



# Department of Justice

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**STATEMENT FOR THE RECORD OF**

**JACK RILEY  
ACTING DEPUTY ADMINISTRATOR  
DRUG ENFORCEMENT ADMINISTRATION**

**BEFORE THE**

**SUBCOMMITTEE ON WESTERN HEMISPHERE, TRANSNATIONAL  
CRIME, CIVILIAN SECURITY, DEMOCRACY, HUMAN RIGHTS AND  
GLOBAL WOMEN'S ISSUES  
COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE**

**FOR A HEARING ENTITLED**

**CARTELS AND THE U.S. HEROIN EPIDEMIC: COMBATING DRUG  
VIOLENCE AND PUBLIC HEALTH CRISIS**

**PRESENTED ON**

**MAY 26, 2016**

**Statement for the Record**  
**Jack Riley, Acting Deputy Administrator**  
**Drug Enforcement Administration**  
**Before the Subcommittee on Western Hemisphere, Transnational Crime, Civilian**  
**Security, Democracy, Human Rights and Global Women's Issues**  
**Committee on Foreign Relations**  
**United States Senate**  
**May 26, 2016**

**INTRODUCTION**

Chairman Rubio, Ranking Member Boxer, and Members of the Sub-committee, on behalf of the approximately 9,000 employees of the Drug Enforcement Administration (DEA), thank you for the opportunity to discuss the issue of Cartels, the U.S. heroin epidemic, and DEA's response to combating the drug violence and public health crisis.

Today, Mexican Transnational Criminal Organizations (TCOs) remain the greatest criminal drug threat to the United States; no other group can challenge them in the near term. These Mexican poly-drug organizations traffic heroin, illicit fentanyl, methamphetamine, cocaine, and marijuana throughout the United States, using established transportation routes and distribution networks. They control drug trafficking across the Southwest border (SWB) and are moving to expand their share of U.S. illicit drug markets, particularly heroin markets.

National-level gangs and neighborhood gangs continue to form and expand relationships with Mexican TCOs. Many gangs rely on Mexican TCOs as their primary drug supply source, and Mexican TCOs depend on street-level gangs, many of which already have a customer base, for drug distribution. Additionally, gangs profit through drug transportation activities, enforcement of drug payments, and by securing drug transportation corridors from use by rival gangs.

Mexican TCOs exploit a user population struggling with the disease of addiction. Drug overdoses are the leading cause of injury-related death in the United States, eclipsing deaths from motor vehicle crashes or firearms.<sup>1</sup> There were over 47,000 overdose deaths in 2014, or approximately 129 per day, over half (61 percent) of which involved either a prescription opioid or heroin.<sup>2</sup> These are our family members, friends, neighbors, and colleagues.

The DEA's focus is targeting the most significant, sophisticated, and violent trafficking organizations that profit from exploiting persons with substance use disorders. DEA's strategic priorities include targeting Mexican Consolidated Priority Organization Targets (CPOTs) and

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<sup>1</sup> Centers for Disease Control and Prevention, Web-based Injury Statistics Query and Reporting System (WISQARS) [online], (2014), *available at*: <http://www.cdc.gov/injury/wisqars/fatal.html>.

<sup>2</sup> Rose A. Rudd, Noah Aleshire, Jon E. Zibbell, R. Matthew Gladden. Increases in Drug and Opioid Overdose Deaths - United States, 2000-2014 Morbidity and Mortality Weekly Report, 2016;64:1378-1382.

Priority Target Organizations (PTOs), which are the most significant international and domestic drug trafficking and money laundering organizations.

## **CURRENT ASSESSMENT OF THE THREAT**

Based on active law enforcement cases, the following Mexican TCOs are operating in the United States: the Sinaloa Cartel, Beltran-Leyva Organization (BLO), New Generation Jalisco Cartel (Cartel de Jalisco Nueva Generación or CJNG), Los Cuinis, Gulf Cartel (Cartel del Golfo or CDG), Juarez Cartel Michoacán Family (La Familia Michoacána or LFM), Knights Templar (Los Caballeros Templarios or LCT), and Los Zetas. While all of these Mexican TCOs transport wholesale quantities of illicit drugs into the United States, the Sinaloa Cartel remains the most active supplier. The Sinaloa Cartel leverages its expansive resources and organizational structure in Mexico to facilitate the smuggling and transportation of drugs throughout the United States.

Mexican TCO operations in the United States typically take the form of a supply chain system that relies on compartmentalized operators who are only aware of their own specific function, and remain largely unaware of other operational aspects. In most instances, transporters for the drug shipments are independent third parties who work for more than one Mexican TCO. Since operators in the supply chain are insulated from one another, if a transporter is arrested the transporter is easily replaced and unable to reveal the rest of the network to law enforcement.

Mexican TCOs in the United States utilize a network of extended family and friends to conduct their operations. Families affiliated with various Mexican TCOs in Mexico vouch for U.S.-based relatives or friends that are deemed trustworthy to run various aspects of the drug trafficking operations in the United States. Actual members of Mexican TCOs are usually sent to important U.S. hub cities to manage stash houses containing drug shipments and bulk cash drug proceeds. While operating in the United States, Mexican TCOs actively seek to maintain low profiles and avoid violent confrontations between rival TCOs or U.S. law enforcement.

Mexican TCOs transport illicit drugs over the SWB through ports of entry using passenger vehicles or tractor trailers. Illicit drugs are typically secreted in hidden compartments when transported in passenger vehicles or comingled with legitimate goods when transported in tractor trailers. Once across the SWB, Mexican TCOs will initially utilize stash houses in a number of hub cities to include Dallas, Houston, Los Angeles, Atlanta, and Phoenix. The illicit products will then be transported via these same conveyances to distribution groups in the Midwest and on the East Coast. Mexican TCOs also smuggle illicit drugs across the SWB using other methods including tunnels, maritime conveyances, and aircraft.

## **HEROIN AVAILABILITY TO THE U.S. MARKET**

There are four major heroin-producing areas in the world, but heroin bound for the U.S. market originates predominantly from Mexico and, to a lesser extent, Colombia. The heroin market in the United States has been historically divided along the Mississippi River, with western markets using Mexican black tar and brown powder heroin, and eastern markets using white powder, which over the last two decades has been sourced primarily from Colombia. The

largest, most lucrative heroin markets in the United States are the white powder markets in major East Coast cities: New York City and the surrounding metropolitan areas, Philadelphia, Boston and its surrounding cities, Washington, D.C., Baltimore, as well as Chicago. Given the growing number of individuals with an opioid use disorder in the United States, Mexican TCOs have seized upon a business opportunity to increase their profits. Mexican TCOs are now competing for the East Coast and Mid-Atlantic markets by introducing Mexican brown/black tar heroin, as well as by developing new techniques to produce highly refined white powder heroin.

Poppy cultivation in Mexico increased 160 percent between 2013 and 2015, resulting in an estimated 70 metric tons of potential heroin. Cultivation in Mexico is located primarily in the state of Guerrero and the Mexican “Golden Triangle” which includes the states of Chihuahua, Sinaloa, and Durango. The increased cultivation and trafficking from Mexico to the United States impacts both of our nations by supporting the escalation of heroin use in the United States, as well as the instability and violence associated with drug trafficking in Mexico.

The majority of Mexican and Colombian heroin bound for the United States is smuggled into the United States via the SWB, and heroin seizures at the border have more than doubled, from 1,016 kilograms in 2010 to 2,524 kilograms in 2015.<sup>3</sup> During this time, the average seizure at the Border also increased from 2.0 kilograms to 3.5 kilograms. Most heroin smuggled across the border is transported in privately-owned vehicles, usually through California, as well as through south Texas. In 2014, more than half of U.S. Customs and Border Protection (CBP) heroin seizures at the SWB were in the southern California corridors of San Diego and El Centro. The distribution cells, and the Mexican and South American traffickers who supply them, are the main sources of heroin in the United States today. In Mexico, the threat of these organizations is magnified by the high level of violence associated with their attempts to control and expand drug distribution operations.

DEA has become increasingly alarmed over the addition of fentanyl into heroin sold on the streets as well as the use of fentanyl analogues such as acetyl fentanyl. The more potent opioids like fentanyl<sup>4</sup> present a serious risk of overdose death for a user. In addition, this drug can be absorbed by the skin or inhaled, which makes it particularly dangerous for law enforcement, public safety, or health care personnel who encounter the substance during the course of their daily operations. On March 18, 2015, DEA issued a nationwide alert to all U.S. law enforcement officials about the dangers of illicit fentanyl and fentanyl analogues and related compounds. In addition, due to a recent spike in overdose deaths related to the use of acetyl fentanyl, on July 17, 2015, DEA used its emergency scheduling authority to place acetyl fentanyl in Schedule I of the CSA.

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<sup>3</sup> Drug Enforcement Administration, Unclassified Summary, 2015 National Drug Threat Assessment, Pg. 35, *available at*: <http://www.dea.gov/resource-center/dir-ndta-unclass.pdf>.

<sup>4</sup> Centers for Disease Control, Emergency Response Safety and Health Database, FENTANYL: Incapacitating Agent, [http://www.cdc.gov/niosh/ershdb/emergencyresponsecard\\_29750022.html](http://www.cdc.gov/niosh/ershdb/emergencyresponsecard_29750022.html), accessed March 19, 2015; U.S. Department of Justice, Drug Enforcement Administration, Office of Diversion Control, Drug & Chemical Evaluation Section, Fentanyl, March 2015

## **DEA RESPONSE TO THE HEROIN THREAT**

### *DEA'S 360 STRATEGY*

DEA is rolling out the 360 Strategy to address the opioid, heroin, and violent crime crisis. The strategy leverages existing federal, state, and local partnerships to address the problem on three different fronts: law enforcement, diversion control, and community relations. The strategy is founded upon our continued enforcement activities directed at the violent street gangs responsible for feeding the heroin and prescription drug abuse epidemic in our communities.

While law enforcement plays a central role in the 360 Strategy, enforcement actions alone are not enough to make lasting changes in our communities. The 360 Strategy, therefore, also focuses on preventing diversion by providing education and training within the pharmaceutical community and to pursue those practitioners who are operating outside of the law. The final component of the strategy is a community effort designed to maximize all available resources to help communities turn around the recurring problems that have historically allowed the drug and violent crime problems to resurface after enforcement operations.

### *Additional Resources in Fiscal Year 2017*

DEA plays an important part in the U.S. government's drug control strategy that includes enforcement, treatment, and prevention. While there are complex issues affecting spikes in heroin use and overdoses, including prescription drug abuse, the same significant poly-drug trafficking organizations responsible for other illicit drug threats are also responsible for the vast majority of the heroin supply. Additionally, drug trafficking has a proven linkage to gangs and other violent criminal organizations. The FY 2017 President's Budget request provides \$12.5 million and 42 positions, including 32 special agents, to create new enforcement groups in DEA domestic field divisions.

### *Heroin Task Force*

As directed by Congress, the Department of Justice joined with the Office of National Drug Control Policy (ONDCP) to develop strategies to confront the heroin problem and curtail the escalating overdose epidemic and death rates. DEA and more than 28 Federal agencies and their components participated in this initiative. The task force provided its Report to Congress on December 31, 2015.

### *International Enforcement: Sensitive Investigative Units*

DEA's Sensitive Investigative Units (SIU) program, nine of which are in the Western Hemisphere, helps build effective and vetted host nation units capable of conducting complex investigations targeting major TCOs. DEA, with funding support from the Department of State, currently mentors and supports 13 SIUs, which are staffed by over 900 foreign counterparts. The success of this program has enhanced DEA's ability to fight drug trafficking on a global scale.

### *International Enforcement: Bilateral Investigations Units*

Bilateral Investigations Units (BIUs) are one of DEA's most important tools for targeting, disrupting, and dismantling significant TCOs. The BIUs have used extraterritorial authorities to infiltrate, indict, arrest, and convict previously "untouchable" TCO leaders involved in drug trafficking.

### *Special Operations Division*

Established in 1994, the Special Operations Division (SOD) is a DEA-led multi-agency operations coordination center with participation from Federal law enforcement agencies, the Department of Defense, the Intelligence Community, and international law enforcement partners. SOD's mission is to establish strategies and operations to dismantle national and international trafficking organizations by attacking their command and control communications. Special emphasis is placed on those major drug trafficking and narco-terrorism organizations that operate across jurisdictional boundaries on a regional, national, and international level.

### *El Paso Intelligence Center*

The El Paso Intelligence Center (EPIC) is a national intelligence center focused on supporting law enforcement efforts in the Western Hemisphere with a significant emphasis on the SWB. Through its 24-hour watch function, EPIC provides law enforcement officers, investigators, and analysts immediate access to participating agencies' databases. This function is critical in the dissemination of relevant information in support of tactical and investigative agencies, deconfliction, and officer safety. EPIC also provides significant tactical, operational, and strategic intelligence support to state and local law enforcement agencies, especially in the areas of clandestine laboratory investigations and highway interdiction.

### *Cooperation with Mexico:*

The DEA's presence in Mexico represents our largest international footprint. The ability to have DEA Special Agents assigned to 11 different offices throughout Mexico is a reflection of the level of cooperation that we continue to enjoy with our Mexican counterparts. DEA supports bi-lateral investigations with the Government of Mexico by providing information and intelligence to develop investigations that target leaders of TCOs throughout Mexico.

We view our working relationship with the Mexican Authorities as strong, and getting stronger. In 2014, Mexican law enforcement officials arrested cartel leaders Hector Beltran-Leyva, Servando Gomez-Martinez, and Omar Trevino Morales. These actions represent significant successes for both the United States and Mexico in our shared struggle against TCOs. The arrests struck at the heart of the leadership structure of the Knights Templar Cartel, the Beltran-Leyva Organization, and the Los Zetas Cartel; and highlight the continuing cooperation between Mexican and U.S. law enforcement. The United States and Mexico have established a strong and successful security partnership in the last decade and, to that end, the U.S. government stands ready to work with our Mexican partners to provide any assistance, as requested, to build upon these successes.

## **CONCLUSION**

Mexican TCOs remain the greatest criminal drug threat to the United States. These Mexican poly-drug organizations traffic heroin, methamphetamine, cocaine, and marijuana throughout the United States, using established transportation routes and distribution networks. They control drug trafficking across the SWB and are moving to expand their share of U.S. illicit drug markets. Their influence up and down the supply chain, their ability to enter into new markets, and associations with domestic gangs are of particular concern for the DEA. DEA will continue to address this threat domestically and abroad by attacking the crime and violence perpetrated by the Mexican-based TCOs which inflict tremendous harm to our communities.