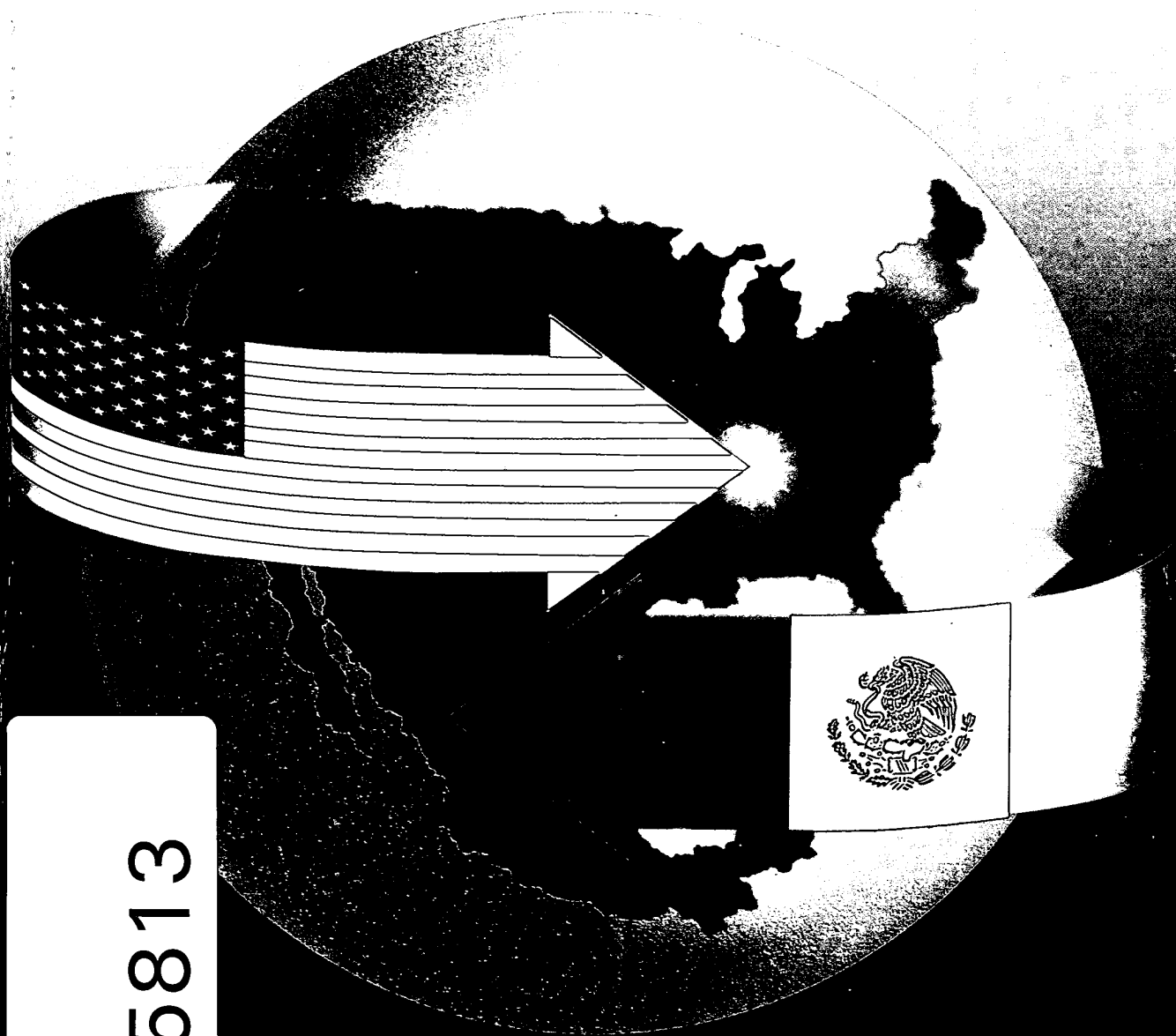


US/MEXICO BI-NATIONAL DRUG THREAT ASSESSMENT

MAY 1997



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CONTENTS

Foreword	i
Executive Summary	iii
Introduction	1
I. DEMAND FOR ILLEGAL DRUGS IN THE UNITED STATES AND MEXICO	
1.1 Reducing illicit demand: an integral approach to the drug problem	3
United States	3
Mexico	5
1.2 Estimating Patterns and Prevalence of Drug Use	6
United States	6
Mexico	7
1.3 Consumption Trends in the United States	9
1.3.1 Overall Trends in Drug Use Prevalence	9
1.3.2 Marijuana	10
1.3.3 Cocaine	11
1.3.4 Stimulants	12
1.3.5 Hallucinogens	13
1.3.6 Heroin	14
1.3.7 Benzodiazepines	14
1.4 Consumption Trends in Mexico	15
1.4.1 Cocaine	15
1.4.2 Heroin	16
1.4.3 Methamphetamines	16
1.4.4 Marijuana	16
1.4.5 Inhalants and other drugs and pharmaceutical products	17
1.5 Improving Methods of Measuring the Demand for Illicit Drug	17
United States	17
Mexico	18
1.6 Principles of Demand Reduction	18
1.7 Local Communities' Participation and the Role of Education	19

United States	19
Mexico	24
1.8 Effectiveness of Demand Reduction Efforts	25
United States	25
Mexico	27
1.9 Adaptability of Demand Reduction Strategies to Other Societies	27
1.10 A Program for Bilateral Cooperation	28
1.10.1 Current U.S.-Mexico Cooperative Efforts	18
1.11 Development of a Common Program	30

II. PRODUCTION AND DRUG TRAFFICKING IN THE UNITED STATES

2.1 Executive Summary	33
2.2 Cocaine	35
2.2.1 Availability/Price/Purity	35
2.2.2 Seizures	35
2.2.3 Sources of Cocaine in the United States	35
2.2.4 Smuggling Routes/Methods	35
2.2.5 Transnational Cocaine Trafficking Organizations	36
2.2.6 Cocaine Distribution within the United States	37
2.3 Heroin	38
2.3.1 Availability/Price /Purity	38
2.3.2 Seizures	38
2.3.3 Sources of Heroin in the United States	38
2.3.4 Smuggling Routes/Methods	38
2.3.5 Transnational Heroin Trafficking Organizations	39
2.3.6 Retail Level Distribution	40
2.4 Precursor Chemicals	40
2.5 Methamphetamine	42
2.5.1 Availability/Price/ Purity	42
2.5.2 Seizures	42
2.5.3 Precursor Chemicals	43
2.5.4 Sources of Methamphetamine in the United States	44
2.5.5 Methamphetamine Trafficking Organizations	46

2.6	Cannabis	46
2.6.1	Availability/Price/Potency	46
2.6.2	Seizures	47
2.6.3	Sources of Cannabis in the United States	47
2.6.4	Marijuana Trafficking Organizations	49
2.7	Other Drugs and Pharmaceuticals	49
2.7.1	Lysergic Acid Diethylamide (LSD)	49
2.7.2	Phencyclidine (PCP)	50
2.7.3	MDMA (3, 4-methylenedioxymethamphetamine)	51
2.7.4	Flunitrazepam (Rohypnol)	51
2.7.5	Pharmaceuticals	52
2.8	Factors Contributing to Trafficker Success	52
2.8.1	Major Transnational Drug Trafficking Organizations	52
2.8.2	Domestic Drug Distribution Groups	54
2.8.3	Other Factors	55

APPENDIX I: METHODOLOGIES 59

III. THE PRODUCTION AND TRAFFIC OF DRUGS IN MEXICO

3.1	Executive Summary	61
3.1.1	Nature and Scope of the Drug Problem	61
3.1.2	Principal International Sources of Drugs	62
3.1.3	Principal Domestic Sources of Drugs	62
3.1.4	Narcotics Trafficking and Organized Crime	62
3.1.5	Methodology for the Analysis of Trafficking	63
3.1.6	Methodology for Analysis of the Production of Narcotic	64
3.1.7	Environmental Impact of the Production of Narcotics in Mexico	64
3.2	Cocaine	65
3.2.1	Availability and Price	65
3.2.2	Quantities Seized	65
3.2.3	Trafficking Routes and Methods	65
3.2.4	Origin of the Cocaine Trafficked in Mexico	66
3.3	Heroin	66
3.3.1	Availability and Price	66
3.3.2	Quantities Seized	66

3.3.3	Trafficking Routes and Methods	67
3.3.4	Origin of Heroin Trafficked in Mexico	68
3.3.5	The Eradication of Poppy in Mexico	68
3.4.	Precursor Chemicals	68
3.4.1	Quantities Seized	68
3.4.2	Trafficking Routes and Methods	69
3.4.3	Procurement	69
3.4.4	Organizations	69
3.4.5	Regulations	70
3.5	Methamphetamine	70
3.5.1	Availability and Price	70
3.5.2	Quantities Seized	71
3.5.3	Procurement	71
3.5.4	Location of Laboratories	71
3.5.5	Organizations	71
3.5.6	Environmental Impact	72
3.5.7	Regulations	72
3.6.	Marijuana	72
3.6.1	Availability and Price	72
3.6.2	Quantities Seized	72
3.6.3	Trafficking Routes and Methods	72
3.6.4	Origin of Marijuana Trafficked in Mexico	73
3.6.5	Eradication of Marijuana in Mexico	73
3.7	Other Drugs	74
3.8,	Regulations	75
3.9	Factors Contributing to the Success of Drug Trafficking	75
3.9.1	Drug Crops Produced in Poverty Stricken Areas	76
3.9.2	Trafficker Violence	76
3.9.3	International Dimension of Organized Crime	76
3.9.4	National Organizations	77
3.9.5	Corruption: Infiltration of the Economic and Government Structures	

IV. MONEY LAUNDERING IN THE UNITED STATES AND MEXICO

4.1 Methodology	81
4.2 Methods used to launder money	81
4.3 Factors Contributing to the Success of Money Launderers	83
4.3.1 Profitability	84
4.3.2 Likelihood of Escaping Detection	84
4.3.3 Corruption	84
4.3.4. Systemic Problems	85
4.4 Regulatory issues	85
4.5 Bilateral Cooperation	85
4.5.1 Exchange of Information	85
4.5.2 Technical Cooperation and Training	85
4.5.3 Cooperation at Regional and International Fora	86
4.6 Conclusion	86

V. LLEGAL FIREARMS TRAFFICKING

5.1 Assessment of the Proble	
5.2 Methodology for Determining the Problem	89
5.3 Value of the Trade	90
5.4 Relationship to Drug Trafficking	91
5.5 A Program for Bilateral Cooperation	91
5.5.1 Prevention	91
5.5.2 Exchange of Information	92
5.5.3 Training	92
5.5.4 Technical Cooperation	92

APPENDIX: EXISTING RESOURCES AVAILABLE TO COMBAT ARMS TRAFFICKING

93

VI SOCIAL IMPACT OF DRUG CONSUMPTION AND TRAFFIC

6.1 Health Effects	95
6.2 Effects on Crime	95
6.3 Economic Effects	96
6.4 Public Perception	96

FOREWORD

Due to its complex and changing nature, drug trafficking has become a problem that threatens national security and public health in practically every country in the world. One of the most efficient tools to combat drug trafficking is international cooperation. Cooperation should have an integrated focus and employ imaginative and flexible methods to simultaneously attack all aspects of the drug problem — demand, consumption, production and trafficking — as well as related criminal activities such as money laundering, illegal arms trafficking, and diversion of essential and precursor chemicals.

For reasons of geographic proximity and because of the international nature of drug trafficking, cooperation between the United States and Mexico is of primary importance in the struggle against drugs. Bilateral cooperation is based on the principles of shared responsibility and full respect for the sovereignty and jurisdiction of both countries.

At the initiative of Presidents Clinton and Zedillo, the U.S./Mexico High Level Contact Group on Drug Control (HLCG) was created in March 1996, and has met three times. It is an interagency group made up of officials from the entities of government in the United States and Mexico which are charged with drug control.

The HLCG proposed, among its principal objectives, to design a bilateral cooperation strategy against drugs, to facilitate coordination of institutions involved in the counter-drug struggle, and to constantly evaluate our joint efforts and their results. To achieve these goals it is essential to have a common and objective analysis of the drug problem. For that reason, at its first meeting (March 1996) the HLCG agreed to produce a shared assessment of the drug problem in Mexico and the United States. The HLCG identified the main features of the drug phenomenon: demand, production and trafficking, money laundering and other economic issues, illicit cross-border arms trafficking, and the social impact of drug consumption and drug trafficking. Each of these is discussed in a chapter in this document.

A common point of view about a problem is a fundamental requirement for the application of a bilateral strategy of cooperation. A bilateral strategy complements the national drug strategies of each country. This assessment is a point of reference which is indispensable to efficiently direct the anti-drug struggle.

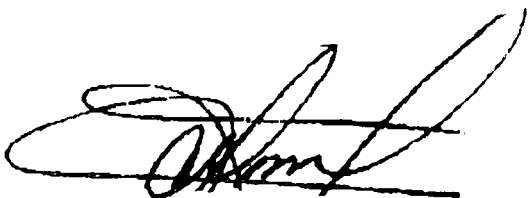
The text which we make public today was approved by the HLCG during its third plenary meeting in Mexico City last December. For the first time, government

officials from both countries engaged in the struggle against drugs have developed a common integrated vision about drug abuse and related crimes such as money laundering and arms trafficking. This assessment is a clear signal of growing understanding and of the desire of both countries to cooperate.

We are convinced that the production of this document represents a step forward in bilateral cooperation, and that it is an example of the growing understanding and willingness of the two countries to cooperate. Many governmental entities involved in efforts against drug trafficking and drug abuse in the United States and Mexico participated in the production of this document. We offer all of them our thanks for their crucial contributions.

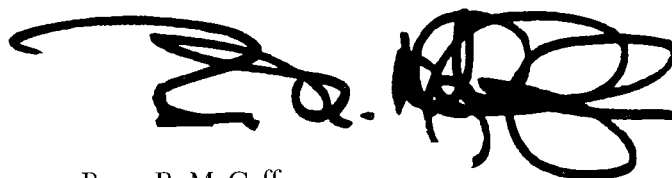


Angel Gurria, Secretary of Foreign Relations



Jorge Madrazo
Attorney General

Finally, we want to congratulate the members of the HLCCG for the success of this valuable publication, and call on them in the name of Presidents Clinton and Zedillo to continue their efforts against the common challenge represented by illegal drugs. We are extremely pleased with the advances of our bilateral cooperation, and we reiterate our mutual interest in continuing in this shared enterprise. We know that the achievements attained to now are important, but we are equally sure that there is a long and difficult road ahead. Therefore, we are resolved to spare no effort in this struggle against drugs, a scourge which plagues the health of our communities and the security of our institutions.



Barry R. McCaffrey
Director, ONDCP

EXECUTIVE SUMMARY

Introduction

The United States and Mexico consider illicit drug abuse, traffic and production a serious threat to the national sovereignty, and to the health and well being of their peoples. The High Level contact Group for Drug Control agreed to develop this binational analysis of the threat posed by drugs to the U.S. and Mexico, as the basis for a cooperative strategy for binational action against the problems of illicit drugs.

Chapter I - Demand for Illegal Drugs in Both Countries:

The U.S. is one of the largest consumers of illicit drugs in the world. Illegal drug use in the United States is far lower than a decade ago, but drug use by young people (ages 12-20 years) has been rising. In 1995, an estimated 8.6 million persons aged 21 or older used an illicit drug within the past month. The most prevalent illicit drug is marijuana, used by about three quarters of current users. In the most recent (1993) survey in Mexico, 1.6 million persons in the urban population 12-65 years of age reported having used an illegal drug, including inhalants, at least once; 139,000 reported having done so within the year prior to the survey. The most prevalent illicit drug of abuse is marijuana, with the highest rates reported in cities near the northern

border. Cocaine consumption has recently increased in Mexico. Principles of reducing demand for drugs in both countries have emerged from the findings of basic and applied prevention and treatment research, and range from preventing the onset of illicit drug abuse to providing care to chronic, hardcore users who consume the bulk of illicit drugs. Both countries seek community based demand reduction efforts, and recognize the importance of drug prevention efforts in schools. The U.S. has positively evaluated the effectiveness of a number of demand reduction approaches and programs. While noting a positive influence of prevention activities in curbing consumption, Mexico recognizes that the problem of consumption and dependence is increasing, calling for development of prevention and rehabilitation strategies to address it. There is a rich history of joint U.S.-Mexico efforts to develop approaches for reducing demand for illicit drugs; other specific activities are identified as possible areas for further collaborative efforts in this field.

Chapter II. Production and Drug Trafficking in the United States

Cocaine: Cocaine is readily available in virtually all major cities. Price is generally low and stable; average purity has been relatively stable at high levels for several years. About 98 metric tons of cocaine were

seized in 1995. All cocaine available in the U.S. is produced in South America. Transnational organized criminal groups control laboratory processing and bulk transportation from South America. Principal routes traverse Central America, Mexico, and the Caribbean. South American drug mafias use transportation groups operating from Mexico to smuggle cocaine into the U.S. These same groups and criminal gangs in the United States are responsible for cocaine distribution in the United States. The transportation groups often receive a share of cocaine shipments as payment and market it in the United States through their own organizations. Within the U.S., cocaine is repackaged in small quantities, often manufactured into the form of crack, and sold by a diverse assortment of criminal groups to consumers.

Heroin: Heroin is readily available in all major U.S. metropolitan areas. Wholesale prices have been stable and retail-level purities are high. About 1,350 kilograms of heroin were seized in 1995. Heroin from South America, Southeast and Southwest Asia is predominant in various U.S. cities. In the western U.S., Mexican heroin is the most commonly available type. It is smuggled across the US-Mexico land border, usually in small amounts. Heroin produced by traffickers operating from Mexico is sold by transnational networks operating within both nations, which have been involved in smuggling heroin, cocaine and marijuana for decades. These groups control bulk distribution but are generally not involved in street sales which are often managed by local distribution groups.

Precursor Chemicals: Prior to passage of chemical control legislation in 1988, clandestine laboratory operators could purchase chemicals to manufacture illicit drugs from retail chemical distributors. Since that law, traffickers have adjusted methods of obtaining chemicals. Outside the U.S., drug traffickers obtain precursor and essential chemicals by diverting chemicals in licit commerce, or by diverting and smuggling chemicals shipped to, or produced in, neighboring countries. The U.S. controls 35 chemicals, and cooperates in chemical control with organizations such as the International Narcotics Control Board (INCB).

Methamphetamine: Trafficking and abuse of methamphetamine has increased in recent years, as indicated by investigative, seizure, price, purity and abuse data. The ephedrine/pseudoephedrine reduction method is most widely employed in its manufacture. Clandestine laboratories in the U.S., mainly California, and Mexico, are the primary sources of supply. Associated hazardous chemical wastes and materials pose risks to the environment and to law enforcement personnel. Primary points of entry into the U.S. are San Ysidro and Otey Mesa, California. The most common method of transport is by passenger vehicle. Methamphetamine is distributed by organizations that vary greatly in size and structure, from small, local independent groups that operate on a limited scale to large transnational organizations controlling all aspects of the traffic.

Cannabis: Marijuana is the most readily available and widely abused drug in U.S. The potency of commercial marijuana has increased significantly in recent years. In 1995, nearly 500 metric tons of marijuana were seized, over 300 tons in states along the southwest border. An increasing share of U.S. marijuana is supplied by domestic growers, especially in the states of Tennessee, Kentucky, Hawaii, and California. Marijuana from Mexico, grown there or transhipped from other sources countries, accounts for a significant proportion of marijuana available in the U.S. Most marijuana smuggled across the southwest border is concealed in vehicles or hidden in shipments of agricultural products. Significant marijuana trafficking organizations range from transnational groups operating in Mexico and the U.S. to large-scale independent domestic growers. Distribution to individual consumers is managed by small groups at the local level, who may also sell other drugs.

Other Drugs and Pharmaceuticals: Other drugs of abuse include lysergic acid diethylamide (LSD), phenylcyclidine (PCP), and MDMA, produced in the U.S. or abroad. Availability and abuse of the depressant flunitrazepam (trade name "Rohypnol") continues to rise, especially in the southern U.S. It is neither manufactured nor marketed legally in the U.S.; Mexico is among the sources of supply. No significant trafficking group

has been identified as controlling production and distribution of flunitrazepam.

Factors contributing to Trafficker Success: Major transnational organized drug trafficking groups that have an impact on the U.S. include several based in Colombia, and in Mexico. Factors contributing to their success include demand for drugs, profitability of the illegal trade, cohesion and impenetrability of trafficking groups. Drug-related corruption is not a systemic problem within the U.S., although individual corrupt officials at all levels of government are identified from time to time.

Chapter III - The Production and Trafficking of Drugs in Mexico

Cocaine: Between December 1994 and December 1996, 46.9 metric tons of cocaine were seized, according to the Mexican Uniform Statistical System for the Control of Drugs (SEUCD). The geographic distribution of large seizures indicates the variety of routes and methods used for cocaine smuggling. Cocaine from South America is smuggled into Mexico by air or water through southern border states, or the Caribbean, Gulf, and Pacific coasts. Interception activities have caused a shift from smaller turbo-prop aircraft operating in Northern Mexico, to flights to southern areas, or air drops in coastal areas or inland lakes. Other methods include cargo aircraft, maritime shipment, and land transport entering Mexico from the south, within Mexico and toward the northern border.

Heroin: Between December 1994 and December 1996, 419.6 kilograms of black tar heroin, and 568.4 kilograms of brown heroin were seized, according to SEUCD. Heroin is produced from opium poppy found mainly in Pacific coastal states, and processed in northern Mexico. To a lesser extent, heroin is smuggled to Mexico from South America, and Southeast/Southwest Asia. Heroin is moved across the U.S. border using the same methods of concealment used domestically, including luggage, body concealment and ingestion. Mexico eradicates the largest amounts of drug crops in the world.

Precursor Chemicals: Between December 1994 and December 1996, 13.1 tons of ephedrine and over two tons of pseudoephedrine were seized, according to SEUCD. These and other precursor chemicals are diverted after shipment from legal producers in Europe and Asia. Special customs offices have been established to regulate imports of precursor chemicals, which are controlled by health authorities and under criminal law.

Methamphetamine: Between December 1994 and December 1996, 667.4 kilograms of methamphetamine were seized, according to SEUCD; and from 1994 through October 1996, 22 clandestine methamphetamine laboratories were destroyed. While many organizations involved in methamphetamine manufacture are medium-sized, without consolidated structure, a few have developed an organized transnational structure. Methamphetamine produced in Mexico is transported by land to principal border crossing points with the U.S., using traditional means of concealment such as vehicles or baggage.

Cannabis: Marijuana is the drug trafficked illicitly in the largest volumes in Mexico. Between December 1994 and December 1996, over 1,800 tons of marijuana were seized, according to SEUCD. Within Mexico, marijuana is moved primarily by land in passenger or cargo vehicles, and by air on domestic commercial flights, toward northern border points. In 1996, an increase was observed in marijuana in southern border areas. Marijuana is grown extensively in Pacific and northern states; marijuana from South America is also encountered. Significant quantities of marijuana are eradicated annually by the Mexican Government.

Other Drugs: Abuse of other drugs and psychotropics is less common, although controlled pharmaceuticals are diverted by persons crossing the border from the U.S. to obtain drugs such as Rohypnol in pharmacies on the Mexican side.

Factors Contributing to Trafficker Success. Various factors contribute to the success of drug trafficking. Social marginalization, isolation and poverty are the primary factors contributing to illicit drug production by the rural poor. The huge profits generated by drug

trafficking allow traffickers to sustain efficient trafficking and distribution networks. Violence, including selective assassination, is associated with drug trafficking. It is practiced by criminal groups in drug production areas, and in other areas by larger criminal groups against the competition and against security forces. In addition to the significant impact on public safety and clear danger to national security, the corrupting capability of drug trafficking tends to undermine administration of justice. Drug trafficking organizations in Mexico are far from exercising political control; despite cases of public officials involved in corruption, institutions retain the capacity to act effectively against drug trafficking.

Chapter IV - Money Laundering in Mexico and the United States:

The United States is one of the world's primary customers for illicit drugs, the proceeds from the profits of which are laundered through various means in the U.S. and other countries. As a result of its location and other factors, Mexico has begun to play a larger role in the distribution of laundered money in the world financial system. The U.S. has aggressively fought money laundering for more than ten years; Mexico has also begun to take important steps to address the threat of money laundering and to build effective programs against it. Principal factors contributing to the success of money laundering include its profitability, the likelihood of escaping detection, corruption, and systemic and institutional problems including the difficulty of coordinating among governmental agencies which share responsibility for money laundering. Both countries have established and are enhancing regulatory regimes against money laundering, and have initiated measures of bilateral cooperation including exchange of information, technical cooperation and training.

Chapter V - Illegal Firearms Trafficking:

The United States has been a significant state of origin for firearms illegally diverted to other nations. Illegal trafficking in firearms facilitates criminal activity in

other countries, as it does in the U.S. Mexico is a significant recipient country of firearms unlawfully exported from the U.S. Of over 20,000 firearms seized by Mexico during 1995 and through October 1996, over 8,000 or 39 percent were in connection with drug-related crimes. Intelligence suggests that an important proportion of other seized firearms were bought or used by drug trafficking organizations, or found in dwellings searched during counterdrug operations. Illegal firearms trafficking routes in certain cases seem to parallel those of drug trafficking organizations, but a direct link cannot be demonstrated without additional information. There is evidence to suggest that criminal organizations, including drug trafficking organizations, benefit from illicit transborder firearms trafficking between the U.S. and Mexico. The two governments have established and will implement a program for bilateral cooperation including measures for prevention, information exchange, training and technical cooperation.

Chapter VI - Social Impact of Drug Consumption and Trafficking:

Drug abuse is linked to a number of serious adverse individual health consequences, and contributes to job accidents, violence, and automobile injuries and deaths. Research in the U.S. indicates that adult illicit drug users are involved in a high number of crimes, the rate of which increases with the onset of addiction. The primary form of crime in Mexico is property crime, whose relationship to drug trafficking is not directly demonstrable, but urban gangs constitute a risk group in which an incidence of drug trafficking in relation to common crime can be observed. U.S. authorities consider that abuse, traffic and production of illicit drugs have a significant impact on the U.S. economy; the annual cost to the U.S. of illicit drug use (from illness, disease, lost productivity, premature death, crime, incarceration costs, etc.) is estimated (1990) at \$67 billion. The macro-economic impact, if any, caused by the abuse, traffic and production of illicit drugs in Mexico is not known; Mexican authorities consider it insufficient to have an impact on the national economy significant to national development. Drug production

and trafficking has disrupted the local or regional sub-economies in areas where illicit drugs are produced. Drug abuse is a major health problem for minority popu-

lations in the U.S., where the consequences of drug abuse are often more severe than for non-minorities.

INTRODUCTION

In recent years consumption, production and trafficking in illicit drugs has expanded throughout the world. As a result of the multidimensional growth in the drug phenomenon, and the international nature of drug trafficking, criminal traffickers now seek to expand their markets to include countries which were once considered purely as producers or transit countries. Similarly drug production has expanded in some countries once considered only as consumer countries. Drug trafficking is inserting itself into the context of the phenomena which characterize the current epoch: interdependence and globalization. The transformations of the international community in recent times have resulted in a system of nations with interrelated economies and policies leading therefore to common problems.

Drug trafficking is not a problem peculiar to any nation; rather it has an international dimension which involves all of those countries used to facilitate drug trafficking. The obvious negative effects include: drug consumption and all of its adverse social consequences; cultivation and processing of narcotics; violence and corruption; illicit traffic in drugs, and related criminal activity such as money laundering and illicit arms trafficking. Narcotics trafficking organizations take advantage of the natural circumstances of those countries, the existence of an abundant market for illicit drugs, the productive yield of their soils for cultivation of

narcotics; their locations for transportation of drugs, and the utilization of their economic and financial systems to launder illicit profits. Traffickers have proven to be extremely resourceful. They have developed new smuggling techniques and new production techniques.

A country affected by one or more of the manifestations of the drug problem requires a comprehensive approach for dealing with it, both domestically and internationally. Domestically, fully exercising its own sovereignty and national jurisdiction, each country must confront all the manifestations of the drug problem, through prevention, education and treatment programs, and by resisting all the activities of criminal organizations. Internationally, in accordance with the principle of shared responsibility, and the international conventions such as the Single Convention on Narcotic Drugs, the Covenant on Psychotropic Substances, and the United Nations Convention Against Trafficking of Illicit Drugs, each country must join the efforts of the international community against this common menace.

For decades, Mexico and the United States have cooperated with each other and with the international community against the abuse, trafficking and production of illicit drugs. For many reasons, however, the relationship between the two countries in this area is unique. Mexico and the United States share a common

border, and are joined by a growing economic interdependence, epitomized by the North American Free Trade Agreement. While the United States has one of the greatest problems of drug abuse in the world, Mexico has grown to be one of the world's most significant drug producing and transit countries. Both countries are affected by illicit drug abuse, traffic and production, drug related violence, and other associated criminal activities such as money laundering and the illicit arms trade.

For these reasons, both countries have determined that illicit drug abuse, traffic, and production, are a most serious threat to their national sovereignty. The two governments have joined in international and hemispheric fora, especially the United Nations, the Organization of American States and the Summit of the Americas, and in policy determinations by their Presidents, to express their common determination to act comprehensively and cooperatively against all aspects of the global threat of illicit drugs. With full respect for the jurisdiction and national sovereignty of each nation, and in accordance with existing bilateral treaties they have sought to cooperate in this field. In March 1996, they established the High Level Contact Group for Drug Control, as a means to consolidate, organize and rationalize their collaboration in this regard.

The evolution of illicit drug trafficking has compelled a redefinition of the concepts for combating it, approaches which formerly attempted to combat manifestations of the drug problem in isolation have become outmoded, and given way to new approaches in which

the problem is evaluated in an integrated manner. Mexico and the United States have determined the need for a comprehensive, long-term strategy to reduce, and ultimately eliminate all aspects of the problem of the abuse, traffic, and production of illicit drugs. They have decided to develop an integral bilateral cooperation strategy that includes coherent responses over time which can guide their efforts against the multiple aspects of this complex threat.

The United States has for some years defined and published its National Drug Control Strategy, and is further refining and improving the process for its definition and implementation. Similarly, Mexico has consistently implemented an integrated National Program Against Illicit Drugs. Based on those National Strategies, the two governments have decided to develop a strategy for cooperative and coordinated activities, projects or programs. The definition of this bilateral cooperative strategy is possible only with reference to an agreed, common appreciation of the nature and extent of the drug problem for the two nations and their peoples.

For this reason, at its first meeting in March 1996, the High Level Contact Group agreed that representatives and competent specialists of the two governments would meet to define the basis on which such a bilateral cooperation strategy might be elaborated, by the initial step of preparing a common binational analysis of the threat posed by illicit drugs to both countries.

I. DEMAND FOR ILLEGAL DRUGS IN THE UNITED STATES AND MEXICO

1.1 Reducing Illicit Demand: An Integral Approach to the Drug Problem

Illicit drugs represent a growing challenge for most modern societies, regardless of their degree of development. Drug production, trafficking, distribution and consumption affect each and every element of society and are a threat to public health, security, development and the well-being of the population.

For some time now, international forums have recognized that the problem should be approached comprehensively, and they have indicated that measures to control supply will only be successful if, at the same time, an impact is made on the demand for drugs.

Another recognized aspect of this comprehensive approach is that it is no longer valid to classify countries exclusively as producers, transit countries or consumers, since all these characteristics can be present to a greater or lesser degree in the same society. The variety and emergence of addictive substances and the dynamics of supply and demand require integrated efforts among countries, as well as the active participation of the public and private sectors of each nation in efforts to prevent and address the problem.

A comprehensive approach also involves understanding that the consumption of addictive drugs takes place in a

continuum, and the approach should include both licit drugs, whose production, sale and use are controlled in each society, and those that are considered illicit. The former case includes tobacco, alcohol, inhalants and psychotropic medicines; the latter includes illicit substances, such as cocaine and heroin. It should be noted that, in many cases, licit drugs are the gateway to consumption of illicit drugs, and form part of the same cycle. Consequently, a comprehensive approach is of particular importance to achieving a positive impact through efforts to reduce demand.

The United States and Mexico have undertaken a renewed and substantive process of cooperation and collaboration to address substance abuse in each of our nations and along our common border. National leaders have identified a number of core issues as a first step, with the expectation that details will be added based on our knowledge of the problems, existing programs and resources, current needs, and proposed programs for the future. An understood goal is to ensure that the resulting efforts are effective, culturally appropriate, and acceptable to those who will use them.

United States:

Although it is clearly true that a strong air, land, and sea interdiction effort is crucial to keeping illicit drugs out of the United States, it is widely recognized that to cut the supply of drugs substantially, the demand that

draws them must be addressed strongly as well. The U.S. demand reduction strategy includes prevention, treatment, and education. Among effective demand reduction efforts are those that entail community participation—specifically, involvement in both the prevention and treatment of drug use—and those that educate the public about healthy life choices and alternatives to the dangerous consequences of drug use to individuals, families and communities.

Illegal drug use in the U.S. is far lower than a decade ago. For example, occasional cocaine use (fewer than 12 days in the past year) is down 35 percent since 1991. Overall use is about 50 percent lower than 1979, the peak year. For the population as a whole, use levels have remained the same since 1991.

A central issue for the U.S. is that the rate of drug use involving young people between the ages of 12 and 20 has been rising since 1991. In 1995, an estimated 4.2 million Americans age 12 to 20 used an illicit drug in the past month. This represents a 24-percent increase from 1994 when the estimate was 3.4 million. The question is whether parents, schoolteachers, coaches, neighbors, community members, faith leaders, care givers, mentors, the medical community and civic organizations can engage these young people in more positive lifestyles. Everyone involved in the lives of youth must be part of the solution. This includes businesses, the entertainment field, the media, government at all levels, and law enforcement—all have to pull together and take responsibility for educating our children about the dangers of drugs and giving them the tools to succeed in life. Underscoring the importance of this, the first strategic goal of the President's National Drug Control Strategy is to motivate America's youth to reject illegal drugs and substance abuse.

Regarding illicit drug use by adults, in 1995 an estimated 8.6 million Americans age 21 and older used an illicit drug in the past month. This represents no change in usage from 1994. A strong demand reduction effort nationwide is imperative—and the U.S. is committed to such an effort, not only at the Federal level, but among state and local governments and within the private sector as well. The social and economic consequences

of not significantly reducing the demand for drugs are far reaching; for example: production losses due to work absence; the need to divert funds from social programs to law enforcement; the added burden placed on the primary health care system; the damage and loss of personal property from criminal activity carried out to support addictions; and the increased loss of life not only from violent crime but the use of illicit drugs.

The Substance Abuse and Mental Health Services Administration (SAMHSA), a component of the Department of Health and Human Services (HHS), is the key Federal agency within the Nation's health system that has the mission to improve the quality and availability of drug use prevention, early intervention, treatment, and rehabilitation services. SAMHSA is using its resources to generate knowledge about ways to improve prevention and treatment of substance abuse and to work with State and local governments as well as providers, families, and consumers to effectively use that knowledge in everyday practice.

HHS' National Institute on Drug Abuse (NIDA), part of the National Institutes of Health (NIH), is the lead Federal agency for drug use and addiction research. NIDA's mission has two critical components: strategically supporting and conducting research across a broad range of disciplines, and facilitating the rapid and effective dissemination and use of the results of that research to significantly improve drug use prevention, treatment, and policy. NIDA's research portfolio includes the following diverse areas: incidence and prevalence of drug use; causes and effects of drug use; basic research underlying biomedical, , and psychosocial mechanisms; treatment and prevention interventions and strategies; development of new medications; and HIV/AIDS prevention.

The Department of Education (ED) provides support to America's schools in the development and operation of alcohol and drug prevention programs. Approximately 97 percent of school districts in the U.S. receive funding from ED. These funds, which are based primarily on population, are utilized for a variety of activities, such as: hiring alcohol and drug counselors, purchasing drug and alcohol curricula, hiring staff to

present the curricula, and providing alternative activities for students.

Examples of other Federal agencies involved in drug demand reduction work are: HHS' Health Resources and Services Administration (HRSA), Indian Health Service (IHS), and Centers for Disease Control and Prevention (CDC); and the Departments of Justice, Housing and Urban Development, Labor, Transportation, Veterans Administration, and State.

Equally important as the Federal effort to reduce drug demand in the U.S. are the efforts of state and local governments and private sector organizations.

Drug addiction is a serious, often relapsing illness that contributes to enormous human misery and high health costs. Drug use is a complicated problem that involves numerous biological, behavioral, social, and environmental factors. The etiology of drug use varies over time, place, and person, and by drug. Peer pressure, curiosity, depression, self-medication, hedonism, attempts to enhance performance, rebellion, alienation, and a host of other psychosocial factors, as well as genetics, have been proposed to explain why people become users or abusers of intoxicating substances.

The social cost of illicit drug use in the United States is estimated to be about \$67 billion a year. U.S. communities pay an especially high price for drug use, including the cost of crime, law enforcement, accidents, deaths, and lost productivity. The consequences to the drug abusing individual are dependent on such factors as the type of drug used, the modes of use, and the frequency, intensity and duration of use.

Mexico

Mexico has developed a number of legal and regulatory mechanisms to guide activities in the field, and they have resulted in the establishment of institutions with diverse responsibilities in conducting such activities. The 1995-2000 National Drug Control Program (PNCD) provides a framework for action by the Mexican Government to address the problem of illicit drugs and is intended to implement a national response from two approaches: on the one hand, prevention of

drug use and abuse and treatment and rehabilitation of drug addicts; and, on the other, to continue the fight against the commission of crimes stemming from drug production, trafficking and marketing.

Since the PNCD considers demand to be the variable that determines and stimulates supply, it provides for drug education, prevention and treatment activities in the education and health sector, whose tasks are incorporated into the objectives of the Program. The Mexican General Health Law governs all activities in the field of public and individual health. This Law assigns major importance to the problem of sanitary controls and regulation of drugs and their precursor elements, as well as controlling the availability of drugs, in accordance with pertinent international agreements. There are also proposals for measures to prevent addictive substance use, abuse and dependence, with special emphasis on groups recognized as being at high risk, such as young people.

In 1986, the National Council against Addictions (CONADIC) was established within the Secretariat of Health (SSA). It is responsible for following up the recommendations and strategies of the Programs against Alcoholism and Abuse in the Consumption of Alcoholic Beverages, Tobacco use, and Drug Dependence. CONADIC coordinates the implementation of these programs through different organizations at a national level. Through the active and coordinated participation of all sectors of society, the goals are to reduce the adverse impact on individual and public health, as well as on family integration, associated with the use and abuse of psychotropic substances, and also to provide support and guidelines for prevention programs and promote treatment and rehabilitation activities for individuals dependent on one or more substances.

CONADIC has promoted the establishment of State Councils and Municipal Committees against Addiction. In 31 States and a growing number of municipalities, these councils and committees can make progress in coordinating the diverse sectors in efforts linked to reducing demand, and they can adapt efforts to the unique problems of each region.

One of the most outstanding health sector institutions in the field of research on addiction is the Mexican Institute of Psychiatry (IMP), which, since the mid-1970s, has been conducting surveys and specific studies in collaboration with other national and international sectors. Another longstanding institution in the country is the system of Centros de Integración Juvenil (CIJ) (Juvenile Integration Centers), which has been working for 27 years and currently has 54 operating units in the nation. CIJs conduct drug dependence prevention and treatment activities under the sponsorship of the SSA.

The Program of Integral Care for Adolescents, within DIF (Sistema Nacional para el Desarrollo Integral de la Familia) (National System for Comprehensive Family Development) is another element among national governmental activities that includes health promotion and prevention of the consumption of illicit as well as licit substances that are harmful to health and cause addiction.

The General Directorate of Epidemiology (DGE) of the SSA conducts tasks of importance in the sphere of the epidemiological surveillance of addiction, as well as training and participation in numerous international projects.

Other organizations that are conducting important activities, also coordinated within CONADIC, are universities, social security systems, mutual aid groups and service clubs.

The Secretariat of Public Education (SEP), through the Program on Education to Prevent Addiction (PEPCA), is making strong education and prevention efforts in schools, with the families of students and the community in general.

The Office of the Attorney General of Justice of the Federal District (PGJDF) in Mexico City should also be mentioned, since it promotes crime prevention measures in relation to illicit and licit drugs among the population. As part of its strategy, PGJDF is conducting various projects in coordination with diverse organizations and institutions such as those already mentioned.

1.2 Estimating Patterns and Prevalence of Drug Use

United States

The National Household Survey on Drug Abuse is the primary data source for determining the incidence and prevalence of drug use in the United States among the entire population ages 12 years and older. These nationwide surveys are directed by SAMHSA. Although this national prevalence survey omits segments of the population not living in household units that may have high rates of drug use (e.g., prison inmates and the homeless), it remains the single most important measure of drug use prevalence and of national drug abuse trends in the total population. The methodology has been comparable for all of the surveys: respondents are interviewed in their homes by trained interviewers using a combination of interviewer-administered and self-administered answer sheets and standardized methods to maximize response validity. Although the data are collected anonymously and assurances of confidentiality are given to all respondents, it is nevertheless subject to an unknown level of under reporting.

A second large-scale epidemiological survey of drug use, the Monitoring the Future Study, was initiated in 1975 through a grant awarded by NIDA to the University of Michigan's Institute for Social Research. Until 1991, this survey measured drug use prevalence only among high school seniors. In 1991 and each year thereafter, samples of eighth and tenth graders have also been included. In addition, subsamples of seniors are surveyed after graduation, providing prevalence estimates and data on changes in behavior over time for young adults. The survey is conducted annually in order to monitor trends in drug use and drug-related attitudes in adolescents and young adults at important transitional points in their lives. As with the Household Survey, MTF estimates are subject to under reporting bias and sampling errors.

A major source of data on the health consequences of drug use is the Drug Abuse Warning Network. DAWN is a large-scale, ongoing drug use data collection system sponsored by SAMHSA. DAWN data are obtained

from a random sample of hospital emergency rooms and a nonrandom sample of medical examiners primarily located in large metropolitan areas.

Data from drug abuse treatment facilities are also used to measure the consequences of drug use. SAMHSA sponsors the National Drug and Alcoholism Treatment Unit Survey (NDATUS), a basic source of national treatment data. NDATUS surveys both publicly and privately funded facilities annually, with more complete coverage of public facilities. A voluntary survey, it is designed to be a census of all known drug use and alcoholism treatment units in the United States. The data are collected by mail in cooperation with State Alcohol and Drug Abuse Agencies, which assist in identifying programs and collecting the data.

Because of the dynamic nature of drug use and the often localized occurrence of drug use patterns, it is also important to supplement national data bases with local area data from surveys, ethnographic research, and field studies to obtain a more complete picture of the nature and extent of drug use. These methods can identify and provide data on geographic areas and subpopulations with unique drug use patterns.

Drug use outbreaks tend to be geographically localized. They emerge sporadically, often in relation to unique drug forms or analogs, to new supplies of drugs with higher potencies or lower prices, and to specific subpopulations, all of which complicate surveillance efforts that depend on national data collection systems. To address unique and dynamic patterns of drug use, NIDA sponsors the Community Epidemiology Work Group (CEWG), a network of researchers from major metropolitan areas of the United States and selected foreign countries. It meets semiannually to exchange information on the ongoing community-level surveillance of drug use, principally through the collection and analysis of outcome and consequence data. This epidemiologic program provides NIDA with current descriptive information regarding the nature and patterns of drug use, emerging trends, and characteristics of vulnerable populations.

In addition to the above surveys, the Office of National

Drug Control Policy conducts the Pulse Check, a quarterly survey of drug use across the nation. The Pulse Check provides rapid response information on emerging drug use and drug trafficking trends that is used to inform researchers as well as policy makers in a variety of fields. Information is gathered by telephone conversations with drug ethnographers and epidemiologists, law enforcement agents, and drug treatment providers in various regions of the country.

Mexico

Research on the specific characteristics of the problem of drug addiction in Mexico and on the development of suitable means of addressing it has been carried out for over twenty years. Most studies have used the same indicators and standard questions for investigating the use of substances proposed by the World Health Organization (WHO).

By their very nature, household surveys cannot provide information on use in the entire population, so research strategies include studies of other populations. Surveys of schools, for example, provide indicators of use among the student population. Data gathered by treatment centers provide information on varying preferences for different types of substances in different regions of the country. These sources of information, together with studies carried out in prisons, are particularly relevant for finding out the dimensions and dynamics of the use of certain drugs such as heroin.

Studies on drug use began to be conducted in a systematic manner in the early 1970s, when the first home surveys were made in six Mexican cities. During the 1980s, there was an increase in the number of epidemiological research projects on the consumption of alcohol and other substances, their distribution among the population by sociodemographic characteristics, the sociocultural norms regarding consumption and the health and social problems associated with such practices.

The Mexican Center on Drug Dependence Studies (CEMEF), which was established in the early 1970s, and years later became the Mexican Institute of Psychiatry (IMP) is the institution that became primarily responsible for such tasks. Since then, Mexico

has had the technical support of the National Institute on Drug Abuse (NIDA) and the National Institute on Alcohol Abuse and Alcoholism (NIAAA) of the U.S. National Institutes of Health, as well as other international institutions and agencies, such as WHO, and has increased international collaboration studies on alcohol and drugs.

Surveys among the general population. The first National Survey on Addiction (Encuesta Nacional de Adicciones) (ENA), which included illicit and licit substances, was conducted in 1988 through the cooperation with IMP and DGE. The study was based on a household survey applied to a probability sample of 12 to 65 year-olds of both sexes. The second ENA survey was conducted in 1993, this time under the exclusive responsibility of DGE; it is important to point out that in addition to providing information at the national and regional levels, a study of the country's northern border zones—the Norther Border Survey—was also included. In both cases, technical and financial support was provided by the Government of the United States, and indicators that would allow binational comparison were used.

Surveys among the student population. From 1975 to date, IMP and the Public Education Secretariat (SEP) have been conducting biannual or triannual studies to estimate the prevalence of drug consumption among junior high and high school students (12 to 18 years of age). By using a similar methodology over time, these research projects have revealed trends in substance use and abuse.

It should be noted that these surveys use epidemiological indicators similar to those used in the United States' Monitoring the Future survey, which allows for binational comparison.

In 1976 and 1986, the school surveys provided national coverage of students in urban centers; in 1978, it included a sample of students in the State of Morelos and an outlying zone at high risk in Mexico City. In 1980, a representative sample of university students was included. A third survey in 1991, furnished data at the state level and included a sample of rural popula-

tions, using a total sample of 61,779 students. The most recent survey in Mexico city, in 1993, covered schools and students of the 16 political wards, with a sample of 12,240 adolescents in the school system.

Data from the 1976 survey, indicated that drugs most widely used by students were inhalants and marijuana, and this situation remained stable until the last survey of 1991, except for a slight increase in the inhalants use in 1978, when this type of drug became the most commonly used by this population. In 1991, however, there was an increase in drug use, particularly in regard to cocaine and other stimulants.

Also in the 1980s the CIJs carried out a survey among students ranging from the sixth grade to university level in the cities where such centers operate. The study showed an increase in cocaine use in the city of Guadalajara, Jalisco.

Other research carried out during the 1980s made use of innovative, standardized diagnosis instruments to assess the ratio of abuse/dependence regarding different substances and co-morbidity of other psychiatric disorders.

Case reporting systems. The Information Reporting System on Drugs (SRID) of the IMP, monitors trends concerning the use of drugs twice a year in Mexico City. It began its activities in 1986 and to date it has carried out 19 evaluations of data coming from 44 justice and health institutions, the most important, in terms of coverage, being the CIJs.

In 1990, the DGE created the Epidemiological Addiction Surveillance System (SISVEA), whose annual reports present information collected in 14 cities. SISVEA data stems from different sources and include five indicators: treatment centers, emergency services, mortality, crimes against health, and consumption of tobacco, alcohol and illegal and medical drugs among the general population and risk groups.

CIJs have statistical series on drug-use trends among first-time patients nationwide with regard to the six main substances reported by users. CIJs provide care

and treatment services to persons between the ages of 10 and 54. Between 1990 and 1995 they attended a total of 36,873 first-time patients, and the system provides information on any past use and use during the month prior to entering the center. Data are provided at the national and regional levels and by each of the 54 treatment units.

Studies of low income, hidden and high risk populations. The IMP has been conducting research in areas such as minors who work on the street, youth gangs, families with addiction problems, the perception of alcohol and drug problems in diverse cultures and, recently, psychosocial factors associated with the consumption of cocaine and flunitrazepam (Rohypnol). The CIJs have been conducting a study in cities where they have care centers that allow areas of different degrees of risk to be identified.

Studies on drug dependence. Most of the studies conducted in Mexico have been aimed more at analyzing drug consumption than drug dependence. Although the epidemiological surveys include the self reporting of dependence symptoms, they are not suitable instruments for estimating the prevalence of substance dependence or clinical aspects.

Studies on models for care, cost-effectiveness and treatment services have not been conducted. Although a multi-national collaborative study on self-help groups was conducted, this is a sphere of work that still requires a great deal of development. IMP is now conducting the first study that uses standardized diagnostic instruments to evaluate the rate of abuse/dependence for different substances and co-morbidity.

1.3 Consumption Trends

United States

To understand the magnitude and trends in the demand for illegal drugs in the United States, it is necessary to analyze many sources of epidemiologic data on the incidence, prevalence, etiology, morbidity, mortality, and other adverse social consequences associated with it. These data are derived from large-scale national surveys

as well as small special purpose surveys, research studies and field investigations. Many of these studies are ongoing or are conducted periodically, providing evidence of changes over time. Others are one-time studies that provide insight into particular issues or outbreaks of drug use. By analyzing each of the relevant data sources in the context of what is known from all the other data sources, it is possible to develop a much more complete picture of drug use, which is a complex, multifaceted, and difficult phenomenon to measure.

Epidemiologic research in drug use is critical to meet our demand reduction goals including prevention and treatment goals. Characteristics of subgroups at high risk may differ by drug type and certain types of drug use may predispose users to specific adverse health consequences. The consequences of drug use are dynamic and dependent on such factors as the specific drug(s) used, modes of use, and the frequency, intensity and duration of use. Ongoing data collection systems monitor these consequences and drug use trends and are essential tools in developing public health strategies for intervention and control.

1.3.1 Overall Trends in Drug Use Prevalence

Based on surveys done in the 1970s it is estimated that in the early 1960s less than 5 percent of the population age 12 and older had any experience with illicit drugs (including the use of marijuana, hashish, cocaine, inhalants, hallucinogens, heroin, and nonmedical use of psychotherapeutic drugs). New use of illicit drugs began to accelerate in the late 1960s, and by the early 1970s, that percentage had doubled to over 10 percent. By 1974, over half of young adults (ages 18-25) and over one-fifth of those in the 12-17 age group reported having tried illicit drugs. As this cohort of young people grew older and as younger cohorts continued to use drugs casually, the percentage of the population who had used illicit drugs one or more times (lifetime prevalence) increased rapidly. By 1995, an estimated 34 percent (72 million) of Americans age 12 and older had used illicit drugs. Experience with illicit drugs is no longer restricted to youth and young adults. More than a quarter (28 percent) of adults age 35 and older had tried illicit drugs by 1995. And in 1995, an estimated 8.6

million Americans age 21 and older used an illicit drug in the past month.

The following data, including drug-by-drug analyses, highlight variations in drug use prevalence rates across the U.S. and among different population groups. ("Current" drug use refers to use in the past month.)

- The National Household Survey on Drug Abuse (NHSDA), in which respondents are surveyed in their homes by trained interviewers, found that the number of current illicit drug users did not change between 1994 and 1995 (12.6 and 12.8 million, respectively). The number of current illicit drug users was at its highest level in 1979 (25.4 million, 14.1 percent), declined until 1992 (12.0 million, 5.8 percent), and has remained at approximately the same level since then.
- Rates of drug use show substantial variation by age. Among youths age 12-13, 4.5 percent were current illicit drug users. The highest rates were found among young people age 16-17 (15.6 percent) and age 18-20 (18.0 percent). Rates of use were lower in each successive age group, with only about one percent of persons age 50 and older reporting current illicit use.
- Between 1994 and 1995, the percentage of adults reporting past month illicit drug use remained about the same. In 1995 the rates were 14.2 percent for persons age 18-25, 8.3 percent for those age 26-34, and 2.8 percent for those age 35 and older.
- In 1979, the peak year for illicit drug use, rates were 38.0 percent for those age 18-25, 20.8 percent for those age 26-34, and 2.8 percent for persons age 35 and older.
- The percentage of adolescents (12-17 years old) using drugs increased between 1994 and 1995, continuing a trend that began in 1993. In 1992, the rate of past month use among youth age 12-17 reached a low of 5.3 percent, the result of a decline from 16.3 percent in 1979. By 1994 the rate had

climbed back up to 8.2 percent, and in 1995 it increased again to 10.9 percent.

- Since 1975, the Monitoring the Future (MFS) Study has measured the extent of drug use among high school seniors. Among the graduating class of 1995, 48.4 percent of students had used an illicit drug by the time they reached the end of their senior year of high school, continuing an upward trend from 40.7 percent in 1992 but still far below the peak of 65.6 percent in 1981.
- The use of illegal drugs by adolescents increased significantly between 1992 and 1995, representing a reversal of downward trends observed for several years. Findings show that use is up for most of the drugs measured. Use of any illicit drug in the past year (annual use) by seniors increased from 27.1 percent in 1991 to 39.0 percent in 1995 after steadily declining from a peak of 54.2 percent in 1979. The percentage of seniors who had used an illicit drug within the past month (current use) increased from 14.4 percent in 1992 to 23.8 percent in 1995.
- The Monitoring the Future data show that youth attitudes as represented by 12th graders about drug use began to soften beginning in 1990. The percentage of 12th graders who disapprove of regular marijuana use peaked in 1990 at 91 percent (it declined to 82 percent by 1995). One year later, in 1991, 12th graders' perceptions about the dangers of drug use as measured by perceived harmfulness of regular marijuana use peaked (it declined to 61 percent by 1995). And one year later, in 1992, the downward trend in marijuana use stopped at 11.9 percent for 12th graders (use reached 21 percent by 1995).

1.3.2 Marijuana

NHSDA

- In 1995, an estimated 9.8 million Americans were current (past month) marijuana or hashish users. This represents 4.7 percent of the population aged 12 and older.

- Marijuana is by far the most prevalent drug used by illicit drug users since approximately three quarters (77 percent) of current illicit drug users were marijuana or hashish users in 1995. Because of this, trends and demographic differences are generally similar for any illicit use and marijuana/hashish use.
- Between 1994 and 1995 the rate of marijuana use among youths age 12-17 increased from 6.0 percent to 8.2 percent, continuing a trend that began during 1992-93. Since 1992, the rate of use among youth has more than doubled. Similar trends are evident among both boys and girls; among whites, blacks, and Hispanics; in all four geographic regions; and in metropolitan and nonmetropolitan areas.

MTF

- The lifetime and past year use of marijuana increased among 8th, 10th, and 12th-graders in 1995; but for 12th-graders (the only class for which long-term trends are observable), the rates are still below the high levels of the peak years of 1978 and 1979.
- Among 8th-graders, increases in lifetime and annual use of marijuana first reported in 1991 continued through 1995. Between 1992 and 1995, lifetime use increased from 11.2 percent to 19.9 percent; and current use increased from 3.2 percent to 9.1 percent.
- Among 10th-graders, lifetime use of marijuana increased from 21.4 percent in 1992 to 34.1 percent in 1995. Annual use increased from 15.2 percent in 1992 to 28.7 percent in 1995, and current use increased from 8.1 percent in 1992 to 17.2 percent in 1995.
- In 1995, 41.7 percent of seniors had used marijuana at least once (lifetime use), up from 32.6 percent in 1992. Annual use of marijuana among seniors peaked at 50.8 percent in 1979, decreased steadily to 21.9 percent in 1992, and increased to 34.7 in 1995. Current use increased from 11.9 in 1992 to 21.2 percent in 1995.

DAWN

- Drug Abuse Warning Network findings, which are obtained from a random sample of hospital emergency rooms, show that marijuana is often reported in combination with other substances, particularly alcohol and cocaine. From 1978 to 1994, marijuana/hashish-related episodes increased about 300 percent (from 10,600 to 40,200).
- From 1978 through 1994, the number of marijuana/hashish-related episodes rose from 3,300 to 6,500 for persons aged 12 to 17 years, from 5,200 to 13,900 for those aged 18 to 25 years, from 1,500 to 11,500 for those aged 26 to 34 years, and from 400 to 8,300 for those aged 35 years and older.

CEWG

- Findings from the June 1996 meeting of the Community Epidemiology Work Group, a community-based network of researchers from across the U.S. established by NIDA: Marijuana use indicators, especially among adolescents, continue to increase across the country, with emergency department mentions increasing in 10 cities and treatment percentages increasing in 13 areas. Field researchers report that “blunts” are increasingly being used in combination with other drugs. For example, “swishers” and blunts in Texas sometimes contain marijuana soaked in embalming fluid or mixed with PCP.

1.3.3 Cocaine

NHSDA

- In 1995, an estimated 1.5 million Americans were current cocaine users. This represents 0.7 percent of the population aged 12 and older.
- The number of cocaine users did not change between 1994 and 1995 (1.4 million in 1994). It had declined from 5.7 million in 1985 (3.0 percent of the population) to 1.4 million (0.7 percent of the population) in 1992.
- There were an estimated 582,000 (0.3 percent of the population) frequent cocaine users in 1995.

Frequent use, defined as use on 51 or more days during the past year, was not significantly different than in 1994, when there were an estimated 734,000 frequent cocaine users. Since this measure of frequent cocaine use was first estimated in 1985, no significant increases or decreases have been detected. It should be noted that these estimates are subject to large sampling error and potentially large nonsampling error.

- The estimated number of occasional cocaine users (people who used in the past year but on fewer than 12 days) was 2.5 million in 1995, similar to what it had been in 1994. The number of users was down significantly from 1985 when it was 7.1 million.
- As in the past, the rate of current cocaine use in 1995 was highest among those age 18-25 years old (1.3 percent) and age 26-34 years old (1.2 percent). Rates were 0.8 percent for youths age 12-17 years and 0.4 percent for adults age 35 and older. Except for youths, all of these rates were similar to rates in 1994.
- The past month cocaine use prevalence rate for the 12-17 year old age group increased from 0.3 percent in 1994 to 0.8 percent in 1995. Prior to 1994, the rate among youth had declined from 1.9 percent in 1982.

MTF

- The use of cocaine among 8th- and 10th- graders increased between 1994 and 1995, with 4.2 percent of 8th-graders and 5.0 percent of 10th-graders having used cocaine at least once in their lives. Among 12th-graders, lifetime use remained about 6 percent from 1992 through 1995. In addition, in 1995, 1.2 percent of 8th-graders, 1.7 percent of 10th-graders, and 1.8 percent of 12th-graders had used cocaine within the 30 days preceding the survey.
- Crack cocaine use increased among 8th- and 10th-graders between 1992 and 1995; a statistically significant increase was seen from 1994 to 1995 for 10th-graders for all three prevalence measures. Survey results showed that 2.7 percent of 8th-

graders, 2.8 percent of 10th-graders, and 3.0 percent of 12th-graders had used crack at least once; 1.6 percent of 8th-graders, 1.8 percent of 10th-graders, and 2.1 percent of 12th-graders used crack within the preceding year; and 0.7 percent of 8th-graders, 0.9 percent of 10th-graders, and 1.0 percent of 12th-graders had used crack within the preceding month.

DAWN

- From 1978 to 1994, cocaine-related episodes rose from 3,400 to 142,900. Cocaine-related episodes increased dramatically from 1985 through 1989 (28,800 and 110,000, respectively). After a drop in 1990 (to 80,400), increases continued in subsequent years. Cocaine-related episodes in 1994 were at their highest level since the DAWN survey began (142,900).
- From 1978 through 1994, the number of cocaine-related episodes rose from 1,600 to 25,400 for persons aged 18 to 25 years, from 1,200 to 60,500 for those aged 26 to 34 years, from 300 to 43,200 for those aged 35 to 44 years, and from 100 to 9,500 for those aged 45 to 54 years.

CEWG

- Crack cocaine remains an important illicit drug problem. Indicator data are mixed, but continue to show leveling off in many urban areas and rebounding in others. Recent mortality figures are down or stable in 8 of the 12 areas where such data were available, and emergency department mentions increased in 14 of the 19 CEWG cities in the Drug Abuse Warning Network between the two half-year periods ending June 1995.

1.3.4 Stimulants

NHSDA

- The estimated number of persons who have tried methamphetamine in their lifetime was 4.7 million (2.2 percent of the population) in 1995. In 1994, the estimate had been 3.8 million (1.8 percent). However, this change was not statistically significant.

MFS

- MTF survey asks about nonmedical use of prescription stimulants such as methedrine and benzedrine and illegally produced stimulant drugs such as methamphetamine and “ice.”
- Comparisons of stimulant use reported in 1991 to 1995 show significant increases across all prevalence periods for 8th- and 10th-graders and in past month use among 12th graders, as follows:
 - Lifetime use for 8th-graders went from 10.5 percent to 13.1 percent; for 10th-graders, 13.2 percent to 17.4 percent.
 - Past year use for 8th-graders went from 6.2 percent to 8.7 percent; for 10th-graders, 8.2 percent to 11.9 percent.
 - Past month use for 8th-graders went from 2.6 percent to 4.2 percent; for 10th-graders, 3.3 percent to 5.3 percent.
 - Past month use for 12th-graders went from 3.2 percent to 4.0 percent.

DAWN

- From 1978 through 1994, methamphetamine-related episodes increased about 500 percent from 3,100 to 17,700. In 1978, methamphetamine-related episodes composed about 1 percent of all drug episodes compared with 3 percent in 1994.

CEWG

- Methamphetamine indicators continue to climb in all western and—on a smaller scale—in some Midwestern cities. While most indicators have also increased in San Diego, where methamphetamine has been the premier problem for many years, anecdotal reports of a fall 1995 “dry spell” may indicate a seasonal phenomenon or else may portend a downward trend. (Beyond the CEWG areas, there are reports of increases in some southern central States, such as Arkansas and Oklahoma). Route of administration varies widely from city to city. Law enforcement sources confirm earlier field reports

that small-scale domestic manufacture has shifted to large-scale plants on both sides of the U.S.-Mexican border.

- Various ephedrine-based products sold over the counter at health foods and convenience stores have been gaining popularity among adolescents in many areas, including Atlanta, Detroit, Minneapolis/ St. Paul, New York, and Texas. In the latter two areas, numerous adverse effects due to misuse and abuse have been reported. Widespread use of methylenedioxymethamphetamine (MDMA, “XTC,” or “Ecstasy”) by young adults continues to be reported in the majority of cities, often in conjunction with “raves,” the “club scene,” parties, and rock concerts, and often in suburban areas.

1.3.5 Hallucinogens**MTF**

- Lifetime use of LSD among seniors was 11.7 percent in 1995, and their annual use of LSD was 8.4 percent in 1995, surpassing the corresponding levels of use during the peak years of the mid-1970s.
- Annual use of LSD by 8th-graders was 3.2 percent in 1995 (up from 2.4 percent in 1994). Annual use for 10th-graders increased from 5.2 percent in 1994 to 6.5 percent in 1995.

CEWG

- Indicator data and field reports reflect the continued upward trend of LSD use by young people in numerous areas, including Atlanta, Chicago, Dallas, Denver, and Miami. Decreased LSD potency and changing motivations are resulting in new patterns of abuse by youth.
- The recent upturn in phencyclidine (PCP) use in the Washington-Baltimore area seems to have subsided. PCP, which tends to have a cyclical pattern of activity, is showing an upward turn in several cities, such as New York. Liquid PCP is poured over mint leaves and parsley and smoked in cigarettes, with marijuana, or even with crack.

1.3.6 Heroin

NHSDA

- The 1995 survey estimated that there were approximately 2.4 million persons who have used heroin at least once in their lifetime and approximately 428,000 people who have used heroin at least once in the past year. To partially account for underestimation by the NHSDA due to underreporting and/or under coverage, an adjustment based on counts of arrests and treatment data resulted in estimates of 2.9 million lifetime users and 541,000 past year users.
- For the combined years of 1994 and 1995, 61 percent of past year heroin users were male; 25 percent were 12-17 years old and 33 percent were 35 years and older; 53 percent were white, 34 percent were black, and 12 percent were Hispanic; and 48 percent lived in a large metropolitan area. Twenty-seven percent of adult heroin users had less than a high school education and 22 percent worked full time.
- Rates of past year heroin use were 0.4 percent for persons 12-17 years of age, 0.2 percent for persons 18-25 years of age, 0.2 percent for persons 26-34 years of age, and 0.1 percent for persons 35 years and older; 0.5 percent for blacks, 0.1 percent for whites, and 0.2 percent for Hispanics; 0.2 percent for males and 0.1 percent for females; 0.2 percent for persons living in the Northeast, 0.2 percent for persons living in the North Central, 0.2 percent for persons living in the South, and 0.1 percent for persons living in the West; 0.2 percent for persons living in a large metropolitan area, 0.2 percent for persons living in a small metropolitan area and 0.2 percent for persons living outside a metropolitan area; 0.4 percent for adults with less than a high school education, 0.1 percent for adult high school graduates, 0.1 percent for adults with some college, and 0.03 percent for adult college graduates; and 0.08 percent for adults employed full time, 0.2 percent for adults employed part time, and 0.5 percent for unemployed adults.

MFS

- From 1991 to 1995, lifetime, annual and 30-day use of heroin rose among 8th, 10th and 12th graders. Annual prevalence of heroin was 0.7 among 8th graders, 0.5 among 10th graders and 0.4 among 12th graders in 1991 compared with an annual prevalence of 1.4, 1.1 and 1.1, respectively in 1995.
- Caution should be used when reviewing MFS heroin data as the estimates are derived by extrapolating from a small number of respondents who report their use of heroin. However, the trends across time have shown continuous increases. It must be emphasized that heroin use remains a very rare behavior, one that is likely to be relatively more stigmatized than other illegal drug use. As a result, national surveys are not very effective in capturing the segment involved in rarely occurring events such as heroin use.

CEWG

- Reports show a continued increase in heroin use indicator data. Recent mortality figures have increased in 12 of the 15 cities where such data are available; emergency department mentions have increased in 11 of the 19 cities in DAWN; treatment percentages have increased in 12 areas; and purity levels have increased in several areas, while prices have declined or are stable in most areas. Users tend to fall into three categories: older injectors, generally age 35 and older; cocaine users who are gravitating to heroin; and new younger users, generally males in their 20s, who are more likely than older users to inhale the drug. Concern continues that these younger heroin snorters may shift to injecting should purity decline or tolerance increase.

1.3.7 Benzodiazepines

CEWG

- The Texas-Florida Rohypnol Response Group grew out of the CEWG, where flunitrazepam (Rohypnol) was first identified as an abuse problem in 1993. The Group has been active in developing strategies to track its spread to 31 States and Puerto Rico and

in motivating a rapid national response, including the recent U.S. Customs Bureau ban on its importation into the United States. The "roofies" problem may have identified the need for international prescription diversion control. Clonazepam (Klonopin or Rivotril), sometimes used by addicts to potentiate the effects of opiates.

MFS

- Lifetime and annual use of inhalants among 8th graders increased significantly 1992 and 1995, making inhalants the most widely abused substance after alcohol and tobacco among this group.
- In 1995, more than one in five 8th graders (21.6 percent) had used inhalants, which include glues, aerosols, and solvents, at least once in their lives, the third increase since 1992 (17.4 percent). The percentage of 8th graders who had used inhalants within the preceding year increased from 9.5 percent in 1992 to 12.8 percent in 1995.
- Lifetime rates of inhalant use among 10th graders increased from 16.6 percent in 1992 to 19 percent in 1995.

1.4 Mexico

According to the Second National Survey of Addictions (ENA, 1993), 3.9% of the 12-65 year-old urban population reported having used an illegal drug, including inhalants, at least once: this amounted to 1,638,000 persons, of which only 319,000 used it during the year prior to the survey or began during that period.

In the 1993 Northern Border Survey, focusing on four of the main cities in the area (Matamoros, Monterrey, Ciudad Juarez and Tijuana), the results showed that overall consumption of one or another drug during the user's lifetime was 5.3%, or 200,000 users of which 84.2% were men. The results of the survey indicated that 11.4% of all users were teenagers. This survey also showed significant variability between the cities: 10.1% in Tijuana, 8.9% in Ciudad Juarez, 5.8% in Matamoros and 2.8% in Monterrey. It is important to note that

while the ENA reported a prevalence of illegal drugs of 6.7% in the Northwestern zone, the Northern Border Survey showed that 10.1% were concentrated in Tijuana, making it the city with the highest use in the area.

In 1995, 8,397 people requested help at CIJs; marijuana was the most frequent drug of current use, accounting for 72% of cases, followed by inhalants (47%), cocaine (32%) and depressants (26%); heroin (4.4%) and methamphetamine (2.7%) were reported by a small number of cases.

According to the 1994 SISVEA report, in nongovernmental centers cases involving males aged between 15 and 24 also predominate. The most reported current drug was alcohol (24%), followed by cocaine (18.7%) and marijuana (14.1%).

Lastly, it is interesting to note that in 1991 more than one third of the students reported having used cocaine, crack and heroin for the first time in the United States, the second most common place being the state of Baja California. A high percentage also mentioned Jalisco, Sanely and Mexico City.

1.4.1 Cocaine

Cocaine has recently gained importance in the epidemiological scenario of drug use in the country. The ENA 1993 showed that 0.3% of the population had used cocaine during their lifetimes. Consumption in 1993 was slightly higher than in 1988 (0.14%). Cocaine is the second most frequently used illicit drug among the adult population after marijuana.

National studies undertaken among the student population also showed a significant increase, rising from 0.50% in 1976 to 0.83% in 1991 among the urban population. In Mexico City, a substantial increase took place from 1986 (0.9%) to 1989 (1.26%), but was not significantly different in 1991 (1.03%) or in 1993 (1.66%). The rate was higher than the national average in Mexico City and in the states of Baja California (1.91%), Jalisco (1.36%), Sonora (1.57%) and Sinaloa (1.41%).

The use of crack among that population is still low, with a national mean of 0.25%; Baja California is the only place where the rate is significantly higher (0.61%) than the national average; 16% of users reported having used this form of cocaine in the United States. Baja California (6.5%), Mexico City (5.2%) and the State of Mexico (5.9%) were also mentioned as places of first-time use.

According to the 1986 SRID, only 1.6% of all drug users detected in Mexico City used cocaine, compared to 31% in the 1995 survey; this is the largest increase in any drug-use category. It is also important to note that cocaine use patterns in the country appear to be changing. Formerly, cocaine was most often used by the more affluent sectors of society. However, the 1995 survey indicated that nearly one in two cocaine users (46.2%) were from a low socioeconomic background (bearing in mind that the survey over-samples the lower socioeconomic groups — representing 58.2 % of the survey population).

The CIJs' reports also showed a significant increase in the number of patients using cocaine, which rose from 12.2% in 1990 to 32.4% in 1995. The Centers located in the country's northern border cities reported higher rates, amounting to 72% in Mexicali, 66% in Tijuana and 60% in Ciudad Juarez.

1.4.2 Heroin

According to the results of the ENA, 1993, heroin use is very low, and the few reports of use were found in the north of Mexico; users are between 24 and 28 years of age. The Northern Border Survey shows that heroin use is low even in border cities, and only exists in Tijuana (0.6%) and Ciudad Juarez (0.8%).

Statistics provided by CIJs show that the highest percentages of users are in the cities of Mexicali (72%), Tijuana (34%), Chihuahua (28.7%), Calycine (16%), Ciudad Juarez (16.9%) and Hermosillo (16.7%), whereas at the national level only 5% of the patients attended in 1995 reported use of this substance.

1.4.3 Methamphetamines

Methamphetamine consumption is a recent phenomenon in Mexico; reports of use among students are under 1%, with the highest rates occurring in northern border states. The SRID began reporting the use of an amphetamine derivative, "ecstasy," as of 1995 where the most important data source was CIJs, where this substance joined the list of the top six drugs in 1994. The Center that reported the most cases in 1994 was Tijuana, where 42% of patients reported having used it and 18% stated that they had used it in the month prior to their first visit to the Center. It was followed, with much lower rates, by the Mexicali Center (7%), Culiacan (4%), and Toluca, in the state of Mexico (3.6%). During that year there were no records of methamphetamine use in 62% of the Centers, and in another 29% the rates were under 2%.

1.4.4 Marijuana

The illegal drug with the highest rate of use among the population in general is marijuana with 3.3% (over 1,400,000 persons) stating that they had used it "some-time during their lives". Between 1988 and 1993 marijuana consumption only rose 0.4% nationwide with a variation ranging between 2.9 and 3.3%, or a little over 1,400,000 persons who had used it sometime during their lives. This figure tallies with SISVEA information collected from the country's treatment centers, which indicates that marijuana is the drug for which the greatest number of addicts receive medical attention, in addition to generally being the first drug used.

With regard to regional differences, in 1988 the south showed a rate of 2.7% and of 1.2% in 1993, reflecting a drop of 1.5%. Conversely, in the northeastern region marijuana use increased 2.1%, from 1.7% in 1988 to 3.8% in 1993. In the northwestern and central regions use dropped from 7.03 to 5.5% and 3.2 to 1.9% respectively.

The cities of Tijuana and Ciudad Juarez showed the highest rates of marijuana use, with 8.4 and 8.3% respectively. Approximately 40% of teenage users reported having started using the drug before the age of 14.

1.4.5 Inhalants and other drugs and pharmaceutical products

With regard to the illicit use of psychotropic medicines, mainly sedatives, the 1993 ENA showed that 15.4% of the population surveyed had used them during their lifetimes and only 1.8% had done so during the month prior to the study, with almost twice as many women as men using them. Also, the use of "ecstasy" is very low and mainly limited to young adults in the country's foremost cities. Other hallucinogenic substances are practically unknown in Mexico in statistical terms.

The use of inhalants showed a slight decrease throughout the country in the period from 1988 to 1993. The results of the 1988 ENA showed that the rate in the northwestern region stood at 1.14%, which dropped to 0.70% in 1993; in the central region it dropped from 1.03 to 0.40%, and in Mexico City from 1.01 to 0.60%. The rate decreased in the central southern region from 0.55 to 0.1 and from 0.80 to 0.1% in the south. It should be mentioned that in the northeastern region, which had the lowest number of users in 1988, the rate rose 0.58%, from 0.27 to 0.85%, during the period. With regard to inhalants, Ciudad Juárez was the only city in which consumption was higher than one percent at any given time.

The SRID reflected a clear trend in the use of flunitrazepam (Rohypnol), which increased from 15 cases in 1988 to 54 in the second half of 1995. In response to the increased use of this substance during the past four years, a exploratory study was undertaken on the qualitative aspects of Rohypnol use among different groups in Mexico City.

1.5 Improving Methods of Measuring the Demand for Illicit Drugs

United States

An important part of SAMHSA's and NIDA's ongoing data collection and epidemiologic research is the progress being made toward improving our ability to measure the nature and extent of drug use. Because of the illicit nature of the behaviors being studied and

the difficulties in locating and sampling from heavy drug abusing populations, improvements in sampling and data collection techniques are being developed, tested, and implemented. Some of this methodological research is summarized below.

In conjunction with the National Household Survey on Drug Abuse, NIDA and SAMHSA conducted a series of studies designed to evaluate the data collection and analytic methods used in the survey. This research led to improvements in the NHSDA, and it will benefit others involved in designing and conducting surveys of drug use. An intensive evaluation was conducted on the NHSDA questionnaire, including cognitive evaluations and experiments, followed by development of a refined questionnaire which was tested in a national sample of over 3,000 respondents. This field test showed that respondents appear to be less likely to report drug use when they are asked to respond verbally to an interviewer than they are when they can answer using self-administered answer sheets. Another study tested the feasibility of conducting drug use surveys by telephone, and found that respondents were significantly less likely to report drug use over the telephone than they were in person using self-administered answer sheets.

Methods for surveying difficult-to-reach or "hidden" populations were tested and developed by NIDA as part of the Washington, D.C. Metropolitan Area Drug Study (DC*MADS). This multi-year project began in 1989 and consisted of a variety of studies, including surveys of homeless people and transients, those who are institutionalized, school dropouts, and adult and juvenile offenders. DC*MADS provided important data about drug use among nonhousehold populations that can be used in other geographic areas and can be used to supplement ongoing drug surveys of the household and high school populations.

Methodological studies which increase our understanding of the biases and limitations of our major data sources are also necessary to facilitate the measurement of the nature and extent of drug use. Several analyses of NHSDA nonrespondents have been completed, providing insight into the impact of nonresponse on the estimates of drug use prevalence generated from this survey.

Improvements in sampling and data collection methods are an important advance in our capacity to measure the nature and extent of drug use. Obviously, improvements in the quality of data will lead to a better understanding of the drug use problem. Of equal importance is the need to enhance the quality and scope of the analyses of drug use data. This involves more than merely applying more sophisticated statistical techniques to the major national data sources on drug use. More comprehensive analyses which utilize multiple data sources (each with its own limitations to be considered) would help us to understand the often conflicting results of the various national surveys and smaller research studies and to better provide a complete description of drug use in the U.S. These analyses should utilize not only the major national surveys, but also the vast body of epidemiologic research that has been funded by NIDA through various grants and contracts.

Mexico

Although Mexico has made significant efforts in the field of diagnosing drug demand, the country faces many needs in that regard. The very dynamics of the phenomenon make updated, timely and complete information essential in order to have a basis for prevention and control measures.

It is necessary to carry out another National Household Survey to estimate the prevalence of drug use in the general population and to evaluate trends and changes in drug use. Also, studies among students should be done on at least a biannual basis, as had been done in the past. It is important to realize that an important proportion of high risk youngsters are not in the school system and, therefore, they should be reached in other contexts (labor force, street children, criminal system, etc.), through other methodological strategies. Besides the on going monitoring efforts (SRID and SISVEA), there is a need to develop additional strategies such as the "Pulse Check" survey used in the United States.

There is a need to develop more comprehensive and timely information often and prevention activities in order to evaluate their capacity and effectiveness on an ongoing basis.

1.6 Principles of Demand Reduction

United States and Mexico

Principles of reducing the demand for drugs have emerged from the findings of basic and applied prevention and treatment research, examining not only the totality of the U.S. and Mexican populations but also specific population subgroups, and range from preventing the onset of any illicit drug use to providing the continuum of care necessary to assist chronic, hardcore users who consume the bulk of illicit drugs. Once viewed as a moral problem or character defect, drug use is more accurately considered a complex behavioral problem with both social and biological underpinnings. Some individuals are at greater risk of drug-related problems than are others. Implementing demand reduction strategies requires awareness of factors that place individuals at increased risk and, conversely, the factors that protect individuals from such risk. These factors, in combination with relevant epidemiologic data, permit demand-reduction strategies to be distinctly focused; thus, increasing the likelihood of cost-effectiveness.

The intervention spectrum for substance abuse disorders includes prevention through treatment, to maintenance. The goal of primary prevention is to reduce the number of new users (incidence) by promoting health and offering specific health protection. Some epidemiologic research has shown that improvements in the lifestyles of individuals and in the social and physical environment are the most effective means for reducing incidence. The following are critical premises that relate to individual behavior: (1) substance abuse strategies should facilitate individual change toward affirmative health behavior, (2) strategies should take into consideration individual intellectual and emotional growth and self-determination, and (3) programs should be individualized. Local community involvement in improving the social and physical environment is critical.

Because drug use is a complex behavioral and biomedical disorder with a myriad of causes, the availability of multiple integrated types and levels of treatment is essential because of the varying needs and cultural

backgrounds of individuals. Although the primary objective of treatment is to help the individual stop using drugs, other positive outcomes may include reducing the frequency of drug use, increasing the period of time between use, improving the individual's physical and mental health, and reducing criminal activity. We should continue to look for effective methods, including non-traditional ones, which may prove to be particularly effective in specific cultures.

At the most general level, treatment can be divided into such categories as pharmacological modalities, which affect physiological processes, and behavioral modalities, which influence behavioral or learning processes. These approaches are often combined to improve therapeutic efficacy. Drug use is a chronic relapsing condition usually requiring prolonged or repeated treatment. To help ensure that individuals who have successfully ceased their use of illicit drugs do not return to that behavior, it is essential that the treatment and recovery continuum is coordinated with other germane services such as rehabilitation, physical and mental health services and education.

1.7 Local Communities' Participation and the Role of Education

United States

Local Communities' Participation

Many years of government and private sector research, evaluation findings, and experience make it clear that in order for demand reduction initiatives to be effective, we must have in place comprehensive community-based efforts that involve multiple levels, sectors, populations, organizations, and concurrent strategies. The strategies are directed at specific audiences or domains and include the following five areas aimed at reducing risk and building resiliency:

- *education and information dissemination*: promotes awareness and knowledge of the nature and extent of drug use and addiction and their effects—as well as prevention programs and services; and increases perception of harm associated with drug use.

- *personal development and growth*: affects critical life and social skills and life choices.
- *development of alternatives*: discourages drug use; such alternatives as organized after-school activities for youth.
- *changing norms/standards*: sets up or changes written and unwritten community standards, codes, values, and attitudes.
- *community mobilization*: enhances the community's ability to provide more effective prevention and treatment services.

Risk reduction and resiliency are also strengthened, where appropriate, by means of effective substance abuse treatment. Treatment delivered as a sustained continuum of treatment and recovery services is the best strategy for decreasing the substance using behaviors of addicted individuals, and the related negative health and life-style consequences.

The following are examples of public and private sector activities that show clearly the importance of the participation of local communities.

- Community Partnership programs encourage the formation of community-based public and private sector partnerships involving schools, business, industry, and professional organizations that will jointly sponsor long-term, comprehensive substance abuse prevention programs, especially ones that incorporate drug and alcohol services into a community's general system of delivering primary health care. A SAMHSA/CSAP example follows.
 - Heartland Coalition: This coalition is working to increase substance abuse prevention services and to empower the residents of three “clusters” in Central Oklahoma — Paseo, Oak Grove, and Sooner Haven. Each cluster contains 12,000-15,000 residents of a particular sociological, cultural, or geographical area. The Heartland Coalition facilitates citizen involvement to iden-

tify needs and assets/resources and determines services that are lacking in each cluster.

- **Substance Abuse Prevention and Treatment (SAPT) Block Grant:** The SAPT Block Grant program constitutes a partnership between Federal and state governments. It is the primary mechanism of the Federal government for funding substance abuse treatment. By law, funding is targeted toward the areas of greatest need in each state with special emphasis on pregnant women with and without dependent children, and intravenous drug users. Block grant funds are used by states to support local community-based treatment programs. An example follows.
 - **Southwest Migrant Workers and Native American Assistance Program (SWAP):** A demonstration program in El Paso, Texas which targets widely dispersed, culturally distinct communities that are in need of substance abuse services. SWAP is a consortium of approximately 30 state, tribal, public, and private entities offering a wide spectrum of services to migrant farm workers and members of the Tigua Tribe. The comprehensive array of services is provided as a means of linking clients into substance abuse treatment.
- **Target Cities Initiative:** SAMHSA's Center for Substance Abuse Treatment (CSAT) recognized in 1990 that U.S. urban areas needed assistance to develop new treatment strategies, link ancillary services and bring the substance abuse provider network into the electronic age. The Target Cities program has implemented model infrastructures to coordinate and enhance local treatment networks. Local projects work closely with participating treatment delivery systems in their jurisdiction, centralizing and automating the intake and management information system functions to link local providers and maximize treatment opportunities. Projects are mandated to coordinate their services with the health, mental health, education, law enforcement, judicial correctional and human services in their jurisdictions. Target Cities have had the flexibility to select a configuration of program components tailored to their local environments. This flexibility allowed each Target Cities project to develop its treatment infrastructure, enhance its systems efficiency, and fill local treatment gaps.
- **Treatment Program for Women and Children:** "Entre Familia" is a women's treatment program funded by CSAT and targeted to immigrant Latino women and their children. Operated by the Trustees of Health and Hospitals of Boston, MA, it is a 12-month, comprehensive, family-focused residential treatment program. Barriers to entering treatment that are felt by many women are often pronounced for Latino women. The traditional Latino women's role as nurturer to not only children, but as wife or girlfriend is central to her identity. Disruption in this role is threatening to self identity, and must be addressed if treatment is to be accessed and ultimately successful. The Entre Familia program addresses this identity issue, and allows for women to continue directly in their mothering role by allowing children to enter treatment with their mothers. In addition, the program provides family-oriented case management to coordinate services needed by the woman and her family, and teaches them how to be effective advocates for themselves within the health and social service systems.
- **Community and State Coalitions Program:** This SAMHSA/CSAP program focuses on youth, families, schools, and communities. It is designed to reenergize parents, youth and school-based movements fighting substance abuse by providing critically needed funding to expand and focus their efforts at the grass roots level. Local school districts will be linked to share research-based substance abuse prevention curricula and incorporate scientific information on drug use in science education classes. These activities will be complemented with enrichment activities during the critical after school hours when youth are so vulnerable to a host of problems including substance abuse.
- **Weed and Seed Program, Department of Justice:** A basic tenet of the Weed and Seed Program is that communities can best identify the problems they

face and develop solutions that will be most effective. The goal is therefore to deliver adequate resources to those best equipped to address the drug problem in their communities. Built into the Weed and Seed approach is a firm reliance on linkage between the criminal justice system and drug treatment and prevention programs; among Federal, State, and local leaders; and between the public and private sectors.

- **Access to Community Care and Effective Services and Supports (ACCESS) for Homeless Persons with Severe Mental Illness:** This activity of SAMHSA's Center for Mental Health Services (CMHS) is a cooperative agreement to demonstrate and evaluate system integration approaches for homeless persons with serious mental illnesses and particularly those with co-occurring substance abuse disorders. CMHS is currently conducting a national assessment of past grant awards. Integrative strategies targeted to individuals with dual diagnosis by grantees have included, for example, providing substance abuse training to case managers; adding a substance abuse specialist to the case management team; and establishing agreements with substance abuse facilities to set aside detoxification beds.

There are many private sector organizations that bring together communities to address drug use in the U.S. Two examples follow.

- **Community Anti-Drug Coalitions of America (CADCA)** was created in response to the dramatic growth in the number of substance abuse coalitions and their need to share ideas, problems, and solutions. The community coalitions bring together schools, business, religious organizations, law enforcement, media, medicine, government, social services, parents and youth to develop comprehensive action plans for addressing the local drug problem. They use a community-wide approach to preventing substance abuse, and they include treatment agencies. The overall goal of CADCA, which has a membership base of more than 1,800 commu-

nities, is to improve the effectiveness of local community leaders across the nation.

- **National Coalition of Hispanic Health and Human Services Organizations (COSSMHO)** is a cross-cultural multi disciplinary network. It has over 350 affiliated agencies (hospitals, community health centers, universities, multi service agencies, etc.) and a membership of over 1,100 front-line health and human services providers and organizations serving Mexican American, Puerto Rican, Cuban American, and other Hispanic American communities throughout the U.S. Since its inception, COSSMHO's mission has been to represent all Hispanic Americans and to bring resources to local communities. COSSMHO fulfills its mission by working with community-based organizations; universities; Federal, state, and local governments; foundations; and corporations. As the action forum for the Hispanic community, COSSMHO's services include model community-based programs, consumer education and outreach, training programs, advocacy, research, and infrastructure support and development. Long-standing programs address such areas as substance abuse, AIDS, maternal and child health, and mental health.

Role of Education

Educators are keenly aware of the significant impact of drug use, crime, and violence on the ability of children to learn. They recognize, as do parents, students, and community leaders, that children cannot learn and teachers cannot teach in an environment where drugs are used or traded, or where there is crime and violence. The underpinning of any sound education system is a safe, disciplined, and drug-free learning environment. In addition, educational institutions are the appropriate setting for teaching children about the dangers of drug use.

For a host of reasons, it is extremely important to focus drug and violence prevention efforts in schools. For example:

- Schools are where a majority of our youth are for an extended period of time, and they can be easily reached while in school.
- Schools are logical places to incorporate lessons into curricula regarding the harmful effects of various drugs, as well as lessons related to behavior, values, and ethics.
- Schools are places where skills can be provided for resisting alcohol and drug use and for resolving conflict in a peaceful manner.
- For many children, schools are the only places where there are adult role models.
- Schools set standards of behavior and hold students accountable for their behavior.
- Schools provide students with counseling assistance when questions arise or aid is needed regarding alcohol or drug use.
- Schools are able to get parents and other community members actively involved in drug and violence prevention efforts.

The Department of Education has assisted local school districts in addressing their drug and violence problems by providing them with funding assistance, training, technical assistance, and policy guidance. The assistance has come through the Safe and Drug Free Schools and Communities Act, which provides assistance in the areas of violence prevention, drug and alcohol prevention, and education to over 95 percent of the nation's local education agencies. The Act also extends to the Secretary of Education a broad discretionary authority that permits the implementation of additional programs to prevent drug use and violence. Such programs may include training, demonstrations, direct services to school districts with severe drug and violence problems, program evaluation, and information development and dissemination.

While states and local communities continue to have the primary role in developing and implementing drug

and violence prevention and education programming, the Department of Education—with other Federal agencies—will provide national leadership in the areas of drug and violence prevention through technical assistance, evaluation efforts, and direct grants. For example, in FY 1996 the Department awarded a discretionary grant that had four priorities: drug prevention; truancy; threats and intimidation; and removing weapons from schools.

One example of a prevention program used widely in elementary and secondary schools is D.A.R.E. (Drug Abuse Resistance Education) America. This program originated as a cooperative effort of the Los Angeles Police Department (LAPD) and the Los Angeles Unified School District. The DARE curriculum was developed by the district's health educators and specialists. The program is implemented by specially trained veteran police officers. Lessons focus on providing accurate information about alcohol and drugs, teaching students decision-making skills, showing students how to resist peer pressure, and giving the students ideas for alternatives to drug use.

In addition to the above school-based activities, there are extensive efforts in the U.S. to educate the general public about the dangers of drug use. The Substance Abuse and Mental Health Services Administration, through its Center for Substance Abuse Prevention, has several activities involving information dissemination that foster the education of citizens regarding substance abuse. For example:

- The "Reality Check" public education campaign is designed to counter the increase in marijuana use by youth. It provides tools to help parents talk with their children about marijuana and other drugs. Market research has shown that many of today's parents are uncertain how to initiate discussions about drugs with their children. "Keeping Youth Drug Free: A Guide for Parents, Grandparents, Elders, Mentors, and Other Caregivers" provides information about substance abuse and suggests ways for parents to begin a "kitchen table discussion" with youth about marijuana and other drugs.

- The “Girl Power!” public education campaign is targeted to the more than 11 million girls in the U.S., ages 9 to 14. The campaign seeks to increase young girls awareness of their ability to achieve positive life goals and meet their full potential. Studies show that girls who develop positive skills and feel competent decrease their risk of using drugs. Campaign materials indicate that girls who develop interests in subjects and acquire skills — whether in academics, arts, sports, or other endeavors — build and strengthen their protective factors against substance abuse. “Girl Power!” is not only a Federal program. Private organizations, such as the Girl Scouts of the USA, Girls and Boys Clubs of America, National 4H Council, Elks Drug Awareness Program, Girls Inc., and the National Association of School Nurses also contribute to the campaign.
- National Clearinghouse for Alcohol and Drug Information (NCADI) is the U.S. repository for state-of-the-art drug prevention, intervention, and treatment resources and information. NCADI employs information specialists who are available to provide tailored customer service responses to all inquiries.
- Regional Alcohol and Drug Awareness Resource (RADAR) Network Centers are organized as state-based and local partners with NCADI to disseminate substance abuse information. CSAP provides the Centers with skill-building conferences and technical assistance support visits. The Centers select appropriate information for state/local use and show communities how to make good use of this information.

Private sector involvement in drug use reduction efforts aimed at educating the public has been substantial. Examples are:

- National Families in Action (NFIA) is a nonprofit drug education and prevention organization in Atlanta, Georgia. Its purpose is to: (1) educate society about the dangers of alcohol, tobacco, cocaine and other drugs by disseminating accurate

information; and (2) help citizens use that information to identify and resolve problems that contribute to substance abuse. NFIA offers training in substance abuse prevention and community empowerment to professionals and volunteers from such fields as health, religion, business, education, government, and law enforcement.

- Parents’ Resource Institute for Drug Education (PRIDE), is a national non-profit organization devoted to alcohol, tobacco, and drug prevention. Based in Atlanta, Georgia, it offers programs for parents, youth, educators, businesses, and governments. It provides youth training programs known as America’s PRIDE, Club PRIDE and PRIDE Junior, in which youth work with each other to solve problems and learn life skills.
- The Partnership for a Drug-Free America is a nonprofit coalition of professionals from the communications industry, whose mission is to help reduce the demand for illegal drugs in the United States. Through its national anti-drug advertising campaign and other forms of media communication, the Partnership works to decrease demand for drugs by changing societal attitudes which support, tolerate or condone drug use.
- Columbia University’s Center on Addiction and Substance Abuse (CASA) is a national organization that brings together under one roof all the professional disciplines needed to study and combat all types of substance abuse — illegal drugs, pills, alcohol and tobacco — as they affect all aspects of society. CASA is working with experts in medicine, law enforcement, business, law, economics, communications, teaching, social work, and the clergy to combat substance abuse. The Center’s goals are to: inform the American people of the social and economic cost of substance abuse and its impact on their lives; identify what prevention and treatment programs work, for whom, and under what circumstances; and encourage individuals and institutions to take responsibility to prevent and combat substance abuse.

- Public-private prevention partnership with pharmaceutical companies: Fourteen major pharmaceutical companies have agreed to participate in a Federal-private sector prevention partnership. The goal will be the development and dissemination of prevention information to physicians throughout the nation for distribution to their patients. The effort was announced by the President at the March 1996 White House Leadership Conference on Youth, Drug Use and Violence.

Mexico

Local Communities' Participation

CONADIC is the entity in charge of gathering and integrating information on prevention and care efforts made by different sectors at the national level through the above mentioned Programs against Addiction. In turn, CONADIC reports periodically these actions to CENDRO (Centro de Planeación para el Control de Drogas) (National Center for Drug Control Planning) on related progress, so as to conduct follow-up on the PNCD. From the 31 States of Mexico, the State Councils against Addiction report on the work conducted by various institutions and organizations in the field of information, education and treatment. Mass media campaigns, training workshops, parent, teacher and student orientation activities, contests and commemorative events are some of the numerous activities conducted throughout the country. Treatment centers, self-help groups, service clubs and other sectors actively participate in these efforts.

The Healthy Municipality Network Program (Programa Red de Municipios Saludables), proposed by WHO and adopted by SSA, is enabling the localities that have already been incorporated into the Program to integrate demand reduction activities into numerous other community activities to upgrade the quality of life and promote social development through the active participation of all sectors in the locality. This Program is still at an initial stage, but it already has a significant and growing number of participating cities and its results have been very promising.

As it was mentioned, CIJs conduct numerous prevention and treatment activities in their 54 units throughout the nation by working with community volunteers who collaborate in spreading messages and other preventive efforts.

Role of Education

The Secretariat of Public Education (SEP), through the Program on Education to Prevent Addiction (PEPCA), is making strong education and prevention efforts in schools, with the families of students and the community in general. Its objectives are to promote training among young people in junior high and high school (12 to 18 years of age) to enable them to develop protective attitudes against the peer pressure or the offering of drugs, and thereby avoid consumption or abuse. Since 1991, the year in which it began operating, PEPCA has been strengthening its position as one of the main programs aimed at reducing demand among one of the groups considered to be at high risk: young people.

CONADIC has been producing and distributing preventive and scientific literature to help the general population as well as professionals, educators, and families to better understand the nature of drug use and to carry out their preventive interventions. Other agencies are also involved in the development and dissemination of educational materials, such as universities, CIJs, etc. There are several information centers specializing in drug and alcohol issues, such as those developed by CIJs, IMP, and CONADIC where attention is given to students, researchers, journalists, and the general public. Several media campaigns with drug prevention messages are carried out every year on a national and State level sponsored by private and governmental organizations.

Several contests for students and communication and advertising professionals are carried out yearly, sponsored by different organizations, such as CIJs, universities and CONADIC to promote the design, production and distribution of drug abuse prevention materials such as posters and videos.

1.8 Effectiveness of Demand Reduction Efforts

United States

It is highly important to continuously evaluate the effectiveness of demand reduction approaches and programs. In recent years a number of significant studies have been conducted, for example:

National Treatment Improvement Evaluation Study (NTIES): SAMHSA's Center for Substance Abuse Treatment is conducting a five-year National Treatment Improvement Evaluation Study to determine the impact of drug and alcohol treatment on 5,388 clients treated in public programs funded by CSAT. The demonstration programs focused on under served and vulnerable populations whose drug problems tend to be more severe and who have few social supports to help in their recovery (e.g. minority populations, pregnant and parenting women, those living in inner cities or public housing, recipients of public welfare, and those involved with the criminal justice system).

Typically, significant reductions in drug use are found at the end of treatment. These data show that reductions in drug use of approximately one-half are sustained one year after treatment exit.

- Client's use of their primary drug(s) (those that led clients to seek treatment) decreased from 72.8% before treatment to 37.7% one year after treatment.
- Cocaine use significantly decreased from 39.5% before to 17.8% in the twelve months after discharge from the NTIES treatment episode, a 55% drop.
- Heroin use, which most experts believe to be more treatment resistant than use of other drugs, decreased nearly by half, from 23.6% of respondents reporting use in the twelve months prior to treatment, to only 12.6% one year after discharge.

- The use of crack, a drug used by approximately half the NTIES respondents, shows a large and statistically significant post-treatment decline, decreasing from 50.4% before treatment to 24.8% in the twelve months after treatment.
- Marijuana use significantly decreased from 55.6% before to 27.8% in the twelve months after discharge from the NTIES treatment episode.

The linkage between active drug use and criminal involvement has been well established. The results from NTIES add to the literature which suggests that substance abuse treatment can play a major role in crime reduction. NTIES respondents reported statistically significant decreases in multiple indicators of criminal involvement.

- **California Treatment Effectiveness Study:** Numerous studies support the logic and rationale of providing treatment for drug users. The research reveals that the societal costs of untreated addiction — e.g. violence, crime, poor health, and family breakup — far exceed the costs of providing treatment. One research effort in particular, *Evaluating Recovery Services: The California Drug and Alcohol Treatment Assessment*, clearly demonstrates the benefits of treatment as it relates to criminal activity. The study shows that the level of criminal activity declined by two-thirds as a result of drug treatment. And the longer hardcore users stay in treatment, the greater the reduction in their criminal activity and the costs associated with it. The same study, corroborated by other research, demonstrated that each dollar spent on drug treatment saves the taxpayers seven dollars by reducing or avoiding costs relating to criminal justice, health care, and welfare.
- **Other Large Scale Studies of Treatment Impact and Cost-Offset:** Several states have conducted studies on the impact of drug treatment. Studies conducted in the states of Washington and Oregon, for example, made use of state-wide databases that contained information such as participation in treatment, use of

acute medical and psychiatric services, time spent in hospitals, receipt of welfare payments, legal income earned, arrests, convictions, and time spent in jail. The common finding was that, when compared to individuals who dropped out of treatment very quickly, those who participated for longer periods or who completed treatment showed increased earnings and substantial decreases in the use of social welfare services and of medical and psychiatric services, as well as decreases in arrests and time spent in jail.

- **Youth Drug Prevention:** Clearly, the earlier that drug prevention programming can be introduced, the better. Research has been conducted, for example, that estimates the potential benefits from a drug prevention program targeting high-risk youth. Between \$333,000 to \$809,000 can be saved for each individual who does not progress to a lifetime of drug use.
- **Prevention Demonstration Programs:** In the area of etiology, findings from -CSAP-sponsored demonstration programs have confirmed assumptions about the very important role of parents and other family members in either preventing or encouraging early substance abuse. Knowledge generated from the demonstrations also suggests that some of the most effective programs are those that target factors that place youth at risk for using drugs (e.g., social influences -that promote drug use and poor self-management skills). Furthermore, demonstrations suggest that no single pattern of onset of substance abuse exists; instead, differences in gender and ethnic heritage seem to have important effects on how adolescents develop drug-related problems. Preventive interventions must be designed to respond sensitively to such differences. Findings also show that, although some types of demand reduction activities have been found to be helpful to all adolescents, some are most closely identified with success among specific populations.
- **Assertive Case Management for Dually Diagnosed Clients:** Recently, SAMHSA/ CMHS' Community Support Program completed a 3-year research demonstration program designed to develop and validate an effective case management approach for people with co-occurring substance abuse disorders and severe mental illness. The primary objective was to determine if assertive case management techniques delivered by dual diagnosis specialists through continuous treatment teams would be more clinically effective than standard case management delivered in traditional community support programs. It has been found that clients serviced using well implemented, continuous treatment teams experienced steady improvements in stable community residence, reduction in substance abuse and several other dimensions related to quality of life. At the end of three years, approximately half of the demonstration clients were stably abstinent from drugs. Clients serviced by less well implemented treatment teams and standard community support approaches experienced much less improvement.
- **Research Effectiveness:** NIDA's scientific research program addresses the most fundamental and essential questions about drug use, ranging from its causes and consequences to its prevention and treatment. NIDA-supported research has, for example:
 - Produced a model to explain drug-taking and drug-craving behavior to improve treatment and rehabilitation methods.
 - Supported the development of two medications—LAAM and naltrexone—through the approval process by the FDA for the treatment of opiate addiction.
 - Supported the development and evaluation of pharmacologic treatment for newborns withdrawing from exposure to narcotics.
 - Pioneered innovative community-based research on AIDS prevention efforts that showed that drug users will change AIDS risk behaviors to reduce their susceptibility to HIV infection and AIDS.

- Demonstrated that participation in methadone treatment significantly reduces HIV seroconversion rates and decreases high-risk behaviors.
- Demonstrated the value of treating drug abusers' depression and other mental disorders to improve the results of addiction therapy.
- Succeeded in immunizing rats against the psycho stimulant effects of cocaine and opened up the possibility of developing a vaccination against cocaine addiction.
- Demonstrated that drug use prevention programs, when conducted with seventh grade students and reinforced with subsequent "booster" sessions, can produce lower levels of tobacco, alcohol, and marijuana use by teenagers over a sustained period of time.

Mexico

As a result, it might be said that prevention activities conducted in Mexico since the 1970s has contributed to the fact that consumption rates in our country not having risen to the same degree as in other societies. Other factors that may have a positive influence on curtailing drug use, abuse and addiction rates in our country, include the role of the nuclear and extended family, the influence of religious, cultural and community traditions, and a strong perception of the risk involved in taking and using illicit drugs.

It is, however, undeniable that the problem of consumption and dependence is increasing in Mexico, and calls for the development of prevention and rehabilitation strategies that will be effective in addressing the problem. It will be necessary to implement new programs aimed at groups, behavior and contexts that entail specific risks and, above all, to conduct research on prevention and treatment, so as to be able to assess the impact of measures and improve service quality and coverage.

1.9 Adaptability of Demand Reduction Strategies to Other Societies

United States

SAMHSA's Center for Substance Abuse Prevention has organized and implemented activities that illustrate how demand reduction strategies can be adapted to other societies. The missions described below were funded through a demand-related agreement mechanism with the U.S. Department of State.

- A mission was conducted in Colombia that was designed to create the necessary techniques for an effective community mobilization approach that would work toward the prevention of substance abuse in Colombia. Intensive training was provided to share how CSAP's community mobilization approach is used and how this model could be replicated and designed to meet the needs of regions in Colombia. The training was conducted and developed collaboratively between members of the U.S. training team and the Colombia team.
- A CSAP-provided workshop was provided to health professionals in Mexican factories. The skill-building workshop focused on multi-disciplinary prevention within a health care setting. The workshop was translated into Spanish and modified to focus on prevention in the workplace. It was shared with Mexican health professionals who work in factories in Juarez. Health professionals serving workers in Mexican factories are a natural audience for prevention skill-building because Mexican law requires industry to provide primary care services in factories.

NIH's National Institute on Drug Abuse is funding numerous studies that are exploring the adaptability of demand-related strategies to other cultures. For example, at the Mount Sinai School of Medicine, a binational research study in Colombia is under way entitled "Drug Use and Problem Behavior in Colombian Youth." Research questions focus on the interrelationships of risk factors for drug use, including personality factors, family and peer relationships, and ecological and cultural factors.

Drug use research methodologies, strategies and assessment instruments developed by NIDA have proven adaptable to training, translation and implementation in other languages and cultures. The NIDA International Program promotes this activity as a primary focus of its mission. National survey instruments, such as the Addiction Severity Index, and the Drug Use Screening Inventory, have been translated into other languages for use in other countries. The research Fellowship and intramural Visiting Scientist training programs equip scientists from other countries to learn drug use research methodologies and to apply them in their home countries on return. Information about effective prevention and treatment modalities is shared through research monographs and professional meetings among peoples of all nations. In June, 1995, NIDA published a program announcement, "International Research on the Epidemiology of Drug Abuse," to stimulate international research on similarities and variations in drug use behaviors, factors influencing the initiation, progression, and cessation of drug use, and social and health consequences of drug use including HIV transmission.

NIDA research instruments and approaches have been important in the development and promotion of standard and comparable methods for the collection of drug use information. The following examples illustrate how currently funded research efforts in the United States are disseminating research technology and assessing the applicability of research technology in different cultural and social contexts.

- The Monitoring the Future school-based survey questionnaire has been adapted, validated, and used in numerous countries throughout the world.
- A project, "Community-Based HIV Risk Reduction at the US Mexico Border," is being conducted by the Mexican American Studies and Research Center, University of Arizona in Tucson, in order to develop and evaluate a culturally competent model for HIV risk reduction among Mexican-American injection drug users (IDUs) in Nogales, Arizona.

Another study being conducted by the Mexican American Studies and Research Center, University of Arizona, on "HIV Sexual Risk Reduction for Mexican-American IDUs," is collecting information on the impact that cultural values and attitudes have on the development of HIV prevention education programs geared to reduce HIV infection among a cohort of non-Hispanic and Mexican-American IDUs living in Tucson, Arizona.

1.10 A Program for Bilateral Cooperation

1.10. 1 Current U.S.-Mexico Cooperative Efforts

United States and Mexico

There is a rich history of joint U.S.-Mexico efforts to develop approaches for reducing the demand for illicit drugs. The following are examples of some ongoing joint activities.

- Uniting Nations in Drug Abuse Defense (UNIDAD) Coalition aims to prevent substance abuse among indigent Mexican American youth in the Lower Rio Grande Valley of South Texas. The project's focus is a binational collaborative effort with the target area comprising two border counties in Texas: Hidalgo and Starr counties; and two sister-cities across the Mexican-American border in Tamaulipas, Mexico: Reynosa and Ciudad Miguel Aleman. A major goal of this project is to develop collaboration with communities in Tamaulipas, Mexico and the two Texas border counties for a united substance abuse prevention effort. CSAP is currently providing technical assistance to UNIDAD focusing on (1) issues of family integration and role of parents in substance abuse prevention activities; and (2) working with teachers from local elementary schools to help them understand their role in substance abuse prevention. The local evaluation team is measuring the effect the coalition has on substance abuse incidence, prevalence, and other drug-related outcomes.

- The Arizona-Mexico Health Foundation Vecinos coalition grant involves a border wide community coalition that includes Nogales, Sonora, Mexico aligned with Yuma, Cochise and Santa Cruz Counties in the U.S. The effort focuses in part on the prevention of illegal drug use by youth and adults, thereby decreasing the number of emergency room visits and incidents of domestic violence, as well as the amount of gang and criminal activity.
- SAMHSA/CSAT has an interagency agreement with HHS' Office of International and Refugee Health (OIRH), which in turn has an agreement with the Pan American Health Organization, El Paso Field Office, to support the conduct of an assessment of the substance abuse problem in the El Paso, Texas and Juarez, Mexico areas and to identify resources available to treat substance abuse in this area. The project will also identify gaps in available data and treatment resources and make recommendations for action on the Texas side of the border. The project recently submitted its first deliverable: "Report on Problems Related to Substance Abuse in El Paso and Juarez," which is under review in SAMHSA, OIRH, and the PAHO field office. The next step will be to conduct small studies to fill in gaps in data, analyze resources available to address the problem, and make recommendations.
- Through a contract, CSAP commissioned the Arizona-Mexico Border Health Foundation and the U.S.-Mexico Border Health Association to bring together experts from both sides of the border to identify and report on current prevention, treatment and research gaps along the border. The report, "Substance Abuse in the U.S.-Mexico Border Region: Looking Toward the Future," contains recommendations to SAMHSA/CSAP about the types of activities that might be carried out on the border. It is currently under review by CSAP staff for future consideration.
- The U.S.-Mexico Cooperative Biomedical and Behavioral Research Program, established in 1995 with the signing of the NIH-CONACYT co-funded cooperative agreement, provides support for up to 10 Mexican postdoctoral scientists annually for research experience at NIH. This includes opportunities for drug use research at the NIDA Intramural Research Program at the Addiction Research Center.
- At the bi-annual meetings of the Community Epidemiology Work Group, hosted by NIDA, Mexican representatives of different organizations have been actively participating with data from their epidemiological studies and techniques.
- The Border Epidemiology Work Group (BEWG), which will include epidemiologists and other researchers from both sides of the U.S./Mexico border is in the process of being reestablished. A meeting is planned for Spring 1997 in San Diego.
- NIDA currently supports research grants in the U.S.-Mexico Border region, including research which is investigating drug use issues among populations on both sides of the border.
- Program for Migrants: The Health Resources and Services Administration's Migrant Health Program (MHP) provides primary health care through community-based migrant health centers (MHCs). The term "migratory agricultural worker" is used to describe the migrant worker populations that the MHP serves. The U.S. Public Health Service Act defines a migratory agricultural worker as "an individual whose principal employment is in agriculture on a seasonal basis, who has been so employed within the last 24 months, and who establishes for the purposes of such employment a temporary abode." A large concentration of migrant and seasonal farm workers are working and living in the U.S.-Mexico border area. Such problems as overcrowding and lack of housing, deficient water supplies, environmental hazards, poverty, and rising crime rates characterize many border communities. Drug use, communicable diseases, domestic violence, mental health needs, and high fertility

rates place heavy demand on the existing health care infrastructure.

The Migrant Health Core Group of the U.S.-Mexico Binational Commission provides an excellent mechanism for strategies of change for both countries. Several strategies have been developed for implementation by both countries, including the exchange of health education material on HIV, STDs, and tuberculosis. In mid-November 1996, a Midwest Migrant Stream Conference was held in El Paso, Texas. In addition, semi-annual meetings of the Migrant Core Group, the support of patient information exchange, the agreement on common health data, and the sharing of health objectives and program information will provide the focus for activities between the U.S. and Mexico. It is envisioned that this mechanism will strengthen our countries' future public health relationship as well as the existing linkages between the public health and scientific communities of both countries.

1.11 Development of a Common Program

United States and Mexico

The following activities are among those that merit discussion among both countries as possible areas for collaborative efforts.

- **Pulse Check Survey:** Since 1992, the President's Office of National Drug Control Policy (ONDCP) has conducted a quarterly survey of drug use across the nation. As its name implies, the Pulse Check provides a quick-turnaround picture of emerging drug use and drug trafficking trends that is used to inform researchers and policy makers. Information is collected by telephone conversations with drug ethnographers and epidemiologists, law enforcement agents, and drug treatment providers representing different regions of the country. In discussions between U.S. and Mexico demand reduction experts as part of the High Level Contact Group on Drug Control, Mexico has expressed considerable interest in developing a Pulse Check-type survey instrument to assist Mexico policy makers and
- researchers in identifying new and emerging drug trends. It is anticipated that a Pulse Check-type survey, along with other yet-to-be developed instruments, would help to facilitate better cooperation and coordination between law enforcement and demand reduction agencies.
- **Target Cities Initiative:** Many of the strategies developed over the years under CSAT's Target Cities initiative (discussed earlier) could be replicated in the major urban centers on both sides of the border and thus provide struggling metropolitan areas with guidance on how to improve treatment interventions and increase the availability of treatment for the multi-cultural population in this area. The project design which perhaps could most easily be replicated and adapted to the border area is the San Francisco Target Cities program. That project combines a strong Policy Steering Committee (representatives of all major service agencies, elected officials, the courts and correctional institutions and primary care givers) with a culturally sensitive multi-lingual staff. Staff training is based on a tried and tested cultural competency module.
- **Geographic Information System (GIS):** The U.S.-Mexico joint effort to control illicit drugs, especially along our common border, would be greatly strengthened by using an information system that can be accessed by the strategic partners in both countries, entailing information collection, data analysis, reporting and knowledge sharing. A current data set of population demographics, geopolitical boundaries and program locations would greatly assist in the development of community risk and protective factors and help identify populations at greatest risk for more immediate attention and assistance.

For several years, SAMHSA has been developing a powerful, personal computer-based Geographic Information System to support a broad range of national public program initiatives. The GIS system components include extensive nationwide data sets from the 1980 and 1990 Census, with current year

(1995) and five year (2000) projections of population demographics; health care and provider data; street, highway and landmark data for all geographic areas of the United States; combined with sophisticated data analysis, report generation and analytical map display capabilities. Additionally, the GIS system includes a special resource to “geocode” the locations of government programs, grants and contracts, and include them in the data analyses and mapping products.

A current effort with HHS’ Health Resources and Services Administration involves SAMHSA providing small area geographic profiles, reports and detailed color maps for use in HRSA-led State level health initiatives being developed in the four border states. Community level substance abuse and crime/violence “risk” assessments have been calculated and added to reports and mapping products for the United States areas, and could be developed for the areas of interest in Mexico. Some information already exists for the Mexico populations, with municipal and state boundaries, from the latest Mexican national Census. Further GIS information could be made available through PAHO/WHO. Also, HHS’ Office of International and Refugee Health, as principal coordinator of a current U.S.-Mexico borderwide health initiative, has arranged for a database of all PHS-funded place-specific programs, grants and contracts along the U.S.-Mexico border. There are nearly 1,000 of these activities, which are currently being “geocoded” by SAMHSA for GIS analysis in the near future.

- **HIV Outreach and Linkage Programs:** SAMHSA/CSAT’s HIV Outreach Demonstration Grant program and the accompanying Linkage Demonstration Grant program (discussed earlier) have components that could be replicated along the U.S.-Mexico border. The recruitment, engagement, and retention in substance abuse treatment, and the effectiveness and cost-effectiveness of treatment outcomes in certain substance abusing populations can be improved by both countries along the border by means of the knowledge that has been acquired through the effective approaches demonstrated in these two programs.
- **HIV-AIDS/Co-occurring Projects:** The significant connection between drug use and HIV/AIDS in both the United States and Mexico could form the basis for a bilateral effort. Two recent SAMHSA/CMHS-funded projects that are designed to train a wide array of providers of mental health services to people in the U.S. have used the knowledge developed in these projects to assist providers who also serve people in Mexico. Both projects could serve as models for future joint U.S.-Mexico efforts related to the prevention and treatment of co-occurring substance use/mental health disorders. In one project (University of Texas at San Antonio Health Science Center), Mexican American mental health care providers who reside in the United States but treat Mexican clients in both countries were educated about the HIV/AIDS association with drug use. In a second project (University of California at Los Angeles School of Medicine), HIV/AIDS education curricula and training materials designed for mental health care providers in the United States were modified for use by mental health care providers in Mexico. Training sessions using the materials (funded through non-Federal U.S. sources) were then held in Mexican cities (San Luis Potosi, Acapulco, Pachuca, Mexico City, and Morelia).
- **Hubert H. Humphrey Research Fellowship in Drug Abuse,** funded by NIDA, is designed to provide mid-career professionals in the fields of drug use with exposure to state-of-the-science methodologies and knowledge of research advances.
- **INVEST Research Fellowship** is designed by NIDA for non-U.S. researchers to work with an established scientist engaged in NIDA-supported drug use research at a U.S. institution.
- **Intramural Research Program** of NIDA hosts visiting scientists for research training in basic science and pharmacological and clinical treatment of drug use and encourages exchange of informa-

tion and collaborative research in areas of mutual interest.

- **NIDA Hispanic Research Initiative:** During the past 5 years NIDA has sponsored an initiative that focuses on advancing the state of science in drug use research among the Hispanic population in the United States. The primary objective of this initiative is to bring together drug use researchers conducting research with Hispanic populations to discuss issues and concerns regarding this area of research. One of the major concerns identified by the group is the lack of research regarding the extent and nature of drug use and related consequences among populations living along the U.S.-Mexican border. A second concern is the lack of studies on the effectiveness of drug use prevention and treatment interventions in reducing the problem of drug use in Hispanic populations including Mexican-American border communities. During fiscal year of 1997, NIDA will sponsor two workshops emanating from this initiative. One of the workshops will focus on addressing existing barriers to the recruitment and retention of Hispanic researchers in the field of drug use. The second workshop will focus on the role of community involvement in the retention and recruitment of Hispanic subjects into drug use research studies. SAMHSA's CSAT and CSAP have been actively assisting NIDA in this initiative. This may be a fertile area for U.S.-Mexico collaboration.
- **Workshop on Drug Use, High-Risk Sexual Behaviors and HIV/AIDS,** co-funded by the U.S. and Mexico, is proposed for late 1996 or early 1997. This is currently being discussed with the Technical Secretary of the Consejo Nacional Contra Las Adicciones, a former NIDA Humphrey Fellow.
- **Symposium on United States-Mexico Border Issues:** The border population has been identified as highly vulnerable to substance abuse and related problems; a symposium would systematically discuss and develop a strategy to build upon current research. Cross-border trafficking of drugs,

such as heroin, cocaine and, most recently, Rohypnol, would be included as an important topic for discussion. Similar issues, such as the influence of socio-economic factors, could be identified as areas for collaborative research activities between the United States and Mexico.

- **Workshop on Advanced Methods for Prevention Research:** This workshop is suggested in response to a recommendation made at the United States-Mexico Research Development Workshop on Alcohol and Drug Abuse: Predictors, Consequences and Interventions, held in Mexico City in March 1995. The workshop would provide training for researchers from Mexico in the design and conduct of cross-national research in the area of drug use prevention with an emphasis on sophisticated methodologies.

Sharing of Information by the Department of Education: The Department of Education has prepared a considerable amount of material for use in schools that can be readily shared with our Mexican colleagues. The material includes videos, brochures, curriculum, conference reports, and other material on a variety of drug and violence prevention topics. Some of the material is available in Spanish. Also, several U.S. local education agencies have developed and are implementing programs designed to address the needs of Mexican and other immigrant children. The Department could provide details on these programs so that other school districts could adopt them if they find a specific need.

II. PRODUCTION AND DRUG TRAFFICKING IN THE UNITED STATES

2.1 Executive Summary

The primary drug threat to the United States is cocaine, particularly in its smokeable form known as “crack” cocaine. While most of the nation’s drug law enforcement assets are focused on transnational cocaine organizations, they also are increasingly concerned about the expansion of heroin trafficking and abuse. In addition, national illicit drug use indicators suggest a resurgence in the availability and abuse of methamphetamine and marijuana.

Nature, Scope, and Volume of the Drug Problem

Drug trafficking and abuse fuel crime rates, destroy neighborhoods, cause severe public health problems, drain the Nation’s resources, and threaten national security. The consequences of the illegal drug trade are detailed in the chapter of this report on “Social Impact.” The scope and volume of the problem of drug trafficking in the United States can be illustrated by the following facts:

- In 1993, the most recent year for which data are available, Americans spent an estimated \$49 billion on illegal drugs: \$31 billion on cocaine, \$7 billion on heroin, \$9 billion on marijuana, and \$2 billion on other illegal drugs.

- Each year over one million persons are arrested on drug-related charges. Of more than 20,000 adult, male arrestees tested in 1995 under the Drug Use Forecasting program, 66 percent were positive for use of at least one drug at the time of arrest.
- Statistics show that over one-third of all violent crimes and almost half of all homicides are drug-related.

Major Sources of Drugs

All of the cocaine available in the United States originates in the Andean region of South America. The principal cocaine smuggling routes from South America to the United States commonly traverse Central America, Mexico and the Caribbean.

Heroin trafficking to and within the United States is a multidimensional international threat of many years’ standing, which includes different heroin sources of supply around the globe, unique geographic or regional peculiarities, and a range of distinct trafficking and distribution organizations—each with its own structure, smuggling methods, and distribution procedures. The heroin available in the United States originates in four source areas: Southeast Asia, South America, Mexico, and Southwest Asia/Middle East.

Methamphetamine and marijuana trafficked in the United States comes from foreign and domestic sources. Clandestine laboratories operating in the United States (primarily in California) and Mexico are the primary sources of supply for methamphetamine available in the United States. A significant portion of the marijuana available in the United States is obtained from foreign sources; however, marijuana increasingly is being cultivated within the United States and accounts for a growing proportion of the marijuana available. Virtually all of the LSD and PCP available in the United States is produced domestically. In fact, the United States serves as the primary source area for LSD distributed throughout the world.

Transnational Criminal Drug Groups

Throughout this report, the term “transnational criminal drug group” is used to describe criminal drug trafficking organizations based outside of the United States that are responsible for the production, transportation, distribution of most of the illegal drugs available in the United States. These groups are highly sophisticated, structured, and centrally managed, with nearly unlimited financing, resulting from funds channeled by the criminal groups involved in the distribution and retailing of the drugs. These organizations operate as a continuum, controlling operations in several countries at the same time. Some of these maintain distribution networks which have connections with a variety of criminal groups in various cities in the U.S. which sell the drugs. Their power and influence extend from their homelands across international borders into the cities, towns, and communities of other nations.

The transnational criminal drug groups operating in Colombia, Mexico, and the United States are the primary importers and distributors of cocaine in the United States. The cocaine trafficking organizations operating from Colombia—often called drug Mafias—employ criminal groups based in Mexico to smuggle a significant proportion of the cocaine supplied by the drug Mafias across the Southwest Border to the United States. Frequently, these groups

receive a percentage of the cocaine shipments in exchange for their services. This has had several immediate effects: it increased their profits dramatically and necessitated the expansion of their existing drug distribution networks.

A number of transnational groups operating from Southeast Asia, Southwest Asia, Africa, and the Middle East remain active both in smuggling heroin into the United States and in its regional distribution. In addition, South America heroin traffickers, while unable to supply multi kilogram quantities of heroin on a consistent basis, have established themselves in the heroin markets in the northeastern United States.

Production and distribution of Mexican black tar and brown heroin is controlled by many of the same transnational organizations that transport cocaine into the United States. Likewise, distribution in the United States is handled by many of the same groups that distribute cocaine for Mexican criminal organizations.

Over the past few years, transnational criminal drug groups operating in Mexico and the United States have revolutionized the production and distribution of methamphetamine by operating large-scale laboratories in both countries capable of producing unprecedented high-purity quantities of the drug. A significant amount of methamphetamine also is produced and distributed by U.S. criminal groups, such as outlaw motorcycle gangs.

The most significant marijuana trafficking organizations in the United States range from transnational groups operating in Mexico and the United States to large-scale, independent domestic growers. In addition, trafficking organizations based in the United States often operate on an international level, importing multi-ton quantities of marijuana.

These groups also transfer drugs to numerous, lower-level distribution groups — whose numbers reach into the thousands — that supply major markets in metropolitan areas and smaller markets located in surrounding areas. While not operating on a national scale, these U.S.-based distribution groups in various

cities may have contact with distributors in other cities. They are focused on drug distribution within a specific city or limited geographic region. These retail distribution groups are loosely structured and are characterized by high turnover rates in membership. They are involved in interstate and intrastate drug distribution. Domestic street gangs and other criminal groups in a number of U.S. cities dominate local sales of cocaine, crack, heroin, PCP, and marijuana. The migration of gangs to smaller U.S. cities and rural areas nationwide has resulted in a dramatic increase in homicides, armed robberies, and assaults in those areas.

There are several factors contributing to the success of the transnational trafficking organizations, as well as the domestic distribution groups. These include the extensive demand for drugs, profitability, corruption, and operational flexibility.

2.2. Cocaine

2.2.1 Availability/Price/Purity

Cocaine is readily available in virtually all major cities in the United States. The number of hardcore users of cocaine, including users of crack (the inexpensive, smokeable form of cocaine), is the driving force behind cocaine consumption in the United States. Crack distribution and use appear to have reached the saturation point in large urban areas throughout the country. Intensive competition in the middle-to-late 1980's inundated the largest consumer pools with crack. Prices in these areas have reached levels indicative of market saturation. As a result, partly to enlarge their customer pools and increase their potential profits, major distribution groups have extended their operations from large cities to street corners and dwellings in virtually every state.

Generally, the price of cocaine is relatively low and stable at all levels of traffic. Wholesale (kilogram) cocaine prices during 1995 ranged from \$10,500 to \$36,000 per kilogram nationally, compared with \$10,500 to \$40,000 in 1994. Kilogram-quantity prices in virtually all major metropolitan areas remained at the lower end of this price range. During 1995, ounce-

quantity cocaine prices nationwide ranged from \$300 to \$2,200, while gram prices ranged from \$30 to \$200. In 1994, ounce and gram prices ranged from \$300 to \$2,600 and from \$20 to \$200,

Typically, cocaine hydrochloride is converted to crack cocaine, also referred to as "rock" within the United States. Crack cocaine often is packaged in vials, plastic bags, and film canisters. Sizes of the "rocks" are imprecise, but generally range from 1/10 to $\frac{1}{2}$ gram. These "rocks" can sell for as low as \$2 to as high as \$50, but prices generally range from \$5 to \$20.

Average purity for cocaine at the gram, ounce, and kilogram levels has remained relatively stable at high levels for the past several years. Average purity at the gram (retail) level in 1995 was 61 percent. The average purity per kilogram (wholesale) was 83 percent during the same time period.

2.2.2 Seizures

97,871 kilograms of cocaine were seized in the United States during 1995 and reported to the Federal-wide Drug Seizure System (FDSS). This compares to 120,379 kilograms seized during 1994.

Federal-wide Drug Seizure System: Cocaine seizures			
	1993	1994	1995
Kilograms	118,454.0	120,378.9	97,871.6

2.2.3 Sources of Cocaine in the United States

All of the cocaine available in the United States is produced in South America. Transnational organized criminal groups control laboratory production in and bulk transportation from South America.

2.2.4 Smuggling Routes/Methods

The principal cocaine smuggling routes from South America to the United States commonly traverse Central America, Mexico and the Caribbean islands.

Traffickers use a variety of aircraft to transport cocaine from South America to the United States, including general aviation, large cargo, and commercial aircraft. General aviation aircraft are used to transport cocaine from Colombia to clandestine airstrips in Central America, Mexico, and the Caribbean. In addition, traffickers have used large, longer-range jet and cargo aircraft to expand their smuggling capabilities, allowing them to transport multi-ton cocaine shipments from Colombia to Mexico directly. While airdrops are used by traffickers to transport cocaine from South America to transit areas in the Caribbean, maritime conveyances are believed to be used predominantly throughout the region.

Traffickers use maritime vessels to transport bulk quantities of cocaine from South America to the United States, Mexico, and the Caribbean. Vessels include commercial cargo vessels, fishing boats, specially designed low-profile vessels, and privately owned vessels and pleasure craft. Of these, commercial cargo vessels pose the greatest cocaine smuggling threat to the United States, as evidenced by numerous multi-ton cocaine seizures.

Land conveyances, including tractor-trailers, cars, recreation vehicles, and trains, crossing at southwest border ports of entry are the primary means used to smuggle cocaine into the United States from Mexico. In fact, land transportation has been used to move cocaine from points as far south as Panama through Mexico and across the Southwest border. Cocaine also is carried across the U.S.-Mexican border by foot, by both backpackers and animal caravans.

To aid smuggling ventures, these transnational groups employ high-technology equipment, including night-vision goggles and radios with scramblers, as well as military hardware, such as assault rifles, hand grenades, and bulletproof vests. These groups also use scouts with radios and scanners tuned to police frequencies to monitor drug law enforcement activities along the U.S.-Mexican border. Further demonstrating their smuggling resourcefulness, these traffickers have been known to build sophisticated tunnels underneath the Southwest Border.

Cocaine is transported throughout the United States using commercial and private vehicles, trains, buses, airlines, and postal delivery services. Traffickers frequently transport cocaine concealed in compartments within vehicles, such as campers, recreational vehicles, trucks, and vans.

2.2.5 Transnational Cocaine Trafficking Organizations

Cocaine trafficking to the United States is controlled primarily by transnational criminal drug groups, commonly known as drug Mafias — loose consortiums of independent groups based in Colombia. These groups also manage much of the wholesale cocaine distribution in the United States.

The principal drug mafia trafficking groups have established “cells” that operate within a given geographic area in the United States. Primary U.S. cells operate independently of each other in major metropolitan areas, notably Chicago, Houston, Los Angeles, New York City, Philadelphia, and San Francisco. Each cell, which may be comprised of 10 or more employees, operates with little or no knowledge about the membership or drug operations of other cells. Within these cells, smaller units may specialize in particular facets of the drug trade, such as cocaine transportation, storage, wholesale distribution, communications, or money laundering.

Each unit has minimal contact with other units and is directed by a unit manager who reports to the cell manager. Each cell manager reports to a regional director who is responsible for the overall management of several cells. The regional director, in turn reports directly to one of the Cali leaders or their chiefs of operations in Colombia. Strict adherence to this compartmentalization insulates the leaders and other cells from drug law enforcement operations.

The structure of the drug mafia cells operating in the United States requires frequent contact between the cell manager in the United States and top-level drug mafia managers based in Colombia. Cell managers use

the latest technology, such as computers, pagers, and facsimile machines, in their daily operations.

Cocaine trafficking organizations operating from Colombia employ groups based in Mexico to smuggle a significant proportion of the cocaine supplied by the drug Mafias across the Southwest Border to the United States. These groups are typically made up of polydrug traffickers with extensive experience in smuggling drugs across the Southwest Border into the United States. Frequently, the groups receive a percentage of the cocaine shipments in exchange for their services. This has enabled them to become wholesale sources of supply for cocaine available in many western and mid-western U.S. cities, such as Chicago, Denver, and Detroit.

These groups based in Mexico are a significant link in the transportation of cocaine from South America to the United States. They operate within a fluid, flexible, and elastic system. As a loose consortium of smuggling groups, alliance shifts or shakeups in the hierarchy occur due to divergence of interests and eruptions of internecine violence. While the precise roles of specific groups and individual group members often blur, there is an overarching structure within which transnational drug organizations operate.

These groups receive cocaine shipments from drug Mafias and assume complete responsibility for the shipments until delivery in the United States. They have warehoused multiton quantities of cocaine on both sides of the U.S.-Mexican border, as reflected by the record seizure of 21 metric tons of cocaine in Sylmar, California, in 1989. Frequently, they divide shipments into smaller quantities and transport them into the United States using passenger cars, tractor trailers, and other land vehicles.

Recently, a major enforcement effort, code-name Operation "ZORRO II," simultaneously dismantled a transnational cocaine transportation and distribution network operating in Colombia, Mexico, and into the United States.

The drug Mafias also smuggle cocaine through the Caribbean to the southeastern United States. In the late 1980's, in response to drug law enforcement pressure, traffickers operating from Colombia shifted much of their cocaine smuggling from the Caribbean and south Florida to Mexico and the Southwest Border. Recently, however, indicators point to an expansion in the smuggling of cocaine through the Caribbean and into the United States.

2.2.6 Cocaine Distribution Within the United States

Once smuggled into the United States, cocaine shipments are consolidated in either a gateway city or a warehouse facility near the U.S.-Mexican border. The principal gateway cities used for stashing multi hundred or multi thousand kilogram quantities of cocaine are: Houston, Los Angeles, Miami, and New York City. After the shipments are received at a gateway city, control is turned over to representatives of the Colombian and Mexican transnational organizations who divide the cocaine into multi hundred kilogram quantities and transport the cocaine to cells in other metropolitan areas for local distribution. The individual groups further divide the cocaine into smaller amounts for sale to local wholesalers who distribute quantities of 15 kilograms or less.

Within the United States, retail distribution groups repackage cocaine in ounce and gram quantities for sale by that group or other, smaller retailers. These groups include a diverse assortment of gangs that are responsible for most of the domestic street trade in cocaine and crack.

The numerous low- to mid-level distributors of crack form a type of cottage industry. Crack trafficking groups are structured loosely. They also are characterized by high turnover rates at all organizational levels due to either arrest, imprisonment, mistrust or competition within and among groups. These groups are involved in interstate and intrastate transportation of cocaine and crack from source cities to retail

outlets. Many of these groups have developed wholesale sources or supply that include criminal groups operating from Colombia and Mexico.

In the United States, street gangs can be classified in two general types. The first type is composed of criminal enterprises capable of extensive interstate criminal activities. These include the Bloods and the Crips—two Los Angeles-based street gangs—as well as the Black Gangster Disciples and Latin Kings. The second, more numerous type, is composed of independent gangs, much smaller in membership, located in the larger cities across the country.

2.3. Heroin

2.3.1 Availability/Price /Purity

Heroin remains readily available to the user population in all major U.S. metropolitan areas. Wholesale prices per kilogram have remained stable and retail-level purities are high, indicating that international supplies have increased. Nationally, in 1995, heroin ranged in price from \$50,000 to \$260,000 per kilogram. The national price for ounce quantities of heroin ranged from \$700 to \$18,000. Gram quantities ranged in price from \$70 to \$800.

Data obtained from DEA's Domestic Monitor Program (DMP) indicate that the availability of South American heroin steadily increased in northeast U.S. cities. Both Southeast and, to a lesser extent, Southwest Asian heroin are available in many eastern U.S. cities. In the western United States, Mexican heroin, either in black tar or brown powdered form, is predominant.

During 1995, the nationwide average purity for retail heroin from all sources was 39.7 percent, much higher than the average of 7 percent reported a decade ago, and considerably higher than the 26.6 percent recorded in 1991. In 1995, the retail purity of South American heroin was the highest for any source, averaging 56.4 percent, followed by Southeast Asian heroin with an average of 44.6 percent. Southwest

Asian heroin averaged 35.3 percent at the retail level, and Mexican heroin averaged 29.7 percent, almost double the 1991 average for Mexican heroin.

2.3.2 Seizures

1,343 kilograms of heroin were seized in the United States during 1995 and reported to the Federal-wide Drug Seizure System (FDSS). This compares to 1,244 kilograms reported during 1994.

Federal-wide Drug Seizure System:			
Heroin seizures			
	1993	1994	1995
Kilograms	1,497.4	1,244.1	1,348.2

2.3.3 Sources of Heroin in the United States

Heroin available in the United States is produced in four source areas: Southeast Asia, South America, Mexico, and Southwest Asia/Middle East. Very little opium poppy is grown in the United States. Between 1978 and 1985, only 8 clandestine heroin processing laboratories were seized in the United States by DEA. There have been no heroin laboratory seizures since 1985. Virtually no heroin is produced in the United States.

2.3.4 Smuggling Routes/Methods

Traffickers operating from Southeast Asia use a variety of transportation routes to smuggle heroin into the United States from the Far East. Heroin shipments originating in the Far East and destined for U.S. markets are transshipped, often through a variety of countries. Entry points for Southeast Asian heroin into the United States include New York City, Philadelphia, Los Angeles, and San Francisco.

Southeast Asian heroin traffickers employ a variety of smuggling methods that generally determine the size of the shipment. The largest shipments of heroin, ranging from 50 to multi hundred kilogram quantities, are hidden in containerized air and maritime cargo. Attempts are made to disguise the origin of the ship-

ments by first transshipping the container through several other countries or by falsifying the container documentation. Smaller shipments are sent through the mail or by courier aboard commercial airlines. Individual couriers, including Nigerian nationals as well as recruits of other nationalities, smuggle from 1 to 10 kilograms of heroin per trip.

Since 1991, most of the South American heroin smuggled into the United States has been transported by couriers from Colombia aboard commercial airlines. Each courier carries amounts ranging from 1 to 2 kilograms per trip, usually in false-sided briefcases and luggage, inside hollowed-out shoe soles or other clothing, or by ingestion. Most of the couriers arrested were stopped at international airports in Miami or New York City. Most couriers arrested in Miami admitted to being en route to New York City or possessed follow-on tickets for that destination.

Individuals commonly smuggle small amounts of Mexican heroin on their bodies across the U.S./Mexican land border. Larger shipments of up to 20 kilograms are concealed in vehicles.

Southwest Asian heroin is transported to the United States directly from producing countries, as well as transshipped through Europe, Africa, the Eurasian Subcontinent, and Canada. While New York City is the major Southwest Asian heroin importation and distribution center, other cities throughout the country are also used. Traffickers of Southwest Asian heroin regularly smuggle shipments ranging from 1 to 20 kilograms and only on occasion, large amounts. Many use commercial cargo concealment or couriers on commercial airlines to smuggle from 1 to 5 kilograms on a steady basis. Several organizations are capable of smuggling from 5- to 10-kilogram shipments aboard maritime vessels on a fairly regular basis.

2.3.5 Transnational Heroin Trafficking Organizations

Warlord armies in Southeast Asia produce abundant supplies of high purity heroin, which is transported by

independent brokers and shippers. Transnational criminal organizations operate between Southeast Asia and the United States, and supply local criminal organizations taking advantage of connections often established in U.S. prisons. Transnational criminal groups operating from Nigeria also smuggle Southeast Asian heroin internationally and distribute it in the United States, primarily through contacts with local street gangs. These groups use established heroin distribution networks in U.S. cities such as Atlanta, Baltimore, Chicago, Dallas, Houston, Newark, New York City, San Francisco, and Washington, D.C.

Much South American heroin is smuggled into the United States, primarily by low-level traffickers from Colombia who operate independently of the drug Mafias. These traffickers have established themselves in the heroin market in the northeastern United States by marketing a high quality heroin—frequently above 90 percent pure—and by undercutting the price of their competition. Unlike traffickers of Southeast Asian heroin, traffickers of South American heroin are not capable of supplying multi kilogram consignments of heroin on demand on a consistent basis. However, the ability to regularly smuggle small quantities of heroin into the United States has enabled them to make inroads into the mid-level and retail-level markets once dominated by Southeast Asian heroin traffickers, particularly in northeastern cities. As a result, South American heroin has emerged as a serious threat.

Since the late 1970's, heroin produced in Mexico has been readily available in the United States, primarily in the West. Heroin trafficking in Mexico is controlled by transnational heroin trafficking groups operating between Mexico and the United States that control the cultivation, production, smuggling, and distribution of the drug. Heroin produced in Mexico—either in black tar or brown powdered form—is the predominant type of heroin available in the western half of the United States. Most of the heroin produced in Mexico is destined for the U.S. market. Black tar and brown heroin are produced by traffickers operating from Mexico and sold by transnational networks operating within both nations. These trafficking organizations

have been involved in smuggling heroin, cocaine, and marijuana for decades. In addition, these transnational organizations take full advantage of well-established, extended networks to distribute heroin throughout the western United States. These organizations control distribution at the wholesale level but are not generally involved in street sales that often are managed by local distribution groups.

A number of transnational groups operating from Southwest Asia and the Middle East remain active both in smuggling heroin into the United States and in its regional distribution. They use a brokerage system similar to that used by some traffickers of Southeast Asian heroin. In general, the largest organizations trafficking Southwest Asian heroin supply established distribution networks throughout Europe, the primary market for Southwest Asian heroin. The United States is a secondary target for these traffickers. Most of these organizations store supplies of heroin in secure European locations and only send shipments to the United States after a buyer is identified and partial payment is received.

2.3.6 Retail Level Distribution

The primary heroin distribution groups operating in the United States on behalf of the transnational heroin trafficking organizations are responsible for the transportation of heroin from the importation points in the United States to other major domestic markets. These groups subsequently transfer the drug to numerous, lower-level distribution groups that supply major heroin markets in metropolitan areas and smaller markets located in surrounding areas. For example, the most significant distribution groups in New York often supply heroin distribution groups from other cities, such as Philadelphia, Baltimore, and Washington, D.C. Similarly, many of the distributors of black tar and brown heroin throughout the western United States rely upon the transnational criminal organizations operating along the Southwest Border for their heroin supplies.

2.4 Precursor Chemicals

Chemicals and laboratory equipment are integral to the manufacture of illicit drugs. The acquisition of chemicals is a vital component in the illicit trafficking cycle. Virtually every illegal drug requires chemicals for its extraction or synthesis. The exceptions are drugs that are consumed in their raw form, such as marijuana. Cocaine traffickers in the Andean region use a variety of chemicals to manufacture cocaine hydrochloride from coca leaf, including lime, kerosene, sulfuric acid, hydrochloric acid, potassium permanganate, and several solvents such as ethyl ether, methyl ethyl ketone, toluene, and acetone. The principal chemical used to extract morphine from opium, which is then converted to heroin, is acetic anhydride.

Prior to the passage of U.S. chemical control legislation in 1988, clandestine laboratory operators were able to purchase chemicals they required to manufacture illicit drugs directly from retail level chemical distributors. After the passage of the U.S. chemical control law traffickers adjusted their methods of obtaining chemicals. For example at illicit methamphetamine laboratories, the most commonly seized chemicals are over-the-counter and combination forms of ephedrine and pseudoephedrine. This indicates that clandestine laboratory operators are exploiting loopholes in U.S. legislation by obtaining the chemicals they require from retail level distributors of over-the-counter and exempted drug preparations. New U.S. legislation enacted in October 1996 will help deter this current method of diversion.

In the United States, a variety of chemicals are diverted to illegally manufacture drugs such as amphetamine, methamphetamine, LSD, MDMA, and PCP. Drug traffickers in the United States obtain chemicals in a variety of ways:

- manufacture of the chemicals;
- use “runners” to purchase necessary chemicals;
- experiment with alternate non-regulated chemicals;
- exploit existing loopholes in the law;

- obtain business licenses to legitimize transactions with chemical companies;
- establish front companies for the procurement of chemicals; and
- acquire chemicals from corrupt chemical companies in States that have less restrictive chemical laws, and/or in other countries.

The difficulty in acquiring precursor chemicals may limit the number of independent LSD manufacturers. By contrast, illicit manufacture of methamphetamine and PCP is comparatively more prevalent in the United States, in part because precursor chemicals can be procured more easily. The chemicals required to manufacture PCP are readily available, except for the precursor chemical piperidine.

In countries outside the United States, drug traffickers obtain precursor chemicals through a variety of methods. Chemicals are shipped through legal methods with a valid license obtained through a legitimate company or a front company. Subsequently, the chemicals are diverted to drug traffickers. Chemicals also are imported into neighboring countries, then diverted by traffickers and smuggled to a clandestine laboratory site. Lastly, chemicals produced in neighboring countries are diverted from domestic commerce, then smuggled out of the country to clandestine laboratory sites. An example of the international diversion of chemicals was highlighted in two incidents in 1994, when U.S. Customs Service inspectors at the Dallas-Ft. Worth International Airport seized a total of 5.8 metric tons of ephedrine—a key methamphetamine precursor—that was destined for Mexico. One shipment originated in and was transshipped through Europe. The other shipment originated in Asia and was transshipped through the Middle East.

The U.S. Customs Service monitors imports, exports, and transshipments of listed chemicals at all U.S. ports of entry and exit. Chemical import/export declarations submitted to DEA by the chemical industry are transmitted electronically on a daily basis to the U.S. Customs Service. This information is made available to Customs Inspectors at all ports of entry and

exit. Customs Inspectors systematically review manifests for listed chemicals and cross-check their computers to be sure that DEA has been properly notified. If a listed chemical appears on a manifest, but not in the computer system, the shipment is detained and DEA is notified. This control mechanism has led to the detention of numerous unreported chemical shipments and the identification and seizure of many suspicious shipments (e.g., the two Dallas/Ft. Worth Airport seizures totaling 5.8 tons of ephedrine in 1994).

The Chemical Diversion and Trafficking Act of 1988 (CDTA) was signed into law in November 1988. It placed under Federal control the distribution of 12 precursor and essential chemicals used in the production of illicit drugs, as well as the distribution of tableting and encapsulating machines. In recent years, additional chemicals have been added to the CDTA, bringing the total number of listed essential and precursor chemicals to 33.

The CDTA requires that all firms that handle these regulated chemicals maintain readily retrievable receipt and distribution records, and makes the reporting of suspicious orders mandatory. The firms also must notify DEA 15 days prior to importing or exporting regulated chemicals that exceed a threshold amount. The law grants DEA the authority to detain and/or seize in the United States any suspect chemical shipment.

The Domestic Chemical Diversion Control Act of 1993 (DCDCA) became effective April 16, 1994. The DCDCA established a registration system for distributors, importers and exporters of listed chemicals that are subject to diversion in the United States. The DCDCA also removed single entity ephedrine products, a key precursor chemical for the manufacture of methamphetamine, from an exempt status. It also granted DEA the authority to remove exemptions from any other drug products that are diverted for use in the illicit production of controlled drugs.

On October 3, 1996, the President of the United States signed into law the Comprehensive Methamphetamine

Control Act of 1996. This legislation was enacted to address the increasing threat of illicit methamphetamine production in the United States. Among a variety of drug control initiatives, the Act will establish thresholds for the sale of ephedrine combination products, place controls on mail orders sales of ephedrine, pseudoephedrine, and phenylpropanolamine combination products, and the Act will also add two new List II chemicals to the CDTA, bringing the total amount of controlled chemicals to 35.

DEA has continued its close cooperation with concerned international organizations such as the International Narcotics Control Board (INCB). DEA and the INCB have established an E-mail link, which allows for real-time information sharing and acts as a clearinghouse. This link played a critical role in successful efforts to halt the massive international diversion of the methamphetamine precursor chemical ephedrine during 1994 and early 1995. In addition, DEA has continued its active support of the chemical training functions undertaken by the Organization of American States. DEA also has continued its own training programs.

2.5 Methamphetamine

2.5.1 Availability/Price/ Purity

The trafficking and abuse of methamphetamine in the United States has been on the rise over the past few years, as indicated by investigative, seizure, price, purity, and abuse data. As a result, this drug is having a devastating impact in an increasing number of communities across the nation. Although more common in western areas of the country, this impact increasingly is being felt in areas not previously familiar with the

Because much of the methamphetamine production, trafficking, and abuse are primarily concentrated in the western and southwestern United States, the availability of methamphetamine in these areas is greatest. However, methamphetamine is also available in wholesale quantities in the Midwest and some

portions of the South and Southeast.

Within certain areas of Nevada, Utah, Colorado, Arizona and portions of the Pacific Northwest, methamphetamine traditionally has been the drug of choice among the illicit drug user population. Transnational methamphetamine groups operating in Mexico and the United States have expanded the market in those areas and beyond. For example, these groups are shipping methamphetamine from the United States to Hawaii, reportedly replacing the traditional suppliers from Asia.

Currently, methamphetamine prices nationwide range from \$6,500 to \$20,000 per pound, \$500 to \$2,700 per ounce, and \$50 to \$150 per gram. The price of methamphetamine is heavily influenced by the supply of ephedrine/pseudoephedrine — key methamphetamine precursors. For example, through mid-1995, when ephedrine/pseudoephedrine supplies were readily available, a pound of methamphetamine sold for as low as \$3,000 in Los Angeles and San Francisco. Since that time, however, pound prices have increased, most likely as a result of recent domestic and international efforts to curtail ephedrine/pseudoephedrine supplies. Currently, a pound of methamphetamine sells for \$6,500 to \$10,000 in San Francisco and Los Angeles.

Methamphetamine purities for the last five years have averaged at or above 50 percent for ounce and gram levels. Representative purity levels for one-pound quantities are not available due to the infrequency of purchases at that level. Any fluctuations of ephedrine/pseudoephedrine supplies can impact purity levels. Availability of these precursor chemical ensures high purity, and diminished availability results in lower purity methamphetamine.

2.5.2 Seizures

The increasing frequency of large methamphetamine seizures over the past few years provides strong evidence of significant increased availability of the drug. The total weight and number of methamphetamine seizures submitted to DEA for analysis

increased over the past four years. During Fiscal Years 1994 and 1995, the number of seizures increased by 30 percent and 28 percent, respectively.

Not unexpectedly, the geographic distribution of methamphetamine seizures has been fairly consistent over time. Although methamphetamine seizures have increased noticeably in Midwestern and southeastern states, most still occur in western states, primarily California. The seizures for fiscal year 1995 are highlighted by a 306 kilogram seizure made in New Mexico.

Methamphetamine Seizures		
Fiscal Year	Total Seizures (kilograms)	Total Net Weight
1985	704	103.9
1986	785	229.1
1987	868	167.6
1988	1,122	576.3
1989	1,032	518.8
1990	941	751.6
1991	772	293.5
1992	841	357.9
1993	880	488.8
1994	1,145	704.8
1995	1,470	950.3

2.5.3 Precursor Chemicals

The illicit manufacture of methamphetamine can be accomplished in a variety of ways, but is produced most commonly by using one of two primary synthesis methods. The fundamental difference between the two methods is in the use of precursor chemicals. The first method requires the use of ephedrine or pseudoephedrine as the precursor (known as the ephedrine/pseudoephedrine reduction method) while the second method uses phenyl-2-propanone (commonly called P2P).

The ephedrine/pseudoephedrine reduction method is most widely employed and, in fact, accounted for 92 percent of all methamphetamine laboratory seizures reported to DEA in 1995. This method is common among transnational traffickers operating in Mexico

and the United States. The P2P method was used in 6 percent of the methamphetamine laboratories seized by DEA during 1995.

The ephedrine/pseudoephedrine reduction method is preferred over the P2P method for several reasons. First, it is a simpler route of synthesis. Second, ephedrine/pseudoephedrine is less strictly controlled than P2P, and, therefore, is more readily available to clandestine laboratory operators. Third, it produces a more potent form of methamphetamine.

Large-scale production of methamphetamine using the ephedrine/pseudoephedrine reduction method is dependent on ready access to bulk quantities of precursor chemicals. Cooperative efforts by drug law enforcement agencies and chemical suppliers have made it more difficult for methamphetamine laboratory operators to obtain the necessary chemicals. In order to circumvent these cooperative efforts, laboratory operators have sought alternative chemicals, routes of synthesis, and sources of supply to fulfill their needs. Laboratory operators have manufactured their own chemicals, employed "runners" to purchase necessary chemicals under the "threshold amount" (the amount at which record keeping and reporting of chemical transactions is required), or experimented with alternative, non-regulated chemicals. They also have obtained chemicals from rogue chemical companies, from sources of supply located in states without strict chemical regulations, or from other countries.

Drug law enforcement efforts against clandestine methamphetamine producers constitute a "cat and mouse" game between efforts to cut off chemical supplies and efforts to obtain them from nonregulated sources. Past experience demonstrates that methamphetamine traffickers are relentless, flexible and creative in finding new ways to obtain chemicals by evading the network of established international controls.

From state to state, chemicals are regulated/controlled by different authorities. For example, ephedrine is controlled as a drug product in 20 states and others only regulate sales or purchases of ephedrine as a chemical.

Bulk ephedrine and pseudoephedrine transactions are regulated under the CDTA; however, the law exempts over-the-counter ephedrine and pseudoephedrine drug products such as tablets and capsules from the record-keeping and reporting requirements. Under strong pressure from companies involved in the over-the-counter market of this product, the exemption was provided for ephedrine and pseudoephedrine products lawfully marketed under the Food, Drug, and Cosmetic Act.

Traffickers and clandestine laboratory operators quickly discovered the ease with which ephedrine tablets could be converted to methamphetamine and began to take advantage of this loophole in the law. Within a month following enactment of the CDTA and the controls it placed upon ephedrine powder, the first seizure of ephedrine tablets at a clandestine methamphetamine laboratory occurred in the United States. Traffickers had realized that non-controlled ephedrine tablets could be purchased easily in large quantities for subsequent conversion to methamphetamine.

Without regulatory controls to prevent the diversion of ephedrine tablets, law enforcement efforts were directed toward investigations of rogue chemical companies that supplied the clandestine laboratory operators. The criminal prosecution of illegal tablet distributors, at that time, was the exception and not the rule. The demand for ephedrine tablets by clandestine laboratory operators was met by a number of rogue tablet manufacturers and mail-order distributors who took full advantage of the loophole in the law.

When Congress passed the Domestic Chemical Diversion Control Act of 1993, it closed the loophole for single-entity ephedrine drug products and instituted registration requirements for all importers, exporters, and distributors of the most important chemicals used in the manufacture of controlled substances. Pseudoephedrine tablets, however, remained unregulated. Other chemicals used in the manufacture of methamphetamine that are not currently under Federal regulation include iodine, used to make hydriodic acid, and phenylpropanolamine tablet products. However, the

Comprehensive Methamphetamine Control Act of 1996, will close the loopholes on pseudoephedrine and phenylpropanolamine combination products and will add iodine to the list of controlled chemicals.

2.5.4 Sources of Methamphetamine in the United States

Clandestine laboratories operating in the United States (primarily in California) and Mexico are the primary sources of supply of methamphetamine available within the United States.

Domestic

In the United States, transnational criminal drug groups operating from Mexico and into the United States frequently establish large laboratories capable of producing an average of 20 to 80 pounds during each manufacturing process. These organizations may operate up to 8 laboratories simultaneously. Outlaw motorcycle gangs and other independent groups continue to produce methamphetamine in relatively small laboratories that yield smaller amounts of methamphetamine.

Methamphetamine production laboratories in California, primarily controlled by the transnational criminal drug groups operating in Mexico and the United States, remain the predominant sources of supply for the West, Midwest, and much of the United States. Within the Midwest, Kansas and Missouri are experiencing an increase in the number of methamphetamine laboratories operating in those states, which would indicate that methamphetamine production is expanding eastward. However, these laboratories are small-scale operations, particularly when compared to the large-scale laboratories operating in California. The rise in laboratory seizures in these states does not reflect a concerted effort by major traffickers to shift production from sites in California. Rather, it reflects the increasing effort by local entrepreneurs, who operate on the periphery of the methamphetamine market, to exploit the expanding demand for the drug.

Clandestine methamphetamine laboratories in the United States usually are operated on an irregular

basis rather than on a consistent schedule. Operators often produce a batch of finished product, disassemble the laboratory, and either store or move it to another location while they acquire additional chemicals. Relocating the laboratory affords some protection against detection by drug law enforcement authorities. Storage facilities often are used to house or safeguard chemicals, glassware, and finished product. It is not uncommon for operators to have multiple laboratory sites.

Small-scale methamphetamine laboratories are being operated increasingly in single and multi-family residences in urban and suburban neighborhoods, where they pose a significant threat to public health and safety. Although traditionally located in sparsely populated or isolated rural areas to avoid detection, approximately 52 percent of the clandestine laboratory seizures reported to DEA in 1993 were located in urban and suburban sites. Rural locations were reported in 38 percent of the seizures, and industrial or commercial sites in 5 percent.

Not only are methamphetamine laboratories used to manufacture an illegal, often deadly drug, but the clandestine nature of the manufacturing process and the presence of flammable, corrosive, reactive, and toxic chemicals at the sites has resulted in explosions, fires, toxic fumes, and irreparable damage to human health and to the environment. Every year, fires or explosions occur at a number of clandestine laboratory sites, leading to their discovery.

Hazardous chemical wastes, the by-products of the clandestine drug manufacturing process, are disposed of by unsafe and illegal methods. Operators dump them on the ground or in nearby streams and lakes, pour them into local sewage systems or septic tanks, or bury them. Law enforcement personnel engaged in clandestine drug laboratory seizure and analysis require specialized training in the investigation of such facilities, including training in appropriate health safety procedures and in the use of personal protective equipment. Cleaning up a seized clandestine drug laboratory site is a complex, dangerous, expensive, and time-consuming undertaking. The amount of waste

material from a clandestine laboratory may vary from a few pounds to several tons depending on the size of the laboratory and its manufacturing capabilities.

When a methamphetamine laboratory is seized, hazardous waste/materials, such as chemicals and contaminated glassware and equipment, must be disposed of properly. These materials include solvents, reagents, precursors, by-products, and the drug products themselves. Many of these materials are reactive, explosive, flammable, corrosive, and/or toxic. The danger is compounded by the fact that Federal, State, and local law enforcement officers lack adequate training in clandestine laboratory safety procedures and regulations, hazards, and other related health and safety issues.

The chemical reactions that occur during the manufacture of illegal drugs may produce toxic vapors that permeate into the plaster and wood of buildings or may be vented outside. The problems are further complicated when the chemicals are stored at off-site locations such as rental lockers. The lack of proper ventilation and temperature controls at these off-site locations adds to the potential for fire explosion, and exposure to humans.

Methamphetamine laboratories may contaminate water sources and/or soil. In some cases, contamination may spread off-site. Careless or intentional dumping by the laboratory operator is one source of contamination. Spilling chemicals on the floor or dumping waste into bathtubs, sinks, toilets, or on the grounds surrounding the laboratories, and along roads and creeks are common practices. Surface and groundwater drinking supplies could be contaminated, potentially affecting large numbers of people.

Foreign

Over the past few years, these international organized crime groups have revolutionized the production and distribution of methamphetamine by operating large-scale laboratories in Mexico and the United States capable of producing unprecedented high-purity quantities of the drug. These organizations have saturated the western U.S. market with methamphetamine.

Seizure data indicate that the amount of methamphetamine seized in transit from Mexico to the United States increased dramatically beginning in 1993. In 1993 and 1994, 306 and 682 kilograms, respectively, were seized in the United States along the border. During 1995, 653 kilograms were seized. By comparison, only 6.5 kilograms were seized in all of 1992.

Methamphetamine Seizures (kilograms)				
	1992	1993	1994	1995
Southwest				
Border	6.5	306	682	653

Smuggling Routes/Methods

The major methamphetamine trafficking groups operating in Mexico and the United States regularly demonstrate their flexibility and adaptability, modifying smuggling routes and methods as needed to ship methamphetamine as well as cocaine, heroin, and marijuana. The primary points of entry into the United States for methamphetamine produced in Mexico are SanYsidro and Otey Mesa, California. The most common method of transporting methamphetamine across the border is via passenger vehicle. The vehicles most frequently used to smuggle methamphetamine are cars, pickup trucks, and 4-wheel drive vehicles.

2.5.5 Methamphetamine Trafficking Organizations

Methamphetamine is distributed by a wide array of organizations that vary greatly in size, structure, and degree of sophistication — from small, local, independent groups that operate on a limited scale, to large transnational groups operating in both countries that dominate the traffic. Outlaw motorcycle gangs continue to play a role in methamphetamine distribution and to influence production in certain areas. Many of the newly established distribution networks around the country are being supplied by sources in California, where large-scale production of methamphetamine remains centered. Although some of these

groups operate on a local level, many are involved in significant interstate methamphetamine trafficking.

Although outlaw motorcycle gangs and numerous other independent trafficking groups have been the traditional suppliers of methamphetamine throughout the United States, transnational drug groups operating in both countries currently dominate wholesale methamphetamine trafficking in the United States. These groups control distribution in many areas of the West and Southwest. For example, these groups have been identified as operating in areas of Arizona, Colorado, Missouri, New Mexico, Texas, and Washington, beyond their strongholds in California and Mexico. They further supply organizations/gangs on the West Coast and Hawaii with methamphetamine for conversion to ice methamphetamine.

There are several reasons why these criminal organizations have been able to achieve dominance of the methamphetamine market. These groups: established access to wholesale ephedrine sources of supply on the international market; are producing unprecedented quantities of high-purity methamphetamine on a regular basis; and control well-established cocaine, heroin, and marijuana distribution networks throughout the western United States which enable them to supply methamphetamine to a large retail-level market. Presently, these groups are poised to supply methamphetamine to the rest of the country in response to any increases in demand. For example, one group has been linked to the seizure of 315 kilograms of 98 percent pure methamphetamine in Las Cruces, New Mexico, in 1995. Portions of this seizure were destined for Washington, Oklahoma, Illinois, and Georgia. The group also was linked to a 3 metric ton shipment of ephedrine destined for Nicaragua.

2.6 Cannabis

2.6.1 Availability/Price/Potency

Marijuana is the most readily available and widely abused drug in the United States. Marijuana is readily available throughout all metropolitan, suburban, and

rural areas of the continental United States. In Hawaii, however, cannabis eradication efforts have reduced marijuana availability in the islands and forced traffickers there to import large quantities of marijuana from the mainland. Growers along the Pacific coast and from as far away as Wisconsin reportedly ship marijuana to Hawaii. Hashish is available in Boston, Chicago, Miami, New Orleans, Philadelphia, Seattle, and Washington, D.C.

Marijuana prices, which vary in accordance with quality, availability, source of origin, and/or proximity to the point of entry into the United States, have increased dramatically during the past decade at the high end of the price range. Commercial grade marijuana sold for \$300-\$4,000 per pound in the first six months of 1995, compared to \$300 to \$600 per pound in 1985. Sinsemilla sold for \$800 to \$6,000 per pound in 1995, compared to \$1,200 to \$2,800 per pound in 1985. Hashish oil prices are not available for 1995. Prior reporting indicates that hashish oil sold for \$35 to \$55 per gram and \$2,500 to \$4,000 per pound. Retail prices for hashish in 1995 averaged \$6 to \$20 per gram, \$100 to \$1,300 per ounce, and \$1,000 to \$4,000 per pound.

One of the primary factors influencing price is potency. During the late 1970's and early 1980's, the THC content of commercial grade marijuana averaged under 2 percent. By comparison, the national average in 1995 was 3.33 percent. The average THC content for sinsemilla during the late 1970's and early 1980 was 6 percent. The average THC content of sinsemilla in 1995 was 6.66 percent. Particularly noteworthy is a sample seized in 1995 in Alaska with a THC content of 24.22 percent. The THC content of hashish oil averaged 13.23 percent in 1995, compared to 11.57 percent the previous year. The THC content of hashish seized in the United States in 1995 averaged 3.79 percent compared to 4.60 and 5.35 percent in 1992, 6.60 percent in 1993.

2.6.2 Seizures

Marijuana seizures also are indicative of the drug's widespread availability. Several hundred metric tons

of marijuana are seized within the United States each year. Most Federal-wide seizures of marijuana took place within 150 miles of the U.S.-Mexican border. In 1995, a record-setting 318.7 metric tons of marijuana were seized along the Southwest Border, a significant increase over the 227.2 metric tons seized in 1994. States having the largest amount of marijuana seized during 1995 include Texas (164.9 metric tons), California (79.3 metric tons), Arizona (64.4 metric tons), and New Mexico (10.1 metric tons).

Federal-wide Drug Seizure System: Marijuana seizures

	1993	1994	1995
Kilograms	387,514.4	364,629.4	495,002.7

Federal-wide Drug Seizure System: Hashish seizures (in kilograms):

	1993	1994	1995
Kilograms	11,400.0	779.2	14,636.8

2.6.3 Sources of Cannabis in the United States

Domestic Cultivation/Production

An increasing share of the U.S. marijuana market is supplied by domestic growers. Growers cultivate cannabis in remote areas, frequently on public or corporate land, often camouflaging it in surrounding vegetation or intermingled with agricultural or industrial plantings. Growers also plant cannabis in suburban and rural gardens, interspersed with legitimate crops. The increasing trend toward indoor production in the United States results in large part from successful drug law enforcement efforts to curtail outdoor cultivation. Moreover, indoor growing provides a controlled environment conducive to the production of high-potency sinsemilla. A healthy indoor-grown sinsemilla plant can produce about a pound of high THC-content marijuana. Indoor cultivation permits year-round production and can be accomplished in a variety of settings, ranging from

several plants grown in a closet to thousands of plants grown in a closet to thousands of plants grown in elaborate, specially constructed greenhouses.

Significant domestic cultivation trends include the effort to enhance the potency of marijuana through selective breeding and cloning of high-potency cannabis. Sinsemilla cultivation, the growing of unfertilized female plants, is the technique favored by the most knowledgeable growers. They have an average THC content double that of an identical male or fertilized female plant. Rates of vegetative growth and maturation are enhanced by special fertilizers, plant hormones, steroids, and insecticides. Indoor cannabis cultivators frequently employ such advanced agricultural practices as hydroponics, automatic metering of light, water, and fertilizers, and providing an atmosphere enriched with carbon dioxide.

Major outdoor cannabis cultivation occurs in Tennessee, Kentucky, Hawaii, and California. The five leading States for indoor growing activity include California, Oregon, Florida, Colorado, and Georgia. The 3.27 million cultivated plants eradicated domestically in 1995 prevented approximately 1,486 metric tons of marijuana from reaching the U.S. market.

Indoor growing operations cultivate 68 plants on average. Nationwide in 1995 drug law enforcement authorities seized 3,348 indoor growth operations compared to 3,210 in 1994. The large number of growing operations seized by the U.S. Government each year is indicative of the number of individuals involved in the cultivation of marijuana in the United States, numbering into the thousands.

The primary threat to the environment posed by marijuana growers is the extensive use of pesticides and chemical fertilizers on marijuana cultivation sites located both on public and private lands. In addition, poisons and traps often are used to defend these sites from destruction by animals. Marijuana patches also are booby-trapped to protect them from theft by poachers and seizure by law enforcement personnel. The existence of these cultivation sites diminishes the

quality of the environment and endangers the visitors to public lands and parks.

Foreign

Marijuana from foreign sources accounts for a significant proportion of the marijuana available in the United States. Marijuana from Mexico (either grown in Mexico or transshipped through Mexico from other source countries such as Colombia) accounts for a significant proportion of the marijuana available in the United States. Furthermore, investigative reporting indicates an increasing number of marijuana shipments from Colombia, Jamaica, and Venezuela directly to the United States. Availability of marijuana from the Far East is limited to the West Coast.

Most of the marijuana smuggled into the United States across the Southwest Border is concealed in vehicles—often in false compartments—or hidden in shipments of legitimate agricultural products. Marijuana also is smuggled across the border by horse, raft, backpack, and sporadically by private aircraft. Shipments of 50 kilograms or less are smuggled by pedestrians, who enter the United States at border checkpoints, and backpackers, alone or in “mule” trains, who cross the border at more remote locations. Larger shipments, ranging up to multi-thousand kilogram amounts, usually are smuggled in tractor-trailers.

Once the marijuana is smuggled successfully across the border, traffickers consolidate the shipments at central sites in cities such as Tucson, Arizona; El Paso, Houston, and McAllen, Texas; Los Angeles, California; and Las Cruces, New Mexico. From these distribution hubs, marijuana is shipped to cities in the Midwest, North, and along the Gulf Coast and eastern seaboard.

Marijuana from sources in Colombia is available in the United States. Multiton quantities of marijuana are smuggled by boat from Colombia to the United States via the Caribbean. Marijuana also is transported by maritime vessel from Colombia to Mexico for later land transshipment to the United States.

Marijuana from Jamaica, where it is known as ganja, is smuggled by couriers who conceal 2 to 4 kilograms of marijuana in their luggage or in body packs. Maritime traffickers use pleasure boats with concealed storage areas to transport relatively small quantities of marijuana. Commercial fishing and containerized cargo vessels transport larger shipments of marijuana often concealed among legitimate exports. Multi-thousand pound shipments of marijuana are shipped from Jamaica to North America on a regular basis.

2.6.4 Marijuana Trafficking Organizations

The most significant marijuana trafficking organizations in the United States range from transnational groups operating in Mexico and the United States to large-scale, independent domestic growers. The transnational criminal groups have smuggled marijuana into the United States for over 20 years and are responsible for supplying a substantial proportion of the marijuana available in the United States. Virtually all marijuana from sources in Mexico (whether grown in Mexico or transhipped through Mexico from other sources) is smuggled across the Southwest Border. Other transnational marijuana traffickers operating from South America, the Caribbean, and the Far East smuggle the drug to the United States. In addition, trafficking organizations based in the United States often operate on an international level, importing multiton quantities of marijuana.

Domestic marijuana production and distribution organizations vary greatly, from individual or small groups of growers (both indoor and outdoor) who grow marijuana for local distribution and consumption, to sophisticated organized criminal groups — such as traditional organized crime — that control major intrastate and interstate cultivation and trafficking operations. These organized criminal groups operate as cooperatives; groups aid one another, yet are fiercely competitive locally.

State and local drug law enforcement officials report that small groups (5 to 10 individuals) manage distribution at the retail level. Polydrug distribution groups and domestic street gangs supply a wide range of retail

dealers. Retail distributors also tend to sell other drugs as well.

2.7 Other Drugs and Pharmaceuticals

2.7.1 Lysergic Acid Diethylamide (LSD)

Availability/Price/Potency

LSD is available in retail quantities in virtually every state, and availability is increasing in a number of states. In 1995, the price range for a dosage unit of LSD nationwide was from \$0.60 to \$20.00 and often LSD sold for as little as \$0.25 in wholesale lots. The low cost combined with LSD's ready availability and intriguing paper designs make LSD especially attractive to junior high school and high school populations. The potency of LSD generally varies in strength from 20 to 80 micrograms per dosage unit.

Seizures

LSD seizures by DEA declined 54 percent in FY1995 compared to FY 1994, from 465,625 dosage units to 214,169 dosage units.

LSD Seizures
(Fiscal Year/Dosage units; source: STRIDE)

1993	1994	1995
2,229,962	465,626	214,169

Precursor Chemicals

The LSD synthesis process is difficult to master. Although cooks need not be formally trained chemists, they must adhere to precise and complex production procedures. In addition, the manufacture of LSD is time consuming: it takes from 2 to 3 days to produce up to 4 ounces of crystal or powder. Consequently, it is believed that LSD usually is not produced in large quantities, but rather in a series of small batches. LSD commonly is produced from lysergic acid, which is made from ergotamine tartrate.

Only a small amount of ergotamine tartrate is required to produce LSD in large batches. For

example, 25 kilograms of ergotamine tartrate can produce 5 or 6 kilograms of pure LSD crystal that, under ideal circumstances, could be processed into 100 million dosage units, more than enough to meet what is believed to be the entire annual U.S. demand for the hallucinogen.

Ergotamine tartrate is regulated under the CDTA and is not readily available in the United States. Ergotamine tartrate used in clandestine LSD laboratories is believed to be acquired from sources located abroad, most likely Europe, Mexico, Costa Rica, and Africa. The difficulty in acquiring ergotamine tartrate limits the number of independent LSD manufacturers.

Sources/Distribution

A large proportion of the LSD available throughout the world is produced in the United States. Production of the hallucinogen is controlled by a small number of criminal organizations based primarily in Northern California. Clandestine laboratories are believed to be located in the Pacific Northwest.

At the wholesale production and trafficking level, LSD is controlled tightly by organizations operating from California. LSD frequently is concealed in greeting cards, cassette tapes, or in articles of clothing that are mailed to a post office box established by the recipient. It is suspected that some multigram distributors travel to meet their sources in order to obtain supplies.

Distribution of LSD is unique within the drug culture. A proliferation of mail order sales has created a marketplace where the sellers are virtually unknown to the buyers providing the highest level traffickers with considerable insulation from drug law enforcement operations.

2.7.2 Phencyclidine (PCP) Availability/Price/Purity

The availability and abuse of PCP is concentrated in several major metropolitan areas, including Baltimore, Chicago, Los Angeles, New York City, San

Francisco, and Washington, D.C. The source area for most of the PCP trafficked in the United States is Los Angeles.

In 1995, PCP in liquid form, the most common form available in the United States, sold for between \$100 and \$3,000 per ounce nationally. Nationwide, the price for PCP in powder form ranged from \$800 to \$3,000 per ounce. The price for a gallon of PCP during 1995 ranged from \$6,000 to \$10,000 in Los Angeles.

Seizures

PCP seizures by DEA for FY 1995 increased 89 percent over FY 1994, from 1,101,113 dosage units to 2,084,805 dosage units. The largest PCP seizure was made in Los Angeles on February 18, 1995, totaling 1,556,199 dosage units.

PCP Seizure (Fiscal Year/Dosage units; source: STRIDE)		
1993	1994	1995
547,175	1,101,113	2,084,805

Precursor Chemicals

The manufacture of PCP is a simple process; it requires little formal chemical training and laboratory apparatus. The precursor chemicals themselves produce PCP when combined correctly. PCP is produced in both liquid and powder forms. Liquid PCP is actually phenylcyclidine base dissolved in a highly flammable solvent, usually ether; phenylcyclidine base does not dissolve in water. To produce PCP in powdered form, hydrochloride (HCl) gas is bubbled into, or concentrated HCl acid is added to, the liquid. With the exception of pipendine, the chemicals needed to manufacture PCP are readily available and inexpensive.

Sources

Virtually all of world's production, traffic, and abuse of PCP is limited to the United States. Very little, if any, demand for the drug exists in other countries. Manufacturing and wholesale trafficking of PCP are controlled by a limited number of criminal groups based in Los Angeles. The production of PCP

normally occurs in clandestine laboratories that often are located in remote, sparsely-populated areas of Southern California.

Distribution

Los Angeles-based street gangs, primarily the Crips, continue to distribute PCP to a number of cities in the United States through their cocaine trafficking operations. They pose a particular problem because of their propensity for violence. The drug is sold primarily in urban neighborhoods in a limited number of U.S. cities. Buses, trains, airlines, and private automobiles are used to transport PCP from California sources of supply to secondary source cities located across the country.

2.7.3 MDMA (3, 4-methylenedioxymethamphetamine)

Availability/Price/Purity

MDMA is a stimulant that possesses hallucinogenic properties as well. It is known by several street names such as Ecstasy, XTC, Clarity, Essence, and Doctor. MDMA is not readily available in the United States and, in fact, demand for the drug actually exceeds supply. This is due to the lack of major distribution networks and the absence of large profit margins.

MDMA is sold primarily at nightclubs and bars, at underground nightclubs sometimes referred to as "acid houses," or at all-night parties known as "raves." MDMA distributors, frequently using the nightclub and rave environments to mask their illegal activities, successfully targeted the young, college-aged crowd that was drawn to the party atmosphere and loud, fast-paced music. As the club and rave scene expanded to metropolitan areas across the country in the early 1990's, MDMA distribution and use increased as well.

Dosage units of MDMA, often sold in tablets, usually vary in content from 55 to 150 milligrams. The wholesale price of MDMA ranges from about \$6.00 to \$15.00 per dosage unit, with the retail price ranging from about \$6.00 to \$30.00 per dosage unit.

Seizures

MDMA Seizure (in dosage units; source: STRIDE)		
1993	1994	1995
196	11,722	27,760

Precursor chemicals

Chemists produce MDMA in clandestine laboratories, some as small as a motor home or a garage. MDMA can be manufactured in tablet, powder, or capsule form. It is considered to be a "designer" drug, created by manipulating substances and chemicals in a laboratory to produce a specific compound. The precursor chemicals used in the manufacture of MDMA in the United States are diverted from chemical suppliers.

Sources

MDMA is produced both within the United States and abroad, primarily in The Netherlands. Distributors on the West Coast receive much of the MDMA supply from laboratories established in the United States and abroad. Several MDMA laboratories are seized domestically each year, primarily in California and Texas.

Distribution

The primary destinations for shipments of MDMA produced in The Netherlands are New York City and Miami. MDMA is shipped by independent traffickers by post or express mail services from source areas in Texas and the West Coast to distributors throughout the country. The trafficking of MDMA is unlike other drugs. There is no primary criminal group that controls the distribution of MDMA, although a certain group may gain control of MDMA distribution in a particular area. Similar to the distribution of LSD, MDMA sales occur among friends and individuals who share common interests.

2.7.4 Flunitrazepam (Rohypnol)

Availability/Price/Purity

Availability and abuse of the depressant flunitrazepam,

sold under the trade name Rohypnol but commonly referred to as “rophy” or “roofie,” continues to rise, especially in the southern United States. At the retail-level, flunitrazepam sells for \$5.00 to \$8.00 per dosage unit

Seizures

Flunitrazepam Seizures (in dosage units; source: STRIDE)		
1993	1994	1995
17,196	18,354	168,252

Sources

Flunitrazepam is neither manufactured nor marketed legally in the United States, and the importation of flunitrazepam into the United States is prohibited. The sources of supply for the pill include Brazil, Colombia, Ecuador, Peru, and Mexico.

Distribution

No significant trafficking group has been identified as controlling the production and distribution of Flunitrazepam. Flunitrazepam is smuggled into the United States by international courier services. The most common method of disguising the drug is to package the pills loose in large plastic bottles labeled as vitamins or weight loss medication. The drug also is shipped in its original plastic and foil blister packaging (like cold medicine). Shipments seized in south Florida in 1995 contained anywhere from 200 to 17,000 dosage units (2-milligram tablets). Many of the distributors of flunitrazepam have been identified through investigations as distributing cocaine as well.

2.7.5 Pharmaceuticals

The Controlled Substances Act of 1970 (CSA) created a closed system for the legitimate distribution of controlled substances. The CSA covers domestic commerce, importation, and exportation of controlled substances.

Legitimately manufactured controlled substances frequently are diverted to the illicit drug market. This diversion occurs primarily at the retail level through

fraudulent prescribing or dispensing and theft from legitimate suppliers.

Domestically, organized groups of distributors operate interstate, often ranging across four or five states in search of sources. Outlaw motorcycle gangs occasionally are involved in theft of drugs from legitimate sources of supply. International foreign-based organizations with access to sources of legitimately produced drugs will obtain, smuggle, and then distribute the drugs in conjunction with distributors in the United States.

2.8 Factors Contributing to Trafficker Success

Highly sophisticated, structured, and centrally controlled transnational trafficking organizations with nearly unlimited financing are the primary importers of drugs available in the United States. These transnational organizations provide the organizational, security, financial, and managerial structure essential for large-scale drug production, transportation, and distribution. The organizations control a highly integrated production and supply system. The system operates as a continuum. The power and influence of the transnational drug traffickers extend from their homelands across international borders into the cities, towns, and communities of other nations to deliver drugs. The highest levels of drug distribution in the United States are controlled by international organized crime syndicates.

These domestic distribution groups—whose numbers reach into the thousands—supply major markets in metropolitan areas and smaller markets located in surrounding areas.

2.8.1 Major Transnational Drug Trafficking Organizations

There are several major transnational drug trafficking organizations that have an impact on the United States. These are listed below.

- The HENAO-Montoya brothers, Arcangel de Jesus and Jose Orlando, and other traffickers from Colombia's Northern Valle del Cauca region, have increased their power and influence in the cocaine trade relative to the "old guard" Cali drug mafia organizations.
- Gilberto RODRIGUEZ-Orejuela was arrested in Cali, Colombia, by the Colombian National Police (CNP) in June 1995. His brother, Miguel RODRIGUEZ-Orejuela, was arrested by the CNP in August 1995. The RODRIGUEZ-Orejuela brothers controlled one of the most powerful of the Cali drug mafia organizations. Reporting indicates that the RODRIGUEZ-Orejuelas continue to direct aspects of their drug trafficking organization from prison.
- In March 1996, Jose SANTACRUZ-Londono was killed during a confrontation with the CNP at a roadblock outside of Medellin, Colombia. SANTACRUZ-Londono was considered to be the number three leader in the Cali drug mafia. Nevertheless, elements within the existing organization are expected to continue to traffic cocaine.
- Cali drug leader Helmer ("Pacho") HERRERA surrendered to the CNP in September 1996. The HERRERA organization was involved in cocaine production, transportation, wholesale distribution, and money laundering. In the United States, the HERRERA organization was most active in the Northeast.
- Jairo Ivan URDINOLA-Grajales and his brother, Julio Fabio URDINOLA-Grajales, head a major drug trafficking organization associated with the Cali drug mafia. The CNP arrested Jairo Ivan in April 1992. Julio Fabio surrendered to Colombian authorities in March 1994.
- Raul Alberto GRAJALES-Lemos and his first-cousin, Alfredo GRAJALES-Posso, direct a major drug trafficking organization associated with the Cali drug mafia. The GRAJALES organization is active in Europe and the United States.
- In July 1996, drug lords Juan David and Jorge Luis OCHOA-Vasquez based in Medellin were released from prison after serving 5 _ years incarceration. Fabio OCHOA, was released in September 1996, after serving 5 _ years in prison. In its heyday, the OCHOA family ran the most powerful of the Medellin Cartel drug trafficking organizations. The OCHOA brother voluntarily surrendered to the Colombian Government in late 1990 and early 1991.
- In April 1996, Jose CASTRILLON-Henao was arrested in Panama City, Panama. Subsequent investigation led to the Government of Mexico's arrest of Manuel RODRIGUEZ-Lopez, who ran Castrillon's operational arm in Mexico. It has not been determined whether this maritime transportation network has been completely dismantled.
- In June 1996, Luis Enrique ("Miki") RAMIREZ-Murillo was arrested by the CNP at a residence in northern Bogota. Ramirez, a former close associate of the late Pablo ESCOBAR-Gaviria, had established ties with the Cali drug mafia and emerged as a major drug trafficker in his own right. The Ramirez organization has exported large shipments of cocaine through the Bahamas and Puerto Rico.
- The surge in cocaine smuggling in the 1980's resulted in the emergence of very powerful drug smuggling figures in Mexico, such as Joaquin GUZMAN-Loera, Amado CARRILLO-Fuentes, and Juan GARCIA-Abrego. In most cases, these traffickers forged alliances with cocaine trafficking organizations operating from Colombia. CARRILLO-Fuentes is the most powerful drug trafficker operating from Mexico. His organization has been involved in smuggling metric-ton quantities of cocaine from Colombia to Mexico. With the arrest of GARCIA-Abrego in early 1996, CARRILLO-Fuentes may be expanding his control of drug movement along the Southwest Border.
- The ARELLANO-Felix organization is one of the most significant groups involved in the traffic in cocaine, heroin, marijuana, and methamphetamine.

The organization, operating on both sides of the U.S.-Mexican border, routinely employs gang members from Mexico and the United States to act as distributors. Zorro II was an example of U.S. action against this organization. The structure of this organized crime syndicate was as follows: Cocaine was transported from Colombia—under the direction of bosses in Cali—to Mexico, where Mexican traffickers smuggled it into the United States and to stash houses located in the Los Angeles area. Half of the cocaine shipments were then returned to Colombian wholesalers for further distribution in New York, New Jersey, and Florida. The other half was retained by the Mexican traffickers—in payment for their transportation services—and distributed in California, Arizona, and Illinois through well-established, heroin and marijuana distribution networks.

- The CARO-Quintero organization, a cocaine and marijuana transportation group, has expanded into methamphetamine trafficking. The organization's smuggling routes extend from Mexico into California, Nevada, Arizona, and Texas.
- The AMEZCUA-Contreras organization, operating between Mexico and the United States, has been documented since 1988 as trafficking cocaine and methamphetamine in both the San Diego and Los Angeles areas. It also is identified as the largest known importer of ephedrine into Mexico and across the U.S. border.
- In addition, there are significant transnational trafficking organizations based in Southeast and Southwest Asia and West Asia that produce and transport heroin and control its distribution in the United States.

2.8.2 Domestic Drug Distribution Groups

While not organized nationally, the domestic drug distribution organizations, supplied by the transnational organized crime syndicates, in various cities may have contact with distributors in other cities. Domestic street gangs, affiliates of traditional orga-

nized crime syndicates, and other criminal groups in a number of U.S. cities dominate sales of cocaine, crack, heroin, PCP, and marijuana. These groups also are primarily responsible for widespread drug-related violence used to establish and maintain drug distribution monopolies in areas where competition is intense and profits are high. The migration of gangs to smaller U.S. cities and rural areas nationwide has resulted in a dramatic increase in homicides, armed robberies, and assaults in those areas.

Provided below is a sample listing that typifies many of the drug distribution groups in the United States. The list is not all-inclusive, but reflects that there are numerous criminal groups distributing a wide variety of illegal drugs in many geographic areas within the country.

- Since at least the early 1970's, the GANGSTER DISCIPLES have been involved in drug distribution throughout the Chicago area. Currently, the Gangster Disciples control much of the crack and heroin distribution in Chicago through violence and intimidation. The gang also has operations in states along the Mississippi River Basin, from Wisconsin to the Gulf of Mexico, and in other East Coast and West Coast States such as New York and California. Total membership in the Gangster Disciples nationwide is estimated to be at least 100,000.
- Los Angeles-based street gangs, primarily the CRIPS and the BLOODS, produce a substantial proportion of the PCP available domestically and are also involved in distributing cocaine, crack, and PCP, primarily in urban neighborhoods in a limited number of cities beyond their strongholds in Los Angeles. They pose a particular problem because of their propensity for violence.
- Members of the Wilfredo CARDONA organization were indicted for importation and distribution of approximately 150 kilograms of heroin and more than 1,000 kilograms of cocaine in Florida. Nearly \$2 million in assets belonging to the organization were seized or frozen.

- The FIRST STREET CREW, one of Washington, D.C.'s most notorious drug distribution groups, controlled a wide share of the city's crack market through the use of violence and intimidation. During the trial of this group, 11 witnesses were shot, 6 fatally.
- The Ricky JIVENS organization in Savannah, Georgia, distributed 25 kilograms of crack per week and relied extensively on juveniles to act as gang enforcers. Nearly 20 gang members were indicted for drug and violence offenses, 6 of whom are serving life sentences.
- The Salem, Massachusetts, chapter of the HELL'S ANGELS motorcycle gang — one of the nation's most powerful and violent chapters — was dismantled. This gang was responsible for distributing cocaine and methamphetamine throughout the greater Boston area. Despite this action, there are numerous chapters of the Hell's Angels operating throughout the United States. The Hell's Angels is the largest outlaw motorcycle gang in the world, with an estimated 1,200 members in the United States.
- The Sarah BERNHARDT organization, based in Bolinas, California, was one of the largest LSD distribution groups operating in the United States. The organization was capable of distributing approximately 1.5 million dosage units of LSD per month.
- In Charlestown, Massachusetts, 40 street gang members were arrested or indicted for drug and violence offenses. This gang directed a \$10,000 per week cocaine and PCP distribution network and was responsible for numerous murders. Moreover, their intimidation tactics created a "code of silence" among witnesses and residents of Charlestown.
- The NEW ZULU NATION controlled the crack market in North Philadelphia, Pennsylvania. This gang was distributing 100 pounds of crack per week, reaping approximately \$9,000 per day in profits. In addition, this gang was responsible for numerous acts of random violence and gang warfare.
- Over the past 20 years, the Jimmy JIMENEZ organization, operating from Starr County, Texas, has been transporting marijuana from the Southwest Border area to many locations across the United States. The organization, based in Roma, Texas, near the U.S.-Mexican border, was responsible for smuggling tons of marijuana on a monthly basis to Chicago, Detroit, Houston, and North Carolina.
- Loosely-affiliated associates of traditional organized crime syndicates are involved in the distribution of marijuana, heroin, and cocaine in the New York City area. For example, they are capable of moving up to 500 kilograms of marijuana per month from the Southwest Border area to New York and distributing it to lower-level sellers. They generally operate independently and not under the control of one central figure or organization.

2.8.3 Other Factors

There are several factors contributing to the success of the transnational trafficking organizations, as well as the domestic drug distribution groups, including:

- **Extensive Demand for Drugs:** The demand for illegal drugs in the United States is substantial. There exists a substantial population of frequent or hardcore drug users in the United States that numbers approximately 2.7 million. It is these users who are responsible for consuming the bulk of the drug supply that enables traffickers to reap high profits. For example, it is estimated that two-thirds of the nation's supply of cocaine is consumed by about 30 percent of the total number of cocaine users. Moreover, there is an even larger pool of casual or experimental drug users, a proportion of which will graduate to hardcore drug use. The drug demand situation in the United States is addressed more fully in the first section of this report.
- **Profitability:** Profitability of the illegal drug trade is the key factor contributing to trafficker success because it provides the foundation upon which virtually all other factors are based. The immense wealth generated by drug sales is funneled to the

highest level traffickers enabling them to establish front companies, purchase weapons and high-tech equipment, secure a wide variety of smuggling techniques and modes of conveyance, and react quickly and efficiently to drug law enforcement operations. At lower trafficking levels, the widespread perception of quick and unlimited profits attracts a large pool of potential recruits into the drug trade, thus providing a steady stream of disposable workers to sell drugs on the streets and generate profits. In 1993, the most recent year for which data are available, Americans spent an estimated \$49 billion on illegal drugs: \$31 billion on cocaine, \$7 billion on heroin, \$9 billion on marijuana, and \$2 billion on other illegal drugs.

- **Cohesion and Impenetrability of Trafficking Groups:** International drug trafficking is controlled by transnational groups operating in source, production, transshipment, and distribution countries. Their reach and resources are vast. Alliances among these transnational groups contribute to highly successful drug operations. These transnational groups are modeled after organized crime syndicates in the United States, but are much more sophisticated. Transnational drug organizations are security conscious and expand cautiously along lines that are narrowly defined, to include family connections, long-time associations, and people with proven criminal experience or culpability. Penetration of these organization by drug law enforcement is very difficult due to intense distrust of outsiders. Similarly, some distributors and street-level dealers in open air drug markets carefully screen contacts and new customers using runners, middlemen (cutouts) and lookouts to insulate themselves from law enforcement
- **Corruption:** A key component in the drug traffickers' strategy is the corruption of government officials. If corruption is not recognized and addressed, it can become systemic and threaten the very foundation of nations. Within the United States, drug related corruption is not a systemic problem. However, individual corrupt officials at all

levels of government are identified from time to time. The overall structure of the Federal government was designed to ensure adequate oversight by separate elements, e.g., the executive, legislative, and judicial branches, of the role and function of the government, to prevent abuses of power. In addition, every Federal, state, and local drug law enforcement agency performs internal investigations to identify specific instances of drug-related corruption. Many of these instances are identified through a formalized inspection system and through citizen complaints. Corruption jeopardizes investigations, undercover officers, and the integrity of law enforcement itself.

- **Violence/Retribution/Intimidation:** Drug-related violence usually appears in one of three ways: by users under the influence of the drug, by users who commit violent acts to obtain money for more of the drug, and by distributors who use violence in the course of conducting business. Drug distributors commit acts of violence for a variety of reasons: as a way of enforcing discipline within the distribution organization; as a means of settling disputes with members of other organizations; and as intimidation to deter both theft of drugs or money, and cooperation with drug law enforcement authorities.
- **Operational Flexibility/Adaptability/Capability:** Drug traffickers are bound by no laws or regulations of their own. As a result, they are able to establish bases of operation for their drug tracking and money laundering activities both within the United States and overseas. Traffickers are able to exploit loopholes in drug laws and legislation to acquire precursor chemicals or develop new methods of drug production. They have many resources that are expendable, including money, equipment, and labor. Traffickers glean public information from court cases to learn about and evade drug law enforcement investigative techniques. In response to drug law enforcement actions, drug traffickers have the capability to change smuggling routes and modes of conveyance expeditiously. In addition, due to compartmentalization of distribution networks, traf-

fickers are able to eliminate individuals within the organization or entire cells when it is thought they have been compromised.

- **Smuggling Techniques/Mode of Conveyance:**

Legitimate businesses in the United States and abroad rely upon the most sophisticated transportation infrastructure in the world to deliver their products to consumer markets across the country quickly and efficiently. Drug traffickers take full advantage of this infrastructure to deliver illegal drugs to consumer markets across the nation with minimal chances of inspection and detection. Virtually every mode of conveyance is used toward this end, including commercial cargo and passenger

airplanes, ships, and trucks; private airplanes, vessels, and vehicles; and mail and delivery services.

- **Access to High-Tech Equipment:** The enormous profits generated by the illicit drug trade enable traffickers to purchase the latest, most sophisticated, and most expensive technical equipment on the open market, far in excess of what is available to drug law enforcement agencies. The use of equipment such as computers, facsimile machines, cellular telephones, police scanners, jamming devices is widespread among criminals, particularly at the highest levels of the traffic. Moreover, many high-level traffickers have invested in traditional research and development, particularly in the transportation and communication fields.

APPENDIX I: METHODOLOGIES

There are a wide variety of drug indicators that are used to determine trends drug production and trafficking. Information on drug smuggling, distribution, organizations, availability, price/purity, and seizures is obtained from the following sources.

Investigative Intelligence: Includes investigative reports from Federal, state and local drug law enforcement agencies that provide specific case information on wholesale and retail level drug prices, smuggling routes and methods, availability, trafficking organizations, and arrests.

Trends in the Traffic Reports: Submitted by various drug law enforcement entities that provide regional strategic assessments of drug availability, trafficking, pricing, and trafficking organizations.

Drug Price/Purity Trends: Periodic reports based on price information gathered by drug law enforcement agencies on all drugs of abuse at the wholesale, mid-level, and retail levels.

STRIDE System: The System to Retrieve Investigative Drug Evidence (STRIDE) provides detailed data on quantified analysis of DEA drug purchases and seizures. Drug purity, dosage strength, and price also are included in the STRIDE system.

Drug Seizures: Drug seizure data are collected and analyzed by Federal, state, and local drug law enforcement agencies to detect shifts in drug trafficking routes and patterns. The Federal-wide Drug Seizure System (FDSS) contains information about drug seizures made within the jurisdiction of the United States by DEA, the Federal Bureau of Investigation, and the U.S. Customs Service, as well as maritime seizures made by the U.S. Coast Guard. Drug seizures made by other Federal agencies are included in the FDSS data base when custody of the drug evidence is transferred to one of these four agencies. Hence, FDSS statistics reflect the combined Federal drug seizure effort.

Heroin Signature Program (HSP): Each year, through the HSP, a program designed to identify heroin trafficking trends at the importation or wholesale level DEA performs an in-depth chemical analysis of from 600 to 900 samples taken from heroin seizures and purchases made in the United States. The samples selected for signature analysis include all heroin seizures at U.S. ports of entry and other seizures/purchases selected at random from DEA, Federal Bureau of Investigation, and U.S. Customs Service investigations. As a result of signature analysis, DEA chemists are able to associate the heroin sample with a heroin manufacturing process unique to a

particular geographic source area. The proportion of heroin associated with each geographic area is measured in terms of the net weight of heroin seized from each geographic source area.

Domestic Monitor Programs (DMP): The objective of the DMP is to monitor the retail-level heroin situation. This objective is accomplished through the undercover purchase of heroin exhibits that are analyzed for price, purity, adulterants/diluents, and geographic source area. Heroin samples are collected on a quarterly basis in 20 metropolitan areas: Atlanta, Boston, Chicago, Dallas, Denver, Detroit, Houston, Los Angeles, Miami, Newark, New Orleans, New York City, Philadelphia, Phoenix, San Diego, San Francisco, San Juan, Seattle, St. Louis, and Washington, D.C.

Clandestine Laboratory Seizures: Statistics on clandestine laboratory seizures are derived from DEA Reports of Investigation and reports of clandestine laboratory seizures. DEA defines a clandestine laboratory as “an illicit operation consisting of a sufficient combination of apparatus and chemicals that either has been or could be used in the manufacture or synthesis of controlled substances.” This definition does not include the seizure of chemicals, glassware, or other equipment by themselves as constituting a laboratory.

Domestic Cannabis Eradication/Suppression Program: The Domestic Cannabis Eradication/Suppression Program (DCE/SP) is a nationwide law enforcement program that exclusively addresses marijuana. This program is dedicated to the destruction of cannabis cultivation within the United States, both of outdoor crops and of indoor growing operations. All 50 states actively participate in the DCE/SP. DEA coordinates the program by completing Letters of Agreement (LOA) with state and local law enforcement agencies. These agreements are grant-like funding contracts

that address each state’s marijuana problem and outlines its individual plan of investigation and operations. At present, DEA has entered into 80 LOAs with law enforcement agencies nationwide. The state DEA, DCE/SP coordinator and the lead state agency coordinator plan the utilization of the funds to achieve optimal eradication operations in the state. The operations and the investigations are conducted by the local law enforcement agency. DEA also serves as the lead Federal drug law enforcement agency in the coordination of domestic eradication efforts by the Department of Defense and the National Guard.

Cannabis Potency Monitoring: Sponsored by the National Institute on Drug Abuse and conducted by the Research Institute of Pharmaceutical Sciences at the University Of Mississippi, this program monitors the potency of cannabis samples seized in the United States. Results of this monitoring are provided to DEA on a quarterly basis.

Licit Drug/Chemical Records: All manufacturers, importers, exporters, and distributors of precursor chemicals are required by law to maintain retrievable receipts and distribution records. The U.S. Government also has the authority to prohibit import or export shipments not destined for legitimate medical, scientific, or commercial use. The specific governmental regulations regarding records are set out below under the heading “Regulations.” The Controlled Substances Act (CSA) of 1970 created a closed system for the legitimate distribution of controlled substances. The CSA covers domestic commerce, importation, and exportation of controlled substances. The DEA Diversion Control Program is responsible for monitoring this closed system of distribution in order to safeguard against diversion and to detect, investigate, and stop diversion when it occurs. This includes the diversion or conspiracy to divert controlled substances outside the usual course of professional medical practice.

III. THE PRODUCTION AND TRAFFIC OF DRUGS IN MEXICO

3. 1. Executive Summary

3.1.1 Nature and Scope of the Drug Problem

Mexico is confronting the drug trade from two perspectives — from an internal perspective, which consists of movement of drugs produced within Mexico, and from an international perspective, as part of worldwide trafficking routes. From this standpoint, the traffic in marijuana and opiates in Mexico has both internal and external aspects. Internal traffic in marijuana can be observed in various manners in virtually the whole Mexican territory, while external traffic is based upon marijuana produced in Central and South America, and Asian hashish. Regarding traffic in opiates, the internal traffic consists of brown and black tar heroin, obtained from poppy that is grown in various regions of the country; international traffic refers to heroin produced in Asian and South American countries.

The problem of trafficking in cocaine produced in the Andean countries has a purely external aspect, in that there is no cultivation of coca leaf within Mexico. In the case of cocaine, drug trafficking organizations have adapted their strategy to the control mechanisms established by governmental authorities in the hemisphere; in the case of Mexico, traffic in this drug is carried out on a continuing basis by differing routes and means.

Mexico is also affected by trafficking, diversion and contraband trade in precursor chemicals.

In Mexican territory, drug trafficking is carried on consistently by air, land and sea, the means varying according to the type of drug, the trafficking route, and other elements of the trafficking organizations' methods of operation.

The principal land routes for drugs cross Mexico on the Pacific and in the Central region, and begin in states where marijuana and poppies are grown. By sea, marijuana is moved mainly to the northern border on the Pacific, and cocaine shipments from South America are transported through the Gulf and on the Pacific. Commercial air routes are mainly used for transporting heroin on the Pacific route.

In addition to the problem of trafficking in drugs, Mexico is also the scene of production of marijuana and poppy, primarily along the Pacific coast. Drug production occurs in a context of socio-economic disadvantages. The conditions in which production occurs indicate that drug trafficking is the core activity around which organized criminal groups form. Production and trafficking are thus two aspects of a single phenomenon, against which the Government of Mexico has adopted a policy of integrated attention, due to the danger that it presents to the security of the nation.

With regard to seizures in Mexican territory, between December 1994 and December 1996, according to preliminary figures from the Uniform Statistical System for Control of Drugs (SEUCD), the following were seized: 46.9 tons of cocaine 571.5 kilograms of black tar heroin, 3 kilograms of morphine; 568.4 kilograms of brown heroin; 1,840.0 tons of marijuana; 13 tons of ephedrine and more than two tons of pseudoephedrine; as well as 667.4 kilograms of methamphetamine, 13.1 kilograms of amphetamine, 13 kilograms of “Ecstasy”, and 1,6897,498 doses of psychotropic drugs.

In the same period according to SEUCD the government of Mexico eradicated 548,495 marijuana plantings, equivalent to 44,667.5 hectares, and 398,687 plantings of poppies, equivalent to 31,158.9 hectares. another 9,321.2 hectares.

3.1.2 Principal International Sources of Drugs

Identification of the international points of origin of drugs transported through Mexican territory has facilitated the development of detection systems and reorientation of interdiction strategies by air, land, and sea along both boundaries of the country.

The principal flows in international trafficking are cocaine, marijuana, and precursor and essential chemicals. In the case of the first, the producing countries are Colombia, Bolivia, and Peru. With respect to marijuana, shipments that are not produced domestically enter Mexico from South America and some parts of Central America. Trafficking through Mexican territory of South American heroin has been detected, as well as less frequent shipments of Asian heroin.

Trafficking routes for precursor chemicals have global dimensions related to the availability of the products—which, in the North American region exists in Mexico as well as in the United States—and to the possibility of diversion in Mexico or in countries of origin. Shipments of these substances have been seized in Mexico arriving by air from Asia, Europe and the United States.

3.1.3 Principal Domestic Sources of Drugs

Domestic production of narcotics is concentrated in certain regions of the Western Sierra Madre, and to a lesser extent in the Eastern Sierra Madre, where the drug with the greatest level of eradication is marijuana, which is trafficked to the United States without any processing. Hashish that has been seized in Mexico originated in Asia.

Poppy production in Mexico is centered in the Pacific coast states and the interior, in Chihuahua and Durango. The poppy derivative sent to the United States is heroin; seizures of morphine processed in Mexican territory are infrequent.

All chemical precursors trafficked domestically in Mexico have been traced to European countries. Some clandestine methamphetamine laboratories have been located and destroyed in the central, northwestern and northeastern parts of the country. The methamphetamine was brought into the United States, primarily through the State of California.

3.1.4 Narcotics Trafficking and Organized Crime

The fact that Mexico is a narcotics transit country has promoted the rise of organized groups, which has public security consequences in some states. Narcotics related corruption has a negative effect on the public institutions and law abiding citizens of the country.

Narcotics trafficking organizations in Mexico are located in territories from which they control the routes by which drug shipments pass. However, trafficking organizations are not limited to a single type of drug. In a given region, there are small organizations which deal in various types of drugs, including methamphetamines. Although specialization in trafficking does not exist in Mexico, the most important trafficking organizations are involved in cocaine distribution, while the smaller ones are engaged largely in marijuana trafficking, but they are all part of the same chain. The recent increase in use of commercial flights for the drug trade draws attention to the sophistication of smugglers. There have been impor-

tant air transport seizures of marijuana, opiates, and, to a lesser extent, cocaine, in which the smugglers used the same operational methods.

The most important trafficking organizations maintain connections with similar organizations in other countries, constituting networks of organized crime which are involved within their territories in some phases of the general process of production and distribution of drugs. In Mexico, the connections observed relate primarily to cocaine supplying organizations.

Finally, there are intermediary organizations which store marijuana and black tar heroin produced in some states. These organizations are more tied to areas of drug production in Mexico than to international organizations.

Operations conducted by major groups are developed based upon the foreign or domestic relationships the groups form with members of other groups in foreign drug source areas, or in Mexico, and with those who receive and distribute the drugs for consumption. The intermediate organizations are involved in the transnational drug trafficking chain because of their relations with organizations in drug reception areas in the consumption centers, and indirectly, because of their ties with major Mexican organizations.

3.1.5 Methodology for the Analysis of Trafficking

In the past, the information systems of the institutions responsible for drug control did not completely attain their objectives because it was impossible to obtain a unified view of the problem. This was due to a lack of specialized information systems with a high degree of reliability and timeliness. This resulted in duplication of efforts and deficiencies in information coverage.

Beginning in 1991, the Office of the Prosecutor General of the Republic (PGR), through the Center for Drug Control Planning (CENDRO), became the repository of the databases for the primary information systems, which were consolidated and resulted in the creation of the Uniform Statistical System for Drug

Control (SEUCD), encompassing all agencies that implement counter-drug missions. Since then, the SEUCD has provided information required by the Government of Mexico, and required under terms of agreements with international organizations. The SEUCD is the information system that provides official statistics for the Government of Mexico, in a reliable and timely manner, regarding seizure of drugs, arms, munitions, conveyances, goods, precursors and chemical substances, destruction of marijuana and poppy fields, and clandestine laboratories, as well as the detention of nationals and foreigners for drug-related crimes.

The CENDRO is responsible for collecting, validating, recording, processing, and analyzing the information that is systematically provided in print and data media by the following agencies:

- The PGR, through the National Institute for Combat Against Drugs and the Federal Judicial Police
- Secretariat of National Defense;
- Secretariat of the Navy;
- Secretariat of Treasury and Public Credit, through the Federal Fiscal Police;
- Secretariat of Communications and Transportation, through the Federal Highway Police.
- Judicial Prosecutor General for the Federal District;
- Authorities of the states that comprise the Federation

Once the statistical information is entered, it is classified by case according to the following subsystems: cocaine, marijuana, opiates, eradication, psychotropics, precursors and chemical substances, and traffic in arms. To avoid duplication of data, before recording any part of the information, it is validated by comparison against existing databases by place of seizure, date, type of drug, and name of detainee.

On the basis of the information entered into the SEUCD, reports and statistical analysis of drug trafficking in the country are developed. These include elements such as routes, means of transportation, methods of drug trafficking, prices and payments for transportation used by trafficking organizations, state and national statistical charts by type of drug, comparative histories, graphs and regional maps reflecting the evolution of this phenomenon. Reports are distributed to agencies that provide the information to the CENDRO, to agencies of the health and education sector which are responsible for prevention and treatment of drug dependency, to countries with which exchange of information is maintained, and to international organizations. In total, information is provided to about 130 domestic and international subscribers.

The SEUCD is in a state of continuing development, and is considering incorporating information in the fields of health, education, security and judicial-penal system into its system. Its purpose is to provide an integrated system of information on drugs that is compatible with the structure of the regional center which the Government of Mexico is developing in cooperation with the Government of Uruguay and the Organization of American States (OAS).

The experience acquired in the field of drug regulation through the operation of the SEUCD led the Heads of National Organizations to Combat Narcotics Trafficking (HONLEA) to designate Mexico as the country responsible for development of a Hemispheric Statistical Information System (SHIE), in which 25 countries of the Americas, Europe and Asia are participating.

3.1.6 Methodology for Analysis of the Production of Narcotics

Data in the SEUCD reflect the efforts at eradication of illicit crops implemented by the PGR, the Secretariat of National Defense and the Secretariat of the Navy of Mexico, as well as the efforts of the governments of the states of the Federation. Analysis of this data permits

identification of the municipalities in which the greatest number of hectares of poppy and marijuana were eradicated, from which the most important narcotics producing micro-regions of the country may be defined. Based on eradication information, three levels of threat were defined with respect to narcotics production in each area: concentration, at high risk, and at risk. Analysis of the social, economic, cultural, and geographical conditions that influence the production processes is also incorporated in this definition.

This mechanism has developed a registry of the extent of cultivation and area eradicated in the last 4 years which, analyzed by frequency and dimension, have permitted identification of 25 micro-regions of concentration, high risk, and expansion, in the production of narcotics.

Drug production in these micro-regions involved an average of 138,000 workers annually. The states that stand out for the number of workers involved annually in drug production are Chihuahua, Sinaloa, Guerrero, and Durango. The estimate of the amount of labor involved in production is based on eradication figures, field studies, and taking into consideration that it is an agricultural activity.

Based on information from field surveys, production of drugs in the Mexican countryside can be identified as a phenomenon that has affected the normal rural economy. In no case has production of poppy and marijuana solved the economic deficiencies and disadvantages in narcotics producing areas.

3.1.7 Environmental Impact of the Production of Narcotics in Mexico

The process of production of marijuana and poppy entails technical difficulties similar to any type of cultivation. The clandestine manner in which illicit crops are cultivated encourages excessive application of chemicals (such as fertilizers and agricultural chemicals), and irrational processes of deforestation; both of these factors have contributed directly to the process of

induced erosion that is considered the most serious and worrisome ecological problem in Mexico derived from the actions of narcotics trafficking.

The constant expansion into new areas of cultivation of marijuana and poppy entails in practical terms the excessive cutting down of tree and plant vegetation species, and the exploitation of sloping terrain in which techniques of soil conservation are not applied.

This deforestation, combined with clearing of areas of low and medium-level jungle, whose soils — in the majority of the cases — are inappropriate to the use to which they are being put, diminishes productivity and also causes ecological imbalance.

The methods under which marijuana and poppy are cultivated are important when one observes that, once the productive cycle ends, drug traffickers abandon these areas, which then lie exposed to erosion by wind and rain.

In addition to erosion of soils, washed out topsoil clogs rivers, lakes and reservoirs, which over time can become unusable.

The socio-economic repercussions of the alteration of the ecological balance that causes erosion and contamination of hydrological resources, are reflected in drastic changes in the economic activities of the communities, affecting the sustainable development of the regions involved.

3.2. Cocaine

3.2.1 Availability and Price

It should be noted that the analytical categories of “availability and price” must be considered in a country specific context. Under current circumstances in Mexico, where the primary problem is trafficking, a lower price for drugs does not indicate greater availability, but simply means lesser demand.

The Uniform Statistical System for the Control of Drugs (SEUCD) reports the average prices seen sporadically in some reports of the drug-control institutions. The 1995 and 1996 reports indicate the average wholesale price for a kilogram of cocaine lies in the range between a minimum of 52,000 pesos and a maximum of 67,500 pesos.

3.2.2 Quantities Seized

Between the months of December 1994 and December 1996, 46.9 tons of cocaine were seized. During that time, the diversity of the routes and means of cocaine traffic were reflected by the areas in which the largest seizures were made. The state of Sinaloa had the greatest volume of seizures during December 1994. In 1995, the states where the largest seizures of cocaine took place were, in order of significance: Quintana Roo, Sinaloa, Chiapas, Baja California, Sonora, and the Federal District. In 1996 the largest seizures took place in the states of Tamaulipas, Baja California, Veracruz, Durango, Southern Baja California and Chihuahua.

3.2.3 Trafficking Routes and Methods

In recent years, the observed means and routes of the cocaine trade have been quite variable and oriented toward areas where control and response is most difficult. For example, over a four-year period, the use of turboprop aircraft was observed in flights toward the northern part of the country. Later, in response to interception operations, drug trafficking organizations favored airdrops on the coasts and inland lakes, and shorter flights on the southern border. Confronted by the strengthening of detection systems in the national air space, there were increases in illicit air traffic in Central America, and in land movement of narcotics through Mexican territory.

Between 1994 and 1995, narcotics trafficking organizations initiated use of aircraft with greater range and cargo capacity (fast flights), which in some instances evaded surveillance systems in the hemisphere. In the route from Colombia, the fast mover planes landed in

North and North Central Mexico, from where their cargo was transported by other means to the U.S. border. This technique has not been used in 1996. Nevertheless, this trafficking method can be used again, making it necessary to maintain strict vigilance.

In 1996, drug trafficking organizations favored transportation of cocaine toward Mexico by land: an increase in land movements in small amounts was observed on the southern border. On the other hand, once the drug enters Mexico, the network of roads is used more frequently to transport shipments, usually averaging more than 700 kilograms, especially through the states in the central and northern regions.

Air and sea trafficking—and a combination of both—increased around the southern border, especially in the state of Chiapas, where different methods are combined: airdrops, sea and air trafficking, and, currently, land trafficking.

Maritime cocaine trafficking leaves Colombia for Mexico via the Caribbean coast and the Gulf (of Mexico). The State of Quintana Roo is the most important Caribbean transit point. An example is that in 1995, four maritime operations there resulted in the seizure of 4.5 tons of drugs. Drug traffic goes toward the Gulf of Mexico directly to Tamaulipas, and ends at the Rio Grande in small boats, including inflatable rafts. In Tamaulipas, it also continues by land to the U.S.. Another trend is “airdrops” on the coast of Yucatan and continuation by land.

On the Pacific coast, the State of Sinaloa recorded the seizure of 3.6 tons of cocaine in an operation in territorial waters and two in port.

Less frequently, although still with some regularity, coastal fishing boats and small boats are used for cocaine traffic in the Peninsula of Baja California. The trend in this instance is for criminal organizations to transport cocaine using the infrastructure that they have developed for efficiently moving marijuana in the region.

The regional distribution of operations by air, land and sea, as well as the frequency with which they are

reported shed light on the criminal organizations' form of cocaine smuggling. During 1995, 956 land operations were carried out, resulting in the seizure of almost 9,800 kilograms of the drug; 15 air operations produced the seizure of 4,146 kilograms. and 15 sea operations resulted in the seizure of 8,218 kilograms. Between January and December of 1996, according to preliminary figures from SEUCD, there were 1165 land operations, 8 air operations, and 16 sea operations.

3.2. 4 Origin of the Cocaine Trafficked in Mexico

No plantings of coca leaves have been identified in Mexican territory. All of the cocaine that is transported through the country originates in the producing countries of South America and enters the country through the southern states toward the Gulf of Mexico and the Pacific by way of land or sea. However, several illicit flights of aircraft capable of evading the detection systems have also been observed entering the country toward some areas in the Center and Pacific, and, with less frequency, the North.

3.3. Heroin

3.3.1 Availability and Price

The SEUCD does not frequently register heroin prices, which should be considered as a reflection of the minimal demand for the drug in Mexico and not as a reflection of the availability of the drug. Based on 1995 and 1996 records, the wholesale price is between 128,000 and 370,000 pesos per kilogram, which indicates that heroin is the highest priced drug.

3.3.2 Quantities Seized

According to preliminary figures from the SEUCD, from December 1994 to December 1996, 419.6 kilograms of black tar heroin were seized in Mexico, 3 kgs. of morphine, and 568.4 kilograms of brown heroin. An increased international demand is making the opiate trade increasingly more complex and, consequently, causing an increase in the producing areas.

3.3.3 Trafficking Routes and Methods

Poppy derivatives produced within Mexican territory are moved through the country by land and air, by way of commercial flights as well as illicit private flights, especially to transport shipments from the least accessible producing areas.

Beginning in the poppy production regions, traffic enters two phases. One is the local processing to obtain raw materials for heroin, and the other is transport of this product to the central and northern regions of Mexico, where heroin is synthesized.

The most typical characteristic of the heroin traffic is that it is done by way of commercial airline flights from the producing areas towards the northern areas, especially towards the city of Tijuana, Baja California. In this case, the main routes detected cross the state of Guerrero towards the Federal District or the cities of Guadalajara and Tijuana; or from Nayarit, Sinaloa and Michoacan towards the same city and Mexicali. There is a similar pattern in traffic routes by land. Heroin is transported over the border to the United States using the same means of concealment normally observed in the transport of the drug toward this point, namely, in baggage, adhered to the body or hidden in special compartments in automobiles, or by ingesting special capsules.

Black tar heroin follows land transportation routes more closely, although the possibility of using air space for such an end cannot be ignored. From January 1995 to September 1996, black tar heroin seizures were made in the poppy production areas. On very few occasions, black tar heroin trafficking was detected in border cities and, in those cases, the quantity did not exceed 400 grams.

On the other hand, the diversification of drug trafficking routes has revealed the structure and scope of the trafficking organizations. During the period of analysis, it was observed that, in addition to the different routes established between the poppy producing regions such as Guerrero, Jalisco, and Sinaloa, there are other routes by which black tar heroin is trafficked from the pro-

ducing areas of the Southern Pacific region (basically Guerrero) to the Federal District, continuing later to Cancun, Quintana Roo and, from this point, to the northern border, especially to the city of Tijuana, Baja California.

The following brown heroin trafficking routes were detected during 1995 and 1996: towards the state of Baja California, shipments originating in Jalisco, Guerrero, Nayarit, Sinaloa,

Durango and Michoacan; towards the state of Sonora, shipments from Sinaloa, Nayarit and Michoacan, and towards the state of Tamaulipas shipments originating in Guerrero and Michoacan.

As for black tar heroin traffic, the routes detected in this period start in Guerrero and the Federal District and run towards the state of Baja California.

During 1995, and from January to December 1996, 218.9 kg of brown heroin and 27.88 kg of black tar heroin were seized in the northern border areas of Mexico. The distribution by key state is as follows: Baja California (87 kg), Sonora (78.8 kg), Tamaulipas (25.6 kg), Chihuahua (14.5 kg), Coahuila (2.37 kg) and Nuevo Leon (2.75 kg).

Baja California, particularly Ensenada, Mexicali, and Tijuana, shows the most dynamic heroin trafficking activity. There are two factors that account for this situation: one is that most of the known traffic routes in the country end in these places, and the other is that one of the most important transnational trafficking organizations for various types of drugs is headquartered in the state. It has the infrastructure in place to transport heroin along that sector of the border. In addition, there are intermediate organizations also trafficking occasionally in heroin on a parallel track. The heroin trafficking dynamics here must be seen from a subregional point of view, since the state borders on one of the U.S. states that shows significant rates of heroin consumption.

3.3.4 Origin of Heroin Trafficked in Mexico

Poppy production has developed basically in the states bordering on the Pacific, and records show that this activity takes place within the framework of a farming economy, which has resulted in sales of black tar heroin developing on a parallel track with sales of other drugs. No organizations exclusively devoted to the traffic of opiates have been identified.

Heroin produced in Mexico is trafficked by members of intermediate organizations who obtain the drug where it is processed. This type of organization also traffics in marijuana and other drugs, according to the needs of the distributors and others to whom they sell the drug. In addition, international organizations also obtain heroin from intermediate organizations and introduce it on their own into the U.S.

The main poppy producing states in Mexico are Guerrero, Sinaloa, Durango, and Chihuahua, where the highest eradication levels of the drug have been recorded. Behind these comes the state of Nayarit, followed by the areas of Oaxaca bordering with Guerrero and Chiapas. The black tar heroin obtained is processed close to the poppy fields and later transported by various routes and means to the northern border.

Traffic of South American heroin, detected in Mexico, is currently carried out on a small scale, using the means and methods normally employed for brown heroin trafficking.

The commercial base in the US and the state of evolution of the South American heroin business allow the Colombian organizations to introduce the product directly to Mexico through important trafficking points. Colombian heroin has been seized in Cancun, Quintana Roo; Ciudad Juarez, Chihuahua; Matamoros, Tamaulipas; and Tijuana, Baja California. Some of the ways of hiding the drug are packets adhered to the body, ingested capsules, and false-bottom suitcases.

Heroin is also introduced in Mexico from Asia. During 1996 two shipments of Asian heroin were seized; one in Cancun, Quintana Roo and the other in Mexico City,

where airport infrastructure permits the arrival of transcontinental planes. In these two cases the drug originated in Bangkok, Thailand, and Amsterdam, the Netherlands. The drug was found among passengers' undergarments, in sneakers' inner soles, and in a false-bottom suitcase. It is important to point out that Asian heroin traffic in Mexico is decreasing.

3.3.5 The Eradication of Poppy in Mexico

During 1994 and 1995, 26,347.81 hectares of poppy were eradicated in Mexico. The greatest area eradicated, 15,389.21 hectares, was recorded in 1995. Of these, the Pacific region accounted for 60.2%, mainly in the state of Guerrero, where 6,538.5 hectares were destroyed. Durango, Sinaloa and Chihuahua are also considered major poppy producing states.

Between January and December 1996, 14,624.8 hectares of poppy were eradicated in the country.

Methodology

Estimates of the area of poppy cultivation are based on the systematic recording of fields destroyed, verification results and field reports, which point to the technical and human difficulties in achieving overall coverage. Taking into consideration regional differences and weather factors that limit the means available for locating and eradicating the drug, it is estimated that between 70% and 80% has been destroyed. It should be pointed out that the Mexican government is developing studies to define other methods that may make it possible to measure the scope and impact of eradication efforts more objectively.

3. 4. Precursor Chemicals

3.4.1 Quantities Seized

Between December 1994 and December 1996, 13.1 tons of ephedrine and more than 2 tons of pseudoephedrine were seized. The biggest seizures took place in the Federal District and in the state of Mexico, where airport infrastructure can handle intercontinen-

tal traffic. In second place are the cities of Tijuana, Ensenada and Mexicali in Baja California; Guadalajara, Zapopan and Ciudad Guzman in Jalisco; Caborca, Hermosillo and Navojua, Puerto Peñasco, and Agua Prieta in Sonora; and Apatzingan, in the state of Michoacan. The amount of precursor chemicals seized in these cities fluctuates between 20 kilograms and 250 kilograms, and were confiscated from shipments originating from areas where precursor chemicals illegally enter Mexico for processing into illegal drugs.

3.4.2 Trafficking Routes and Methods

Diversion of the above-mentioned substances, especially ephedrine, salts and their derivatives, has been detected since 1992. The control mechanisms established in the face of this problem produced a change in the shipment strategy of the trafficking organizations, so that the routes detected left, by air, from Switzerland or the Czech Republic towards France or Holland and then to the Federal District or the state of Mexico. Other routes used later, departed from Switzerland or India, through Slovenia or the Arab Emirates and terminated at the international airports of the state of Mexico and the Federal District. This strategy of using the airways to divert precursor and essential chemicals lasted unabated until the trafficking organizations decided to take advantage of the maritime port infrastructure for illicit ends, since it is easier to divert chemicals from there.

While precursor and essential chemicals are moved by air, the criminal organizations have also begun to use the maritime infrastructure for trafficking. By sea, illicit shipments of precursor and essential chemicals follow complex routes in order to evade interception efforts in different points along the way. They vary their routes to arrive at places that are more secure for unloading. An example of this is the arrival of a ship at the coast of Manzanillo, Colima, on May 18, 1996, whose shipment of 2,750 kg of ephedrine hydrochloride was seized on July 22 at the Mexican National Railroad's Pantaco station in the Federal District. The contraband originated in China via Hong Kong, and proceeded through Long Beach, California, to Manzanillo.

3.4.3 Procurement

Delinquent organizations have created the necessary structure to divert or import illegally

precursors and essential chemical substances, which they purchase from legal producers in Europe and Asia. Since these are controlled substances and the merchandise must be imported, diversion compels the traffickers to falsify official documents in Mexico (such as customs orders) and to establish fictitious enterprises for the same purposes. These enterprises import and warehouse the substances and later ship them to any Mexican states where they are needed for the manufacture of methamphetamine and other drugs.

3.4.4 Organizations

Due to the complexity and global importance of the production of synthetic drugs, organizations engaged in this activity must be analyzed taking into account the close links between availability of precursors and essential chemical substances and the synthesis of the drug. In this paragraph we look at the role of drug supplying organizations. They reveal a high degree of compartmentalization since they assign specific tasks to each of the participants in the chain of production: national and foreign individuals are responsible for international transactions such as cash payment for chemical substances, concealment or falsification of documentation, and shipping services; other members are responsible for receiving the chemical substances in airports and sea ports; some individuals are responsible for delivering the merchandise to the hiding places; there are personnel responsible for hiring persons to transport the precursor chemicals. One of the most important investigations indicates the existence of an enterprise that imported ephedrine hydrochloride and supplied the clandestine laboratories of methamphetamine in the United States, Jalisco, and Baja California. The connection between organizations of this type and others engaged in the traffic of other drugs is under investigation.

3.4.5 Regulations

In order to confront the traffic of precursor chemicals, the government of Mexico has established specific custom houses for importing these substances in four ports of entry as the only points that precursors and essential chemical substances may be imported. With this measure, surveillance and control of the illicit traffic of these substances is strengthened, without affecting the enterprises which legally use the substances.

In addition to establishing import control measures and making up the list of precursor chemicals that are subject to these measures, according to commitments made by Mexico in other international courts, penal reforms have been carried out which, together with the previous measures, make up Mexico's strategy to control the traffic of these substances. Thus, Article 196 ter, of the Federal Penal Code was modified to establish sentences and penalties for anyone producing, possessing or performing any type of act with, precursor chemicals, machines or elements, with the intention of cultivating, producing or preparing narcotics illegally and for anyone financing this type of operations.

As part of Mexico's responsibilities under the 1988 United Nations Convention against the Illicit Traffic of Drugs and Psychotropic Substances, isosafrole, safrole, piperonal and benzyl cyanide were added to the control lists. In addition, an expert's report is being developed to place two other substances (N-acetylthranilic acid and 3,4-methylenedioxypheyl-2-propanone) under strict control.

Control of the substances contained in Table II of the 1988 Convention, such as ethyl ether and acetone, has not been a priority in Mexico, since their illicit use in the country is insignificant. However, there already are health regulations that refer specifically to ethyl ether. Mexican authorities are studying other measures to control these substances.

The process of controlling precursors, chemical substances and synthetic drugs is carried out in the following manner:

The General Directorate of Substance Control for Health is responsible, within the Secretariat of Health, for granting health licences for the operation of pharmaceutical distribution warehouses and laboratories, as well as for recording the handling of narcotics, psychotropics and precursor chemicals used in the processing of medications for human consumption.

For this reason, it is in charge of issuing permits for importing the precursor chemicals, making audits to corroborate the use made of these substances, identifying direct clients of the distribution warehouses and laboratories, as well as verifying the record of sales of controlled substances by pharmacies. The detection of any irregularity is reported to the PGR through the INCDD and/or CENDRO, with the intention of investigating any possible illegal diversion of these substances.

On the other hand, the SHCP, through the General Directorate of Customs, processes the delivery of the merchandise. The enterprises and laboratories that import and export precursors and chemical substances must submit to the Customs house, through their customs agent or representative, the import or export orders, which must be accompanied by the documents that verify the product's origin, the forwarder's bill of lading for maritime transit or the air waybill, both confirmed by the carrier, and finally the documents showing compliance with the regulations and non-tariff restrictions. In turn, the PGR, on its part and through CENDRO, collects, evaluates and analyzes the information provided by diverse government entities in order to detect possible diversion operations involving these substances.

3. 5. Methamphetamine

3. 5. 1 Availability and Price

According to surveys carried out by the Secretariat of Health between 1988 and 1993, methamphetamine consumption has not increased in Mexico. Nevertheless, the frequency with which clandestine laboratories where this substance is processed have been destroyed, mainly in the northern border areas of

the country, suggests the possibility that methamphetamine consumption may start to increase in the states in that region. In fact, there is a synthetic drug known as "crystal" [methedrine] that sells in the city of Tijuana at 350 pesos for one gram, 600 pesos for 3.5 grams.

3.5.2 Quantities Seized

Between December 1994 and December 1995, 667.4 kilograms of methamphetamine were seized in Mexico. The main seizures were carried out in the states of Baja California, Jalisco, Mexico, Sonora, Tamaulipas, Michoacan, Nayarit, Sinaloa and Durango. The largest confiscations of methamphetamine in these states took place in Baja California, Mexico and Jalisco.

The emphasis in this case must be on the methamphetamine trafficking situation in the state of Baja California, especially in the city of Tijuana, which accounts for the greatest amount of traffic and the greatest number of clandestine laboratories destroyed. In addition, the region made up of Baja California and the state of California in the U.S. centers around the consumption and production of the drug in California. These elements are used by the Mexican drug trafficking organizations, which take advantage of the consolidated methamphetamine consumption and production structure in California.

3.5.3 Procurement

The production of methamphetamine is a fairly new phenomenon in Mexico and is linked, on the one hand, to the diversion of precursor chemicals and, on the other, to the relocation to Baja California of some organizations engaged in the production of the drug in the state of California. This relocation took place slowly, starting in 1988 and picked up speed in 1993, as controls were established that restricted access to and handling of precursor chemicals. At the beginning of this process, precursors were purchased in Mexico and transported to the United States, where methamphetamine was processed.

There is a necessary link between the diversion of ephedrine and the processing of methamphetamine,

and a corresponding match between the Mexican states where the production of the drug has been detected and the places where the precursor has been seized. The compartmentalization of the criminal organizations enables them to complete the cycle of methamphetamine production, that is, to establish the links necessary to supply the clandestine laboratories with precursors and essential chemicals. These chemicals arrive at the center of the country and are later shipped as needed to the clandestine laboratories. Thus, the methamphetamine trafficking situation depends, in large part, on the availability of the chemical products that make its synthesis possible.

The dynamics of methamphetamine production imply that the trafficking organizations acquire transnational characteristics. That is mainly because obtaining precursors and transportation to market is international. Although the transnational organizations traffick in various types of drugs, they concentrate on methamphetamine. The transnational organizations are often small in number but specialize in methamphetamine.

3.5.4 Location of Laboratories

Between 1994 and October 1996, 22 methamphetamine-processing labs were destroyed in the states of Baja California, Michoacan and Jalisco, most of them in the area of Tijuana and Rosario, in Baja California.

Current research indicates there are still methamphetamine clandestine laboratories in these states and in Colima.

3.5.5 Organizations

In the production of methamphetamine, the organizations engaged in the purchase and supply of precursor chemicals coordinate with those engaged exclusively in the synthesis of the drug. A supplier - client relationship is established among these organizations, which cannot be thought of as the same type of organization, although they are indeed part of the same network. It should be pointed out that investigations are still under way, so it may be possible in the future to describe this relationship with more detail.

It is the intermediary organizations that are engaged in the synthesis of methamphetamine; they do not have a consolidated structure equipped with the mechanisms necessary to go beyond the simple production of the drug. These groups may also provide the larger trafficking organizations with several types of drugs, or even transport the product on their own to the consumption sites. Investigations have not been able to link closely the methamphetamine producing groups with the main drug trafficking organizations, such as those in Baja California and Chihuahua, although on occasion they do provide them with drugs. The international or transnational character of the methamphetamine-producing groups refers to the general process that starts with the purchase of precursors imported to Mexico, where these groups act as purchasers, and ends with the sale and distribution of the drug among the organizations established in the United States. There is a possibility that increasing demand could result in the consolidation of larger methamphetamine organizations that would obtain the precursors directly. However, as the situation stands now, especially taking into account the number of clandestine laboratories destroyed, the organizations that supply precursor and essential chemicals are numerically and structurally more important than those synthesizing the methamphetamine.

The methamphetamine produced in the laboratories is transported by land through the main border crossings using traditional concealment methods, including vehicles and baggages. Heavy transit on national highways and at the border crossings makes it difficult to detect these shipments. In addition, trafficking is also carried out by individuals who take small quantities of the drug with them through pedestrian border crossings.

3.5.6 Environmental Impact

The investigations following the destruction of 22 methamphetamine-processing labs have determined that the amount of chemical products used did not have a significant ecological impact.

3.5.7 Regulations

Article 245 of the General Law on Health classifies the

psychotropic substances into five groups. Methamphetamine is included in Group II, which consists of substances that have some therapeutic value but constitute a serious public health problem. The psychotropic substances in Section II are subject to the provisions set forth in Title Twelve, Chapter V, regarding narcotics.

3.6. Marijuana

3.6.1 Availability and Price

The Uniform Statistical System for the Control of Drugs sporadically records prices from some reports of drug control institutions. The categories "availability and price" in Mexico must be considered in the Mexican context. Therefore, a low price of the drug does not mean more availability, but less demand.

Records corresponding to 1995 and 1996 indicate that the wholesale price of marijuana varies between 400 and 790 pesos per kilogram.

3.6.2 Quantities Seized

In Mexico, marijuana is the drug trafficked in largest quantities, covering the most extensive area of routes throughout the country. Between December 1994 and December 1996, 1840.8 tons of marijuana were seized in Mexico. The largest seizures in the producing areas took place in Michoacan, Chihuahua, Sinaloa, Durango and Jalisco; while in the trafficking areas, the largest amounts were seized in Oaxaca, Colima, Sonora, Baja California, and Tamaulipas.

3.6.3 Trafficking Routes and Methods

Domestic traffic of marijuana by land follows varied and extensive routes and uses diverse means of transportation, some very simple, such as using passenger transportation services and others, for larger shipments, through cargo systems using special equipment or through the concealment of drugs among other legal products. From the producing Pacific states, the traffic traverses the Center and Pacific regions towards the northern border, mainly to the cities of Monterrey in

Nuevo Leon; Tijuana in Baja California; and Piedras Negras, Coahuila, and Ciudad Juarez in Chihuahua.

An indicator of the heavy use of land routes to traffic in marijuana is the number of law enforcement operations that were recorded. During 1995, 6,631 land seizures yielded 725,539 kilograms of the drug. In 1996, another 7,175 operations of this type were carried out.

On the Pacific route, the state of Colima is used as an important point of departure to transport marijuana in commercial flights to Tijuana, and by sea, following the Gulf of California to the north end of the Peninsula. On the other hand, in 1996 there was an increase in marijuana traffic on the southern border of the country, mainly in the area of Chetumal in Quintana Roo.

The importance of maritime smuggling is evident in the number of operations recorded in 1995 and 1996. During 1995, 125 sea operations were carried out in which 52,432 kg of marijuana were seized, and in 1996, 226 operations of this type were carried out, yielding 88,005.8 kg of the drug.

Marijuana trafficking by sea is more complex quantitatively and qualitatively on the northern border, especially in Baja California, Baja California Sur and Tamaulipas. Records show that in February 1995, 1.6 tons of marijuana were seized in the PRECOS of Ciudad Juarez; in March of that same year, 12.6 tons of marijuana were seized on board the boat *Penelope II*, in Altamira, Tamaulipas. Finally, as an example of the marijuana traffic in Baja California Sur, in May 1996 more than 700 kilograms of the drug were seized in a partially destroyed boat in Playas del Norte, Meliton Albáñez, La Paz.

Besides domestically produced marijuana, marijuana and hashish produced elsewhere is trafficked in Mexico. In 1995 more than thirteen tons of hashish were seized. The workable means of trafficking large shipments is by sea, to the Pacific coast.

Central and South American marijuana is sent to Mexico through the states of Quintana Roo, Campeche and Chiapas by land, air, and sea and by the three methods

combined. Marijuana is trafficked most commonly by land, but the volume on the southern border never equals the scale of traffic occurring along the northern border.

3.6.4 Origin of Marijuana Trafficked in Mexico

Although large quantities of locally grown marijuana circulate through Mexico, mainly in the states of the Pacific and northern regions of the country, there is heavy traffic, by sea, of South American marijuana that, in most cases is shipped from Colombian ports. Nevertheless, there have been cases of processed marijuana originating in Asian countries. Such is the case of the hashish seized in Manzanillo, which came from Pakistan. An example of South American traffic is the seizure of thirteen tons of the drug transported from that region to the port of Altamira, Tamaulipas, in cargo containers.

3.6.5 Eradication of Marijuana in Mexico

During 1994 and 1995, a total of 35,780.37 hectares of marijuana were eradicated in Mexico, the largest areas in 1995, when 21,573.30 hectares of the drug were destroyed. The Pacific region accounted for 61.5% of the marijuana eradicated in all the country, 6,002 hectares of which were destroyed in the state of Sinaloa. The states of Michoacan, Chihuahua and Durango are also heavily used in the production of marijuana. In 1996, 22,760 hectares of marijuana were destroyed throughout Mexico.

During the last two years, drug trafficking organizations have changed their drug production strategy, choosing to use increasingly smaller fields throughout the national territory, thus making it more difficult for the government agencies to detect areas likely to be used to plant marijuana and poppy.

Methodology.

Estimates of the area of marijuana cultivation are based on the systematic records of eradication, verification results and field reports. These suggest technical and human difficulties in achieving overall coverage. Taking into consideration regional differences and weather fac-

tors that limit the means available for locating and eradicating marijuana, it is estimated that between 70% and 80% has been destroyed. It should be pointed out that the Mexican government is developing studies to define other methods that may make it possible to measure more objectively the scope and impact of eradication efforts.

Location of Producing Regions

Based on the analysis of the eradication of drugs, 99% of the drug production in Mexico has been found to be concentrated in 25 micro-regions located in the states of Chihuahua, Guerrero, Durango, Jalisco, Michoacan, Nayarit, Oaxaca, Sinaloa, Sonora and Veracruz.

The evolution of drug cultivation has generated increasingly larger micro-regions. Some localities where no significant illegal crops had been detected in previous years, have started to be used to this end. Nevertheless, the main drug producing region, made up by the municipalities of Guadalupe and Calvo in Chihuahua, Tamazula in Durango and Badiraguato in Sinaloa, continues to account for the largest eradication figures in the country. In the states of Chihuahua and Durango, drug production is concentrated along the Sierra, while in the state of Sinaloa, even if the largest areas destroyed are located in the Sierra, there have been eradication efforts registered in all the municipalities.

In many of the municipalities where drug production is concentrated, the complexity of the problem is closely related to the marginal social conditions that prevail in these regions. In these cases, geographic isolation is also a factor that favors drug crop production.

In the drug producing regions, members of intermediate drug trafficking organizations collect the production, be it marijuana or poppy, warehouse it, and distribute it to the members of larger transnational organizations, or transport the drug themselves to the norther border.

3.7. Other Drugs

On a smaller scale, there is traffic in other drugs like amphetamine and "ecstasy" in Mexico. Although the problem of methamphetamine trafficking has started to increase, it is fitting to distinguish between the product called ecstasy, a methamphetamine derivative, and methamphetamine as a drug itself. From December 1994 to December 1996, 11 kilograms of amphetamine and 13 kilograms of ecstasy were seized in Mexico, the latter in Piedras Negras, state of Coahuila in 1995. Before this, ecstasy was seized only on two other occasions: in 1993 in Hermosillo, Sonora, where 20.8 kg and 08.7 kg were confiscated.

In this section we consider also the traffic of psychotropics, which is heaviest in the states of Baja California, Jalisco, Nayarit, Tamaulipas and Durango. In other states, such as Guanajuato and Coahuila, trafficking in psychotropic drugs is frequent, but the quantities seized are smaller than in the above-mentioned states. Between December 1994 and August 1996, psychotropics seized amounted to 1,687,498 dosage units.

In most cases, traffic results from the diversion of controlled medications. It has been observed that consumers from southern US border states travel to pharmacies on the Mexican side to acquire psychotropics, especially Rohypnol. Among other detected brands, Asenilix, Tenoate Dospan and Darpon are the most common, although units of Neopercoctan, Pacidrim, Rivotril, Clorfeniramina, Lexotan, Arfane, Valium and Mandax have been seized.

Psychotropics are generally seized on land, in passenger buses and train stations. The nature of the psychotropic traffic makes it difficult to establish a pattern of routes, although the points of entry to the United States are clearly distinguishable: the cities of Tijuana and Mexicali in Baja California; Ciudad Juarez, Chihuahua and Nogales in Sonora. This reveals an aspect of the demand in certain localities of the United States.

The city of Tijuana exhibits a particularly complex scene regarding the traffic of psychotropics and other drugs. An example of this is the seizure of 229,569 tablets of

3,4- methylenedioxy-methamphetamine (MDMA) during February 1995. The same operation also yielded four large vats with an unspecified liquid substance; the SEUCD recorded this seizure under the heading of psychotropics, since it dealt with tablets of the drug. In 1996 there was an increase in the traffic of other tablets that contain pseudoephedrine, whose sale is not formally controlled since they are commonly used antihistaminics and anti-flu medications. Criminal organizations have built laboratories with a capacity to extract pseudoephedrine from tablets by using methanol. In May 1996, 914,482 units of this type of tablets were seized in the city of Tijuana.

3.8. Regulations

The General Directorate of Substances for Health within the Secretariat of Health controls narcotics and psychotropics in the country, according to currently established regulations. This control starts by regulating the dissemination of the products from their importation and distribution before sales, through the finished products, using a system supported by documentation. There is control of the movement of products in pharmacies and training of health officials responsible for handling the products. Article 200 of the General Law on Health does not require that a pharmacist be licensed to operate a pharmacy. However, to sell narcotics and psychotropics, certification is required.

Classification of psychotropic products and narcotics according to the General Law on Health is slated to be modified with respect to the location of the products and the requirement for medical prescription. Currently it is as follows:

The Secretariat of Health grants physicians authority to prescribe narcotics, and this too is a form of control, according to Article 228, Section I, of the General Law on Health, which refers mainly to the group of products mentioned in Article 235 of that same law, such as codeine, dehydro-morphine, fentanyl and methadone.

Another form of control derived from Article 226, Section II, is the prohibition in Mexico of products having no therapeutic effect, such as LSD, DMA, para-

hexyl, ethcyclicidine and others (Article 245). There are controls on products that are sold exclusively by a medical prescription that may be filled only once, such as amobarbital, amphetamine and nalbuphine. Also, controls are established on products sold exclusively by medical prescription which may be filled three times, such as benzodiazepine, diazepam, haloxazolam and lorazepam.

The Secretariat of Health relies on random verifications to guarantee that product inventories correspond to records kept by each pharmacy and/or laboratory. It records and certifies the quality and actual composition of the final products of each pharmaceutical laboratory before they are sold; takes health regulation measures regarding the sale of unregistered or falsified products, and acts by way of verification, to identify irregularities. Irregularities are identified through notification from the pharmaceutical laboratories themselves or from individuals. There is a similar process for the misuse of products (for example Refractyl, pseudoephedrine and ephedrine). Regarding misuse of Refractyl, measures were recently taken to sell the product exclusively by medical prescription.

Article 245 of the General Law on Health specifies that psychotropic substances will be subject to health control. To this end, it classifies the substances in five groups.

Substances that have therapeutic value but constitute a public health problem, among them flunitrazepam, a substance which contains Rohypnol, are found in Group III of this article. It should be pointed out that in this group includes substances considered to be precursor chemicals. Methaqualone is found in Chart II of substances having therapeutic value.

3.9. Factors Contributing to the Success of Drug Trafficking

Several factors make it possible for drug trafficking operations to succeed anywhere. These factors include the creation of a consumer base that maintains a constant demand and, of no less importance, the corrupt-

ing potential of drug trafficking, which is present anywhere the phenomenon exists. Social and regional inequality are also a factor for the success of the drug trafficking operations, since they allow the incorporation of poor farmers into the production of narcotics.

The characteristics of the phenomenon in Mexico indicate that the base of consumers in the United States is the element which, in addition to comprising the market for drugs, causes the various manifestations of the problem in that country and the rest of the hemisphere. We can say that is evident in the historical evolution which drug trafficking has had throughout the continent.

Organized crime related to drug trafficking has not consolidated in Mexico a social base for its operations. This conclusion is derived from the characteristics of the phenomenon, considering that consumption has not expanded and, therefore, the purchase and sale of drugs is limited. Drug trafficking in Mexico is aimed mainly at satisfying the demand in the United States. Therefore, the development of drug trafficking depends greatly on the increase or reduction of demand, because the capacity to make a profit, which reactivates the global drug trafficking chain, derives from the size of the consumer market.

Drug trafficking in Mexico has not been characterized by an increasing consumption of drugs nor by the generation of numerous small, local trafficking organizations. Retail drug trafficking has not become commonplace in most of the states that make up the federation. With regard to international drug trafficking, operations carried out by many interrelated organizations in the continent imply a web of ties and relationships which go beyond organizational boundaries and comprise transnational operations caused by the nature of drug trafficking.

3.9.1 Drug Crops Produced in Poverty Stricken Areas

The production of drugs develops in the context of disadvantage, isolation and poverty. The presence of promoters of the cultivation of drugs is seen through forms of intimidation that exert pressure on much of the

indigenous and farmer community to increase the cultivation of poppy and marijuana. The incorporation of indigenous peoples and farmers to the production does not mean they become totally integrated to structured drug trading. On the contrary, they are used as instruments in this phase and do not participate in the profits generated by this illegal activity. In these cases, there often appears a domination scheme based on the exercise of power within the communities, which goes against the traditional forms of organization of the rural communities in the main drug producing regions. These regions have also been altered by the increase in violence that has resulted from the constant traffic of arms in the area, although there have also been cases, such as in the states of Guerrero, Michoacan, and Sinaloa, where the production of drugs has penetrated pre-existing violent situations, not as generator of the violence, but as an exacerbating factor.

3.9.2 Trafficker Violence

In the states that, due to their geographic situation, are used strategically in the traffic of drugs, the violence generated by some members of intermediate gangs who move into the area is related to disputes over markets and trafficking routes. A similar phenomenon is observed in states where larger national organizations have established themselves in the states, with the particularity that the violence is directed against members of other criminal groups as much as against the security organizations engaged in combatting them. Violence generated by drug trafficking and directed against police and judicial groups, is seen mainly in the form of homicides of selected victims who might have interfered with drug related crimes.

3.9.3 International Dimension of Organized Crime

To determine the scope of organized criminal operations, specially drug trafficking, it is necessary to observe trends in the methods of trafficking mentioned before. To establish their traffic and sale chains, drug organizations design their own coordination mechanisms inside and outside the countries where they operate, thus weaving the international web of drug traffic.

In this sense, two aspects of the regional organization have been identified: one that commonly employs the local organizations' operational methods, which in the Mexican case deals with the interaction of groups in several states of the country; and the other, which implies a form of regional operation involving several countries of the Americas and determines the characteristics of large-scale drug trafficking. Thus, for purposes of this analysis, there is a regionalization that is limited to Mexican territory and another type that suggests the importance of international routes at the hemispheric level, including organized crime's transnational activities. The nuances of international drug trafficking are revealed in the manner of operation of the organizations in each country. There are ties among large national and international organizations, and among the former and smaller organizations, in such a way that the supply of drugs and the transnational drug trafficking operations are expanded and diversified.

A clear example of this situation is the recent detention of Manuel Rodriguez Lopez, in La Paz, Baja California Sur, who was acting as international liaison to members of the Cali Cartel. He maintained important maritime drug trafficking operations in the Gulf of California targeting the state of Baja California. This demonstrated a well defined regional organizational structure.

The globalization of this problem increased, extending its influence and outpacing containment measures in practically all the countries in the hemisphere. The arrest of leaders of South American cartels and dismemberment of their organizations did not substantively change the structural conditions that make the international traffic of drugs possible.

3.9.4 National Organizations

The characteristics of the drug trafficking organizations in Mexico point towards the need to make three analytic approximations from which the general panorama of the country's problem may be described.

The first of these, deals with the three large organizations in Mexico: the Tijuana organization, the Tamaulipas organization and the Chihuahua organiza-

tion, which by their scope and size, as well as for the infrastructure available to them, are involved in sales of several types of drugs at the wholesale level. In the international drug trade, especially of cocaine, these organizations act as facilitators of the traffic, or they participate in a scheme to buy and sell the drug. To introduce the drug in Mexico, these organizations receive shipments of cocaine in Central America or in states on the southern Mexican border and guarantee its transit through the Mexican Republic toward the northern border, where it is introduced in American territory, and resold to organizations settled in that country.

With regard to cocaine trafficking, Mexican organizations depend on Colombian groups, but that does not imply that they are necessarily subordinated. The link with the South American groups allows them to act in transnational organized crime. Based on an analysis of the characteristics and evolution of these drug trafficking organizations in Mexico, it has been concluded that they lack the infrastructure necessary to execute international trafficking operations independently, besides the fact that a great amount of technical and human resources are required to control the drug production processes in other countries of the hemisphere. In addition, a Mexican organization would have difficulty inserting itself into a foreign cultural environment in the same way that drug organizations in foreign countries are familiar with local conditions and base their operations in that context.

Regarding the domestic production of marijuana and poppy, the main Mexican organizations purchase from smaller organizations with a presence in the producing areas. These smaller groups purchase and resell the drugs to the larger organizations, and therefore the larger organizations have not gone into domestic production schemes.

Tijuana Organization - Led by brothers Francisco Rafael (arrested), Benjamin, Ramon and Francisco Arellano Felix, native of Sinaloa, where they established an important drug trafficking network. The organization influences the Pacific route, which affects the states of Chiapas, Oaxaca, Guerrero, Michoacan,

Colima, Jalisco, Nayarit, Sinaloa, Sonora and Baja California, where the brothers established their center of operations. To traffic in marijuana, opiates, and methamphetamine, the organization purchases these drugs from smaller groups, taking advantage of the increase in consumption, especially in the case of the synthetic drug. The Tijuana organization maintains contacts with similar organizations in the cities of El Paso, Texas and San Diego, California. The development of this organization is characterized by extreme violence and it is linked with organizations in San Diego, California, and Mexico City.

Chihuahua Organization - Led by Amado Carrillo Fuentes, the organization is responsible for providing clandestine landing strips on the northwest of Mexico to facilitate the traffic of cocaine in various scales. The organization maintains as its main points for receiving cocaine the states of Veracruz, Quintana Roo, and Campeche, in the Gulf; and in the Pacific, the states of Chiapas and Oaxaca. From these points, traffic continues towards Chihuahua, Sonora and Coahuila through the center of Mexico. Its domestic sources of drugs are the producing areas in the states of Chihuahua, Sonora and Durango, although for their supply they enlist the help of smaller organizations who intervene in the production of marijuana and poppy. In the United States, the organization has contacts in southern California, Arizona, Nevada, Texas and Illinois.

Tamaulipas Organization - Despite the detention of Juan Garcia Abrego, former leader of this organization on January 14, 1996, it maintains an extensive network of operations covering the northeast of the country, as well as some southern states. It was the most important organization due to its links with U.S. and South American drug trafficking groups for the traffic of large quantities of cocaine and money laundering operations.

The second analytic model deals with the existence of organizations that are involved in small-scale trafficking in marijuana and opiates and have a temporary organizational structure. These are groups that are organized according to the needs of its members or contacts, group some people, obtain the drugs in the center of cultivation or collection and transport them to the

United States, using the same routes, means and modalities of transportation used by larger organizations: the necessary infrastructure is established according to temporary traffic needs. While these are numerically important groups that operate parallel to the three largest organizations, they are not organizations that develop stable structures.

In this context must be included the analysis of the activities of the members of organizations whose leaders have been arrested, such as Joaquin Guzman Loera and Hector Luis Palma Salazar, and which operate in northwest Mexico, mainly in the state of Sinaloa. In the state of Jalisco, the city of Guadalajara is the center of operations of intermediate organizations that extend to Sinaloa, Nayarit, and Colima and display territorial disputes. Among the individuals identified are members of the Quintero Payan and Lupercio Serratos families, who have links in Baja California. Others have ties with Mario Ismael Zambada Garcia, ex-leader of an organization headquartered in Culiacan, Sinaloa, that had influence on the Pacific coast and maintained drug trafficking relationships with South American groups.

This type of organization maintains a presence in the marijuana and poppy producing regions, where they initiate their trafficking chain, or supply larger organizations trafficking in these drugs. In this scenario it is important to include the relationship between the farmer and the members of the drug trafficking organizations. In the process of production, the farmer intervenes only as cultivator, since the member of the intermediate organizations of the type described supply them the necessary goods for the cultivation of drugs, supervise planting and harvesting efforts, collect the production and transport it to the storage sites. The participation of the farmer only at this link in the chain and the relationship of domination in which the production of drugs takes place prevent the farmer from becoming a full member in the drug trafficking scheme, so the farmer must not be seen as a member of these organizations.

The third model deals with retail distribution of drugs to the centers of consumption. The small distributors' objective is to cover the demand for drugs in Mexico.

For this, they may emerge as incipient organizations that generally acquire drugs from intermediate organizations, although small-scale purchase of various types of drugs has also been detected in the United States, for sale in Mexico. This situation concerns the greater availability of the drugs in the United States and questions of consumption in some of the main cities along Mexico's northern border.

3.9.5 Corruption: Infiltration of the Economic and Government Structures

In the measure in which organizations extend their areas of influence, they require a larger number of strategies to consolidate themselves inside a territory, and to place their organizations in several parts of the world. The increase in the traffic of drugs and the importance of the drug trafficking organizations has moved them to form chains of corruption that extend to almost all levels; in fact, their need to use the territories for trafficking with increasing frequency, requires a greater participation of some authorities whose decisions, in their field of expertise, influence the success of the drug trafficking operations.

If the traffic, production and consumption of drugs represent problems of great importance for almost all governments, the infiltration in economic and political structures constitutes a greater risk, since social order and the country's progress depend on their stability.

The government of Mexico has important institutions engaged in combatting drug trafficking and related crimes. The Attorney General of the Republic in coordination with other institutions, especially with the Secretariat of National Defense, has taken permanent steps toward achievement of the objectives of the struggle against drug trafficking.

Governmental agencies have been strengthened by recent changes in the law, by programs for training law enforcement organizations so that they may have modern and effective investigation methods, by strengthening coordination among different institutions, and by active participation at the international level through bilateral and multilateral proposals and agreements. As

of December 1996, the Mexican government has been implementing enhanced vetting procedures for its law enforcement agencies. Among the screening procedures now required for current and new personnel of the INCD and personnel of the Attorney General's office involved in activities against organized crime are financial and personal background checks, and polygraph and drug testing.

Drug trafficking changes at a surprising pace, in many cases exceeding the institutional capacity to counteract it. Economic globalization and the slackening of tension among the superpowers have created propitious conditions for internationalizing and strengthening drug organizations: money laundering; arms trafficking; and mainly, infiltration of the power structures are the most visible harmful effects.

Currently, drug trafficking is one of the problems that attacks judicial and law enforcement systems, because of its economic capacity to corrupt the officials involved in these tasks. In addition, drug trafficking has definite consequences for public security and poses a clear threat to national security, as well as generating corruption by incorporating public servants in their efforts. Recently, drug-related corruption was uncovered at the highest levels of Mexico's main counterdrug agency. The charges of corruption brought by the Government of Mexico against senior officials including the former Director of INCD are extremely serious. These officials have been charged with corrupt involvement with a major transnational trafficking organization operating in both countries. These cases, coupled with the firing of 1200 police officials by the Attorney General during 1996, indicate that corruption is widespread in the judicial and law enforcement system. This problem undermines the effectiveness of law enforcement and judicial counterdrug efforts in Mexico, and diminishes public confidence in the reliability of the organizations tasked with protecting public safety and the rule of law.

While the existence of corruption is a reality that must be faced, the aggressive actions of President Zedillo and his administration to root out corrupt officials shows the resolve of the Mexican government to take prompt action when corruption is identified. Drug traffickers

have not translated their economic power into equivalent political power. However, there is more to be done. The government of Mexico has initiated a screening process for individuals with counterdrug duties. Such screening is a logical first step towards detecting and deterring corruption. It is also a means of confidence building among counterdrug agencies, as well as between those agencies and the public.

The response of the affected organizations is for some members to regroup into smaller organizations, since they lack the capacity to confront openly in revenge the State and the institutions responsible for controlling and procuring justice. While some events, such as selective homicides, may indicate the opposite, it should be emphasized that this is not a recurring and systematic response.

IV. MONEY LAUNDERING IN THE UNITED STATES AND MEXICO

4.1 Methodology

Money laundering is a problem that affects all the economic and financial systems throughout the world. The criminal organizations engaged in drug trafficking and other criminal activities such as firearms and weapons smuggling, stolen vehicles, forgery of documents, financial fraud, extortion, and precursor chemical deviation, take advantage of any opportunity to hide the illicit origin of their profit. While it is difficult to calculate the amount of resources that can be laundered within the economy of a country, it is assumed that a significant portion of the resources that are laundered yearly within the international financial system originate from drug trafficking. The amount of money laundered in the US and Mexico, collectively, is problematic by any calculation.

Money laundering derived from any illicit activity, permits many billions of dollars annually to flow into the international economy without being detected. But the actual techniques by which money laundering occurs involve the basic principles of lawful financial activity. These include: opening bank accounts; trading goods; wiring funds; and exchanging currencies. Thus there are as many ways to launder money as there are ways to legitimately conduct economic activity.

The worldwide phenomenon known as globalization cannot be divorced from the illicit activity of money

laundering. Criminal organizations increasingly are availing themselves of the technological advancements that facilitate international commerce, causing serious damage not only to the economy, but also democracy, public morale and citizens' safety. For this reason, it is necessary to undertake firm measures at the domestic regional and international level to counteract such activities.

4.2 Methods used to launder money

What all of laundering techniques have in common is the use of the trappings of commerce to camouflage the movement of the proceeds of crime. For different reasons, particular methods of money laundering go in and out of vogue, as a result of a combination of several forces, and especially in response to economic changes and the efforts of law enforcement. What remains the same are the three common elements: the need to mask the illicit origin of the proceeds; the need for anonymity; and the opportunity to move illicit proceeds with minimal risk of detection. These elements are more often present within the financial systems that lack effective controls.

Up to a few years ago, criminal organizations used simple procedures to conceal and disguise the origin of the illicit resources. These methods include, among other things, ordinary deposits, transfers, creation of front companies etc., so as to give a legitimate appear-

ance to the money. The laundering procedure consists of three stages: a) placement, via deposits or transfers of funds into the financial system, (in other words, the process by which the launderers physically get rid of the money); b) layering — separating proceeds from their illicit source by engaging in series of transactions designed to avoid audit trails and provide anonymity; and c) integration, -reintroduction of proceeds of illicit origin within the normal monetary circuit, re-integrating them into the financial system under the appearance of being legitimately obtained.

In recent years, the significant sources which criminal organizations have at their disposal have enabled them to develop a complex network within the financial and banking systems. This network facilitates investment of illicit proceeds through the use of sophisticated financial mechanisms — mechanisms which have advanced as technology has progressed. Transactions carried out by means of Internet or “Smart” cards for instance, can be instantaneous, anonymous, borderless and difficult to trace. Under these conditions, criminal organizations can transfer virtually unlimited assets around the world.

As stated above, money laundering is not a single-stage process. Rather, it involves inserting criminal profits into the financial system, gathering the profits together, and moving them in ways that obscure the source of funds for future reinvestment, whether in criminal or legitimate enterprises. No single technique is appropriate for all the stages of the process.

Generally speaking, the purpose of moving funds from US to Mexico, or vice versa, is not to take them out of the country of origin on their way to a third country, but more often to position them for re-entry into the country of origin in a manner that permits their redistribution to several countries throughout the world. In other words, in many cases neither the US nor Mexico are the ultimate destination of the funds, which may cross national borders several times before finding a resting place.

The most widespread techniques involved at some stage in the cross-border laundering of funds between Mexico and the US include:

Smuggling of Currency: The smuggling of currency out of the US to avoid currency transaction reporting (CTR) requirement has an important impact. Bulk shipments of currency continue to pose a problem along the border between the US and Mexico, as it is in other US border locations.

Use of Money Movement Techniques that Enhance Anonymity. Money launderers use a number of techniques that permit them to maintain their anonymity, while using financial institutions in Mexico and the US to move funds back and forth.

1. “Payable Through Accounts,” that enable a person outside the US to write a check at his/her own bank that is payable through the account of a correspondent US bank. This popular mechanism enables non-US nationals to have, in effect, a US dollar denominated account and is especially attractive to money launderers, particularly if the US bank fails to implement a rigorous “know your customer policy”. The account offers non-US based customers all the convenience of the US banking system without the specter of meeting compliance with US counter-money laundering measures.
2. So called “Foreign Bank Drafts”, which permit repatriation to the US of dollars (in currency or bearer instrument form) outside the US in a way that circumvents compliance with the US cross-border currency transportation reporting requirements.
3. International Wire Transfers, which remain an important tool at all stages of the laundering process. Transactions are still structured, even when there are no large cash reporting requirements. An example is the electronic transferring of funds through several different banks for purposes of disguising the money trail. Once monies are deposited in a financial institution in a jurisdiction without currency transaction reporting requirements, they can be instantly wired anywhere in the world.

4.3 Factors Contributing to the Success of Money Launderers

The unrestrained growth of illicit money laundering creates evident risk for any country. This risk goes beyond the expansion of drug trafficking and strengthening of criminality. The presence of these activities in significant amounts poses a threat to the integrity of institutions, as well as healthy long-term economic development. This is why during recent years both Mexico and the US have further invigorated joint efforts to prevent, detect and prosecute these illicit activities; they have jointed the efforts of the international community and of the Western Hemisphere designed to strengthen the common struggle against money laundering.

The US remains the world's primary consumer for illicit drugs. The proceeds generated from the profits of drug sales in the US are laundered through numerous means and illicit procedures in the US, Mexico and throughout the world. As a result of the link that exists between certain criminal activity in the US and Mexico, and as a natural, if unfortunate, by product of our increasingly integrated economies and financial systems, criminal organizations from both countries have begun to intensely promote money laundering by means of the Mexican financial system.

For more than ten years the US has been aggressively fighting money laundering. It relies upon the following cornerstone: enforcement of laws criminalizing money laundering, border currency transportation reporting, and extensive record keeping requirements for financial institutions to support a network of law enforcement agents and others dedicated to the prevention, detection and prosecution of money laundering.

Since 1990, Mexico has undertaken significant efforts in order to combat money laundering, including updating its legal framework, and carrying out stings in its main air, sea and land ports of entry, in order to determine how much money is entering into the country.

In 1995 and 1996, the Secretariat of Finance and Public Credit (SHCP) with the Attorney General's Office

(PGR), held ten (10) meetings, with the purpose of analyzing, proposing and preparing updated drafts related to the money laundering offense. These meetings concluded with the addition of Article 400 Bis (criminalizes the behavior of transactions with funds from illicit origin) to the Federal Criminal Code. This Article entered into force on May 14, 1996 and revoked Article 115 Bis of the Federal Fiscal Code. Article 115 Bis will continue to be applied to criminal conduct carried out during its effectiveness.

On November 7, 1996 the Federal Law against Criminal Organizations was published in the Federal Register. The law contains, among other things, provisions which strengthen joint work between the SHCP and PGR when carrying out money laundering investigations. This relationship has existed since February 18, 1993, the date of an agreement setting forth the terms of coordination between both agencies.

Prior to the above-mentioned initiatives, amendments to several financial laws were made and entered into effect on November 18, 1995, which provided the legal foundation to implement a system of mandatory suspicious transaction (STR) reporting in the Institutions that comprise the Mexican financial system. In February 1997, the general provisions were published. These provisions will regulate the STR system. Capture and storage of information will be carried out in 1997, after the computing equipment is installed and advice from experts has been received.

Based on the exercise of verification powers (audits) and other procedures, the SHCP is now investigating 199 cases of suspected money laundering. Twenty six of these investigations, including approximately 128 suspects, have been concluded by filing querellas or complaints with the Federal Public Prosecutor for the alleged behavior foreseen in Article 115 Bis of the Federal Fiscal Code (Money Laundering). Members of the Tijuana, Ciudad Juarez and Gulf Cartels are included among those implicated in the aforementioned case referrals. These referrals have resulted in thirteen (13) convictions for money laundering in Mexico from 1994-1995.

Criminal organizations have taken advantage of loopholes that exist in domestic and international legal frameworks, the flexibility and speed of wire transfers and cross-border asset movements to dispose of their profits. The absence of effective laws and regulations, and the corrupting influence of dirty money, highlight the need to implement prevention, detection, control and enforcement policies.

4.3.1. Profitability

Money laundering generates profits, but it also guarantees the continued profitability of the crime the proceeds of which are being moved. A cash-based business, such as narcotics, in a black market environment generates profit margins of several-hundred percent, definitionally without tax or tariff burden. Such margins render relatively insignificant the costs of moving funds that would be unacceptable for legitimate businesses. They also permit delays in holding that could not be tolerated by businesses that operate according to normal economic principle. The returns are specially attractive to financial institutions or intermediaries in developing economies.

At the same time, drug traffickers are being forced to pay a higher fee to money laundering cells to “handle” their profits because of successful law enforcement interdiction efforts. For example, it costs approximately \$5,000 to launder the drug proceeds from one kilo cocaine moved to Los Angeles.

US evidence suggests that, at present, the person who serves as collector of “dirty money” is paid approximately 1% of the total for his efforts of collecting and maintaining the money in a stash house. A person responsible for transporting the bulk cash, “the risk taker,” is paid 1.5%-2.0% of the total for his efforts. An individual who accepts dirty money at a currency exchange house and later transfers it to a bank usually collect 2%. A total of 6% is paid to the individual who allows his or her name in a financial institution. A total of 4%-6% is paid to the individual who serves as a money broker helping move the dirty money to other laundering havens. Thus, money launderers have a

“take” of 13%-15% of the dirty money they launder for drug traffickers.

4.3.2. Likelihood of Escaping Detection

As indicated above, money laundering depends upon anonymity. Laundered funds are most vulnerable to discovery before they reach the financial system — at what investigators call the “placement” stage. Even so, the task of investigation is daunting at best. Without human intelligence to identify couriers, and with minimal outbound search at the border, there is little chance of discovery of bulk shipments. Moreover once the drug proceeds are deposited into the banking system or a currency exchange house and the wire transfers process begins, the funds are increasingly difficult to track.

The need for cross-border transportation has created, by means of using currency exchange houses or “casa de cambio,” a kind of alternate banking system in both countries. These businesses can be expected to have large sums of US dollars or Mexican pesos on hand. The funds can be changed from pesos to dollars or vice versa, whether located in the US or in Mexico. There is no way of knowing if these funds include, as it usually happens, large and continuous flows of smuggled illicit funds.

4.3.3. Corruption

Money laundering is a result of and contributing factor to corruption. The tremendous wealth and power of the narco-traffickers threaten to undermine the legitimacy and effectiveness of law enforcement in nations that have little or no effective programs to combat drug trafficking or money laundering. There is concern that hemisphere drug cartel leaders are working to forge alliances with law enforcement. In addition, the banking community in the US and Mexico has expressed concern regarding the corruptive potential money laundering. Still, sources of large sums for investment, or from which fees can be earned, tend always to find outlets in market economies. These funds may begin to play a role in financing legitimate enterprise.

4.3.4. Systemic Problems

Among the more serious problems facing nations' counter-money laundering enforcement efforts is the difficulty of coordinating between domestic governmental agencies which share responsibility for addressing the threat of money laundering. This difficulty affects all of the traditional line of governmental organization.

In the US and Mexico the responsibility for anti-money laundering prevention, detection and enforcement is shared by more than one agency, a fact which can create problems in coordination and ambiguity in determining their lines of jurisdictional responsibility. The US has addressed these concerns through an inclusive system of inter-agency agreements, coordination groups and joint task forces. In Mexico, the PGR and SHCP work in coordination as the authorities responsible for investigating illicit money laundering, a relationship memorialized by a 1993 agreement. This coordination was reinforced when the Law Against Organized Crime entered into effect in November 1996.

4.4 Regulatory issues

The US has required CTR reports since 1970. It took the 15 years to effectively implement these requirements but they now serve as the cornerstone of the US anti-money laundering investigative regime. The US has required depository institutions to report criminal activity to law enforcement and the regulatory authorities for many years. Currently, the US has implemented a new suspicious activity reporting system which simplifies the old, fractionated and redundant system with a new, centralized, electronic and potentially paper-less system that creates a data base of potential leads for law enforcement and enables the government to quantify and analyze the reports, provide more timely leads to law enforcement, and follow-up action taken by law enforcement in response to these reports.

Based on the amendments made to the Mexican Financial Legislation, the SHCP has developed a

program to issue STR and CTR rules. The SHCP is meeting with representatives from the financial system and other inner agencies of the SHCP, in order to obtain a final version of the regulations.

4.5 Bilateral Cooperation

4.5.1. Exchange of Information

The exchange of financial information was strengthened between the US Treasury Department and the SHCP of Mexico, with the effectuation on March 29, 1995 of the Mutual Assistance Agreement for the exchange of information in respect to transactions in currency through Financial Institutions in order to Combat Illicit Activities. In addition, the exchange of information and documentation in connection with all criminal matters is provided for in a US - Mexico Mutual Legal Assistance Treaty. Currently, of the 199 investigations SHCP is pursuing, 45 are in coordination with the US Customs Service and IRS Criminal Investigation Division. From the foregoing 45 cases, 28 were concluded. In total, 73 coordinated investigations between the US and Mexico took place during the years 1994 to 1996. From the preceding, 47 were requested by the US and 26 by Mexico. A public servant from the SHCP testified in 6 US court trials, from which 4 defendants were convicted for money laundering.

4.5.2. Technical Cooperation and Training

A continued bilateral strategy between Mexico and the US to combat money laundering includes the provision of technical assistance and personalized training to Mexican law enforcement agencies regarding banking regulation. Special efforts between the two nations should be expended to facilitate the flow of the real time exchange of financial investigative information. Cases involving the exchange of financial and other law enforcement information should be prioritized by each nation. Importantly, there must be a balance of approach and effort, so that the two nations can advance, from the north southward and from the south

northward, to narrow the corridor in which launderers can operate. Without continuous systematic cooperation, gains in one nation simply produce losses in the other.

Various US agencies are currently working with SHCP to expand its technological capacity to address the money laundering threat. For example, the US Treasury Department has sent technical and regulatory experts from the Financial Crimes Enforcement Network (FinCEN) to Mexico to discuss regulatory and technical system and all-important training issues. FinCEN has also helped SHCP design its computer database system to house and analyze information.

FinCEN is offering technical assistance in the development of three new databases for cross-border, STR and CTR reporting, which will operate on separate database servers. Strengthening the computer equipment will allow the automatic integration into the investigative process of documentation regarding the cross-border transportation of funds. This will allow a potential reduction of the bulk of documentation. FinCen is also offering technical assistance in the implementation of all databases, including a comprehensive audit trail which will monitor database access and queries. In addition, advanced analytical tools, such as link analysis and visualization software to facilitate intelligence analysis, will be provided for graphic case support to ongoing PGR/SHCP investigations.

The US is prepared to develop and provide in the next few months a well-focused training and technical assistance program for Mexican law enforcement personnel. This program will provide training for public servants of the SHCP and PGR. The US State Department, Justice Department, the US Treasury's IRS Criminal Investigation Division, Customs Service, and FinCEN have been instrumental in the development of this initiative.

4.5.3. Cooperation at Regional and International Fora.

A special US-Mexico interagency working group of experts, part of the High-Level Contact Group, was

convened in 1996 to further invigorate the effort to combat the money laundering threat. The working group meets regularly to address issues of mutual concern, including legal/regulatory matters, investigations, information exchange, training and technical assistance, and recent trends in money laundering. The working group has proven to be an extremely valuable forum for developing a common anti-money laundering strategy, and for measuring its progress. Prior to the establishment of the working group, the US and Mexico pursued their joint anti-money laundering campaign through numerous bilateral channels, including the US-Mexico Law Enforcement Plenary and the Binational Commission. The dialogue continues in these forums as well.

Both countries are members of the Organizations of American States (OAS) and actively participate in the CICAD. They also subscribe to the Model Anti-Money Laundering Legislation of the OAS, which includes a call to mandate suspicious transaction reporting.

Mexico was an active participant in the Summit of the Americas Ministerial Conference on Money Laundering, which concluded with the issuance of Ministerial Communique on December 2, 1995. Thirty-four (34) Ministers from the participating States recommended to their governments a plan of action to establish a coordinated, hemispheric response to combat money laundering.

Both countries are signatories to the 1988 United Nations Convention. Mexico has expressed its interest in obtaining a membership in the Financial Action Task Force (FATF), and in furtherance of this interest, has agreed to undergo an evaluation in the same manner as the rest of the FATF members.

4.6 Conclusion

There is no way to attack money laundering without recognizing its nexus to the narcotics trafficking, but also its parasitic reliance on the mechanisms needed for legitimate trade.

Money Laundering can be prevented, detected and combated through continuous vigilance in the enactment and enforcement of control measures, and political efforts to sustain this vigilance.

Both government are taking sound steps towards structuring an effective counter-money laundering effort.

Reinforcement of US-Mexico cooperation, as well as technical training and assistance, should foster even more progress.

V. ILLEGAL FIREARMS TRAFFICKING

5.1 Assessment of the Problem

The US has been a significant state of origin for firearms illegally diverted to other nations. Illegal trafficking in US-sourced firearms has facilitated criminal activity in these countries, as it does domestically. In certain instances, such criminal conduct has been directed at governmental authorities. Moreover, Mexico is a primary destination for the unlawful exportation of US-sourced firearms. This fact is attributable in part to the vast, 2,000 mile border dividing the two nations. Other factors which render Mexico an attractive destination are the demand for guns in the context of that country's restrictive gun laws, thriving cross-border crime, and ample supply of US arms.

Numerous avenues for obtaining firearms are available to the trafficker moving arms to Mexico. Gun shows, flea markets, swap meets, and other commercially unregulated markets provide opportunities. So too do Federal Firearms Licensees (FFLs), which supply a significant percentage of the US-sourced firearms diverted southward. Currently, there are approximately 130,00 FFLs legally licensed to operate in the US. Of these, close to 6,000 are located along the US southwest border. The vast majority of the border FFLs sell fewer than 10 firearms per year. The remaining few are responsible for a disproportionately large number of firearms trafficked into Mexico.

The majority of FFLs operate in a legal manner — a fact borne out through the Bureau of Alcohol, Tobacco and Firearms (ATF) and US Customs Service (Customs) case histories, and through certain university studies. FFLs that do engage in illegal activities, however, are in a position to traffic firearms in significant volumes. A dealer involved in an arms trafficking conspiracy can falsify the records he or she is legally required to maintain in a manner which renders detection of the scheme more difficult.

Bearing in mind the qualitative analysis of the figures produced by Mexico's "Sistema Estadístico Uniforme para el Control de Drogas," (SEUCD), between 1995 and 1996, 23,841 handguns and semi-automatic and automatic weapons were seized, of which 36% (8,622) were seizures linked to drug related crimes. Similarly, 1,224,718 rounds of ammunition of different calibres were seized. 17.1% (207,683) were related to drug crimes.

The states in which most weapons were seized during the period are Baja California, Tamaulipas, Michoacan, Durango and Sinaloa. The highest figures for seizures linked to other offenses are for Sonora, Tamaulipas, Sinaloa, the Federal District and the State of Mexico; whereas the highest figures for seizures related to drug trafficking are for Michoacan, Baja California, Tamaulipas and Sinaloa. Michoacan and Sinaloa are

states in which narcotics production is concentrated, and Tamaulipas and Baja California are where some drug trafficking organizations are based.

Moreover, the Mexican data related to seizures of weapons and ammunition linked to other crimes suggest that an important proportion of these weapons were originally trafficked, bought or used by drug trafficking organizations or were found in households searched during drug interdiction operations. Although the SEUCD does not necessarily register them as weapons linked to narcotic related crimes, it is pertinent to underscore that Mexican intelligence data suggests this link.

A study was conducted by U.S. authorities and completed in January 1994 in an attempt to identify those responsible for diverting firearms to Mexico. The study revealed that, on average, the purchasers buy for delivery to a third party in Mexico ("straw purchasers") were between the ages of 21 and 35. Further, the study found that the most common type of traffickers were casual traffickers not affiliated with criminal organizations. Notwithstanding, Mexican and U.S. authorities will further evaluate the role played by criminal organizations which illegally traffic weapons into Mexico, specifically in the context of firearms trace data and ATF field investigative intelligence that suggest that the demand for para-military type rifles has increased in Mexico. Therefore, illegal firearms traffickers are attempting to fill this demand.

One feature that should be emphasized is the arms-related offenses of U.S. citizens who have been arrested at different ports of entry in Mexico. The characteristics of their activities indicate that the main points for the introduction of weapons and cartridges are the cities of Nogales, Reynosa and Nuevo Laredo in Tamaulipas; Ciudad Juarez, Chihuahua, and Piedras Negras, Coahuila. In some of these cities it has been observed that arms trafficking is linked to the smuggling of other types of goods, such as household appliances and clothes, among others. In the cases that have been documented, seizures of handguns and cartridges predominate; shoulder fired arms are generally semi-automatic weapons and shotguns. There have also been

some cases where components have been smuggled in order to illicitly manufacture ammunition.

5.2 Methodology for Determining the Problem

The most effective methodology for ascertaining the character and magnitude of the U.S.-Mexican arms trafficking problem would be to trace, insofar as it is feasible, the maximum number of firearms being recovered in Mexico. A necessary corollary, is that absent sufficient tracing data, definitive conclusions cannot be drawn. Typically, the number of Mexican trace requests successfully completed by ATF has been a fraction of the total request submitted. This gap is attributable to incomplete or inaccurate information being submitted in support of those requests. This is due to differing methodologies and information systems which both countries are working to address. Presently, ATF is receiving a large volume of trace requests from Mexican authorities.

ATF and its Mexican counterparts are attempting to remedy these problems by training Mexican personnel in tracing techniques. The training efforts in turn are promoting an increase in the number of adequately formulated trace requests ATF is receiving. Training opportunities can be more advantageous and the tracing process can further be exploited by maintaining a continuity of trained personnel.

5.3 Value of the Trade

The illegal firearms trafficking market is driven by profit, with the profit margin being determined by the supply of, and demand for, guns. In most instances inexpensive handguns drive the illicit firearms market. Inexpensive handguns enable the firearms trafficker to purchase more weapons for trafficking for a lower initial investment, thus realizing faster profits. Handguns are available in the United States at retail for as little as \$50 to \$80 on the legal firearms market. Case experience has shown that these guns can yield as much as \$200 - \$400 profit on the illegal firearms market. In

contrast, a handgun costing \$500 on the retail market might yield no more than \$100 profit on the illegal market. As the trafficker's illegal retail market expands, decisions are made whether to carry more expensive inventory. In most markets, the trafficker opts for investing in additional quantities of inexpensive firearms rather than investing in fewer, more expensive models.

The aggregate value of illegal firearms trafficking between the U.S. and Mexico cannot be estimated without first determining the total number of firearms being diverted into Mexico from all U.S. sources. This in turn cannot be determined absent the ability to successfully trace significant numbers of U.S.-sourced firearms recovered in Mexico. ATF and Customs, working with Mexican authorities, will endeavor to develop such an estimate as the trace requests being received generate productive data.

5.4 Relationship to Drug Trafficking

The incidence of worldwide firearms trafficking as it is related to the illicit narcotics industry has been difficult to establish. Although illegal firearms trafficking routes have been found in certain cases to parallel those established by narcotics trafficking organizations, a direct causal connection cannot be made without additional evidence. Mexican investigations reveal that some members of drug trafficking organizations purchase firearms directly rather than through a middleman. Drug trafficking routes are the known routes of least resistance and risk which all enterprises engaged in contraband trafficking follow.

In the case of trans-border arms trafficking between the United States and Mexico, there is some evidence to suggest that criminal organizations, including drug traffickers, benefit from illicit firearms traffic. While at the same time, current evidence points to the fact that arms trafficking is not exclusively drug related and that there are a broad range of other social issues driving the illicit firearms trade, drug traffickers operating in Mexican territory have ample access to weapons being smuggled into Mexico.

Both governments have endeavored to enhance information and the investigative tools available in order to assess the profile of the existing links between illicit arms trafficking and drug trafficking.

5.5 A Program for Bilateral Cooperation

Bilateral cooperation will enable countries to have information on the origin, routes and illegal caches of weapons, in order that each will be able to respond with the appropriate enforcement activity.

It is therefore envisioned that cooperation should focus on Prevention, Information Exchange, Training and Technical Cooperation as follows:

5.5.1 Prevention

Both governments should use their available resources and investigative tools to stem the flow of illicitly trafficked firearms to Mexico in order to support arms trafficking investigations. Therefore, ATF, U.S. Customs and Mexican authorities should continue to closely coordinate their efforts. This will be accomplished by all parties cooperating in the exchange of information: 1) relating to the overall trend in illegal firearms trafficking and 2) to support arms trafficking investigations.

Accomplishment of the above objectives can be facilitated by:

- Establishment of a bilateral group for the prevention of illegal arms trafficking to Mexico, in order to centralize and coordinate, as appropriate, the exchange of intelligence data and to enhance liaison mechanisms between authorities of both countries.
- Establishment of a transborder liaison mechanism between ATF and Mexican authorities along the U.S.-Mexico border.
- Both governments have identified the need to enhance links and cooperation between customs authorities in order to augment transborder interdiction of illicit firearms.

- Devise and implement public information awareness programs along the U.S.-Mexico border in order to garner the assistance and support of both U.S. and Mexican citizens in combating illegal firearms trafficking in Mexico.

5.5.2 Exchange of Information

Both governments have identified the need to enhance, as appropriate, tracing information and intelligence sharing in order to determine trafficking patterns and organizations. In this regard, both governments will continue to work in perfecting trace data and information and analysis systems. They will further enhance liaison mechanisms and frameworks.

Based on the above, Mexico and the U.S. will, as appropriate:

- Exchange necessary strategic information on illicit arms trafficking at regional hemispheric and worldwide levels.
- Utilize appropriate tracing information to ascertain methods of international arms transportation and to determine whether violations of existing legislation have occurred.
- Share, to the extent appropriate, information on illegal arms sales and seizures in the U.S. in which indications exist of potential transfer to Mexico.
- Share, to the extent appropriate, field intelligence that suggests probable or potential illegal diversion of legal firearms in the U.S. to Mexico.

5.5.3 Training

Both governments will continue to identify areas that require enhanced training programs. Training will be made available after proper assessments are made and with consultations with ATF and U.S. Customs Training Division.

In this regard, Mexico and the U.S. have agreed to explore:

- Initiating consultation for the development of software which can be used to detect routes, organizations and individuals related to arms trafficking.
- Providing assistance for field identification of firearms, ammunition and explosives.
- Enhancing investigation and intelligence analysis techniques.
- Providing canine training for firearms detection.
- Providing training for search and location of explosives.

5.5.4 Technical Cooperation

ATF is committed to providing available and appropriate technical support, such as firearms identification and firearms serial number restoration, to any requesting law enforcement agency. ATF's and Customs' Mexico Country Offices are available to facilitate joint enforcement operations and technical assistance. Moreover, advanced computer technology, such as that incorporated in ATF's Project LEAD, is available to be shared as appropriate with other agencies to enhance the efforts of cooperating investigators.

APPENDIX: EXISTING RESOURCES AVAILABLE TO COMBAT ARMS TRAFFICKING

There are a number of enforcement-based resources available to address the problem of firearms trafficking between the U.S. and Mexico. The programs and systems outlined below have been repeatedly mentioned throughout this chapter. The following is a synopsis of the main programs being used by U.S. and Mexico.

ATF National Tracing Center

ATF's National Tracing Center (NTC) traces firearms for law enforcement agencies both domestically and around the world. During the calendar year 1995, the NTC was asked to trace in excess of 80,000 firearms, with almost half of those weapons having been recovered in narcotics-related crimes. In calendar year 1996, the NTC is expected to process over 130,000 firearms trace requests.

Project LEAD

To assist in targeting illegal firearms traffickers, ATF developed Project LEAD, an automated, firearms trafficking information system which analyzes information gathered by ATF's NTC. The system utilizes data gleaned during the course of firearms traces of crime-related firearms, including the date the firearms

entered the hands of a criminal and the identify of the person who supplied the weapon. Project LEAD can identify recurring patterns, trends and inconsistencies, thus surfacing potential illegal firearms traffickers.

Firearms Trafficking Program

The ATF Firearms Trafficking Program is a comprehensive strategy to interdict the flow of firearms to the criminal element, including narcotics traffickers. Using computer technology to access data from the NTC, ATF special agents attack illegal firearms trafficking at the source.

Firearms Smuggling Program

Customs is committed to determining the extent of the arms smuggling problem between the U.S. and Mexico. As part of its counter-smuggling enforcement program, Customs will utilize tracing information to ascertain methods of international arms transportation, and to determine whether violations of the Export Administration Act, the Arms Export Control Act, or other laws have occurred. One facet of this initiative will be an effort to gather intelligence on, and to disrupt the cross-border flow of, arms-related narcotics.

High Intensity Drug Trafficking Area (HIDTA) Program

HIDTA sponsors local, state, and federal partnerships to collaborate on narcotics enforcement strategies, integrate drug control programs, and foster information and intelligence sharing. In support of the HIDTA goals, ATF HIDTA groups proactively target active violent gangs and organizations and attempt to perfect federal firearms and/or narcotics charges against them. Prosecution under the federal firearms statutes provides for enhanced sentencing without the possibility of parole or early release.

International Traffic in Arms (ITAR) Program

The ITAR Program is an aggressive enforcement effort coordinated by the State Department and pursued by both ATF and Customs to combat the illegal movement of U.S. sourced firearms, explosives, and violent crime resulting from the illegal trafficking of such weapons. All ITAR investigations are conducted by teams of ATF and Customs special agents to ensure maximum coordination and information sharing.

Mexico Country Offices

ATF and Customs, with support from their Mexican law enforcement counterparts, established offices in the U.S. Embassy in Mexico City. This bilateral initiative was intended in part to enhance enforcement capabilities relating to illegal trafficking of U.S. sourced firearms into Mexico. The number of U.S. sourced firearms for which trace requests have been made by Mexican authorities has increased since the establishment of the offices. The increase is attributable to the proactive efforts of the Mexican military and Mexican law enforcement authorities.

Sistema Estadístico Uniforme para el Control de Drogas (SEUCD)

The SEUCD is Mexico's federal information system which compiles and centralizes all the information generated by government agencies involved in counternarcotics policies. SEUCD has formal links with international organizations such as the OAS. SEUCD also provides statistics on issues such as drug seizures, illicit arms trafficking, arms seizures, asset forfeiture, interdiction and eradication. It also provides information on individuals arrested for drug-related crimes.

National System of Public Security

In December 1995, the Government of Mexico established the National System of Public Security with the participation of three levels of government. One of the main lines of action of the system includes actions for the prevention, containment, and control of illicit arms trafficking by the coordination of the competent entities.

Among other strategies for the control of illicit arms trafficking, the revision and updating of the judicial framework stands out. It is facilitated by the Government of Mexico with the means for the prevention, punishment, and control of activities related to this crime.

Inter-Institutional Group for the Prevention and Control of Firearms and Explosives

The Government of Mexico maintains a straightforward policy to defeat the problem of drugs and associated delinquency. It has recognized that illicit arms trafficking is tied to drug organizations, giving firepower to organized crime. Therefore, it formed an inter-institutional coordinating group to prevent arms trafficking, with the participation of the Secretariat of Government and the Office of the Attorney General, and, in the framework of a concerted effort, the governments of the Federal District and the federal entities.

VI. SOCIAL IMPACT OF DRUG CONSUMPTION AND TRAFFIC

Drug trafficking activities in Mexico and the United States are part of the global dynamics that this phenomenon has acquired during the last few years. Drug trafficking operations are carried out in both countries by international trafficking organizations. Although the two countries have different trends, consumption and production of illicit drugs occurs in both countries. The three elements that constitute the drug problem in these countries: production, trafficking, and consumption, affect their societies and economic structure in direct proportion to the dimension of the element that affects them most. Thus, the analysis of the impact of the drug problem in Mexico and the United States reflects the different development of drug consumption, trafficking and production in each country.

6.1 Health Effects

Drug consumption by itself constitutes an important public health problem in the addict populations residing in the main consumption centers in Mexico and the United States. In addition, drug use is related to health problems such as the transmission of infectious diseases, including HIV/AIDS, hepatitis and tuberculosis. There are also perinatal consequences and repercussions for the cardiovascular, pulmonary, and other systems. In addition, drug use contributes

to traffic accidents and accidents in the work place, as well as affecting criminal violence.

Abuse of these substances constitutes a significant public health challenge, which can be reduced by increasing access to treatment and rehabilitation, and developing more effective preventive strategies.

6.2 Effects on Crime

Crimes directly or indirectly related to the traffic and consumption of drugs account for a substantial portion of criminal activity in the United States and Mexico.

In the United States, crime rates are related to drug consumption, since crack, cocaine, heroin and metamphetamines addicts tend to be involved in a large number of crimes. In addition to the crimes committed by addicts, a large number of crimes related to the possession and traffic of drugs and to family violence are generated by drugs. Multiple investigations suggest a link between drug use and violence related to sale and purchase of drugs, and the need to obtain money to purchase drugs.

The demand for drugs in the United States has fomented the development of criminal organizations which traffic and distribute drugs in their areas of

influence. Violent disputes sometimes arise because of competition for turf.

In Mexico, the relationship between drug consumption and crime is reflected in the activities of the urban gangs which sell and distribute illicit substances. In drug producing regions, criminal activity takes on other qualities that are closely related to security provided by armed members of criminal organizations for marijuana and poppy fields until their harvests are transported outside of these regions. Their presence breaks the rule of law and societal relationships in rural areas by introducing nontraditional values and conduct. Another related phenomenon is the substitution of small-caliber arms used in the Mexican countryside by higher caliber weapons. In addition, the members of criminal organizations tend to commit other crimes that have little to do directly with the efforts to protect and safeguard the fields, and they alter the general crime scenario in rural areas.

On the other hand, in some centers where there are members of drug trafficking organizations, there are violent fights between groups trying to control routes and markets. In some cases the organizations reveal their capacity to destabilize by means of selective homicide against members of judicial institutions.

At the international level affecting both countries, there are criminal groups which establish transnational associations. The international crime phenomenon facilitates corruption, violence, and the transportation and sale of large quantities of drugs, arms trafficking, and money laundering.

6.3 Economic Effects.

Drug abuse, trafficking and production is expensive for the United States. The population of this country spends approximately 49 billion dollars in purchasing illegal drugs, while the federal, State and local governments spend about \$30 billion annually to combat the drug problem and deal with its consequences. In general, the annual cost to American society is esti-

mated at \$67 billion dollars, a figure which includes health costs, loss of productivity, premature death, and the prison system.

In Mexico, the problem of addictions and drug trafficking has evolved in a different manner. Its impact on the domestic economy has not been important enough to be seen as an element which can disrupt its development.

Drugs are produced mainly by taking advantage of the rural economy. The dire conditions in some rural parts of the country do not imply that drug cultivation is the only vehicle for economic development. It should be pointed out that the production of drugs in Mexico uses only about 50,000 hectares, so it is inappropriate to portray drug growing areas as single crop cultivation regions. To illustrate the dimension of the cultivation of drugs within the general framework of the farming sector, it is important to take into consideration that these fields represent an area equal to less than 0.1% of the area planted with corn in 1995. On the other hand, the payment received by the farmer for producing marijuana and poppy has not produced higher incomes or improved the prevalent impoverished conditions.

To quantify the economic dimension of the drug trafficking problem in Mexico demands the development of systems and methodologies adapted to the different aspects of the problem. Its character as an illicit activity make it impossible to see its real dimension. This problem may be the object of an exchange of experiences and cooperation between the investigators in Mexico and the United states.

6.4 Public Perception.

In the United States, public opinion research points to the drug problem as one of the main concerns of society. A June 1996 study by the Washington Post indicates that from a list of 80 issues of national interest and problems in the country, the subject of drugs was among the first ten. A 1995 study by the Gallup Organization for ONDCP reflects the general

perception: the drug problem was the second most important concern, behind the issue of crime and violence; more than half (57%) of those surveyed reported that they, someone in their family, or a close friend had used illicit drugs. On the other hand, that same study indicates that in the United States the population sees a strong tie between violence and drug abuse.

Social perception in Mexico regarding the consumption of illicit substances has two currents: it is seen as public health problem, regardless of the fact that in Mexico the rate of consumption is not alarming: 3.9% according to the 1993 Encuesta Nacional de Adicciones (ENA) [National Addiction Survey]. On the other hand, the Government of Mexico gives priority to the drug trafficking problem, which it considers a national security problem, steering its policy in this matter through specific programs such as the Programa Nacional de Farmacodependencia [Program against Drug Addiction].

The 1991 Encuesta Nacional Sobre el Uso de Drogas Entre la Comunidad Escolar (ENUDCE) [National Survey on the Use of Drugs in School] shows that as far as social tolerance is concerned, 80% of the population surveyed opposed consumption of illegal drugs. Regarding the consumption of addictive psychoactive substances, 48.5% of students considered it very dangerous to "try cocaine once or twice," 47% "to try heroin once or twice" and 53.8% consider "smoking marijuana regularly" to be very dangerous.

Regarding the perception of risk associated with drug use, the survey indicated that in Mexico City (the Federal District) about 60% of the students believed that experimental or regular use of drugs involved a high risk. In general, the survey indicated that the rejection of consumption is high for all types of substances, and for any form of use.

In facing the threat which drug trafficking and illegal drug consumption pose for the United States and Mexico, in March 1996, Presidents William Clinton and Ernesto Zedillo decided to create a High Level Contact Group on Drug Control. One of the major objectives of this group was to jointly conclude an objective study of the drug problem in both countries to serve as a reference point to strengthen the U.S./Mexican cooperation against the scourge of illegal drugs.

The study was carried out by Departments and Agencies of both countries involved in drug enforcement. The United States participants were the Office of National Drug Control Policy, and the Department's of Justice, State, Treasury and Health and Human Services and their constituent Agencies. The Mexican participants included the Office of the Attorney General and the Secretariats of Foreign Relations, Government Affairs, Defense, Treasury, Navy, and Health and Education.

This study takes a comprehensive approach to analyzing drug consumption and demand; drug production and trafficking; and drug related crimes, such as money laundering and illegal weapons trafficking. The study concludes with a chapter on the social impact of the drug problem in both countries.

This study is an essential point of departure to effectively wage a struggle against drug trafficking. It demonstrates the desire of both the United States and Mexican Governments, to cooperate against illegal drugs, in a context of respect for each other's sovereign rights and the laws of both countries.

