



Oregon

High Intensity Drug Trafficking Area Drug Market Analysis

June 2007

U.S. Department of Justice

Preface

This assessment provides a strategic overview of the illicit drug situation in the Oregon 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 policy makers, resource planners, and law enforcement officials with a focused discussion of key drug issues and developments facing the Oregon HIDTA region.

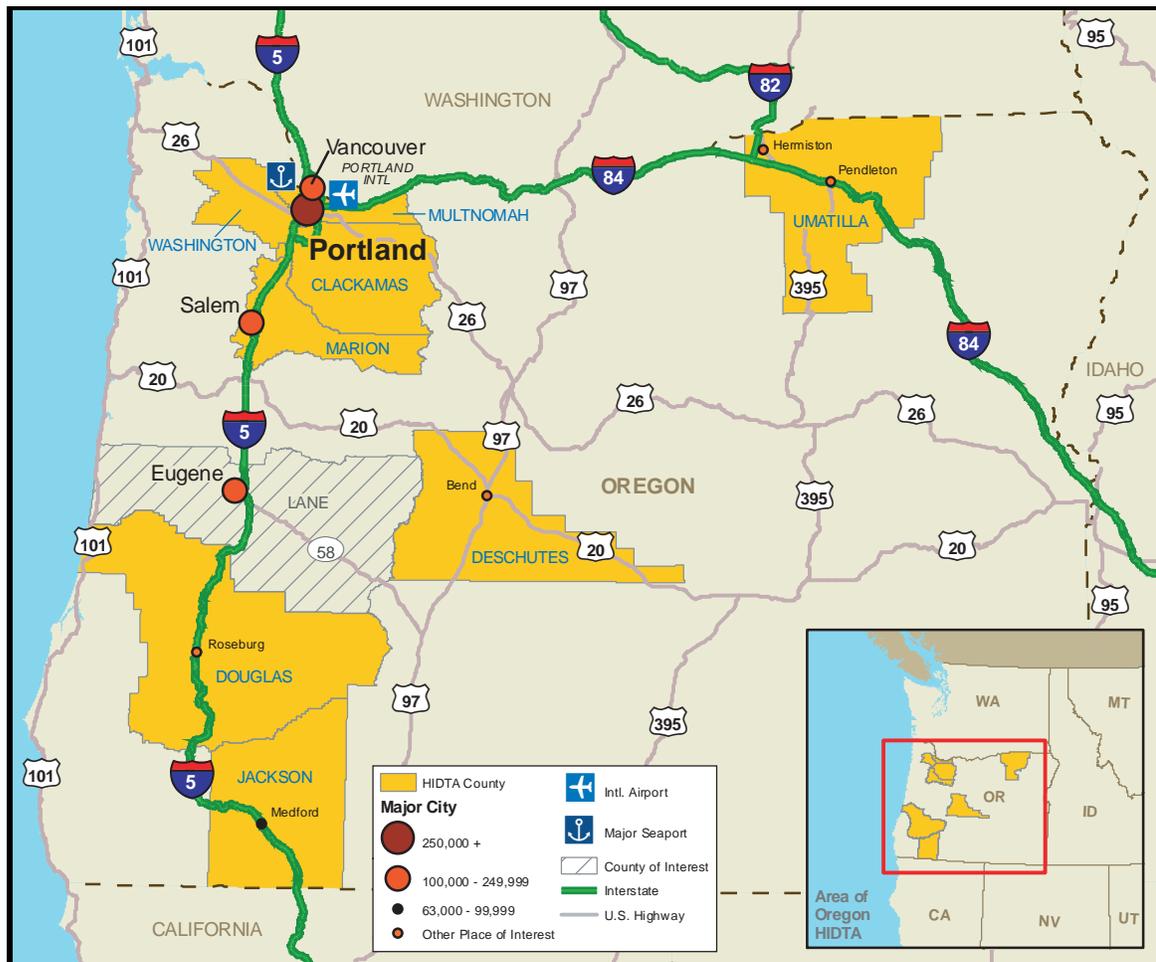


Figure 1. Oregon High Intensity Drug Trafficking Area and transportation infrastructure.

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 vetted with the HIDTA, is limited in scope to HIDTA jurisdictional boundaries, and draws upon a wide variety of sources within those boundaries.

Strategic Drug Threat Developments

- Mexican drug trafficking organizations (DTOs) have increased the amount of methamphetamine that they are transporting to the Oregon HIDTA region to fill a void caused by decreased local production. Local methamphetamine production has decreased sharply following enactment of state legislation controlling over-the-counter (OTC) purchases of cold and allergy medicines containing pseudoephedrine or ephedrine.
- Mexican DTOs have increased local outdoor cannabis cultivation, particularly on public lands in the Oregon HIDTA region and throughout the state.
- Indoor cannabis cultivation has increased significantly within the Oregon HIDTA region. Law enforcement reporting indicates that many individuals supposedly operating under the regulations of the Oregon Medical Marijuana Program are producing greater quantities of the drug than specified in the regulations.
- Asian DTOs are establishing increasing numbers of high-potency cannabis grow operations within the Oregon HIDTA region to avoid the potential risks and costs associated with transporting the drug across the U.S.–Canada border.
- Aging crack cocaine distributors in Portland are switching from crack distribution to the distribution of diverted pharmaceuticals. These distributors market the drugs to their existing customer base as well as to new customers.

HIDTA Overview

The Oregon HIDTA region encompasses eight counties in Oregon—Clackamas, Deschutes, Douglas, Jackson, Marion, Multnomah, Umatilla, and Washington. Sixty-five percent (2.4 million) of the state’s population (3.7 million) live in these eight counties. Major transportation routes that facilitate the distribution of licit and illicit goods from domestic and foreign source areas transit each of these eight counties. Interstate 5 offers a direct north-south route from Mexico to Canada and

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 and midlevels.

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.

traverses six of the eight HIDTA counties (Clackamas, Douglas, Jackson, Marion, Multnomah, and Washington). Interstate 84 crosses the state in an east-west direction, connecting the HIDTA counties of Multnomah and Umatilla to drug markets in other states, particularly Idaho. U.S. Highway 97, a north-south route from the U.S.–Canada border to northern California, crosses the state in Deschutes County and is a favored alternative route for drug traffickers attempting to avoid law enforcement scrutiny on I-5. In addition to these roadways, drug traffickers consistently use the state’s airways, railroads, seaports, and waterways to transport and distribute drugs to, through, and near drug markets in the HIDTA region.

Drug Threat Overview

The distribution and abuse of methamphetamine, primarily Mexican ice methamphetamine, pose the greatest drug threat to the Oregon HIDTA region. In August 2005 Oregon passed legislation requiring a doctor’s prescription for the purchase of cold and allergy medications that contain ephedrine or pseudoephedrine; Oregon was the first state in the nation to enact such a requirement. This legislation significantly reduced local methamphetamine production but has not reduced the amount of methamphetamine available in the state. Mexican DTOs are

transporting and distributing increasing amounts of Mexican ice methamphetamine to the HIDTA region, capitalizing on decreased local production.

Various other illicit substances also are abused throughout the Oregon HIDTA region. Marijuana is widely produced and abused throughout the HIDTA region. Mexican black tar heroin poses a significant problem to the region, particularly in the Portland metropolitan area. Powder cocaine, crack cocaine, MDMA (3,4-methylenedioxymethamphetamine, also known as ecstasy), and various diverted pharmaceuticals are also distributed and abused to varying degrees in the HIDTA region.

Drug Trafficking Organizations

Mexican DTOs are the primary transporters and wholesale distributors of ice methamphetamine, Mexican black tar heroin, cocaine, and Mexican marijuana in the Oregon HIDTA region. Most Mexican DTOs operating in the area are based locally and direct “mules” to drive to California and other areas in the Southwest Border area to obtain significant quantities of these drugs for distribution in the area. Mexican DTOs also cultivate cannabis within the region, primarily at outdoor locations, and have increased their cultivation operations on public lands.

Asian DTOs have emerged as the primary traffickers of high-potency marijuana and MDMA to the Oregon HIDTA region. They typically transport these drugs into the region from Canada. Asian DTOs have recently established high-potency cannabis grow operations within the Oregon HIDTA region—most likely to avoid the risk of losing large marijuana loads at the U.S.–Canada border as a result of heightened law enforcement scrutiny and to increase profit margins by minimizing transportation costs.

Various other criminal groups and gangs are involved in midlevel and retail-level drug distribution within the Oregon HIDTA region. Caucasian criminal groups serve as midlevel and retail-level marijuana distributors. Outlaw motorcycle gangs

(OMGs) distribute methamphetamine and some BC Bud throughout the Oregon HIDTA region. African American and Hispanic criminal groups and gangs distribute methamphetamine, heroin, powder cocaine, and crack, particularly within the Portland metropolitan area.

Production

Marijuana production within the Oregon HIDTA region, at both indoor and outdoor cannabis grow sites, has increased 122 percent from 2004 to 2006. (See Table 1.) Mexican DTOs operate large-scale cannabis grow sites throughout the region, often on public lands. These DTOs compartmentalize their operations to avoid detection and infiltration by law enforcement and often use countersurveillance systems equipped with cameras to protect their grow sites. Additionally, some Mexican DTOs are reportedly working with Native American traffickers in Umatilla County to grow cannabis on reservation lands. Asian DTOs also produce high-potency marijuana in the region, largely at indoor cannabis grow sites, which they are establishing in greater numbers in the area.

Methamphetamine production takes place within the Oregon HIDTA region. However, it is limited as a result of recent state legislation requiring a doctor’s prescription for all over-the-counter (OTC) medications containing pseudoephedrine or ephedrine. This legislation has severely hampered methamphetamine producers’ ability to obtain the precursor materials necessary for methamphetamine production.

Table 1. Number of Cannabis Plants Seized From Indoor and Outdoor Grow Sites Oregon HIDTA region, 2004–2006

	2004	2005	2006
HIDTA Counties	25,620	34,744	56,952
Oregon*	58,675	47,605	108,573

Source: Oregon High Intensity Drug Trafficking Area.

*Includes the numbers listed for the HIDTA counties.

Drug-Related Crime

The distribution and abuse of methamphetamine contribute to high levels of criminal activity in the HIDTA region. Increased abuse of methamphetamine fuels much of the area's property crime. Methamphetamine abusers often commit identity fraud, property theft, and burglary to obtain money to purchase the drug. Additionally, abusers frequently steal metal from buildings, homes, power companies, and construction sites to sell to scrap companies for cash to support their addiction. Metal thefts include components of bridges, ballpark bleachers, highway signs, and farm irrigation systems.

Drug-related violent crime has risen in the Oregon HIDTA region, particularly violent crime connected to marijuana production. Individuals who produce marijuana under the pretext of the Medical Marijuana Program—whether legitimately or not—are often targeted by thieves. Caucasian teenagers in Roseburg recently robbed a cannabis grower, who they subsequently beat with baseball bats. While law enforcement officers in Bend, Oregon, were in the process of seizing cannabis plants from a residence, the property owner, believing that he was being robbed, arrived with four of his friends—all carrying baseball bats and weapons. An individual in Umatilla County was killed during a shootout with cannabis growers at the McNary Wildlife Area while the individual was attempting to rob them. During the investigation of the homicide, law enforcement officers apprehended two men who emerged from the woods carrying 5-pound buckets of marijuana. Further investigation revealed a cannabis grow site nearby that contained approximately 3,000 plants, all measuring over 10 feet tall.

Compounding the problem of cannabis/marijuana-related violence, cannabis growers have begun to take malicious measures to protect their plants from thieves. Law enforcement officers in Roseburg have encountered booby traps, including nail boards, animal jaw traps, fishhooks strung on lines, and shotgun traps set with trip wires, at numerous cannabis grows in their area.

Illicit Finance

Mexican DTOs are the primary drug money launderers in the Oregon HIDTA region; however, Asian DTOs as well as various criminal groups and gangs also launder drug proceeds. Mexican DTOs bulk-transport most illicit drug proceeds to Mexico, while Asian DTOs bulk-transport their proceeds to Canada. The funds are typically concealed in hidden compartments in private and commercial vehicles. Some Asian DTOs send bulk cash shipments through Seattle to Canada, where some cash is used by DTO members for living expenses, while the rest is sent by courier or is electronically wire-transferred to family members in Vietnam and Switzerland. DTOs, criminal groups, and gangs also launder illicit proceeds through real estate investments, cash-intensive front businesses, and money services businesses (MSBs).

Major Drug Markets

The Oregon HIDTA region encompasses several major drug markets: Portland, Roseburg, Bend, and Pendleton. The drug situation in Roseburg, Bend, and Pendleton is similar; therefore, they are combined below into one section of this report.

Portland

Market Overview

Portland's large size, geographic location, and sophisticated transportation infrastructure, as well as the significant amount of drugs moving into and through the city, make it a major market area in the Oregon HIDTA region. Portland is the largest city in terms of area (134 square miles) and population (nearly 530,000) in Oregon. The city is strategically located in the northwestern region of the state adjacent to the Columbia River and the Washington-Oregon border. The Portland metropolitan area extends to three counties: Clackamas, Multnomah, and Washington; most of the city is located in Multnomah County.

Portland's advanced transportation infrastructure facilitates the transportation of both licit and illicit goods to and from the city. Interstates 5 and 84; US 26, 30, and 99; the Portland International

Airport; the Port of Portland seaport; Amtrak and the Metropolitan Area Express, or MAX—a passenger light-rail railway system located in and around the city—provide drug traffickers easy access to markets within the city.

Methamphetamine, particularly ice methamphetamine, and heroin are significant drug problems in Portland; both drugs are widely distributed and abused. Methamphetamine, in particular, contributes to violent crime and property crime in Portland. Significant quantities of marijuana, cocaine, MDMA, and diverted pharmaceuticals are also available and abused in the city.

Production

An increasing number of indoor cannabis cultivation operations are being established by Asian DTOs in and around the Portland metropolitan area. These DTOs purchase houses in middle-income areas in or near Portland and establish indoor cannabis grow operations in the basements. The grow operations, from which high-potency marijuana is produced, are set on 90-day cycles from start to finish (nursery to cultivation) and produce from 300 to 1,300 plants per cycle. Asian DTOs are producing more marijuana locally than they had in the past to avoid the potential risks associated with transporting the drug across the U.S.–Canada border and to minimize transportation costs.¹

Methamphetamine production in the Portland area has decreased significantly since 2004, according to seizure statistics and law enforcement reporting. The number of methamphetamine laboratories seized by law enforcement decreased 90 percent from 2004 to 2006 in the Portland metropolitan area. (See Table 2.) Recent state legislation requiring a doctor's prescription for all OTC medications containing pseudoephedrine or ephedrine has severely hampered methamphetamine producers' ability to obtain the precursor materials necessary for methamphetamine production.

Table 2. Methamphetamine Laboratory Seizures in Clackamas, Multnomah, and Washington Counties, Oregon, 2004–2006

County	2004	2005	2006
Clackamas	24	15	0
Multnomah	138	33	11
Washington	28	12	8
Total	190	60	19

Source: Oregon High Intensity Drug Trafficking Area.

Transportation

Mexican DTOs are the primary transporters of methamphetamine, Mexican black tar heroin, cocaine, and Mexican marijuana into Portland. They transport these drugs to the Portland area primarily in private vehicles from Mexico through California on I-5. Some Mexican DTOs transport the drugs through Nogales and Phoenix, Arizona, or through Texas en route to the area. Law enforcement officers recently seized 75 pounds of heroin, over 13 pounds of cocaine, and 14 pounds of methamphetamine over a 7-month period from Mexican traffickers who were transporting the drugs from Eagle Pass, Texas. Local drug distributors had arranged for transporters to drive to Eagle Pass, pick up the drugs, and drive back to Portland.

Asian DTOs transport BC Bud marijuana and MDMA from Canada to and through Portland. These organizations typically transport the drugs in private vehicles or tractor-trailers and often commingle large quantities of MDMA with larger marijuana loads.

Illicit drugs transported to the area in vehicles are often hidden in concealed compartments. Recently law enforcement officers seized a vehicle in which Mexican black tar heroin was concealed in the bumper of the car. The drugs had been softened in a microwave and, while malleable, they were molded into the vehicle's bumper. Law enforcement reporting indicates that traffickers often conceal drugs in cavities in vehicles, stereo speakers, and engine compartments.

1. According to law enforcement officials, Asian drug trafficking organizations (DTOs) pay transporters approximately \$500 per pound to smuggle marijuana across the U.S.–Canada border.

Distribution

Mexican DTOs distribute wholesale quantities of methamphetamine, heroin, cocaine, and Mexican marijuana to various criminal groups and gangs in the Portland area, who in turn distribute the drugs at the midlevel and retail-level. Hispanic and African American criminal groups and gangs are the primary retail distributors of methamphetamine, heroin, powder cocaine, and crack cocaine; Caucasian criminal groups are the primary midlevel and retail-level distributors of marijuana. Asian DTOs and criminal groups are the primary distributors of BC Bud and MDMA at all distribution levels. OMGs distribute methamphetamine and limited quantities of BC Bud. Most drugs are distributed at open-air drug markets in the city, although some distribution is arranged by cell phone. Open-air markets in the city include the Transit Mall, Old Town, and areas near the MAX Light Rail Line. Methamphetamine, heroin, cocaine, and marijuana are available at each of these locations; however, crack cocaine availability is generally limited to Old Town. Many Mexican distributors prefer to sell heroin to purchasers who call them by cell phone to establish a time to meet, although the drug is also available at open-air markets.

According to law enforcement reporting, aging crack cocaine dealers are beginning to switch from crack distribution to the distribution of diverted pharmaceuticals. These dealers obtain wholesale quantities of prescription drugs such as OxyContin (oxycodone), Soma (carisoprodol), and Vicodin (hydrocodone) from sources in Los Angeles, California, or through doctor-shopping, forgery, fraud, and theft. These dealers market the drugs to their existing customer base as well as to new customers.

Abuse

Treatment admissions decreased overall from 2005 through 2006; however, they remain at relatively high levels. Moreover, the number of admissions for heroin and methamphetamine far surpass any other drug. (See Table 3.) Additionally, in 2006 there were more drug-related deaths for heroin (56) than for any other drug in the Portland metropolitan area.

Table 3. Treatment Admissions for Clackamas, Multnomah, and Washington Counties by Drug, 2005–2006

Drug	2005	2006
Heroin	5,709	5,228
Amphetamines/methamphetamine	5,164	4,451
Cocaine	1,395	1,276
Marijuana	3,458	3,034

Source: Oregon Department of Human Services Addictions and Mental Health Division.

Roseburg/Bend/Pendleton

Market Overview

Roseburg, Oregon, which is approximately 70 miles south of Eugene and 180 miles south of Portland, is the largest city in Douglas County. Douglas County is the largest county in the Oregon HIDTA region, yet the most sparsely populated; much of the county is composed of public forest lands or mountain ranges. Interstate 5, a primary drug trafficking route in the Oregon HIDTA region, traverses the county in a north-south direction. In Oregon County I-5 runs adjacent to Roseburg.

Bend is located in Deschutes County, roughly in the center of the state. Bend is located along US 97, a secondary drug trafficking route through Oregon and a significant alternate route for traffickers seeking to avoid law enforcement detection along I-5. US 97 extends from northern California, through Oregon and Washington, to the U.S.–Canada border. It also intersects I-84, another trafficking route through the HIDTA region.

Pendleton is located in Umatilla County in northeast Oregon. Pendleton is situated along I-84 and is south of the Tri-Cities (Richland, Pasco, Kennewick) area of Washington. Pendleton is a distribution stop for many drug traffickers en route to the Tri-Cities from the Southwest Border.

Ice methamphetamine poses the greatest drug threat to these areas; marijuana, cocaine, heroin, and prescription drugs are also distributed and abused in Roseburg, Bend, and Pendleton. Mexican

DTOs transport methamphetamine, heroin, and cocaine from Mexico through California to and through these areas. Mexican DTOs also transport marijuana to Roseburg and Bend, and Asian DTOs transport BC Bud to Pendleton and Bend. Additionally, Mexican DTOs produce significant quantities of marijuana in these areas, often on public lands.

Production

According to law enforcement officials, marijuana that is supposedly produced in compliance with Oregon's Medical Marijuana Program is a significant drug threat to Roseburg and Bend. The Medical Marijuana Program allows for individuals with specific medical conditions to "possess up to six mature marijuana [sic] plants, 18 immature plants, and 24 ounces of usable marijuana."² However, some individuals who are able to obtain a Medical Marijuana registry identification card produce quantities of marijuana that far exceed what the law allows. In September 2006 law enforcement officers in Roseburg seized a so-called Medical Marijuana cannabis grow operation that contained 19 plants. All plants were over 12 feet tall and 12 feet wide and a chain saw was required to cut them down.

Methamphetamine production has declined in Roseburg, Bend, and Pendleton as a result of state legislation that controls pseudoephedrine and/or ephedrine purchases. Consequently, law enforcement officers have seized fewer methamphetamine

Table 4. Methamphetamine Laboratory Seizures in Deschutes, Douglas, and Umatilla Counties Oregon, 2004–2006

County/Major City	2004	2005	2006
Deschutes (Bend)	5	0	0
Douglas (Roseburg)	11	14	2
Umatilla (Pendleton)	91	39	3
Total	107	53	5

Source: Oregon High Intensity Drug Trafficking Area.

laboratories in these counties than they had in previous years since the legislation passed. (See Table 4.)

Transportation

Mexican DTOs transport ice methamphetamine, cocaine, and limited amounts of heroin to Roseburg, Bend, and Pendleton; they transport marijuana to Roseburg and Bend in private and commercial vehicles. Drugs typically are transported on I-5 from Mexico through California en route to the HIDTA region. Bend law enforcement reporting indicates that drugs are transported on I-5 to northern California and then transported to Bend on US 97. Pendleton law enforcement reporting indicates that while some drugs are transported to the area on US 97 to I-84, most drugs are transported to Pendleton from Portland. Additionally, some traffickers transport drugs to Pendleton on I-84 from Boise, Idaho.

Asian DTOs transport BC Bud and MDMA from Canada to the Roseburg, Bend, and Pendleton areas. They typically transport these drugs through Washington on I-5 to distributors in Roseburg and on US 97 to distributors in Bend. Drug distributors in Pendleton, who have Canadian sources of supply, obtain their drug supplies from transporters en route to Boise on I-84 or from midlevel distributors in the Tri-Cities area.

Drug traffickers typically hide drug shipments in concealed compartments of private and commercial vehicles. According to law enforcement reporting, these compartments range from simple to sophisticated. Some traffickers simply hide drugs in suitcases or duffel bags located in their personal vehicles, or they commingle the drugs with legitimate goods on tractor-trailers. However, Bend law enforcement officers have seized several vehicles that contained more complex systems for hiding illegal drugs. In October 2006 Bend law enforcement officers encountered a vehicle in which a casino betting chip containing an electrical diode was used as a remote sensor to open a compartment

2. Mature cannabis plants are defined as "12 inches or more wide, or 12 inches or more tall, or flowering." Immature plants are defined as "less than 12 inches wide, or less than 12 inches tall, or not flowering." Usable marijuana is defined as "dried leaves or buds" and does not include the rootball, stems, or branches.

in the air bag system of the vehicle, revealing 4 pounds of methamphetamine. In another incident, Bend law enforcement officers had to use a cutting torch to remove the dashboard of a vehicle in which 8 pounds of methamphetamine was discovered.

Distribution

Mexican DTOs control the wholesale distribution of methamphetamine, cocaine, and heroin in Roseburg, Bend, and Pendleton as well as the wholesale distribution of Mexican marijuana in Roseburg and Pendleton. Asian DTOs control the wholesale distribution of marijuana in Bend.

Retail drug distribution occurs throughout the cities of Roseburg, Bend, and Pendleton. Mexican criminals distribute methamphetamine, marijuana, cocaine, and heroin at the retail level from a variety of public areas such as bars, open-air markets, parking lots, and restaurants. Caucasian criminals also distribute retail-level quantities of methamphetamine, marijuana, and heroin.

Abuse

Amphetamines, which include methamphetamine, and marijuana are the primary drugs of abuse reported in treatment admissions for Deschutes, Douglas, and Umatilla Counties in 2006. In these counties the overall number of admissions for amphetamines (1,573) and marijuana (1,176) far surpasses the number of admissions for cocaine and heroin. (See Table 5.)

Diverted pharmaceuticals are abused in Roseburg and Bend. Law enforcement reporting from Roseburg indicates that the drug threat posed by prescription drugs such as OxyContin, Vicodin, and methadone has increased significantly. Abusers in Roseburg steal prescription drugs from neighbors’ mailboxes, and adolescent abusers steal prescription drugs from family members and then congregate with their peers at “pill parties” to exchange the drugs. Additionally, Bend law enforcement reporting indicates that pharmaceuticals are diverted by abusers through doctor-shopping, prescription forgery, and fraud.

Outlook

Methamphetamine availability will increase as Mexican DTOs establish a stronger foothold in the methamphetamine market by supplying increasing amounts of Mexican ice methamphetamine. However, methamphetamine production within the Oregon HIDTA region will continue to decrease.

Outdoor and indoor marijuana production will rise in the near term. Thousands of acres of public lands in Oregon on which law enforcement policing is limited will enable Mexican DTOs to operate an increasing number of cannabis grow sites in rural, unpopulated areas with relative impunity. Additionally, Asian DTOs will most likely establish additional indoor cannabis grow operations within the Oregon HIDTA region to supply increasing demand for high-potency marijuana in the HIDTA region as well as in neighboring markets.

Table 5. Treatment Admissions for Deschutes, Douglas, and Umatilla Counties, by Drug, 2006

County	Amphetamine*	Marijuana	Cocaine	Heroin
Deschutes	410	354	11	11
Douglas	535	418	3	11
Umatilla	628	404	35	51

Source: Oregon Department of Human Services Addictions and Mental Health Division.

*Most of these admissions are methamphetamine-related.

Sources

Local, State, and Regional

Oregon

Blue Mountain Enforcement Narcotics Team
Central Oregon Drug Enforcement Team
Douglas Interagency Narcotics Team
Oregon Department of Human Services
 Office of Addictions and Mental Health Division
Oregon Department of Justice
 Criminal Justice Division
Oregon Department of State Police
 Drug Enforcement Section
 State Medical Examiner Division
Regional Organized Crime Narcotics Agency

Federal

Executive Office of the President
 Office of National Drug Control Policy
 High Intensity Drug Trafficking Area
 Oregon
U.S. Department of Commerce
 U.S. Census Bureau
U.S. Department of Health and Human Services
 Substance Abuse and Mental Health Services Administration
 Office of Applied Studies
 Drug Abuse Warning Network
 Treatment Episode Data Set
U.S. Department of Justice
 Drug Enforcement Administration

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