

Heroin Distribution in Three Cities

New York, Chicago, and
Los Angeles





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*New York, Chicago, and
Los Angeles*

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Executive Summary

Throughout the past decade a growing number of consumers initiated heroin use. This expanded consumer market, driven by the introduction of high purity, low cost South American heroin on the East Coast, has recently stabilized at high levels. The high purity heroin appeals to many younger and nontraditional users, including the working class, students, urban professionals, and young suburbanites, who can efficiently snort the drug instead of injecting it.

To capture the current heroin situation in the United States, the 2000 *Inter-agency Domestic Heroin Threat Assessment* examined heroin trends across the nation. The study reaffirmed that New York City, Chicago, and Los Angeles are the principal heroin distribution hubs in the United States. Heroin distributed and transshipped through these cities is smuggled from one or more source areas: South America, Mexico, Southeast Asia, and Southwest Asia.

In New York City, Southeast Asian heroin dominated the market until the early 1990s when high purity South American heroin was introduced. Currently, heroin from South America is the dominant type, though Southeast Asian and some Southwest Asian heroin are also available. Mexican heroin is rarely available in New York. Colombian drug organizations are the primary importers and wholesalers, and Hispanic criminal groups, particularly Dominicans, control much of the retail market. Although Dominican groups dominate at the retail level, individual dealers are also involved in retail sales. These individual dealers are usually independent and not part of any one structured group. Generally, there appear to be fewer middlemen in New York's heroin trade than in the past, and investigators report that in some cases, a seller is now only a step or two away from the importer. Most heroin in New York is sold in glassine or "dime" bags. Many heroin buyers in New York use pagers or cellular phones to contact dealers. As a result of law enforcement pressure, most heroin transactions now take place indoors. While heroin sales still occur on the street, such overt sales are less common than in the past. Users travel to New York City from the suburbs to purchase heroin. In addition, heroin from the city is transshipped to markets primarily east of the Mississippi River.

Mexican heroin was the dominant type in Chicago until the late 1980s when it was supplanted by Asian heroin. Currently, Southeast Asian and South American heroin are competing for market dominance in the city, although Mexican heroin and Southwest Asian heroin are still available. Colombian and Nigerian traffickers are the two principal heroin importation and wholesale groups, and African-American street gangs control most of the retail distribution, although Hispanic street gangs are involved as well. Most sales of heroin in Chicago take place outdoors and users from the suburbs often travel to these open-air drug markets to

purchase heroin. Heroin is usually packaged for sale in aluminum foil. Heroin from Chicago is also distributed in Midwest and Great Lakes cities and towns.

Mexican black tar and, to a lesser extent, brown powdered heroin are the dominant types sold in Los Angeles. Traffickers transship Southeast Asian, Southwest Asian and, on occasion, South American heroin through the Los Angeles area, but consumers use little, if any, of these heroin types. Mexican organizations are the primary importers, wholesalers, and retail heroin distributors in the city. Mexican illegal aliens are the main street retailers in Los Angeles, and they usually distribute heroin to a known clientele by vehicle. Most heroin at the street level is sold packaged in small balloons. Mexican black tar heroin from Los Angeles is usually distributed to markets west of the Mississippi River.

Extensive interviews with law enforcement officials reveal that New York, Chicago, and Los Angeles will continue to serve as major distribution and transshipment hubs for the nation. Factors that could affect these markets include the following:

- Growing involvement of Russian criminals in the New York heroin trade
- Attempts by Mexican organizations to break into the East Coast heroin trade
- Attempts by Mexican traffickers to produce high purity white powdered heroin
- Increased availability of South American heroin in Chicago
- Recent seizures of South American heroin in the Los Angeles area

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Scope

The project team was to assess current heroin distribution patterns in three major U.S. cities: New York, Chicago, and Los Angeles. These cities were targeted based on information developed for the Interagency Domestic Heroin Threat Assessment. Analysis conducted during the threat assessment indicated these cities are “hubs” for heroin distribution and supply not only for users in these cities, but also for users in the region and nation.

The primary question this assessment attempts to answer is, “What are the market dynamics and distribution patterns for heroin in New York, Chicago, and Los Angeles?” National Drug Intelligence Center analysts examined retail-level heroin distribution in detail to determine the driving factors and suppliers of the heroin trade. Because the Interagency Domestic Heroin Threat Assessment reported that heroin availability has spread from traditional inner-city markets to suburbs and smaller towns, heroin distribution patterns to secondary markets were also examined. Separate sections in this assessment provide a detailed description of the retail aspects of heroin distribution in New York, Chicago, and Los Angeles. The appendixes include a comparison of distribution operations in the three cities and supporting maps and documentation.

To better analyze the market dynamics and distribution patterns in these cities and to determine whether consumer patterns are shifting, the study team examined law enforcement data covering the past several years and demand indicators dating back to 1995.

Demand indicators used in this report include the National Institute of Justice 1999 Arrestee Drug Abuse Monitoring Program Report; the Substance Abuse and Mental Health Services Administration 1998 Treatment Episode Data Set, 1998 Drug Abuse Warning Network (DAWN) Annual Medical Examiner Data, and Year-End 1999 DAWN Emergency Department Data; the National Institute on Drug Abuse 1999 Community Epidemiology Work Group Reports and other NIDA reports; and state treatment data from California, Illinois, and New York. For supply-side issues, a wide range of federal, state, and local law enforcement information and open-source data augmented by personal interviews were used. The most current data available were used for each source.

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Heroin Distribution in Three Cities

New York, Chicago, and Los Angeles

Introduction

Heroin use in the United States increased dramatically throughout the 1990s. Traditionally depicted as a problem of the inner cities, heroin use and availability have spread to rural and suburban areas across the nation. With the introduction of high purity South American (SA) heroin at the retail level in the early 1990s, users were able to snort rather than inject to effectively administer the drug. The practicality of snorting heroin created a new user population that may not have considered using the drug intravenously due to the fear of AIDS and diseases such as hepatitis C that are spread by sharing contaminated needles. While the purity of heroin from all source countries increased at the retail level throughout the 1990s, prices fell. The combination of higher purity, lower price, and ready availability increased the number of new, younger heroin users while simultaneously supplying older consumers.

A large portion of the heroin available throughout the United States is either smuggled into or transshipped through New York, Chicago, and Los Angeles. New York City is the primary distribution hub for SA heroin. The city also serves as a hub for Southeast Asian (SEA) and Southwest Asian (SWA) heroin, although to a lesser extent. Chicago is a distribution hub for heroin produced in South America, Mexico, Southeast Asia, and Southwest Asia. Los Angeles is a primary distribution center for heroin produced in Mexico and a transshipment site for heroin originating in Southeast Asia, Southwest Asia and, on occasion, South America.

Source Regions and the Related Impact on the United States

Heroin is refined from the opium poppy, an annual plant with a 3- to 5-month life cycle. Only one crop per year is grown in regions with distinct seasons—hot and cold, wet and dry—but it can be cultivated year-round in areas with more balanced climates, such as Mexico and Colombia. Heroin is produced in four source regions: Southwest Asia, primarily Afghanistan; Southeast Asia, primarily Burma, Laos, and Thailand; South America, primarily Colombia; and Mexico. In 1999, Afghanistan surpassed Burma as the world's leading producer of heroin. Overall, the four source regions produced an estimated 406 metric tons of heroin in 1999. The *Global Heroin Threat to the United States* estimates that heroin addicts in the United States consume approximately 18 metric tons of heroin annually.

South America

South America, primarily Colombia, is a significant source of heroin smuggled to the United States. Nearly all the heroin produced in Colombia is destined for the United States, and U.S. Government estimates indicate that Colombia produced nearly 8 metric tons of heroin in 1999. In Colombia, opium poppies are usually grown in remote, largely inaccessible terrain on mountain slopes. Colombia's climate provides optimal conditions for opium poppy cultivation, allowing for two to three crops per year.

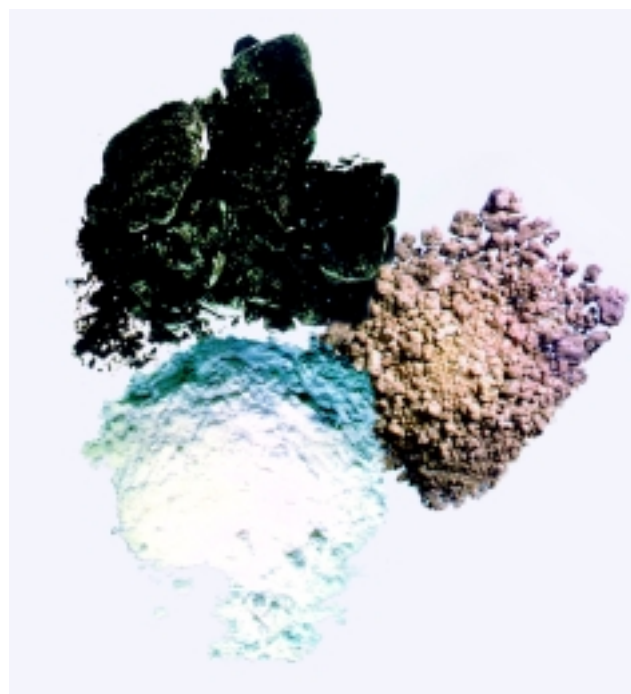
SA heroin was first identified in the United States in the early 1990s.¹ Currently, SA heroin smuggling remains under the control of Colombian traffickers, and Dominican groups serve as the primary retail distributors in the United States. The Dominican groups base their operations in New York City, and they have well-established distribution networks in other areas in the eastern United States including Maine, Massachusetts, New Hampshire, Pennsylvania, Vermont, and Virginia.

SA heroin is smuggled into the United States primarily via commercial airlines through international airports, principally in Miami and New York (John F. Kennedy), but substantial amounts also transit airports in Newark and San Juan. Couriers carrying heroin—either internally or strapped to the body—and luggage concealment are the principal smuggling methods employed. Quantities smuggled usually range between 1 and 3 kilograms per trip. Recent investigations show that SA heroin is smuggled into the United States with increased frequency via Southwest Border smuggling routes.

SA heroin is most available throughout the eastern half of the United States, principally in the Northeast where it retains the largest market share. It is also available in the Midwest, primarily in Chicago and Detroit.

Mexico

Mexico is also a significant source of heroin to consumers in the United States. Although only about 2 percent of the world's illicit opium is grown in Mexico, nearly all of it is processed into heroin and shipped to the United States. Although 1999 estimates place Mexican heroin production at slightly over 4 metric tons, production has averaged 4 to 6 metric tons over the past several years. Mexico's poppy growing area of 18 million hectares is seemingly underused considering the amount cultivated. The low cultivation density probably is due to the use of smaller, widely dispersed plots to impede detection; an average poppy field is one-tenth of a hectare. Growers in



NDIC

Figure 1. Clockwise from top: Black tar heroin, brown powdered heroin, and white powdered heroin.

Mexico produce three crops per year: one in the spring, summer, and fall.

Most of the heroin processed in Mexico is either black tar or brown powder, though black tar is the most common. Black tar heroin derives its name from its resemblance to roofing tar or coal. It has this unique consistency because Mexican processors skip chemical treatment and filtering steps. Periodic reports surface of Mexican traffickers attempting to produce more refined white heroin in Mexico with the help of Colombian chemists, though the extent of this activity appears to be limited.

Mexican heroin in the western United States is trafficked by Mexican polydrug organizations operating on both sides of the U.S.–Mexico border. These organizations take advantage of the expansive Southwest Border to smuggle the heroin into the United States. Common smuggling methods include using vehicles with hidden compartments, commercial trucks, and couriers—such as undocumented migrants and children. The quantities smuggled are usually small,

1. South American heroin is frequently referred to as Colombian heroin.

1 to 2 kilograms. In the last several years, however, traffickers have smuggled multikilogram quantities of heroin across the border on several occasions.

Mexican heroin is most commonly available west of the Mississippi River, with limited availability elsewhere in the United States.

Southeast Asia

Heroin from Southeast Asia is produced primarily in Burma, Laos, and Thailand in a common border area known as the Golden Triangle. In 1999, Burma produced most of the area's estimated 104 metric tons of heroin. Opium poppy growing areas are located in remote and rugged terrain where the most significant factor affecting cultivation is the weather. Most of the heroin produced in Southeast Asia is destined for non-U.S. markets, primarily China and Southeast Asia. In the United States, SEA heroin has lost considerable market share to SA heroin since the early to mid-1990s. Currently, the largest market in the United States for SEA heroin is the Midwest, specifically Chicago, which is a primary distribution hub for SEA heroin in the United States.

SEA heroin is smuggled into the United States in a variety of ways including by couriers on commercial airlines, mail parcels, and containerized cargo. A large amount of the SEA heroin destined for the United States is first smuggled into western Canada before being transshipped to major U.S. East Coast cities.

Ethnic Chinese and Nigerian criminals are two of the larger trafficking groups importing SEA heroin into the United States. Ethnic Chinese criminals use their extensive connections overseas and to Asian gangs in the United States and Canada to facilitate heroin movement. Nigerian traffickers, one of the principal groups involved in importation and wholesale distribution of SEA heroin in the United States, are most active in cities with long-standing Nigerian populations such as Chicago, Atlanta, Dallas, Houston, New York, and the Baltimore–Washington area.

Southwest Asia

SWA heroin is produced mainly in Afghanistan and Pakistan; this region currently produces more heroin annually than any other source—an estimated 290 metric tons in 1999. Most SWA heroin is produced in Afghanistan, which surpassed Burma in 1999 to become the world's leading heroin producer. Political and economic conditions in Southwest Asia have served to change the relative importance of these two regions.

Throughout much of the 1980s, Southwest Asia was the major source of supply for the U.S. heroin markets in the Northeast and the South. Despite the high production estimates in 1999, SWA heroin holds only a small share of the U.S. market. Most of the heroin produced in Southwest Asia is destined for the European market, expanding markets in Russia and other former Soviet Union states, and a significant and growing addict population from Iran to India.

SWA heroin is smuggled into the United States in mail parcels, by couriers on commercial aircraft, and in containerized cargo. Turkish, Middle Eastern, South Asian, and Nigerian trafficking groups primarily control SWA heroin importation and distribution in the United States.

SWA heroin is available at the street level in Chicago, Atlanta, and Detroit and fills smaller niche markets in other areas with large Southwest Asian and Middle Eastern immigrant populations.

Heroin Use

Users ingest heroin in several ways. While most new and younger users often begin by snorting and, to a lesser extent, smoking the drug, injection remains the primary method of administration among heroin addicts. National Institute on Drug Abuse researchers confirm that all three methods of heroin administration are addictive.

The ready availability of relatively low priced, high purity heroin enables users to snort or smoke the drug, eliminating the risk and stigma associated with injection. Many new users mistakenly believe snorting or smoking heroin will not lead to addiction. Unfortunately, as addiction develops and tolerance levels increase those same users often switch to the more “efficient” method of administration—*injection*.



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Figure 2. Paraphernalia used to inject heroin.

The method of administration usually depends on the type of heroin used. East of the Mississippi, where high purity SA heroin dominates the market, snorting has become commonplace. West of the Mississippi, where the market is dominated by Mexican black tar and, to a lesser extent, brown powdered heroin, injection remains the primary method of administration. Injected heroin is dissolved and diluted prior to administration. Some polydrug users who primarily use stimulants such as cocaine (usually crack) or methamphetamine take heroin to mediate the negative effects associated with stimulant use. Taking heroin in combination with cocaine or methamphetamine is referred to as “speedballing.”

Heroin users may experience intense euphoria, drowsiness, respiratory depression, constricted pupils, and nausea. The euphoria, sometimes called a “rush,” is brief and is often followed by a relaxed, contented state that can last for a couple of hours. Intravenous injection of heroin provides the greatest intensity and most rapid onset of euphoria—the rush occurs within 7 to 8 seconds. Peak effects produced by snorting or smoking heroin are usually felt within 10 to 15 minutes of administration and are not as intense as when the heroin is injected. Once users develop a physical dependence and heroin tolerance, relief at simply taking the drug to maintain a feeling of “normalcy” replaces positive pleasure. Withdrawal, which may occur as early as a few hours after the last administration in regular users, produces symptoms such as restlessness, muscle and bone pain, insomnia, diarrhea, vomiting, and cold flashes. Consequences of heroin use include skin lesions, needle-borne illnesses and, in extreme cases, death.

New York

Overview

New York City comprises the five boroughs of the Bronx (Bronx County), Brooklyn (Kings County), Manhattan (New York County), Queens (Queens County), and Staten Island (Richmond County) and is home to almost half of the state's residents. It is one of the major areas for heroin trafficking, distribution, and use in the nation. Tens of thousands of heroin addicts reside in the city, and many suburban users travel to the city on a regular basis to sustain their heroin habits.

A variety of criminal organizations are involved in trafficking heroin in and through New York City. Currently, most heroin importation and wholesale distribution are controlled by Colombian criminals. Law enforcement authorities report that heroin is also trafficked by Afghan, Chinese, Indian, Israeli, Italian, Lebanese, Nepalese, Nigerian, Pakistani, Russian, and Turkish criminal groups in the area. Hispanic drug trafficking groups, particularly Dominicans, dominate retail distribution. Dominican groups are continuing to expand their influence in the heroin market at the wholesale level. Prominent groups retailing heroin in New York City include Dominicans, African Americans, Jamaicans, and Puerto Ricans. Heroin is transshipped through New York City to other East Coast locations and to areas as far away as the Midwest.

Heroin can be purchased in all five boroughs in New York. Street dealers are often users who work independently and are not affiliated with any one particular organization. The standard retail heroin sale in New York City is a bundle, which sells for \$100 and consists of 10 dime bags that

individually sell for \$10. Some street dealers carry smaller amounts (five bags) of the drug to limit the loss in case of theft or seizure, according to the New York City Police Department (NYPD). Users often contact heroin dealers through communication devices such as pagers and cellular telephones, and while some transactions occur on the street, most purchases take place indoors.

Heroin Abuse

Several health indicators point to changing heroin abuse trends in New York City. Drug Abuse Warning Network (DAWN) heroin/morphine-related deaths² declined 40 percent between 1995 and 1998. The number of emergency department mentions³ fell 13 percent from 10,728 in 1995 to 9,331 in 1999, with the largest decrease of 15 percent occurring from 1996 to 1997. Such visits have been fairly stable since that time. From 1995 through 1998, Treatment Episode Data Set (TEDS) treatment admissions increased slightly. Snorting has replaced injection, the traditional method of administration, as the method of choice, and the percentage of treatment admissions for snorting continues to increase.

According to the TEDS, most heroin admissions in New York City are over 30 years old, and almost 60 percent report snorting as the primary method of administration. (See Tables 1–4, page 7.) The TEDS⁴ shows about equal numbers of admissions for African Americans and Caucasians, but when normalized by population, a higher percentage of admissions are African American.⁵ However, in 1998, the New York State Office of Alcoholism and Substance Abuse Services (OASAS) client data system reported that 42 percent of those entering treatment for heroin use in New York

2. DAWN medical examiner data include New York City, Long Island, and Putnam County.

3. DAWN emergency department data include New York City and Westchester County.

4. Hispanic admissions not provided.

5. "Normalized by population" refers to the ratio of users per 100,000 population.

City were Hispanic, 29 percent were African American, and 27 percent were Caucasian.

The TEDS shows that admissions 20 and under and 51 and older increased about 30 percent between 1995 and 1998. However, New York State OASAS data show that admissions 25 and younger represent a declining proportion of admissions to New York City treatment programs when heroin is the primary drug of abuse.

Importation and Wholesale Distribution

Heroin from several source regions is available in New York City, and members of particular ethnic criminal organizations usually control the importation from each source area. SA heroin is now the primary type available in the city and importation and high-level wholesale distribution are generally controlled by Colombian drug trafficking organizations. SEA heroin trafficking is dominated by ethnic Chinese organizations. Southwest Asian organizations, such as Pakistani organizations, import and distribute the relatively small amounts of SWA heroin available in New York. Mexican heroin is rarely encountered in the city. Many investigators believe most of the heroin in New York City, particularly the SA heroin, is imported by small, independent operations rather than by large, structured organizations.

Colombian traffickers who control most of the SA heroin smuggled into New York City most often employ couriers who ingest or otherwise transport heroin to New York area airports, although they sometimes transport heroin secreted in air cargo. The New York Field Division of the Drug Enforcement Administration (DEA) reports that most couriers carry an average of 1 to 3 kilograms of heroin. DEA also notes that most of the heroin is in pellet form.

Law enforcement sources report that Colombian traffickers are increasingly relying on Dominicans or occasionally Mexican criminals to effect the drug's transit. Often the heroin is transshipped through Florida or Caribbean routes via the Dominican Republic, Puerto Rico, or Florida. Colombian traffickers also use Argentine couriers traveling from Buenos Aires to John F.



Photo Courtesy of U.S. Customs Service

Figure 3. Heroin pellets seized from swallowers.

Kennedy International Airport to import significant amounts of heroin. SA heroin is being transported to New York with greater frequency by Mexican criminal organizations using traditional smuggling routes across the U.S. Southwest Border. Mexican traffickers transporting SA heroin usually ship it separately; however, the heroin is occasionally transported in mixed shipments with cocaine or other drugs. Mexican organizations that transport heroin for Colombian traffickers are sometimes paid in drugs, although Mexican traffickers are not selling the drugs in New York City. There have been instances where Dominican traffickers hire Mexican criminals to transport Colombian heroin to the U.S. side of the Southwest Border, whereupon the Dominican traffickers transport the heroin to the New York area. According to the NYPD, on some isolated occasions, these trafficking groups have also met at rest stops outside New York to facilitate the heroin transfer.

After the SA heroin is transported to the New York area, local distributors purchase it from importers or wholesalers. While Colombian organizations are the principal importers and upper-level wholesalers of SA heroin, they usually insulate themselves from lower-level distribution activities. In the New York area, Colombian traffickers frequently stash heroin in Jackson Heights (Queens), on Long Island, in Westchester County, and in New Jersey and sell it to Dominican criminal groups involved in distributing heroin. The Dominican groups, in turn, retail the heroin on

Table 1. New York City – Heroin-Related Abuse Data

	1995		1996		1997		1998		1999	
	Number	Normalized	Number	Normalized	Number	Normalized	Number	Normalized	Number	Normalized
DAWN ED ^a	10,728	133	11,167	136	9,491	115	9,244	110	9,331	110
DAWN ME ^b	751		560		519		448			
TEDS	21,003	286	20,919	284	22,798	309	22,590	305		
Treatment Admits ^c	n/a	n/a	19,107	260	20,879	283	20,763	280	20,416	275

a. Heroin/morphine emergency department (ED) mentions for New York City—normalized rate per 100,000 population.

b. Heroin/morphine-related deaths. Normalized numbers were too small to be meaningful.

c. Based on New York State heroin treatment admissions—normalized rate per 100,000 population.

Note: Some cells intentionally left blank due to unavailability of data.

Table 2: TEDS New York City Heroin Admissions – Primary Methods of Administration

		1995	1996	1997	1998
Oral	Admissions	228	213	239	212
	% of Total	1	1	1	1
Smoking	Admissions	266	235	326	256
	% of Total	1	1	1	1
Inhalation (snorting)	Admissions	10,984	11,331	12,700	13,127
	% of Total	52	54	56	58
Injection	Admissions	9,431	9,085	9,457	8,898
	% of Total	45	43	41	39
Other/Unknown	Admissions	94	55	76	97
	% of Total	1	1	1	1
Total		21,003	20,919	22,798	22,590

Table 3: TEDS New York City Heroin Admissions – Ethnicity

	1995	1996	1997	1998	Normalized 1998 rate
White	5,666	5,898	6,707	6,558	152
Black	6,340	6,410	6,748	6,538	278
Hispanic					
Other	8,997	8,611	9,343	9,494	

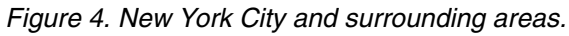
Note: Hispanic admissions not provided.

Hispanic and Other could not be normalized per 100,000 population due to the manner in which census data were tabulated.

Table 4: TEDS New York City Heroin Admissions – Age at Admission

	20 & Under	21–30	31–40	41–50	51 & Over
1995	307	4,845	9,820	5,139	892
	5,152		15,851		
1996	383	4,495	9,512	5,594	935
	4,878		16,041		
1997	445	4,588	10,307	6,311	1,147
	5,033		17,765		
1998	463	4,379	9,886	6,584	1,278
	4,842		17,748		

Note: Tables 2, 3, and 4 intentionally do not include 1999 information. TEDS 1998 data were the most recent, complete data for New York City.



the street or sell to Puerto Rican, African-American, or other retail groups.

Several organizations are involved in SEA heroin importation, the second most commonly encountered type after SA heroin. The primary importers are ethnic Chinese criminal organizations and, increasingly, criminal members of a minority Chinese group, the Fukinese. Chinese heroin trafficking organizations are usually loosely controlled ad hoc groups without a defined hierarchy. Asian criminals often ship the heroin to New York City via Canada through Vancouver (the primary Canadian transshipment location), Toronto, or Montreal. From Vancouver, traffickers often have couriers carry heroin in luggage to Washington State. Couriers then transport the heroin via train to New York City. Other SEA heroin transshipment locations commonly used include Buffalo, Dallas, Detroit, Los Angeles, San Francisco, and Seattle. Asian trafficking organizations may also use smaller cities to import heroin destined for New York. Nigerian traffickers working out of Thailand transport heroin to New York, usually by courier; however, Nigerian traffickers also rely on express mail services. Nigerian criminals reportedly are less visible in New York than in the past. Most of the heroin imported into New York City by Nigerians is soon transshipped to other areas of the country such as Chicago.

Once the SEA heroin is shipped to the New York area, it may be stashed if a buyer cannot be found. Asian traffickers sometimes maintain multiple stash sites, usually apartments, in the New York area, and they may keep some heroin at each location. Asian traffickers sell heroin to a variety of distribution groups such as other Asians, Hispanics (frequently Dominicans and Puerto Ricans), and members of traditional organized crime.

SWA heroin is available in New York City, but it is not encountered as frequently as SA or SEA heroin. Southwest Asian criminal

organizations, particularly Pakistani organizations, import and distribute heroin using various concealment methods, including cargo shipments and couriers either body carrying the heroin or transporting it in items with secret compartments. Nigerian and Lebanese criminals are also known to traffic SWA heroin in New York City. Recent seizures at John F. Kennedy International Airport indicate that Nigerian traffickers are transporting SWA heroin from Pakistan to Southeast Asia, primarily Bangkok, for delivery to the United States. Dominican and Puerto Rican groups are involved in wholesale and retail distribution of SWA heroin.

After being smuggled into New York, SWA heroin and, to a lesser extent, SEA heroin are often stored by traffickers until a buyer can be found. This differs from SA heroin trafficking. SA heroin traffickers customarily have prearranged buyers waiting for the heroin.

Retail Distribution and Sales

Heroin sources of supply become blurred at the retail level in New York City. Virtually all the heroin sold on the street is white.⁶ Most originates in South America, but law enforcement agencies report several instances where SA and SEA heroin are mixed in heroin samples. The only scientific method to determine the source of heroin is through signature analysis conducted under the auspices of DEA's Heroin Signature Program and Domestic Monitor Program (DMP).⁷ Other techniques for source determination include investigative information such as wiretap information, confidential source information, undercover information, and documentary information such as that obtained during seizures or search warrants.

Retail distribution and street sales of heroin in New York City are carried out by a variety of groups and individuals; however, Dominican criminals dominate this level of the trade. Dominican groups most frequently acquire heroin from

6. "White" heroin ranges in color from almost pure white, to off-white, to tan.

7. The Heroin Signature Program tests heroin samples obtained from seizures and purchases submitted to the DEA Special Testing and Research Laboratory for scientific analysis. The Domestic Monitor Program is a heroin purchase program designed to identify the purity, price, and source of origin of retail-level heroin available in drug markets in 23 major metropolitan areas of the United States.

Colombian sources, though they are known to use other suppliers as well. Increasingly, Dominican traffickers themselves are smuggling heroin from source countries or intermediate transit areas such as the Dominican Republic or Puerto Rico.

Generally, there appear to be fewer middle-men in New York's heroin business than in the past. Investigators say that in some cases a seller is now only a step or two away from the importer. Typically, a distribution group purchases heroin from an importer or wholesale organization and packages the drug for sale on the street. The retail group frequently distributes more than one drug, for example, heroin and cocaine. In most cases, however, the individual street dealer offers only one drug for sale. At higher levels of an organization, groups are more likely to distribute multiple drugs.

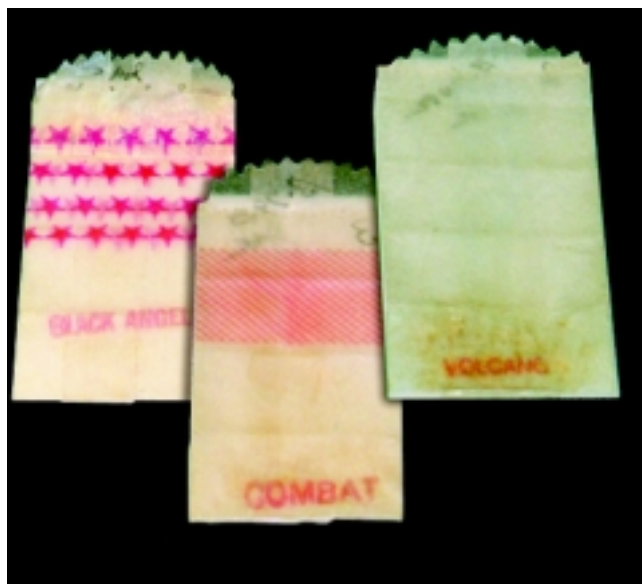


Figure 5. Glassine bags with brand names.

Heroin traditionally has been “cut” or diluted by retail groups prior to distribution at the street level. Most law enforcement authorities agree that heroin “cutting mills” used in the past are not common today, though some investigators dispute this assertion. Heroin sold at the street level is often very pure, indicating limited use of cutting agents by organizations or individuals. Many law enforcement agencies believe that the heroin is cut only slightly and that the cutting mills of today are largely “bagging” operations. Not all

Heroin Ring Indictment

In March 1999, two brothers who headed a million-dollar cocaine and heroin distribution operation that included eight other members were indicted in New York City. The drug group used a supermarket and restaurant in Upper Manhattan as its base of operations and relied on public telephones, cellular phones, and pagers to communicate. Narcotics and drug proceeds were secreted in highly sophisticated electronic and hydraulic traps built into the floors or closets of ring members' homes and stash apartments controlled by the group. At one location, the group installed thick metal rods into the windows and across the front door to prevent access. Officers seized a handgun, vehicles, almost 70 pounds of cocaine, nearly 2 1/2 pounds of heroin, and over half a million dollars.

Source: Office of the Special Narcotics Prosecutor for the City of New York.

cutting mills are out of business as evidenced by the discovery, as a result of a recent fire in the city, of a cutting mill in an apartment. On the walls of the apartment charts displayed several brand names of heroin along with different formulas for cutting each brand.

Retail groups and street dealers generally limit the amount of heroin in their possession. For example, heroin sold in Manhattan is frequently stashed in the outer boroughs or suburbs and transported to the city each day for sale. Some street dealers may carry only a few—five to six—bags of heroin (each generally containing 50 milligrams of powder), storing the remaining supply in a nearby location, such as an apartment, as a precaution against seizure or theft. Dominican groups sometimes use women to transport the drugs from one location to another because the groups believe women are less likely to attract police attention.

There are a variety of arrangements between street dealers and retail distribution groups. While some street dealers are members of a group, they most frequently are “independents” who operate on their own and are not bound to one particular group. Groups who supply these dealers with heroin generally consider them expendable. The street dealers acquire the heroin they sell from

several sources, though they generally rely most heavily on a select few. Many times the street dealers have little knowledge of the source of the heroin. Although in some locations dealers do not use drugs, anecdotal reporting indicates most dealers in New York are heroin users. For example, police report that in East Harlem, most of the dealers are older Hispanic and African-American addicts. When a user/dealer purchases a quantity of heroin, some may be for personal use, and some may be sold to support the dealer's habit. Sometimes smaller street gangs, particularly in Washington Heights and East Harlem, employ addicts to sell heroin under the direction of a street manager.

Heroin sales occur in many areas of the city, although certain areas such as Washington Heights, the Bronx, the Lower East Side, and areas in and around the Port Authority are particularly well known. In Washington Heights, individuals driving cars with out-of-state tags, particularly from New Jersey and Connecticut, have been observed buying heroin. Authorities report that many users travel to the Bronx and the Lower East Side, locations known for sales of high quality heroin. White-collar professionals commuting to the city often purchase heroin in the Port Authority area. (For details, see Appendix D, Figures 14 and 15.)

Heroin is sold on the street most commonly packaged in a glassine envelope or bag known as a "dime bag"—a term derived from the fact that most bags cost \$10. Heroin sales traditionally occur in the early morning hours so functional addicts can purchase heroin and go to work, but nighttime sales are increasing. Users who are working professionals usually buy enough heroin to sustain themselves for several days. The use of brand names or markings is common; some dealers change brand names daily. Heroin is available at "rave" dance parties on occasion but usually lacks brand markings when sold at these locations.

Heroin at Raves

Heroin is increasingly being used in dance clubs and at rave parties in resort areas and in larger cities on the East Coast. The heroin may be taken—either simultaneously or during the course of a rave—with alcohol, cocaine, marijuana, and synthetic designer drugs, particularly MDMA (ecstasy). Raves provide heroin traffickers with a new "market," where the customers are young, naive, and willing to experiment with various drugs regardless of the consequences. Heroin is a viable choice for users who want to come down from the high of MDMA.

Retail groups and dealers use numerous techniques to effect heroin sales in New York City. Commonly, communication devices such as pagers or cellular phones are used to facilitate sales transactions. For example, a buyer enters a code in a pager or phone and is contacted by the dealer. The dealer tells the buyer where to meet, and at that point, the buyer is either supplied with heroin or given further instructions for the sale to proceed. In groups that are somewhat structured, the exchange is sometimes compartmentalized: one person provides the heroin to the buyer, and another person collects the money from the buyer. This tactic limits the risks associated with the sale. Street dealers also frequently use business establishments such as restaurants to sell heroin. A buyer contacts the dealer at a restaurant, whereupon the dealer leaves the establishment and returns with the merchandise. Street dealers frequently operate out of apartments to limit the amount of heroin they carry on the street. Although authorities cannot provide detailed information regarding the extent of heroin delivery services, this type of sales approach also is used. For example, in one investigation, police investigated a dealer who sold both cocaine and heroin in equal amounts. Buyers called and determined a meeting location where the drugs were then delivered. Over a 1 1/2-hour period, police monitored 21 such calls. Investigators state that heroin is still available from dealers working out of vehicles and on the street, but as a rule, sales usually are not as blatant as in the past. Increased police enforcement has driven most of the heroin trade indoors.



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Figure 6. Examples of communication devices used by heroin dealers.

Many retail drug groups employ numerous measures to thwart law enforcement authorities. Groups often use the most recent technology available for pagers, cellular phones, two-way radios, prepaid phone cards, surveillance cameras, and computers. These and other such measures make it difficult for police to monitor a group's communications and activities. Group members also rent apartments in names other than their own and use numerous locations to conduct drug activities.

Distributors from the New York area also ship heroin to other locations. Users who live close to New York often travel to the city to purchase heroin for resale in their hometowns. Hispanic, ethnic Chinese, and African-American criminal groups often transport heroin from New York to locations in the East such as Atlanta, Baltimore, Philadelphia, Pittsburgh, Richmond, and to cities in the Midwest such as Chicago, Detroit, and Gary, Indiana. (See Appendix D, Figure 18, for additional specific locations.) Many of these cities have become secondary hubs for heroin transshipment to surrounding areas.

Economics

Heroin price and purity at the wholesale and retail levels in New York City vary substantially by source area, trafficking group, quantity sold, and sometimes the association between the buyer and seller.

Law enforcement sources state that SA heroin prices range from \$70,000 to \$120,000 per kilogram. Prices for SA heroin sold by Colombian traffickers to other Colombian traffickers commonly range from \$62,000 to \$70,000 per kilogram, and the heroin is usually at least 90 percent pure. Kilogram prices when Colombian traffickers sell to Dominican groups usually are in the \$70,000 range; purity is about 90 percent. DEA notes that most SA heroin sells for \$70,000 to \$90,000 per kilogram. DEA also states that the price of SEA heroin ranges from \$70,000 to \$100,000 per unit (700 grams) and the purity of SEA heroin ranges from 85 to 90 percent. The FBI states that a unit of SEA heroin now sells for \$55,000 to \$62,000 and that the price is not based on the ethnicity of the buyer. The purity of the SEA heroin units

Heroin Dealers Use Sophisticated Electronic Equipment

Five members of a heroin and crack cocaine group in Upper Manhattan were indicted in New York City in 1999. More than 1 1/2 kilograms of heroin, 150 grams of crack, handguns, drug paraphernalia, sophisticated surveillance equipment, and cash were recovered. The drug group used five apartments in a building to stash and package heroin and crack. Police found a video display monitor that led to nine pinhole cameras hidden in the walls of the hallways and in front of the building. Camera wires led the police to all of the group's apartments. One apartment was used to package heroin in hollowed-out heels of shoes and empty cigars for delivery to other parts of the country. The dealers removed the tobacco from the cigars, replaced it with heroin-filled cylinders, and pressed tobacco on each end of the cigars to conceal the cylinders. Some of the heroin recovered had already been pressed into cigar-sized cylinders.

Source: Office of the Special Narcotics Prosecutor for the City of New York.

recently seized by the FBI was between 87 and 93 percent. DEA states that SWA heroin in New York City sells for \$85,000 to \$190,000 per kilogram, and in 1998, the only two SWA retail samples purchased averaged approximately 75 percent pure. In 1999, there were no SWA heroin samples purchased; in 2000, three samples purchased had purities of 25, 64, and 61 percent.

The NYPD notes that retail heroin prices are down and purity is relatively high. Heroin previously sold for about \$90 per gram but now sells for \$65 to \$70 per gram or less. Anecdotal information from the NYPD indicates that purity for a bag of heroin commonly ranges from 50 to 80 percent but can be as low as 30 percent. Information as of June 2000 indicates that bundles (10 bags) purchased by Dominican buyers from Dominican sellers in larger quantities (about 150 bundles) sold for as little as \$40 each, or \$55 each in Central Park. DEA reports that an ounce of heroin usually sells for \$2,500 to \$5,000, a gram for \$70 to \$95, a bundle for \$80 to \$90, and a bag for \$10. The DMP reports that the average heroin purity at the street level in 1999 was about 62 percent.

Heroin prices in some sections of New York City are often cheaper than in other sections of the city or surrounding areas. A gram of heroin is substantially more expensive on the Upper East Side. Some addicts, who become heroin dealers to sustain their habit, buy a bundle of heroin and then sell individual bags for \$20 each (twice their normal price) in areas such as Wall Street or Port Authority. The buyers in areas such as Wall Street are often middle-class users who believe they would be conspicuous purchasing heroin in other areas of the city. They are also concerned about being robbed or assaulted, especially because the reduction in open-air street drug sales usually entails the additional risk of entering a building in traditional heroin retail areas. Dealers and users Upstate travel to New York City to purchase heroin, then return Upstate to sell it at a profit. Distributors from other cities also take advantage of the low heroin prices in New York City. For example, police report that a dealer from Detroit

purchased 5 kilograms of heroin in New York City for \$79,000 per kilogram and subsequently sold the heroin for \$120 per gram in the Detroit area—a profit of over \$200,000.

Proceeds from heroin sales are laundered by many methods. Some of the most common techniques include the use of wire transfers, cash carries, businesses such as travel agencies, concealed cargo, and investments. As an example of a concealed cargo technique, investigators report that one trafficker attempted to send \$1 million in cash to the Dominican Republic in a Jeep that was being shipped. Couriers from Florida driving cars with hidden compartments are sometimes used to transport drugs to New York, and the same vehicles are used to carry cash back to the South. Some unscrupulous travel agencies in New York launder drug proceeds and charge 5 percent for the transaction. Other traffickers use heroin proceeds to invest in real assets in the United States and abroad. For example, Dominican traffickers often invest profits from heroin sales in businesses and real estate in the Dominican Republic. DEA reports that individuals occasionally ingest cash wrapped in balloons for transport to other countries.

Changes in the New York Heroin Trade

There have been a number of changes in the heroin trade in New York City over the past 5 to 10 years. Several of the changes have occurred in the user population. Lower priced, higher purity heroin at the street level has enabled users to snort it, thereby attracting users who would not inject heroin. In the past, users were predominantly older addicts from lower socioeconomic backgrounds. Now, new users appear to be younger, more affluent, and employed, although the older addict population still accounts for the greatest number of users.

Heroin trafficking in the city has also changed. With the introduction of SA heroin, Colombian groups have become the dominant traffickers. Most investigators report that there are now fewer middlemen involved in heroin trafficking and that sometimes a street dealer is only a level or two removed from sources in

Colombia. This trend may be a result, at least in part, of the large number of Colombian heroin traffickers working independent of large Colombian drug organizations and of the growing involvement of Dominican groups—who have close ties to Colombian traffickers—in the heroin trade, particularly as wholesalers and, increasingly, as importers. Higher purity heroin at the street level also indicates it is being cut less, changing the heroin “cutting mill” concept. Both retail groups and street dealers carry smaller amounts of heroin for sale than in the past to protect against theft and seizure, as well as to lessen the criminal penalties they might face if arrested.

Many heroin retailers are now “independent”—not part of a larger, structured organization—

and appear to cooperate with one another, resulting in less violence than in years past. Distributors and dealers are also more security conscious and use the latest technological devices to evade police. And perhaps the most striking change in recent years is that police pressure has virtually eliminated the concept of large open-air drug supermarkets, driving much of the heroin business indoors.

Chicago

Overview

Chicago, the country's third largest city, is home to a large heroin addict population and is the destination of a growing number of suburban users who travel to the city to purchase heroin. Heroin is widely available throughout the city, and most heroin sales take place in open-air markets. Chicago serves as a key distribution point for Southeast Asian, Southwest Asian, South American, and Mexican heroin. In addition to serving a large addict population in Chicago and its surrounding suburbs, heroin from Chicago is distributed to numerous Midwest cities including Indianapolis, South Bend, and Fort Wayne, Indiana; Decatur, Springfield, and Rockford, Illinois; and Milwaukee and Madison, Wisconsin. Heroin from Chicago also has been reported in Iowa, Ohio, Michigan, Minnesota, Missouri, and Tennessee. Most of the heroin within the Chicago area is SEA heroin smuggled by Nigerian traffickers and, increasingly, SA heroin smuggled by Colombian criminal organizations. Mexican, Asian, Palestinian, Serbian, and Albanian criminal groups are also involved at the importation and wholesale levels of the heroin trade. African-American and Hispanic street gangs largely control retail distribution.

Heroin Abuse

Abuse indicators continue to show rising levels of heroin abuse in the Cook County area, which comprises Chicago and the surrounding suburbs. Heroin emergency department mentions doubled over the last 5 years from 4,725 in 1995 to 9,725 in 1999. Medical examiner data show an increase in heroin-related deaths, from 300 in 1995 to 404 in 1998. According to treatment data, the majority of heroin admissions are African Americans over the age of 25 whose primary method of administration is inhalation (snorting). (See Tables 5–8, page 17.)

While treatment data suggest the majority of those involved in heroin are older African Americans, other evidence suggests an increase in use by younger, suburban whites. Users from the affluent suburbs most likely go to private treatment clinics, whose numbers are not usually published. Since the early 1990s, the Chicago Police Department has seen a steady increase in the number of young, white suburbanites coming into the city to purchase heroin. While many of the younger users begin by snorting heroin, authorities believe they often switch to injection. Users tend to switch methods of administration partly because over time, snorting heroin requires a larger dose to achieve the desired results than does injecting.

Importation and Wholesale Distribution

All four types of heroin—Southeast Asian, Southwest Asian, South American, and Mexican—are available in the Chicago area. Historically, most of the white heroin smuggled into the area was SEA heroin. In recent years, however, SA heroin made significant inroads into the market. (See Appendix D, Figure 16.) Mexican heroin is less available than SEA and SA heroin, and SWA heroin is less frequently encountered. Up until the late 1980s, most of the heroin in Chicago was Mexican heroin trafficked by the notorious Herrera organization from Durango, Mexico. However, SEA and SWA heroin supplanted Mexican heroin following DEA's Operation Durango in 1985, which targeted the Herrera family. The success of Operation Durango created a heroin scarcity and opened the market to Nigerian criminals who were able to secure supplies of SEA and SWA heroin in Thailand and Pakistan. Asian heroin dominated the market until the early 1990s when SA heroin was introduced.

Organizations trafficking in heroin are largely the same organizations that have been responsible for smuggling heroin into Chicago for the last decade, although methods of operation and some practices by these organizations have become more sophisticated. Numerous small, independent organizations in the area typically use three to four couriers per month, on average, to transport 500 grams each.



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Figure 7. Traffickers often use couriers on commercial airlines to smuggle heroin to the United States.

Importation and wholesale distribution of SEA heroin are largely controlled by Nigerian traffickers who protect themselves by relying heavily on the use of multiple identities and aliases and by communicating in tribal languages. Nigerian traffickers extensively use commercial express mail services and the mail system to transport heroin. Nigerian traffickers also use private mail delivery and receiving companies to ship heroin into and out of the Chicago area.

In addition to express mail services, Nigerian groups use “mules,” or drug couriers, to transport heroin. These mules ingest the heroin or conceal it on their bodies and then travel via commercial air carriers. Nigerian criminals traditionally have preferred to use female Caucasians with U.S. citizenship, usually seeking easy money, as couriers. However, recent evidence suggests Nigerian traffickers have returned to using West African couriers, who will transport heroin for roughly one-third the amount of payment typically demanded by

Caucasians. Couriers are directed to take circuitous routes through several international locations, sometimes stopping at international airports in cities such as Bangkok, Amsterdam, London, New York, Los Angeles, and Seattle before traveling to Chicago. From New York, couriers travel by rail, by vehicle, or by air to the Chicago area. The couriers employ numerous concealment methods including body carrying—either internally or on their person—or secreting the heroin in false-sided luggage or in items such as book covers and hollowed-out shoes. Once in Chicago, the couriers are typically directed to an apartment or business front that is usually rented under a false identity. These locations are used exclusively for dropping off smuggled heroin as well as other illicit drugs. Once the heroin is smuggled into Chicago, Nigerian criminals will sell it to anyone who is willing to purchase it.

Nigerian traffickers have strong links to Thai traffickers. For example, a recent 33-kilogram seizure of SEA heroin in Thailand was linked to a Nigerian criminal organization that reportedly intended to smuggle the heroin into Chicago. This was the first of two anticipated shipments of heroin with a total weight of approximately 60 kilograms.

Smugglers Use Infants

A suburban Chicago man pleaded guilty in April 2000 to recruiting at least six young mothers to courier heroin and cocaine from Panama and Jamaica to Chicago. The drugs were concealed in cans of baby formula or ingested in capsule form by the women. The women were instructed to travel along with their infant children to minimize law enforcement scrutiny as they traveled. In at least one case, the infant was not the courier's infant but was rented from an unnamed individual.

While most of the SEA heroin in Chicago is smuggled by Nigerian criminals, the remainder is controlled by Asian criminal organizations.

Table 5. Chicago – Heroin-Related Abuse Data

	1995		1996		1997		1998		1999	
	Number	Normalized	Number	Normalized	Number	Normalized	Number	Normalized	Number	Normalized
DAWN ED ^a	4,725	83	6,282	109	8,633	148	9,383	159	9,725	164
DAWN ME ^b	300		224		359		404			
TEDS	4,640	89	2,644	51	2,744	53	3,737	72		
Treatment Admits Illinois ^c	12,411	104	13,184	110	13,433	112	19,174	159		
Treatment Admits Cook County	11,138	215	11,634	224	11,783	227	16,334	315		

a. Heroin/morphine emergency department (ED) mentions for Chicago—normalized rate per 100,000 population.

b. Heroin/morphine-related deaths. Normalized numbers were too small to be meaningful.

c. Treatment Admits—numbers are for entire state of Illinois. Spikes in Illinois and Cook County treatment admissions due to change in data collection beginning in 1998. (See Appendix B for details.)

Table 6: Illinois Heroin Admissions – Primary Methods of Administration

		1995	1996	1997	1998	1999
Oral	Admissions	180	241	200	210	232
	% of Total	1	2	1	1	1
Smoking	Admissions	442	514	523	551	557
	% of Total	4	4	4	3	3
Inhalation (snorting)	Admissions	8,430	9,022	9,707	14,015	13,065
	% of Total	68	68	72	73	73
Injection	Admissions	3,283	3,313	2,900	4,319	3,865
	% of Total	26	25	22	23	22
Other/Unknown	Admissions	76	94	103	79	92
	% of Total	1	1	1	0	1
Total		12,411	13,184	13,433	19,174	17,811

Table 7: Illinois Heroin Admissions – Ethnicity

	1995	1996	1997	1998	1999
White	1,421	1,543	1,601	2,683	2,934
Black	10,154	10,760	10,853	14,933	13,586
Hispanic	727	735	826	1,290	1,044
Other	109	146	153	268	247

Table 8: Illinois Heroin Admissions – Age at Admission

	12–17	18–24	25–34	35+	Total
1995	57	1,629	4,919	5,800	12,405
1996	30	1,395	5,116	6,643	13,184
1997	41	1,319	5,649	6,424	13,433
1998	67	1,783	7,518	9,803	19,171
1999	84	1,972	6,859	8,894	17,809

Note: Data in Tables 6, 7, and 8 are for entire state of Illinois; Cook County accounts for at least 85% of state admissions each year.

Note: Some cells intentionally left blank due to unavailability of data.



Figure 8. Chicago and surrounding areas.

Members of Asian organizations are ethnic Chinese, Thai, Laotian, Cambodian, or Vietnamese. Asian heroin traffickers are more likely to conceal heroin in commercial cargo shipments frequently shipped through Canada to the United States. Unlike Nigerian traffickers, Asian traffickers tend to sell drugs within their communities.

Availability of SA heroin is increasing in Chicago. In 1999, the number of DMP exhibits in Chicago identified as SA heroin exceeded the number of exhibits identified as Asian heroin. (See Appendix D, Figure 16.) Around 1992, independent Colombian traffickers began to smuggle high purity SA heroin into the Chicago area, which forced the suppliers of SEA heroin to drop their prices. The presence of the Colombian traffickers, however, did not appear to take business from the Nigerian traffickers because the overall market continued to expand.

SA heroin, along with shipments of cocaine, is often smuggled overland into the Chicago area by independent Colombian traffickers. In addition, couriers smuggle SA heroin aboard commercial air carriers. Much of the SA heroin smuggled into Chicago transits New York City before being transported to Chicago via train or automobile. The quantity transported is usually 1–3 kilograms. Criminal organizations transship some SA heroin through Miami via air and then transport it to Chicago. As is the case with Nigerian criminals, Colombian traffickers will sell heroin on a wholesale basis to anyone who is willing to purchase it. Independent Colombian organizations are reportedly recruiting Mexican criminals for retail distribution in the Chicago area.

Although Mexican heroin has been supplanted by SEA and SA heroin, it is still available in the Chicago area, particularly in Hispanic communities. Mexican drug organizations based in Chicago ship Mexican heroin along established overland drug routes. Mexican groups distribute the heroin, and there are reports of Puerto Rican groups buying heroin from Mexican groups as well.

Multikilogram Seizure of Suspected Mexican Brown Powdered Heroin

In March 2000, police officers in Summit, Illinois, seized 3 kilograms of Mexican brown powdered heroin from a Colombian male en route to Chicago, Illinois, from Bridgeview, Illinois. A consensual search of the subject's 1990 Toyota Camry, bearing temporary Illinois license plates, led to the discovery of the heroin within a bucket inside the trunk. The driver was a resident of Bridgeview.

Source: EPIC, Daily Summaries

Other groups maintain small niche markets for heroin trafficking in the Chicago area:

- Palestinian, Serbian, and Albanian criminal groups use air passenger smuggling tactics to smuggle Asian heroin into the United States from Europe. Palestinian groups are believed to be distributing heroin from convenience stores often located in the heart of low income areas. Russian criminals also reportedly sell heroin but tend to distribute only within their communities.
- A small Jamaican distribution group in Chicago purchases heroin from Nigerian traffickers. This group is reportedly very violent.

Retail Distribution and Sales

Most retail distribution of heroin in Chicago is dominated by African-American street gangs, although Hispanic street gangs are significantly involved as well. Drug-related violence is minimal among the African-American street gangs because each gang has its own drug turf. Violence is more prevalent among the Hispanic street gangs whose turf may not be as clearly defined. White heroin as well as Mexican black tar and brown powdered heroin are available at the street level. Most heroin sales occur outdoors, although during extremely cold winters, sales are sometimes moved inside.

Selected Chicago Street Gangs

Gangster Disciples

The Gangster Disciples is the largest Chicago-based street gang. The makeup of the Gangster Disciples is primarily African American. The gang has been in existence since the early 1960s and functions with a structure similar to that of a corporation. It conducts illegal drug operations throughout the Chicago area, primarily in low-income areas on the south and west sides of the city. The gang's drug distribution networks extend throughout Illinois and have been identified in over 40 states across the nation. The Gangster Disciples has been in a state of flux because law enforcement authorities have targeted it in recent years. Investigations have resulted in indictments and convictions of almost 40 leaders, including Larry Hoover, who served as "Chairman of the Board" since the early 1970s. At its peak, the retail drug operation of the Gangster Disciples was reportedly worth over \$100 million annually.

Vice Lords

The Vice Lords is the oldest street gang in Chicago. Members are predominantly African American. The Vice Lords comprises major factions such as the Conservative Vice Lords, Traveling Vice Lords, and Four Corner Hustlers. Each faction has distinct membership and leadership that is not as structured as the Gangster Disciples. The Vice Lords' drug trafficking networks operate in Chicago, neighboring counties, and surrounding states.

Latin Kings

The Latin Kings, also known as the Almighty Latin King Nation, is a predominantly Hispanic street gang. It is made up of more than 70 factions that operate under the overall structure of the gang. The Latin Kings' drug trafficking enterprises operate on the north and southeast sides of Chicago. The gang has also expanded its drug trafficking to other parts of the state and nationwide.

Heroin is "cut" prior to retail sale; the extent to which it is cut depends on the group involved. Mexican smuggling organizations cut heroin by 20 percent before passing it to middlemen who also cut the heroin. The middlemen pass the heroin to gang members who cut the heroin one more time for retail distribution. Nigerian organizations, on the other hand, do not cut the heroin

after it is imported. They sell the heroin, as is, to gangs who cut the heroin before retail distribution. This situation is indicative of long-standing, well-established relationships built up over the last decade.

Street dealers are usually gang members in their late teens to early twenties. These dealers are considered expendable; if arrested, they are simply replaced by another gang member. For every 11 packets of heroin street dealers are given to sell, they are required to pay for only 10. The difference is the street dealer's profit, and the dealer is paid either in cash or in heroin, depending on the dealer's preference—some are users; most are not. Dealers are given only small quantities of heroin at a time to sell to minimize loss in the event they are arrested. Street gangs use children, sometimes as young as 10 years old, to resupply street dealers with heroin. The heroin and money are usually kept separate. Lookouts are used at the street level and usually get paid \$50 per day.

The West Side of Chicago is the primary section of the city for open-air heroin sales. White heroin is most prevalent. African-American gangs control nearly all of the retail distribution. The heroin market on the West Side is made up of well-established turfs, the boundaries of which act as buffer zones separating the sellers. These open-air markets are controlled by African-American gangs, including the Gangster Disciples and numerous factions of the Vice Lords, such as the Traveling Vice Lords and the Four Corner Hustlers.

Dealers on the West Side are located near the interstates to supply suburban heroin users going to or from work. For example, some areas close to the Eisenhower Expressway are prime heroin locations where street sales take place all day long. Some users purchase heroin in the morning on their way to work, some buy at lunchtime, and others throughout the day and into the night. During peak periods of activity, customers line up in rows of four waiting to purchase heroin. The customers must stay in line and refrain from talking. Gang members control the crowd and sometimes

frisk the customers. Once all of the customers have been cleared, the sales occur. The heroin dealers rely on repeat customers, so the gangs protect the customers. Consequently, crime associated with drug sales is actually lower in those areas.

African-American street gangs on the West Side reportedly prefer Caucasian customers because they know that the Caucasians' sole purpose is to purchase heroin, which generates income. As a marketing technique, African-American gangs will occasionally have "freebie" days where heroin is given to customers free of charge all day.

Customers who frequent the West Side to purchase heroin come from all walks of life. The variety of users knows no boundaries. Roughly half the market consists of Caucasian customers from the suburbs who go into African-American neighborhoods to purchase heroin. They buy \$100–\$150 worth of heroin for personal use. Some buyers purchase heroin for their friends in the suburbs, sometimes charging the friends a slightly higher price to pay for their own heroin. Customers also come from neighboring states, such as Wisconsin and Indiana, to purchase heroin.

African-American street gangs in Chicago have close connections with Nigerian traffickers. African-American gangs are supplied by Nigerian distributors who are supplied by Nigerian traffickers. The gang members never actually come in contact with the smugglers of the heroin and Nigerian organizations do not engage in retail sales. When African-American gangs on the West Side run low or out of heroin, Nigerian criminals from the Broadway and Clark area of the North Side will deliver heroin to the West Side. Delivery is usually made by a Nigerian criminal working as taxicab driver, who may own the heroin or act as a local courier.

Heroin sales in the city primarily take place on the West Side, but the drug is available in other locations as well. Heroin sales take place on the South Side of Chicago, but dealers there are more cautious and prefer to be familiar with their customers. Mexican black tar and brown powdered

heroin are available in the Hispanic community, particularly in Humboldt Park in the northern part of Chicago. Dealers there sell heroin primarily in the early morning hours, and users are largely older Mexicans. Hispanic gangs, primarily the Latin Kings, sell Mexican black tar heroin on the North Side. The customers are usually Hispanics who are older heroin users and hardcore addicts.

Nearly all the heroin available at the street level in the Chicago area is packaged in small squares and rectangles of aluminum foil. The aluminum foil squares are sometimes placed in plastic bags, making it possible for street dealers to secrete the bags in their mouths if approached by law enforcement. A packet usually costs \$10. Some dealers will include a cutting agent with the heroin they sell so the customers can dilute the heroin to their preference. Although this technique is a trademark of sorts, most of the heroin marketed this way is not sold under any distinguishing brand name. Occasionally, individuals will attempt to sell drywall dust wrapped in aluminum foil as heroin. This is known as a "burn bag" or "woo bag." Individuals attempting this scam are severely punished by the gangs if caught.

Trafficking groups that stash heroin in Chicago transship it to other cities and towns in Illinois and to states such as Indiana, Iowa, Ohio, Michigan, Minnesota, Missouri, and Tennessee. (See Appendix D, Figure 19.)

Economics

Heroin prices and purity in the Chicago area vary widely based on the heroin type. Mexican brown powdered heroin is the least expensive at the wholesale level, selling for \$27,000 to \$32,000 per kilogram. Mexican brown powdered heroin is available for \$3,000 per ounce, \$100 per gram, and \$10 to \$20 for individual doses. Mexican black tar heroin can sell for as high as \$100,000 per kilogram, \$2,500 to \$4,000 per ounce, \$100 to \$200 per gram, and \$10 to \$20 for individual doses. White heroin ranges in price from \$60,000 to \$80,000 a kilogram, though it has sold for as high as \$140,000 a kilogram in years past. White heroin sells for \$3,400 to \$3,600 per ounce, \$100

to \$125 per gram, and \$10 to \$20 for individual doses. According to the DEA Chicago Division, the price for a kilogram of any of the four types of heroin has dropped significantly in the last few years because of increased market competition.

The purity of much of the heroin available at the wholesale level in Chicago is high, ranging from 80 to 90 percent. The purity of heroin available at the retail level has recently dropped; however, it is still relatively high. DMP results indicate that average purity at the retail level has declined over the last 4 years from 30.4 percent in 1997 to 23.4 percent in 1999, though it is still considerably higher than the 5.1 percent reported a decade ago.

Of the 40 exhibits purchased through the DMP during fiscal year 1999, 14 were identified as SA heroin, 6 as SEA, and 1 as SWA. The remaining samples were not identifiable.

The laundering of drug proceeds is a significant challenge for heroin traffickers. Law enforcement officials identified several methods used by traffickers in Chicago. Nigerian criminals have been known to launder money using “smurfing” techniques and wire transfers.⁸ Mexican traffickers have been known to wire transfer money, conceal money in vehicle traps to transport across the border, and body carry money.

Changes in the Chicago Heroin Trade

The most significant change in heroin trafficking in Chicago came in the mid-1980s when Operation Durango disrupted the Herrera organization, the primary supplier of heroin to the Chicago area. Operation Durango created a temporary heroin shortage, which was quickly filled by the Nigerian traffickers who were able to obtain large supplies of SEA and SWA heroin from Thailand and Pakistan. Since that time, Asian heroin has dominated the market, although SA heroin recently has started to gain a considerable share of the heroin market. Both Mexican and SWA heroin remain available on a smaller scale.

Another significant change in the heroin trade in Chicago relates to user demographics. Younger suburbanites increasingly are becoming involved in heroin use. These users drive into the city to purchase heroin and take it back to the suburbs to consume it. Often the users purchase heroin for their friends as well. There are also reports that heroin is becoming one of the “rave party” drugs and is often used with other drugs, either at the same time or during the course of an evening. Chicago serves as a retail distribution center not only for young suburban users, but also for a large working class subset of users. Customers from all walks of life frequent the heroin markets of Chicago to sustain their habits.

8. The Treasury Department defines “smurfing” as a form of structuring—a money laundering placement technique in which the launderer divides large cash deposits into smaller amounts in an attempt to avoid CTR (currency transaction reporting) requirements.

Los Angeles

Overview

Los Angeles is a significant heroin consumption and transshipment site in the United States. Most of the heroin available at the retail level in Los Angeles is Mexican black tar and, to a lesser extent, Mexican brown powdered heroin. Traffickers transship Mexican heroin through Los Angeles primarily to other states in the West and Midwest. In addition, traffickers sometimes use Los Angeles as a transshipment site for Southeast Asian and Southwest Asian heroin destined for other areas, particularly in the northeastern, north central, and southern United States. On rare occasions, traffickers have been known to transship South American heroin through the Los Angeles area. Mexican traffickers are the primary importers, wholesalers, and retailers of heroin distributed in the Los Angeles area. Despite the limited availability of other types of heroin, users remain loyal to Mexican heroin.

Heroin Abuse

In 1999, most heroin admissions were Hispanic and over 30 years old, and primarily injected heroin. (See Tables 9–12, page 25.) While Hispanics consistently outnumbered other ethnic group admissions for heroin, African Americans had the highest ratio per 100,000 population. Admissions aged 31 to 40 were the single largest category from 1995 to 1999.

According to indicators from health and treatment providers, heroin use in Los Angeles appears to be changing. DAWN heroin/morphine-related emergency department mentions declined 4 percent from 3,088 in 1995 to 2,955 in 1999 with the most significant decline occurring in 1997. Deaths declined 15 percent from 1995 to 1998, and county treatment admissions fell 12 percent from 1995 to 1999. County treatment

admissions also show that as a percentage of drug admissions, heroin fell from 57 percent in 1995 to 46 percent in 1999. Admissions 20 and under and 51 and older were the only groups to show increases. The method of heroin administration also changed slightly from 1995 to 1999. Although injection was still the most common method of administration, the percentage of those injecting fell slightly while the percentages of those smoking increased.

Importation and Wholesale Distribution

Los Angeles serves as the primary distribution hub for Mexican heroin and, to a much lesser extent, a transshipment site for SEA and SWA heroin destined for the northeastern, north central, and southern United States, according to federal, state, and local law enforcement officials. In addition, investigative information suggests SA heroin recently seized in the Los Angeles area was destined for the northeastern United States.

In Los Angeles, Mexican black tar and, to a lesser extent, Mexican brown powdered heroin are the predominant types of heroin available. In East Los Angeles, black tar heroin is sometimes transformed into a brown powder by grinding black tar and mixing it with lactose; users inject the resulting product. This product is separate and distinct, however, from Mexican brown powdered heroin, which is refined into a brown powder as part of the production process.

Importation and wholesale distribution networks in the United States are managed almost entirely by Mexican criminal organizations. In addition to having a large consumer population, Los Angeles serves as a transshipment center for the distribution of Mexican heroin to other states in the West, Southwest, and Midwest.

Smugglers employ several methods to ship Mexican heroin into the United States, but the

primary means is by couriers, who body carry heroin across the Southwest Border. Couriers, who are often young, cross the border as the drivers or passengers of vehicles or walk across the pedestrian lanes at ports of entry. Heroin also is smuggled hidden inside vehicles. Traffickers increasingly are concealing Mexican heroin in vehicle engines as well as in the gas tanks, tires, and oil pans of tractor-trailers. Interstate 5, which runs north–south through Los Angeles County, serves as a common transportation route for Mexican traffickers smuggling heroin into or through Los Angeles.



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Figure 9. U.S.–Mexico border crossing.

Mexican heroin distribution organizations in the United States are managed almost entirely by criminal organizations operating on both sides of the U.S.–Mexico border. Mexican-American criminal groups distribute the heroin at the street level. While many law enforcement agencies report little gang involvement in the heroin trade, some report that local and prison-based gangs are involved in street distribution of the drug.

Heroin trafficking by Mexican organizations varies; methods of operation are different depending on the size, structure, capabilities, and resources of the organizations. (See text box page 27.) Many groups are involved, and the

Mexican heroin trade as a whole appears to be quite fragmented, allowing for the participation of smaller groups and independent operators. In addition, Mexican traffickers are often polydrug organizations and smuggle methamphetamine, marijuana, and cocaine as well as heroin.

Several Asian criminal organizations are active in the SEA heroin trade in Los Angeles. Traffickers ship most of the SEA heroin smuggled into Los Angeles to other domestic destinations, usually to the eastern United States or the Chicago area. Criminal organizations smuggle SEA heroin into California by mail and air freight services. According to DEA reporting, the Los Angeles area is a storage and distribution point for kilogram quantities of SEA heroin mainly controlled by local area Thai, Sino-Thai, or ethnic Chinese traffickers. Multikilogram quantities of SEA heroin seized on the East Coast are transshipped from the Los Angeles area. While SEA heroin is transshipped through Los Angeles, it is not found at the street level. This is probably because Mexican traffickers have long cornered the market with inexpensive black tar heroin and long-time addicts simply prefer the Mexican heroin. Also, some long-time addicts may be reluctant to switch to another form of heroin partly because of the overdose deaths caused by high potency fentanyl, which was sold as heroin in California in the late 1980s.⁹ Although there is little retail distribution of SEA heroin, law enforcement sources report it is sold locally in amounts from an ounce to a pound.

While the availability of SWA heroin is limited, Los Angeles is believed to be a transshipment point for SWA heroin destined mainly for the Northeast, the Great Lakes, and the South. No law enforcement agency reported SWA heroin distribution at the street level in Los Angeles.

In 1999, there were several seizures of SA heroin in the Los Angeles area. For at least two of the seizures, the heroin was ultimately destined for the northeastern United States. According to the

9. Fentanyl, a powerful synthetic opiate 100 times more potent than morphine, mimics the effects of heroin.

Table 9. Los Angeles County – Heroin-Related Abuse Data

	1995		1996		1997		1998		1999	
	Number	Normalized	Number	Normalized	Number	Normalized	Number	Normalized	Number	Normalized
DAWN ED ^a	3,088	38	3,305	40	2,532	30	2,631	31	2,955	35
DAWN ME ^b	508		554		425		444			
TEDS	24,858	275	23,123	255	21,541	236	19,823	215		
Treatment Admits ^c	27,341	303	25,149	278	23,904	262	24,232	263	23,951	257

a. Heroin/morphine emergency department (ED) mentions for Los Angeles/Long Beach—normalized rate per 100,000 population.

b. Heroin/morphine-related deaths. Normalized numbers were too small to be meaningful.

c. Based on California State heroin treatment admissions—normalized rate per 100,000 population.

Note: Some cells intentionally left blank due to unavailability of data.

Table 10: Los Angeles County Heroin Admissions – Primary Methods of Administration

		1995	1996	1997	1998	1999
Oral	Admissions	183	176	169	171	209
	% of Total	1	1	1	1	1
Smoking	Admissions	1,148	1,301	1,314	1,513	1,779
	% of Total	4	5	5	6	7
Inhalation (snorting)	Admissions	860	901	844	915	849
	% of Total	3	4	4	4	4
Injection	Admissions	25,102	22,655	21,310	21,530	21,021
	% of Total	92	90	89	89	88
Other/Unknown	Admissions	48	116	267	103	93
	% of Total	0	0	1	0	0
Total		27,341	25,149	23,904	24,232	23,951

Table 11: Los Angeles County Heroin Admissions – Ethnicity

	1995	1996	1997	1998	Normalized 1998 rate	1999
White	10,527	10,014	9,197	9,571	139	9,269
Black	4,346	3,456	3,231	2,954	284	2,819
Hispanic	10,909	10,139	9,906	9,974	248	10,062
Other	1,559	1,540	1,570	1,733		1,801

Note: Other could not be normalized per 100,000 population due to the manner in which census data were tabulated.

Table 12: Los Angeles County Heroin Admissions – Age at Admission

	20 & Under	21–30	31–40	41–50	51 & Over
1995	234	4,451	11,445	8,550	2,661
	4,685		22,656		
1996	285	4,210	10,606	7,899	2,239
	4,495		20,744		
1997	308	3,602	9,474	8,049	2,471
	3,910		19,994		
1998	326	3,882	8,944	8,427	2,653
	4,208		21,579		
1999	334	3,755	8,588	8,221	3,053
	4,089		19,862		



Figure 10. Los Angeles and surrounding areas.

Operation Tar Pit

A yearlong, nationwide investigation referred to as “Operation Tar Pit,” involving federal, state, and local law enforcement agents, resulted in the arrests of well over 200 individuals in numerous cities in connection with a Mexico-based organization that imported and distributed heroin in the United States. The heroin organization, based in Nayarit, Mexico, was largely organized based on the familial ties of a group headed by Oscar Hernandez and his wife, Marina Lopez. The structure of the organization is believed to be typical of some Mexican trafficking organizations.

Los Angeles served as the distribution center for the organization. In Los Angeles, the heroin sold for \$1,200–\$1,500 per ounce; the price increased as distribution moved eastward. Heroin was kept in stash houses in Los Angeles until it could be transported to distribution cells throughout the United States. The heroin was transported via commercial airlines and buses by young female couriers carrying 1–2 pounds of heroin per trip. Express mail services were used equally as often. Approximately 75 percent of the heroin distributed by this group was Mexican brown powder and the remaining 25 percent was Mexican black tar. It is estimated that the organization moved about 80 pounds of heroin per month. The organization also trafficked in small amounts of cocaine. Most of the individuals involved were illegal aliens.

Transportation and distribution cells were established throughout the United States, including West Virginia, Minnesota, Alabama, Kentucky, and New Jersey. Cities where operations were based include San Diego, Los Angeles, and Bakersfield, California; Chicago, Illinois; Reno and Las Vegas, Nevada; Salt Lake City, Utah; Nashville, Tennessee; Corpus Christi, Texas; Detroit, Michigan; Atlanta, Georgia; Denver, Colorado; Phoenix, Arizona; Honolulu and Maui, Hawaii; Portland, Oregon; Albuquerque, New Mexico; Cleveland, Columbus, and Steubenville, Ohio; Anchorage, Alaska; and Pittsburgh, Pennsylvania.

Since October 1999, law enforcement officials seized 41 pounds of heroin in connection with the investigation. The heroin ranged in purity from 60 to as much as 75 percent, even in smaller gram-quantity seizures.

Los Angeles High Intensity Drug Trafficking Area (HIDTA), SA heroin is relatively new to the area.

Retail Distribution and Sales

According to authorities, Mexican heroin is used almost exclusively at the street level in Los Angeles, a finding confirmed by the DMP. (See Appendix D, Figure 17.) Mexican illegal aliens called “Border Brothers” are the predominant retailers of Mexican heroin in Los Angeles, and many supplement their drug income by selling produce on street corners. The most common method of distribution is a delivery service wherein distributors rely on cellular phones and pagers for communication. Street retailers known as runners are assigned a route and deliver heroin—usually black tar—to the same group of customers on a daily basis, most commonly by vehicle. The heroin is usually packaged in small balloons that are folded to resemble a “belly button” and contain about 0.2 grams of heroin. A runner generally is unarmed and carries only enough heroin for the next customer while the remaining day’s supply is kept in the vehicle. About three-

quarters of the runners are men between 17 and 30 years of age. Most are not users. Typical buyers are older Mexicans and Caucasians, and transactions are usually conducted in Spanish on street corners or in shopping malls. While heroin is the main drug sold, runners sometimes sell powdered cocaine and “speedballs”—heroin mixed with cocaine. While these retailers work under a dealer from a retail distribution group, they are largely independent and are considered expendable by the drug organizations.

Heroin retail distribution and sales in Los Angeles can vary in different sections of the city. For example, in East Los Angeles, Mexican black tar heroin mixed with lactose and ground into a brown powder is the most common type of heroin and it is primarily injected. In the Rampart Division, dealers in open-air markets sell all types of drugs, not just heroin. Many dealers in that area are young Mexican males called “Sinaloa Cowboys,” who wear flashy clothing and silver jewelry. In the Rampart Division, as in many other areas, direct gang involvement is minimal. Heroin distribution in South Central Los Angeles (Watts) is also

slightly different. This area is one of the few in the city where street gang members are heavily involved in heroin sales. Most of the heroin street dealers in Watts are African-American and Hispanic gang members who purchase the heroin from Mexican organizations.



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Figure 11. Injection is the primary method of administration in Los Angeles.

Traffickers, who sometimes store heroin in stash houses, distribute Mexican heroin to consumers in Los Angeles. They also transship heroin to other locations in California and to Alaska, Alabama, Arizona, Colorado, Georgia, Hawaii, Illinois, Kentucky, Michigan, Missouri, Nevada, New Jersey, New Mexico, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Utah, and West Virginia, and other areas primarily west of the Mississippi River. (See Appendix D, Figure 20 and text box, page 27.)

Economics

Sources report varying prices and purity for heroin in the Los Angeles area, but most fall within a similar range. Since most heroin available in the Los Angeles area is of Mexican origin and given the proximity of the source country to the city, wholesale kilogram prices are generally lower than in many other parts of the United States. At the wholesale level, black tar heroin prices range from \$18,000 to \$30,000 per kilo-

gram. The Los Angeles HIDTA reports that the wholesale price of black tar heroin has remained relatively stable at \$16,000 to \$21,000 per kilogram. DEA states that prices in the Los Angeles area range from \$26,000 to \$27,000 per kilogram, \$850 to \$1,000 per Mexican ounce,¹⁰ and \$80 to \$100 per gram. Other law enforcement agencies report that at the retail level, a “balloon” sells for \$5 to \$8. DEA reports that prices for Mexican brown powdered heroin range from \$30,000 to \$31,000 per kilogram. Mexican heroin is generally lower in purity than white heroin. However, average purity of Mexican heroin has steadily increased throughout the 1990s. According to DEA, recent testing has found purity levels ranging between 33 percent and 67 percent at the ounce level, although some ounce exhibits had purities as low as 8 to 9 percent.

Multi-ounce quantities of SEA heroin are available for sale in the Los Angeles area and range in price from approximately \$2,000 to \$3,500 per ounce with purity ranging from 83 percent to 96 percent. According to the DEA, SA heroin available at the wholesale level in Los Angeles costs between \$86,000 and \$100,000 per kilogram.

Changes in the Los Angeles Heroin Trade

According to federal, state, and local law enforcement officials, heroin distribution in Los Angeles has changed little over the last 5 years. Mexican trafficking organizations remain fully entrenched in all aspects of the heroin trade including importation and wholesale and retail distribution of Mexican black tar and Mexican brown powdered heroin. Seizures of SA heroin made in the Los Angeles area in 1999 may constitute a trend that bears watching.

User patterns in Los Angeles have remained stable over the past 5 years as well. Most users continue to use Mexican black tar heroin. Injection remains the primary method of administration, although the use of other methods is gradually increasing. Longtime addicts continue to make up most of the users in Los Angeles.

10. A Mexican ounce equals 25 grams instead of 28.5 grams; it is called a piece, or *pedazo*.

Outlook

Health officials and law enforcement agencies report that heroin use in the United States increased significantly in the 1990s. Well-established distribution networks in New York, Chicago, and Los Angeles, combined with the increased demand for heroin, have in all likelihood bolstered the lucrative heroin trade, in these three cities as well as in other cities such as Miami and Houston. These findings suggest that New York, Chicago, and Los Angeles will continue to be national and regional heroin distribution hubs.

The following developments may directly affect the heroin trade in New York, Chicago, and Los Angeles:

- Some law enforcement authorities in New York City express concern over the growing involvement of Russian criminals in the heroin trade. Ethnographers for the New York State OASAS report that heroin use may be increasing in parts of Brooklyn. Russian criminals currently appear to be acquiring heroin from Colombian organizations, but investigators believe that in the future, they will probably obtain their heroin from sources in Eastern Europe and the independent states of the former Soviet Union. Heroin in Europe is overwhelmingly from Southwest Asia, the largest heroin producing region in the world.
- Recent investigations have indicated Mexican organizations are trying to break into the lucrative East Coast heroin trade. The multi-agency investigation “Operation Tar Pit” revealed a Mexican organization based in Los Angeles that had made inroads in East Coast cities controlled by Colombian organizations. Mexican traffickers have not yet established a significant presence in the heroin trade in New York City. However, a growing Mexican population—providing a possible network for Mexican traffickers—coupled with the introduction of Mexican heroin to East Coast markets could effect the dynamics of the New York City heroin trade.
- There have been at least two seizures in Mexico of laboratories set up to produce high quality, white powdered heroin. Although the extent of such activity appears to be limited, the ability to produce high quality, white powdered heroin from Mexican opium poppies could have an impact on the lucrative heroin trade east of the Mississippi River where white powdered heroin is preferred. This market is currently dominated by high purity SA heroin. An investigation has determined that heroin from at least one of the Mexican laboratories was destined for New York City and Chicago. It is important to note, however, that a major factor affecting Mexican traffickers’ ability to produce any significant quantities of white heroin is the successful cultivation of additional opium poppies. Currently, the Mexican Government’s eradication efforts appear to be holding opium production in check, even though less than 1 percent of Mexico’s potential growing area is under cultivation. Virtually all of the opium poppy crop now cultivated in Mexico is used to produce Mexican black tar and, to a lesser extent, brown powdered heroin, which is in great demand in the western United States.
- SA heroin appears to be increasing its market share in Chicago. The number of DMP exhibits identified as SA heroin increased more than fourfold from 3 in 1995 to 14 in 1999, and the number of Asian heroin samples declined by half from 14 to 7 during that same period. Although Mexican heroin used to be the dominant type of heroin in Chicago, only 4 samples were identified in the DMP between 1995 and 1999.
- Recently, there have been significant seizures of SA heroin in the Los Angeles area, although the implications of these seizures are unclear. In at least two cases, investigative information indicates the heroin seized was destined for the northeastern United States.

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Appendix A

The Three Cities Compared and Contrasted

New York, Chicago, and Los Angeles are the primary distribution centers for heroin in the United States, and some of the data for the three cities are similar. But there are differences. Table 13 provides a quick overview of heroin use in the three cities. Table 14 on the following page compares and contrasts some of the more apparent issues.

Table 13. Heroin Data Overview

		DAWN ED		DAWN ME	Treatment		ADAM (%)
		Seizures (lb)	Hospital	Deaths	TEDS	State Data	
New York	1995	790	10,728	751	21,003		20.0
	1996	616	11,167	560	20,919	19,107	21.9
	1997	1,047	9,491	519	22,798	20,879	19.8
	1998	1,072	9,244	448	22,590	20,763	19.0
	1999	874	9,331			20,416	18.2
Chicago	1995	3	4,725	300	4,640	11,138	22.3
	1996	20	6,282	224	2,644	11,634	16.6
	1997	63	8,633	359	2,744	11,783	21.7
	1998	36	9,383	404	3,322	11,011	22.7
	1999	27	9,725				26.3
Los Angeles	1995	67	3,088	508	24,858	27,341	8.9
	1996	112	3,305	554	23,123	25,149	8.8
	1997	124	2,532	425	21,541	23,904	8.4
	1998	144	2,631	444	19,823	24,232	7.2
	1999	89	2,955			23,951	6.9

Note: Some cells intentionally left blank due to unavailability of data.

Seizures are rounded to the nearest whole pound. Los Angeles seizures provided by Los Angeles Police Department. Chicago seizures provided by Cook County Sheriff's Department and do not include Chicago Police Department seizures. New York seizures provided by New York Police Department.

DAWN ED = Drug Abuse Warning Network heroin/morphine emergency department mentions.

DAWN ME = Drug Abuse Warning Network heroin/morphine-related medical examiner deaths.

Treatment = TEDS (Treatment Episode Data Set) provided by U.S. Department of Health and Human Services; state data supplied by state agencies.

ADAM = Arrestee Drug Abuse Monitor Program. Percent of arrestees testing positive for opiates. Percentages represent average of male and female results. Women consistently tested higher than men.

Table 14: The Three Cities Compared and Contrasted

Question/Comment	New York	Chicago	Los Angeles	Comments
Most common importation method	Courier	Courier	Courier	Couriers commonly transport heroin by air to New York and Chicago, and by land to Los Angeles.
Prices in past 5 to 10 years (wholesale)	Declined	Declined	Declined	
Purity in past 5 to 10 years (wholesale)	Increased	Increased	Increased	
Dominant importers and wholesalers	Colombians	Nigerians and Colombians	Mexicans	
Primary heroin type	SA	SEA and SA	Mexican	
Main group controlling retail distribution	Dominicans	Street gangs	Mexicans	
Retailers primarily selling only heroin?	Yes	Yes	Yes	While retailer groups often distribute more than one drug, individual dealers usually sell only heroin.
Violence associated with heroin sales	Low	Low	Low	
Purity in past 10 years (retail)	Increased	Increased	Increased	To compete with high purity SA heroin, retailers are not cutting heroin from other sources as often.
Retailers use communication devices?	Yes	Yes	Yes	Retailers use communication devices to varying degrees to conduct transactions and avoid law enforcement monitoring.
Amount of heroin carried by retailer for sale	Limited	Limited	Limited	Retailers limit the amount of heroin they carry on their person for sale at one time to minimize loss, theft, and criminal penalties.
Most common methods of purchasing heroin	Indoor sales, pager contacts, and some outdoor sales	Outdoor sales by gangs	Runners deliver by vehicle	In New York, buyers page sellers and sales occur indoors. In Chicago, gangs sell heroin in open-air markets. In Los Angeles, runners deliver heroin to known users by vehicle.
Heroin packaging	Glassine envelope	Aluminum foil	Small balloons	
Brand names important?	Yes	No	No	
Gang involvement in retail heroin sales	Minimal	Heavy	Minimal	
User trends	Broad spectrum of younger and older users	Young, affluent suburbanites	No change; Mexicans	In New York and Chicago, users increasingly are younger suburbanites, although most users are older. In Los Angeles, most users continue to be older Mexicans and Caucasians.
Primary method of administration	Snorting	Snorting	Injection	
Retailers closer to importers than the past?	Yes	No	No	In New York, middlemen are disappearing and retailers are closer to importers. In Los Angeles and Chicago, heroin passes through many hands on its way to the user.

Appendix B

Resources

Arrestee Drug Abuse Monitoring (ADAM) Program: The National Institute of Justice established the Drug Use Forecasting (DUF) program in 1987 to gauge drug use trends in urban areas. ADAM, a modified version of DUF, was initiated in 1997. ADAM involves two components: a questionnaire administered by a trained interviewer to an arrestee in a booking facility within 48 hours of arrest, and a urine sample collected from the arrestee that is used to corroborate claims about recent drug use. Currently, data are collected at 35 ADAM sites.

The Drug Abuse Warning Network (DAWN) Emergency Department Data: Conducted annually by the Substance Abuse and Mental Health Services Administration (SAMHSA), DAWN emergency department data are compiled from a national probability survey of hospitals with emergency departments. While DAWN data do not measure the prevalence of drug use in the population, the survey captures data on emergency department episodes that are induced by or related to the use of an illegal drug.

DAWN Annual Medical Examiner Data: Gathered annually by SAMHSA, DAWN medical examiner data include information on drug abuse deaths and the drugs mentioned in connection with the deaths. In 1998, the most recent year for which data are available, 141 medical examiners in 42 metropolitan areas participated.

Treatment Episode Data Set (TEDS): Established by SAMHSA, the TEDS system comprises data on treatment admissions that are routinely collected by states to monitor their individual substance abuse treatment systems. TEDS consists of a minimum data set of 19 items collected by nearly all states and a supplemental data set of 15 items collected by some states. The minimum data set consists of demographic information, route of administration, ethnicity, and age.

The Community Epidemiology Work Group (CEWG): Sponsored by the National Institutes of Health, National Institute on Drug Abuse, the CEWG is a network of researchers and epidemiologists from 21 major metropolitan areas in the United States who meet semiannually to discuss current and emerging substance abuse trends.

Illinois Office of Alcoholism and Substance Abuse (OASA): A division of the Illinois Department of Public Health, OASA provides information on user demographics for individuals in treatment whose primary drug of abuse is heroin. For 1995–1997, statistics provided were a compilation of admissions that were defined as an opening for an individual to a specific program modality. This was not an individual count. Multiple openings to different programs, modalities, or agencies within a fiscal year resulted in additional admissions. For 1998–1999, statistics provided

were a compilation of the number of services that were rendered during those fiscal years to clients or patients. Therefore, these numbers were not individual counts either. The two different formats in which the data were collected resulted in the significant increase from 1997 to 1998.

New York State Office of Alcoholism and Substance Abuse Services

(OASAS): OASAS provides information on user demographics for individuals in treatment whose primary drug of abuse is heroin.

California Department of Alcohol and Drug Programs: The California Department of Alcohol and Drug Programs provides information on user demographics for individuals in treatment whose primary drug of abuse is heroin.

Appendix C

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Appendix D

Charts and Maps

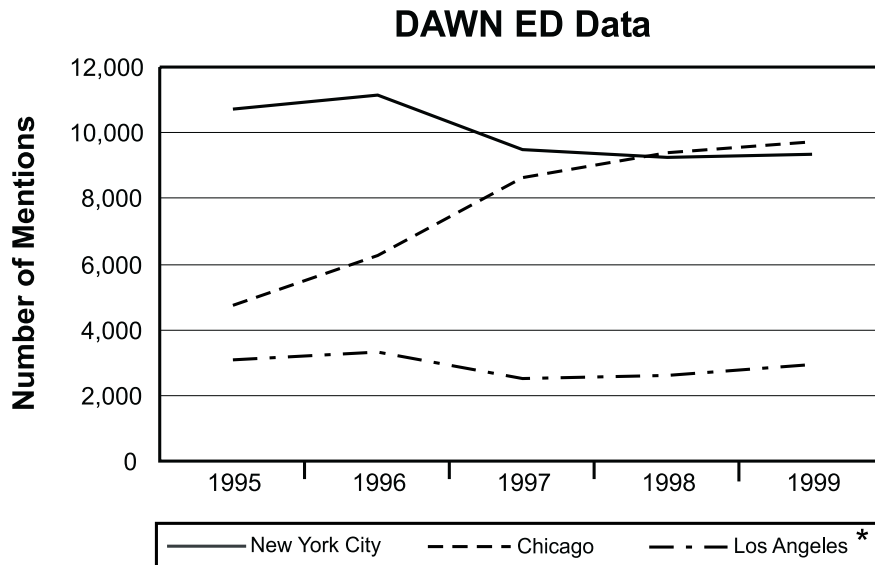


Figure 12. DAWN ED heroin/morphine mentions for New York, Chicago, and Los Angeles, 1995–1998.

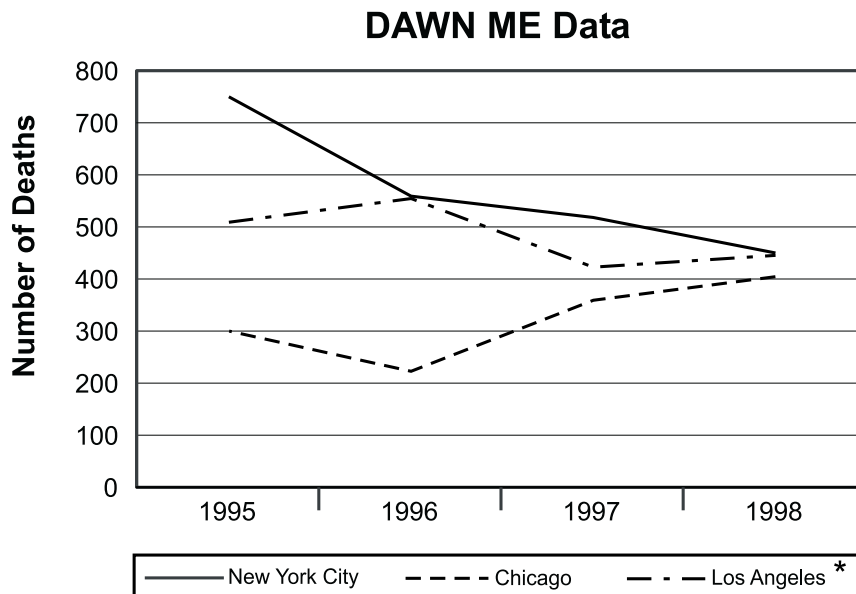


Figure 13. DAWN ME heroin/morphine data for New York, Chicago, and Los Angeles, 1995–1998.

*Data include Los Angeles and Long Beach areas.

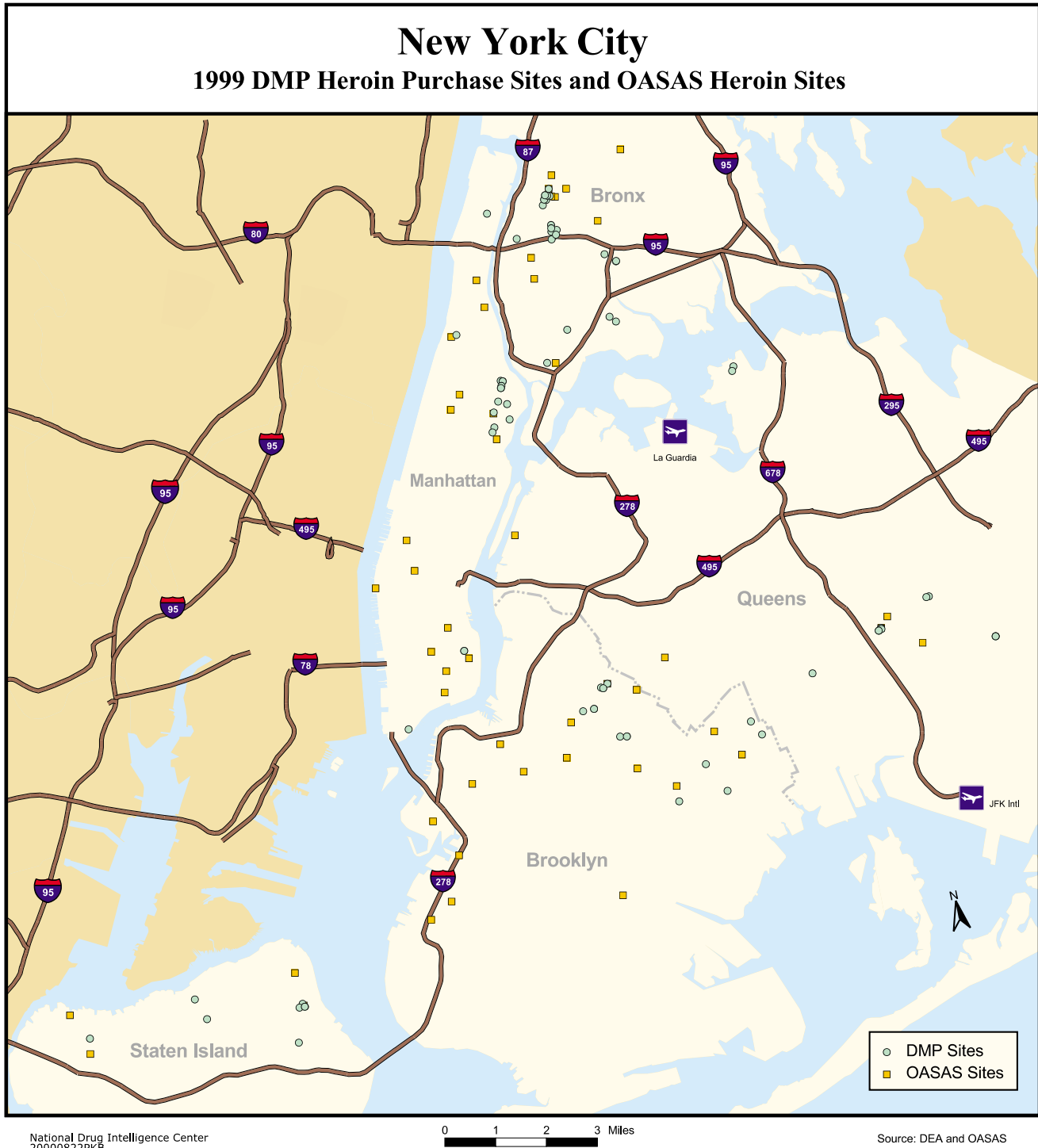


Figure 14. DEA 1999 DMP purchase sites and 1999 OASAS-identified heroin sales locations. In 1999, there were 79 DMP purchases in the New York City area. In 1999, OASAS identified 53 drug sale locations where heroin was the primary drug sold, and 48 locations where crack was the primary drug sold. (Note: A few locations sold both heroin and crack.).

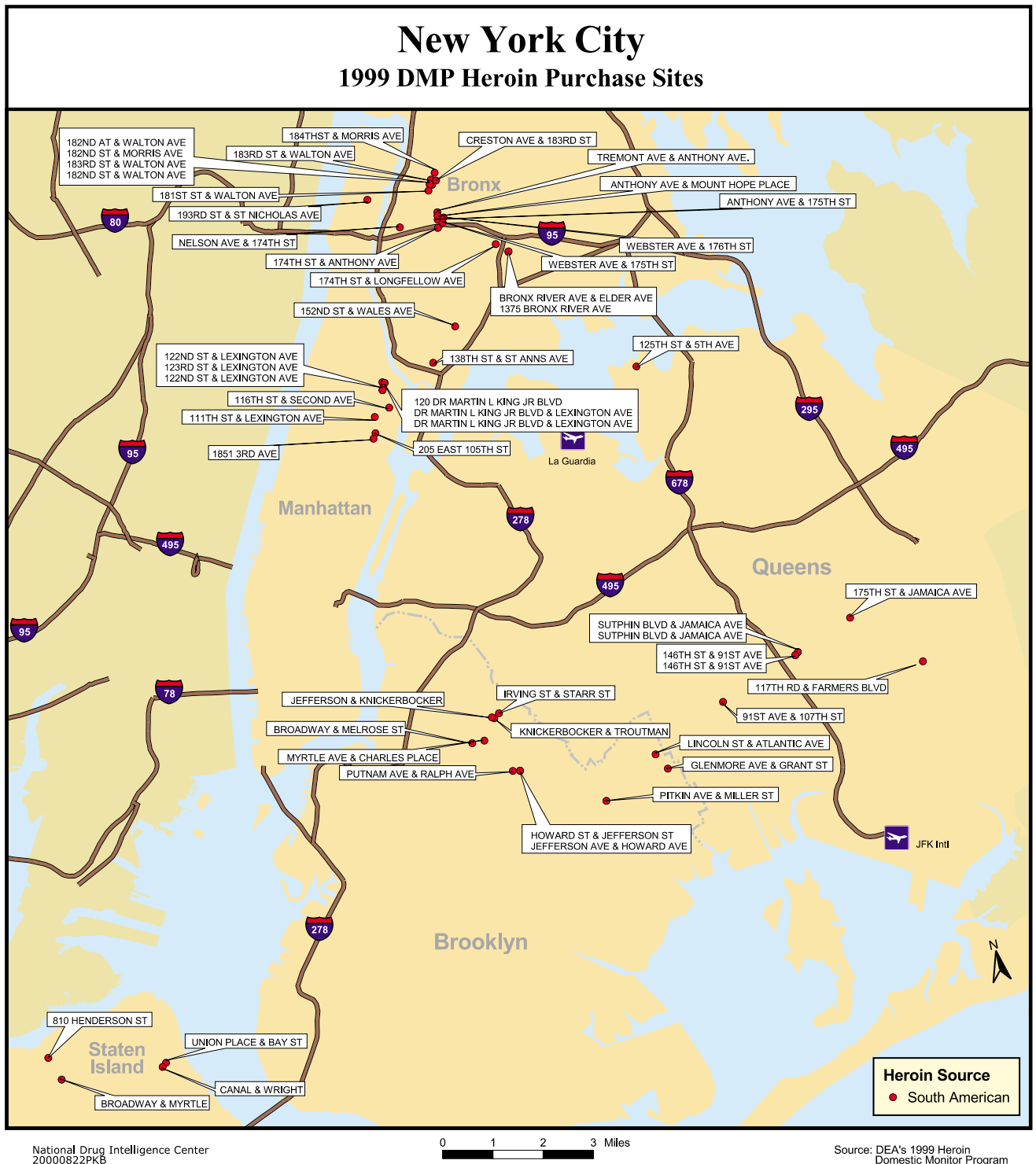


Figure 15. DEA 1999 DMP purchase sites. Of the 79 DMP purchases in 1999 a source was determined for 54 samples. All 54 samples where a source could be determined were found to be South American in origin.

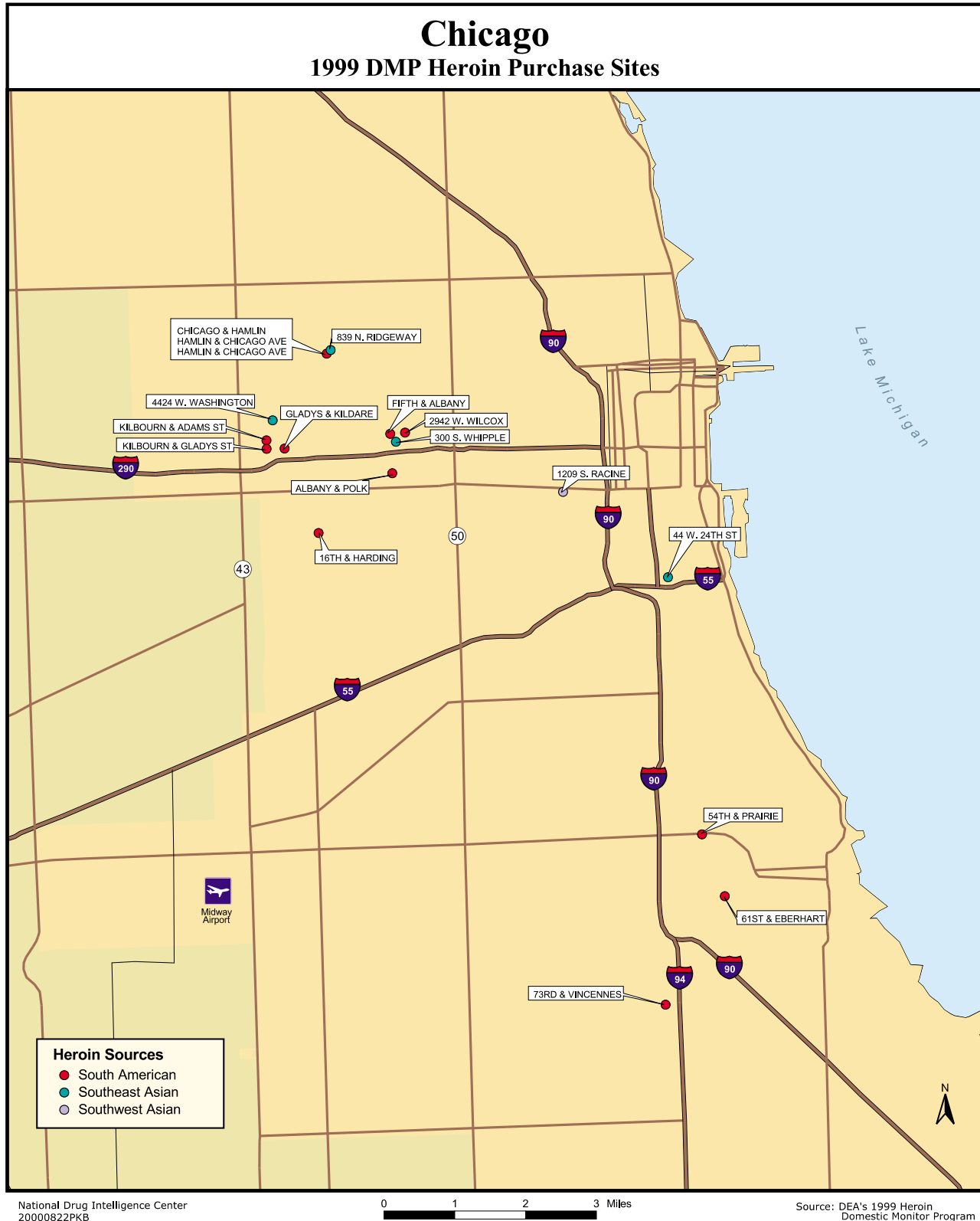


Figure 16. DEA 1999 DMP purchase sites. In 1999, there were 40 DMP purchases in the Chicago area. A source was determined for 20 samples. Of the 20 samples, 13 were found to be South American in origin, 6 were found to be Southeast Asian in origin, and 1 was found to be Southwest Asian in origin. (Note: Only those samples within the Chicago city limits are depicted here.)



Figure 17. DEA 1999 DMP purchase sites. In 1999, there were 41 DMP purchases in the Los Angeles area. A source was determined for 19 samples. All 19 samples where a source could be determined were found to be Mexican in origin. (Note: Only those samples within the immediate Los Angeles area are depicted here.)

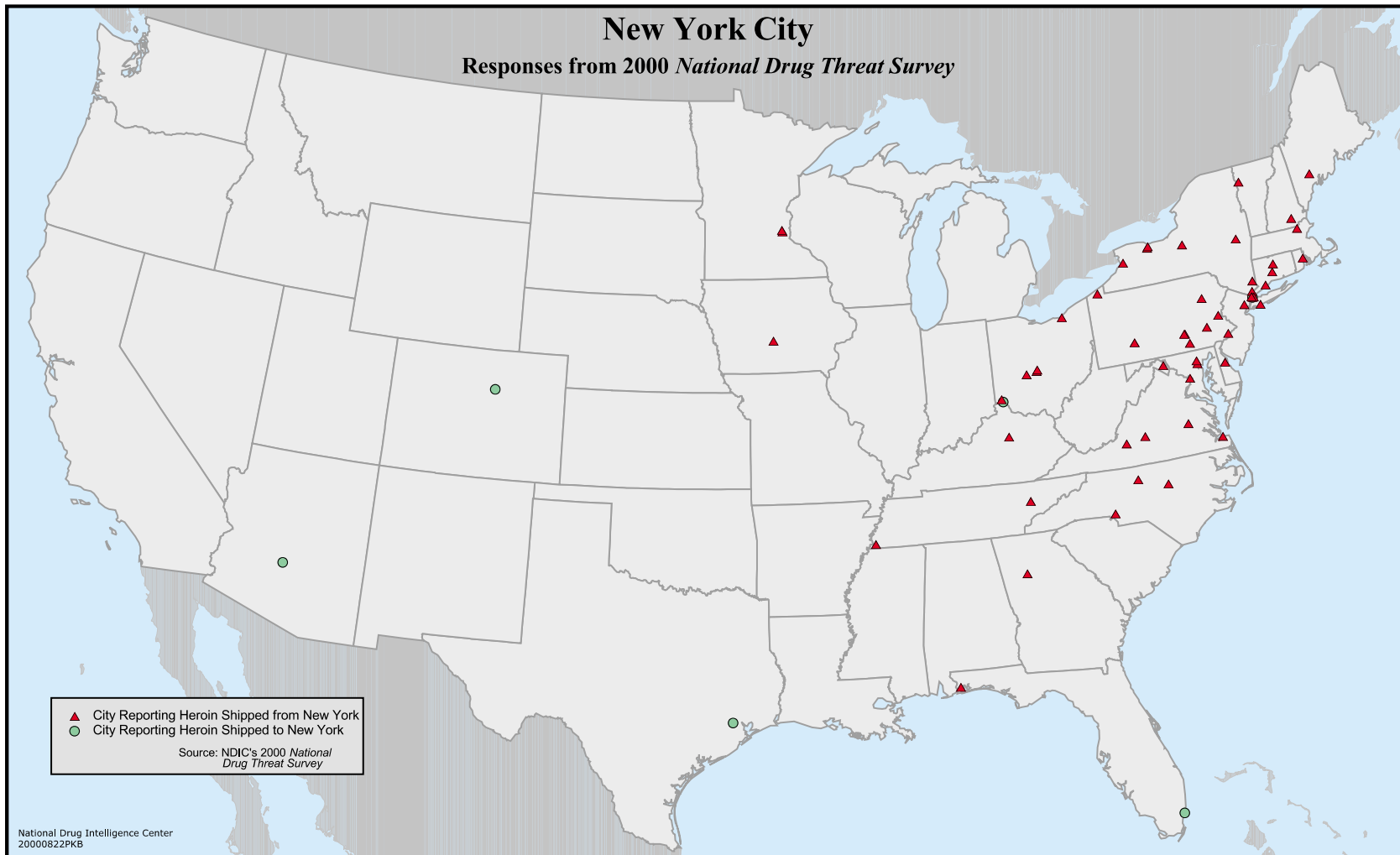


Figure 18. Cities that reported New York City as a heroin source or destination.

Figures 18–20 depict responses from the 2000 National Drug Threat Survey. In January 2000, NDIC sent copies of the National Drug Threat Survey to 843 state and local law enforcement agencies across the United States. The survey aimed for broad geographical coverage of urban, suburban, and rural areas without regard for population density. Agencies were asked to provide information on the drug situation within their jurisdictions. Over 400 agencies, including agencies in every U.S. city with a population over one million, responded to the survey. Collectively, responding agencies have jurisdiction over more than 65 percent of the U.S. population.

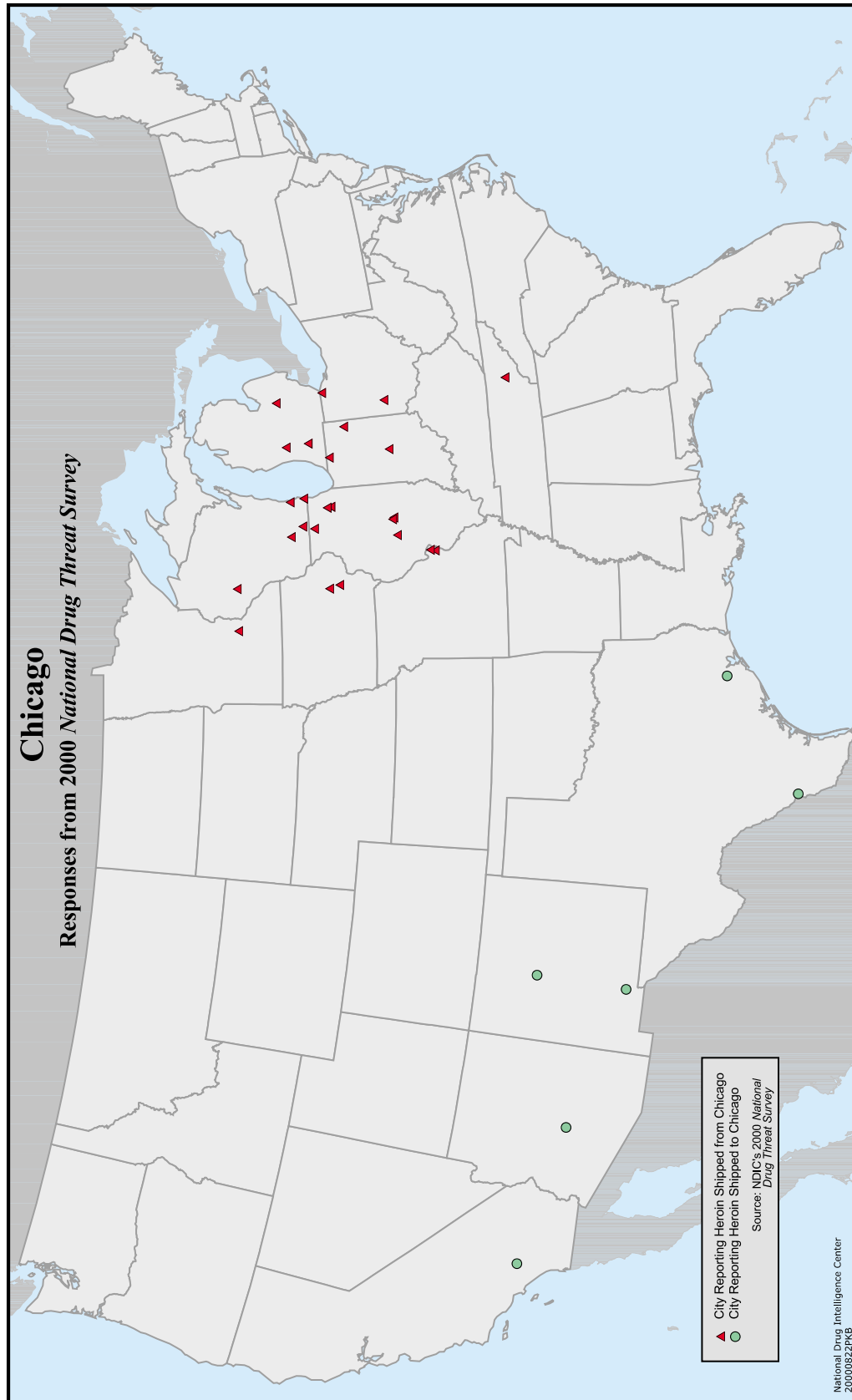


Figure 19. Cities that reported Chicago as a heroin source or destination.

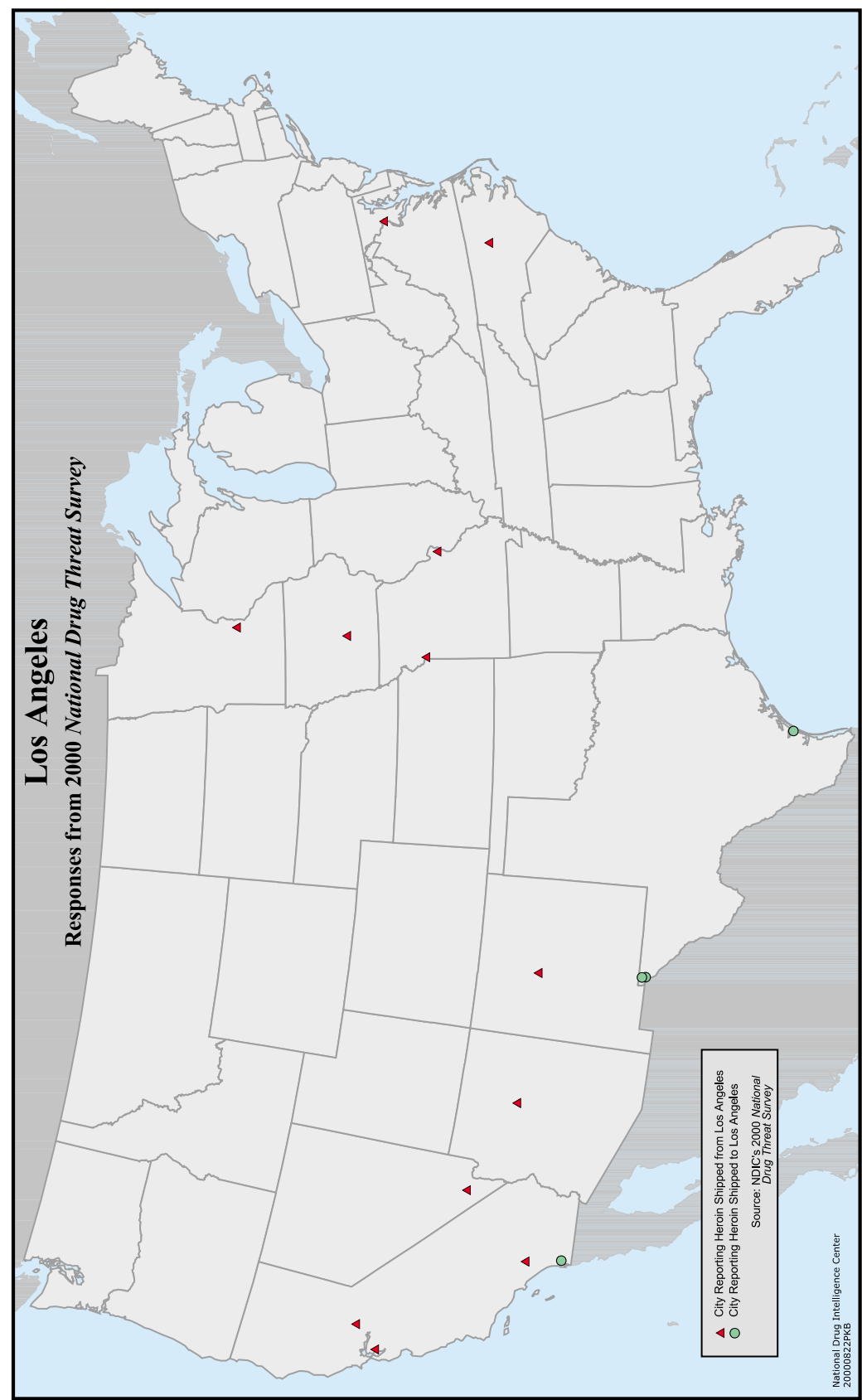


Figure 20. Cities that reported Los Angeles as a heroin source or destination.

