Travel Guide 2008*, the eastern United States consists of Alabama, Connecticut, Delaware, Florida, Georgia, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, and West Virginia.

**Table 1. South Florida HIDTA Drug Seizures, in Kilograms, 2008**

Powder Cocaine	Crack Cocaine	Ice Methamphetamine	Powder Methamphetamine	Marijuana	Hydroponic Marijuana	Heroin	MDMA (in dosage units)	Hydrocodone (in dosage units)	OxyContin (in dosage units)	Xanax (in dosage units)	Other CPDs (in dosage units)
14,529	22	9	1	20,405	4,328	144	76,372	1,252	37,684	22,305	199,190

Source: South Florida High Intensity Drug Trafficking Area.

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.<sup>2</sup>

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 10.) DTOs routinely exploit this infrastructure to transport illicit drugs into, through, and from the region to other drug markets in Florida, Puerto Rico, and the eastern United States.

## Drug Threat Overview

The most significant drug threats to the South Florida HIDTA region are the distribution and abuse of cocaine and CPDs and the cultivation of cannabis and the subsequent distribution and abuse of marijuana; the laundering of illicit drug proceeds poses a major threat to the

region. According to data from the National Drug Intelligence Center (NDIC) National Drug Threat Survey (NDTS) 2009, 15 of the 27 law enforcement agency respondents in the South Florida HIDTA region report that cocaine is the greatest drug threat in their jurisdictions; 10 of the 27 respondents report the same for CPDs.<sup>3</sup> Moreover, 26 of the 27 law enforcement agency respondents in the South Florida HIDTA region report that marijuana is available at high levels in their jurisdiction, and 21 report that cannabis is cultivated hydroponically in their jurisdictions, according to NDTS 2009 data. In addition, reporting from South Florida HIDTA initiatives indicates that 14,529 kilograms of powder cocaine, 260,431 dosage units of CPDs, and 20,405 kilograms of marijuana were seized in 2008. (See Table 1.)

Cocaine trafficking and abuse pose one of the greatest drug threats to the South Florida HIDTA region, as evidenced by the large quantities of cocaine available in the area, the level of violent and property crime associated with cocaine (particularly crack) distribution, and the number of cocaine-related treatment admissions to publicly funded facilities. Cocaine usually is readily available throughout the South Florida HIDTA region

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%).

3. 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 (ONDCP) 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.



because of the region's proximity to reliable international sources of supply; however, shortages in wholesale quantities of powder cocaine were reported by some law enforcement officers in the South Florida HIDTA region in early 2009.<sup>4</sup> Cocaine prices also reflect the shortages; wholesale prices of cocaine increased in Miami from \$15,250 to \$17,500 per kilogram in October through December 2008 to \$17,000 to \$32,000 per kilogram in January through March 2009. Nonetheless, some law enforcement agencies in the South Florida HIDTA region report that quantities of cocaine are sufficient to meet local demand and to distribute to other markets.

The diversion, distribution, and abuse of CPDs<sup>5</sup> pose a significant threat to the region. According to NDTs 2009 data, 20 of the 27 law enforcement respondents in the South Florida HIDTA region report that CPDs are available at high levels in the jurisdiction. CPDs are widely abused in the region, particularly among Caucasian adolescents and adults; law enforcement and public health officials report that the average age of abusers is decreasing. The most widely available and commonly abused CPDs are methadone, morphine, OxyContin (oxycodone), Valium (diazepam), Vicodin (hydrocodone), and Xanax

(alprazolam).<sup>6</sup> CPD abusers are enticed in part by the ease with which they can obtain the drugs over the Internet and from retail-level distributors. The South Florida HIDTA region is also a source area for CPDs available throughout a large portion of the eastern United States, including Alabama, Georgia, Massachusetts, North Carolina, and Tennessee; abusers travel to the region to illicitly purchase CPDs from various distributors and pain management clinics. In fact, law enforcement officials in the Appalachia HIDTA region report that because of the effectiveness of prescription drug monitoring programs (PDMPs) in their region, some CPD traffickers and abusers are traveling to South Florida, where they illicitly obtain CPDs that they bring back to the Appalachia HIDTA region to use and sell for profit.<sup>7</sup> Some traffickers and abusers use the Internet to order the drugs from rogue Internet pharmacies based in Florida, although the full extent of CPD sales from Florida-based Internet pharmacies is an intelligence gap.<sup>8</sup> To counter this problem, federal legislation designed to reduce the number of rogue Internet pharmacies selling CPDs was enacted in 2008.

(See text box on page 5.)

4. Intelligence and law enforcement reporting indicates that the decrease quite likely is the result of several simultaneous factors including several exceptionally large cocaine seizures made while the drug was in transit toward the United States, counter-drug efforts by the Mexican Government, U.S. law enforcement operations along the Southwest Border, a high level of intercartel violence in Mexico, and expanding cocaine markets in Europe and South America.
5. Not all prescription drugs are controlled prescription drugs (CPDs) under the Controlled Substances Act. However, many prescription drugs are listed in Schedules I through V of the Controlled Substances Act because of their high potential for abuse or addiction. Schedule I through V prescription drugs are primarily narcotic pain relievers and central nervous system depressants and stimulants. A complete list of CPDs, by schedule, is available on the Drug Enforcement Administration (DEA) Office of Diversion Control Internet site <http://www.deadiversion.usdoj.gov/schedules/schedules.htm>.

6. Schedule II drugs include several prescription drugs, such as Duragesic (fentanyl), methadone, morphine, OxyContin (oxycodone), and Percocet (oxycodone in combination with acetaminophen). Schedule III drugs include several prescription drugs such as Vicodin (hydrocodone in combination with acetaminophen). Schedule IV drugs include several prescription drugs such as Ambien (zolpidem), Ativan (lorazepam), Darvon (propoxyphene), Valium (diazepam), and Xanax (alprazolam).
7. Prescription Drug Monitoring Programs (PDMPs) are systems in which CPD data are collected in a database, centralized by each state, and administered by an authorized state agency to facilitate the early detection of trends in diversion and abuse. As of October 2008, 38 states including Kentucky, Tennessee, and West Virginia had enacted legislation permitting PDMPs or had operational PDMPs. Each state controls the language of its PDMP with regard to how the prescription information gathered as part of the program will be shared not only in the state but also with other states. Some legislators, advocates, and officials in Florida have been trying to institute a PDMP similar to those in place in 38 states since 2001; however, concerns raised about patient privacy have prevented the implementation of a PDMP in the state. Nonetheless, in early 2009 the Florida legislature is expected to vote on a PDMP bill.
8. Rogue Internet pharmacies are unlicensed, fraudulent, and disreputable businesses that sell CPDs illegally.

### The Ryan Haight Online Pharmacy Consumer Protection Act of 2008

The Ryan Haight Online Pharmacy Consumer Protection Act of 2008 was enacted in October 2008. The federal law amends the Controlled Substances Act and prohibits the delivery, distribution, and dispensing of CPDs over the Internet without a prescription written by a doctor who has conducted at least one in-person examination of the patient. Provisions of the law increase the criminal penalties for illegal Internet prescribing of Schedules III, IV, and V controlled substances. The law will most likely deter some Internet pharmacy operators from engaging in “script mill” practices, which provide alleged medical consultations (for a fee) and prescriptions that are sent to local pharmacies or directly to customers, who can take them to a pharmacy to be filled.

Cannabis cultivation and subsequent marijuana distribution and abuse, particularly of high-potency marijuana grown hydroponically at indoor sites, pose significant threats to the South Florida HIDTA region. The demand for high-potency marijuana in the region is high, as is the number of indoor cannabis cultivation sites established to meet the demand. Most of the high-potency marijuana available in the region is produced locally at indoor grow sites. Indoor cannabis cultivation, primarily using hydroponic growing techniques, has expanded throughout the HIDTA region; these indoor cultivation sites are established and operated primarily by Cuban DTOs.<sup>9</sup> This locally produced high-potency marijuana is distributed throughout the region and is also transported and distributed to drug markets in Georgia, New Jersey, New York, and Tennessee as well as central and northeastern states. Commercial-grade marijuana available in the region is also produced

locally at outdoor grow sites and is produced in the Bahamas, Colombia, Jamaica, and Mexico and transported to the region by various traffickers.

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 Massachusetts and New York; some of the heroin remains in southern Florida to meet the limited local demand for the drug. Heroin availability and abuse are stable at low levels in the South Florida HIDTA region; however, law enforcement officers in the City of Boca Raton Police Services Department, Highland Beach Police Department, and Miami-Dade Police Department report that heroin is available at high levels in their jurisdictions. 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. Law enforcement reporting and methamphetamine laboratory seizure data suggest that methamphetamine production is extremely limited in the region. According to NDTs 2009 data, 16 of the 27 law enforcement agency respondents in the South Florida HIDTA region report low levels of methamphetamine production in their jurisdictions, and 11 report that methamphetamine is not produced in their jurisdictions. Moreover, National Seizure System (NSS) data indicate that no methamphetamine laboratories have been seized in the region since 2006. The availability and abuse of ODDs, principally MDMA, are at stable levels. Most of the MDMA available in the region is transported from sources in Canada and the Netherlands.

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

## 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 among other areas, often at the behest of Colombian DTOs based in Colombia. Colombian DTOs dominate the wholesale distribution of cocaine and SA heroin in the South Florida HIDTA region; they are also the region's principal money launderers. However, effective law enforcement efforts in Colombia have resulted in the disruption of some large DTOs in that country. Many of the leaders of these DTOs are in Colombian custody awaiting extradition to the United States; some are awaiting trial in the United States. Consequently, the subordinates of some of these leaders are attempting to form their own smaller organizations in Colombia—a circumstance that may affect the supply of cocaine to the South Florida HIDTA region in the coming year. 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. Colombian DTOs in the HIDTA region frequently work with Mexican DTOs to coordinate the transportation of powder cocaine from Colombia through Central America and Mexico into the United States, and eventually into Florida.

Cuban DTOs and criminal groups distribute marijuana, powder cocaine, and SA heroin 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

### 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.

structured Cuban DTOs operating in their jurisdictions that engage in the production and distribution of high-potency marijuana.

Other DTOs and criminal groups of various races/ethnicities, including African American, Caucasian, Dominican, Israeli, 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 CPDs and MDMA. Caucasian criminal groups distribute cocaine, marijuana, methamphetamine, CPDs, and ODDs. Dominican DTOs distribute illicit drugs at the midlevel in the region. Israeli DTOs and criminal groups are involved primarily in white collar crime, fraud, money laundering and, to a limited extent, MDMA trafficking. Jamaican DTOs transport and distribute cocaine and marijuana.

### Florida House Bill 43—Criminal Activity

On June 30, 2008, the governor of Florida signed into law House Bill (HB) 43 to address the growth of street gangs in Florida. Primary provisions of the bill include a gang kingpin statute that mandates a first-degree felony punishable by life imprisonment for initiating, organizing, or financing criminal gang-related activity. The bill also established new offenses under Racketeer Influenced and Corrupt Organizations (RICO) provisions to reflect common gang behavior, such as fleeing to elude or accessory after the fact, and prohibits the use of electronic communications to further the criminal interests of a gang. An additional provision allows for civil injunctions against convicted gang members who knowingly associate with other criminal gang members or associates.

Source: Florida Attorney General's Office.

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

Street gangs are retail distributors of illicit drugs in many areas of the South Florida HIDTA region; the level of drug distribution by street gangs is generally moderate to high in the region. According to NDTs 2009 data, 11 of the 27 law enforcement agency respondents in the South Florida HIDTA region report the level of gang drug activity increased in the past year. 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), typically distribute significant amounts of powder and crack cocaine, marijuana,

and heroin and smaller amounts of CPDs, methamphetamine, and MDMA. 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, prompted by jealousy or acts of theft.

Outlaw motorcycle gangs (OMGs) and various support clubs distribute illicit drugs in the South Florida HIDTA region to a limited extent. The South Florida HIDTA reports that the number of new clubs and new members is increasing in South Florida. Moreover, law enforcement officers with the Miami-Dade Police Department, Coral Springs Police Department, and Palm Springs Police Department report that the level of OMG drug activity has increased in the past year in their jurisdictions. OMGs distribute small amounts of marijuana, cocaine, methamphetamine, heroin, MDMA, CPDs, and ODDs in the region.

## Production

Illicit drug production in the South Florida HIDTA region primarily involves cannabis cultivation and the conversion of powder cocaine to crack. Cannabis cultivation often takes place in private residences that cultivators rent or purchase throughout the region. Crack cocaine conversion takes place principally in public housing developments and inner-city areas where street gangs operate.

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

**Table 2. Indoor Cannabis Cultivation Sites Seized and Plants Eradicated in South Florida HIDTA Counties, 2005–2008**

HIDTA County	2005		2006		2007		2008	
	Sites Seized	Plants Eradicated	Sites Seized	Plants Eradicated	Sites Seized	Plants Eradicated	Sites Seized	Plants Eradicated
Broward	31	2,669	33	3,021	30	1,906	11	1,333
Miami-Dade	157	12,016	206	15,749	382	26,019	348	23,621
Monroe	5	501	0*	0*	2	27	0	0
Palm Beach	29	2,356	26	1,938	36	3,727	79	4,997
<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>438</b>	<b>29,951</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>	<b>1,022</b>	<b>78,489</b>

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

produced in the Bahamas, Colombia, Jamaica, and Mexico.<sup>10</sup> Indoor cannabis cultivation is prevalent throughout Florida, including in the South Florida HIDTA region. According to Domestic Cannabis Eradication/Suppression Program (DCE/SP) data, 78,489 cultivated cannabis plants were eradicated from 1,022 indoor grow sites in Florida during 2008; approximately 38 percent of these plants (29,951) were eradicated in the South Florida HIDTA region. (See Table 2.) Most indoor grow sites are located in residences, rental houses, and apartments. The depressed housing market throughout Florida has resulted in increased home foreclosures, a circumstance that provides opportunities for DTOs to acquire bargain-priced properties that can be used to expand their indoor cannabis grow operations in the region. 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>11</sup> For example, the wholesale price for commercial-grade marijuana in Miami was \$650 per pound in 2008, while the wholesale price for hydroponic marijuana ranged from \$2,500 to \$4,000 per pound, according to the South Florida HIDTA. 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. South Florida HIDTA officials report that the number of indoor cannabis grow sites, particularly sites using hydroponic growing techniques, continues to increase despite extensive and coordinated federal, state, and local law enforcement efforts. For example, 17,542 plants were seized in 2005, whereas 29,951 plants were seized in 2008—an increase of 71 percent.

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 is

10. According to Domestic Cannabis Eradication/Suppression Program (DCE/SP) data, seven cultivated plants were eradicated from one outdoor plot in the South Florida HIDTA region in 2008, and 16,211 cultivated plants were eradicated from 299 outdoor plots in Florida that year.

11. 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 2008 (the latest year for which such data are available) indicate that marijuana produced in Florida had an average THC content of 7.75 percent; DEA Miami Division submitted samples with one of the highest THC levels in the state that year (16.72%).

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 North Carolina. Moreover, law enforcement investigations reveal that over the past several years, indoor cannabis cultivation by Cuban growers has advanced from small grow sites to large, highly profitable operations. 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.

Retail-level crack cocaine distributors, typically members of local street gangs, convert powder cocaine to crack near intended markets. The conversion and distribution of crack are serious concerns to law enforcement officials, as these activities are frequently associated with high levels of abuse and related property crime and violence. Local street gang members generally produce and distribute crack 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 CPDs 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.

The South Florida HIDTA region's highly developed transportation infrastructure is routinely exploited by drug traffickers to transport illicit drugs

into, through, and from the South Florida HIDTA region; traffickers often conceal significant amounts of illicit drugs in hidden compartments or in shipments of legitimate goods. The most common method of transportation is the use of private and commercial vehicles on I-75 and I-95. For instance, Mexican DTOs transport large quantities of powder cocaine, heroin, Mexican commercial-grade marijuana, and Mexican ice methamphetamine into the region, principally the West Palm Beach area, 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. Traffickers often transport illicit drugs from the South Florida HIDTA region to drug markets in Atlanta and Detroit, Michigan, using I-75 and to Baltimore, Maryland; New Jersey; New York City; and Philadelphia, Pennsylvania, using I-95.

Traffickers transport large amounts 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. NSS data show law enforcement drug seizures at the Miami and Fort Lauderdale-Hollywood airports as follows (in kilograms): 358.41 cocaine, 300 CPDs, 184.57 khat, 165.61 marijuana, 64.24 heroin, and 30.39 methamphetamine. The majority of these drugs were seized at the Miami airport.

A number of traffickers transport cocaine, SA heroin, marijuana, and MDMA into the region using maritime means such as container ships, cruise ships, commercial fishing vessels, and recreation vessels. For example, in February 2009, U.S. Customs and Border Protection (CBP) officers seized 3,428 pounds of marijuana concealed in a maritime cargo container that arrived in Miami from Kingston, Jamaica. The cargo container had been selected for a routine examination when an anomaly was detected by the cargo X-ray scanner. A drug-detection canine, which was brought to the

Figure 2. South Florida HIDTA Transportation Infrastructure



cargo container, alerted on the container doors; a subsequent inspection revealed the marijuana. The vessel began its journey in Australia, but officers suspect that the marijuana was most likely placed in the container during a stop in Kingston.

Traffickers and some abusers transport illicit drugs, including marijuana, methamphetamine, and CPDs, into and from the South Florida HIDTA region using the U.S. Postal Service (USPS) and package delivery services. According to NSS data, in 2008, law enforcement officials seized more

than 1,087 kilograms of marijuana, 462 kilograms of CPDs, 193 kilograms of powder cocaine, and 13 kilograms of heroin from intercepted mail parcels in the South Florida HIDTA region. Most of the packages were addressed to potential distributors and abusers elsewhere in Florida and in eastern drug markets, including those in the District of Columbia, Georgia, Maryland, Massachusetts, New Jersey, New York, and Virginia. Some of the packages were addressed to recipients in California, Illinois, and Kansas, as well as Canada. Traffickers also use USPS and package delivery services to transport illicit drug proceeds from the region to their sources of supply.

## Distribution

Traffickers, particularly 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, Michigan, New Jersey, New York, North Carolina, and Pennsylvania. A number of traffickers also use the region as a distribution center for marijuana and CPDs 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 the West Palm Beach area 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 3.) Their methods of operation change little from year to year. Retail-level distribution typically takes place at open-air drug markets; in clubs, apartment buildings, motels, and vehicles; on beaches; and at prearranged meeting sites such

as parking lots. CPDs are obtained by abusers through “doctor-shopping,” unscrupulous doctors, or pain management clinics; some of these drugs are sold to other abusers for profit. Such transactions may take place in person with local or out-of-state abusers or through the Internet for shipment by package delivery services.

**Table 3. 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 CPDs
Caucasian	Powder cocaine, GHB, MDMA, marijuana, methamphetamine, and diverted CPDs
Cuban	Powder cocaine, SA heroin, and marijuana
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.

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 reveal 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.



**Table 4. Drug-Related Treatment Admissions to Publicly Funded Facilities in Florida, 2003–2007**

Drug	2003	2004*	2005	2006	2007
Marijuana	20,129	10,239	12,417	12,569	12,918
Cocaine (by all routes of administration)	16,648	7,413	10,059	10,481	9,736
Other opiates, sedatives, and tranquilizers	4,253	2,255	2,736	3,886	4,341
Heroin	4,021	1,325	1,340	1,653	1,184
Amphetamines (including methamphetamine)	1,022	599	1,022	953	815

Source: Treatment Episode Data Set, as of March 2, 2009.

\*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 that significant duplicate admissions were taking place under the prior reporting mechanism.) As such, trend analysis cannot be conducted for years prior to 2005.

## 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 NDTs 2009 data, 23 of the 27 law enforcement agency respondents in the South Florida HIDTA region identify cocaine, particularly crack, as the drug that most contributes to violent crime in their jurisdictions, and 19 identify cocaine as the drug that most contributes to property crime.

## Abuse

Marijuana is the illicit substance most often identified in treatment admissions to publicly funded facilities in Florida; however, the most severe drug-related societal and personal consequences are often associated with powder and crack cocaine (the second most often identified illicit substance in treatment admissions). 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 2003 through 2007 (the latest year for which data are available)

exceeded the number of treatment admissions for the abuse of cocaine; other opiates, tranquilizers, and sedatives; heroin; or amphetamines (including methamphetamine).<sup>12</sup> (See Table 4.) Moreover, 46.6 percent of marijuana-related treatment admissions in 2007 involved individuals between 12 and 17 years of age at the time of admission.

CPDs are widely available and frequently abused throughout the South Florida HIDTA region. The most widely available and commonly abused CPDs are methadone, OxyContin, Valium, Vicodin, and Xanax. Law enforcement officials in the South Florida HIDTA region report that the availability and abuse of CPDs are a significant threat because of the associated death rates. Florida Medical Examiner data reveal that the number of deaths associated with the combined class of CPDs, used either alone or with other drugs,<sup>13</sup> exceeded the number of deaths associated with cocaine and heroin in the South Florida HIDTA region from January through June 2008 (the latest period for which such data are available). (See Table 5 on page 13.)

12. Treatment Episode Data Set (TEDS) data are available only at the state level; thus, the number of admissions is not limited to the South Florida HIDTA region but reflects the entire state of Florida.

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

**Table 5. Drug Mentions in Deceased Persons in Broward, Dade, Monroe, and Palm Beach Counties, 2004–2008\***

	2004	2005	2006	2007	2008*
Prescription benzodiazepines and narcotics	1,173	1,177	1,048	1,426	643
Cocaine	441	513	539	633	233
Heroin	83	58	42	40	28

Source: Florida Department of Law Enforcement; Florida Medical Examiners.  
\*January through June 2008.

ODDs, methamphetamine, and heroin are abused at low levels throughout most of the South Florida HIDTA region. ODDs, particularly MDMA, available in the region are generally abused in combination with other substances, including alcohol, cocaine, and marijuana. MDMA is most commonly used by youths. Methamphetamine and heroin availability and abuse are stable at low levels. SA heroin is the principal type available in retail-level heroin markets in Miami.

## 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).<sup>14</sup> According to law enforcement officials, Colombian DTOs launder multibillions of dollars in illicit drug proceeds through the BMPE; a large portion of import and export activity associated with this money laundering scheme takes place in Florida, particularly Miami. For instance, the New York/New Jersey High Intensity Financial Crime Area (HIFCA) analyzed thousands of transactions involving millions of dollars in BMPE activity that were wired through New York banks in the name of a money exchange business located in Uruguay and found that many of the beneficiaries of the outgoing wires were electronic or computer vendors located throughout Florida.

Drug traffickers in the South Florida HIDTA region launder illicit drug proceeds using a variety of methods. The movement of illicit drug proceeds

14. 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.

in the region typically involves the transportation of bulk currency from the region to countries in the Caribbean and to South America using couriers aboard maritime and air conveyances; they also transport bulk cash by private and commercial vehicle overland to Mexico. Some DTOs in the region are increasingly using the black market in Venezuela to launder illicit drug proceeds; this system is similar to the Colombian BMPE. The black market is thriving in Venezuela, owing to monetary controls imposed by the Commission of Foreign Exchange Administration.<sup>15</sup> It is unclear at this time what effect the use of the Venezuelan system will have on money laundering in the South Florida HIDTA region. Traffickers also launder illicit proceeds by 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 and dealerships and hair salons.

## Outlook

Cocaine trafficking and abuse will remain one of the primary drug threats to the South Florida HIDTA region. Despite reported cocaine shortages in the South Florida HIDTA region, most local distributors will be able to acquire adequate supplies to meet demand, albeit at higher prices. However, the disruption of some large DTOs and the emergence of smaller organizations in Colombia may further disrupt cocaine supplies to the South Florida HIDTA region in the coming year. If cocaine shortages continue, local distributors may seek new sources of supply in the Caribbean, the Southwest

Border, Atlanta, or other Florida cities in an effort to purchase sufficient supplies of cocaine at lower prices.

The number and size of indoor cannabis grow sites will quite likely increase during the next year as Cuban DTOs and other local producers seek to profit from the rising demand for high-potency marijuana in the South Florida HIDTA region. Cuban DTOs will continue to use illegal immigrants to work at indoor cannabis grow sites. Moreover, an abundance of low-cost real estate available in the region as a result of declining economic factors will provide marijuana producers with increased potential for expansion of their indoor grow operations.

Established diversion networks in the South Florida HIDTA region will continue to supply CPDs to distributors and abusers throughout the eastern United States. Compounding this situation are illicit Internet pharmacies operating in Florida, including those in the South Florida HIDTA region. However, the Ryan Haight Online Pharmacy Consumer Protection Act of 2008 will most likely deter some Internet pharmacy operators. CPD-related deaths, particularly among youths, may increase as the average age of CPD abusers in the region decreases and CPDs are abused in combination with other drugs.

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15. The government of Venezuela created a special agency called the Commission of Foreign Exchange Administration (CADIVI, after the Spanish initials of Comisión de Administración de Divisas) to issue and apply foreign exchange control provisions. The CADIVI has the power to issue general regulations, called providences, on the requirements for the purchase of foreign currency, to issue or deny authorizations to purchase foreign currency, and to verify and control the use of the foreign currency, the purchase of which it has authorized from the Central Bank of Venezuela.

## Sources

### Local, State, and Regional

Broward County Sheriff's Office  
 Boynton Beach Police Department  
 City of Boca Raton Police Services Department  
 City of Miami Police Department  
   Narcotics Division  
   Special Investigations Unit  
 Coral Springs Police Department  
 Davie Police Department  
 Delray Beach Police Department  
 Fort Lauderdale Police Department  
 Hallandale Beach Police Department  
 Here's Help, Inc.  
 Hialeah Police Department  
 Highland Beach Police Department  
 Hollywood Police Department  
 Homestead Police Department  
 House of Hope and Stepping Stones  
 Jupiter Police Department  
 Lauderhill Police Department  
 Margate Police Department  
 Miami-Dade Medical Examiners Department  
   Toxicology Laboratory  
 Miami-Dade Police Department  
   Major Crimes Unit  
   Narcotics Division  
   Special Investigations Unit  
 Miami Shores Police Department  
 North Miami Beach Police Department  
   VIN Unit  
 North Miami Police Department  
 Palm Beach County Sheriff's Office  
 Palm Beach Gardens Police Department  
 Palm Springs Police Department  
 Pembroke Pines Police Department  
 Pinecrest Police Department

Riviera Beach Police Department  
 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  
   Eleventh Judicial District Miami-Dade  
     Summary Reporting System  
   Office of the Attorney General  
 West Palm Beach Police Department

### 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

### Other

University of Mississippi  
 Potency Monitoring Project

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**Questions and comments may be directed to  
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