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Drugs - Meth Report

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OFFICE OF NATIONAL DRUG CONTROL POLICY

PULSE CHECK: Special Report

***Methamphetamine Trends in
Five Western States and Hawaii***

**Executive Office of the President
Office of National Drug Control Policy
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**Office of Programs, Budget, Research, and Evaluation
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Introduction

Methamphetamine, a powerful central nervous system stimulant, has been part of the drug culture for many years. It was developed early in this century from its parent drug amphetamine and was originally used in nasal decongestants, bronchial inhalers, and in the treatment of narcolepsy and obesity. Legally produced by pharmaceutical houses, amphetamine and methamphetamine were widely available in the 1950s and '60s through prescriptions as well as from a booming black market. The Food and Drug Administration estimated in 1962 that over 8 billion tablets were legally produced each year with as much as half of that production going to unauthorized users.¹ In the 1970s methamphetamine became a Schedule II drug; that is, a drug with little medical use and a high potential for abuse.

Almost from their first appearance, amphetamine and methamphetamine were abused. Valued for the ability to keep a user awake for long periods of time and producing a false sense of energy and enhanced physical and mental performance, these drugs were used in the 1950s and early 1960s among groups such as students, long distance truckers, and sports figures. In addition to the tablet form, in the late 1960s methamphetamine in crystal or liquid form suitable for injection became popular and the terms "crystal," "speed" and "speed freak" became part of the drug vernacular.

Increased Federal regulation of these drugs produced important changes in their availability, and the 1970s saw a marked decline in their use. Often, what was sold on the street as methamphetamine was actually another stimulant like caffeine or ephedrine. Illegal dealers began to rely on domestic illegal laboratories to manufacture supplies for distribution. Highly dangerous, both because of the highly volatile chemicals used in the manufacturing process and the high potential for explosions and fire, methamphetamine production and distribution in the 1970s came to be dominated by outlaw motorcycle gangs operating out of mobile clandestine operations in the California and the Pacific Northwest. Methamphetamine use declined nationwide throughout the 1970s, concentrated in a few cities or regions. However, beginning in the late 1980s it appeared to be spreading from these isolated areas to other new markets and gaining popularity among a larger number of users.

Methamphetamine is a unique drug. In its conventional form, it can be snorted, injected or even eaten. It can also be processed into a potent smokeable form known as "ice," which, starting in Hawaii, gained popularity in recent years in other areas. Methamphetamine is both domestically produced and imported into the U.S. in already processed form. Once dominated by local producers in remote areas of California and the Northwest, the market now includes both locals and, increasingly, Mexican sources providing finished product to stateside distributors. For the local producers the processing required to make methamphetamine from precursor substances is not only easier than it once was, but also more accessible. There are literally thousands of recipes and discussions concerning how to make batches of methamphetamine on the Internet. These entries range from fairly simplistic recipes to highly technical and detailed instructions written by experts.

¹ For a complete discussion of the history of amphetamine use see Grinspoon and Hedblom *The Speed Culture: Amphetamine Use and Abuse in America*, Cambridge MA., Harvard University Press, 1975.

Sources for this Report

Since its first publication in 1992, the *Pulse Check* has reported the rise in methamphetamine use in the West and Southwest and the increasing mention of its use in other parts of the country. This special edition of the ONDCP *Pulse Check* looks at methamphetamine use in six States—New Mexico, Arizona, California, Washington, Oregon and Hawaii—those States which appear to be the hardest hit by the reappearance of methamphetamine.

For this report, a random sample of treatment providers from the National Drug Abuse Treatment Unit Survey was taken, and a brief telephone interview with them conducted during the third and fourth weeks of December 1996. A total of 115 treatment providers were interviewed. The geographic distribution of those providers is illustrated in Figure 1. In addition; drug ethnographers, researchers and law enforcement officials in each State were interviewed. These sources are listed in the Appendix. The interview covers topics such as: who is using the drug; how is it used; what other drugs dominate the area; the price of methamphetamine; how is the drug manufactured and sold.

Each State has a unique experience with the re-emergence of methamphetamine. In the sections which follow, we summarize the results of the study by State.

Methamphetamine in Selected States

CALIFORNIA

For many years methamphetamine abuse was highly localized in specific areas of California, notably San Francisco and San Diego County. In 1990 reports to the Community Epidemiology Work Group, methamphetamine was the most commonly abused drug in the population of persons entering treatment in San Diego. According to the San Diego researcher, in 1996, 45 percent of treatment admissions were due to methamphetamine. In addition, in 1995 arrestees in San Diego represented proportionately more methamphetamine users than at any other Drug Use Forecasting (DUF) site. In San Francisco over the past five years, methamphetamine has been consistently the third most commonly abused drug of clients admitted to treatment (behind heroin and cocaine) in the five counties that make up San Francisco; much of the abuse in the past was concentrated among the male gay community. Increases in other areas and among a wider spectrum of users has continued to the present. For example, Los Angeles, not associated with methamphetamine abuse in the past, currently reports that methamphetamine ranks second after cocaine as the primary drug of abuse at admission to treatment and is second nationwide in the number of emergency room mentions related to methamphetamine.

Methamphetamine use in California is still concentrated in some areas, though surveys of treatment providers show a far wider dispersion of the drug's reach than ever before. The mode of ingestion (snorting and smoking versus injection) and the level of involvement of non-local manufacturers and distributors also differs significantly from the northern to the southern parts of the State.

The prevalence of methamphetamine reported by all California sources reached for this report is consistent with recent DAWN data which places San Diego, San Francisco, and Los Angeles in the top five cities nationwide in emergency room mentions for methamphetamine in 1995. These three cities also lead the nation in the number of medical examiner reports (deaths) related to methamphetamine. There are interesting differences in route of administration reflected in DAWN data between these cities.² In San Francisco almost two-thirds of the methamphetamine mentions involve injection, whereas in the other two cities only 10-12 percent of mentions involve injection.

Ethnographic and epidemiologic sources in Los Angeles, San Diego and San Francisco substantiate the DAWN reports. In San Francisco, ethnographic sources report that methamphetamine, while once most popular in the gay community, is now increasingly used by blue collar workers, young professionals, and college students. Putting methamphetamine into coffee in what is termed "biker's coffee" is reported as popular among young professionals interested in the drug's energizing and appetite suppressant effects, but not interested in snorting or injecting the drug. There are reports that in some segments of the gay community use of methamphetamine is related to "marathon sex," often unprotected, where the drug allows the user to stay awake for long stretches of time. As the DAWN data indicate, in this area it is often injected, doubling the risk of transmission of blood borne viruses and sexually transmitted diseases.

² These data should be interpreted with caution as they have problems due to large numbers of unspecified answers.

With the wider variety of users now evident, there is also a wider variety of sellers and distributors. While supplies had previously been part of a "close distribution network" when motorcycle clubs dominated production, there are now different kinds of distributors targeting each of the user populations (college students, young professionals, blue collar workers, and the gay and club communities).

In Southern California, methamphetamine continues to be the number one or two drug problem. DUF data indicate that after a slight drop in the number of arrestees testing positive for methamphetamine in San Diego in 1995, use rose again in 1996, particularly among women and juveniles. In August 1996, 41 percent of women arrested tested positive for methamphetamine. In September 1995, 5 percent of juvenile male arrestees tested positive for methamphetamine. By September 1996 that number had more than doubled to 13 percent. There is also increasing use among Hispanics in this area.

Methamphetamine in the San Diego area comes from two sources: some "Mom and Pop" operations out in rural areas of the county and, more commonly, from Mexican nationals bringing already manufactured methamphetamine across the border. The drug is typically sold in 1/4 gram (\$20-25), gram (\$50-75) and 1/8 ounce (\$140-180) units though larger amounts are available. In this area, sources estimate that less than 10 percent of users inject, most preferring snorting or smoking the drug.

Methamphetamine appears to be second only to crack cocaine in popularity in the Los Angeles area. As in San Diego, there is a growing use among Hispanics, though the majority of users are white males. Methamphetamine is available from individual, local manufacturers in inland areas like Riverside, but the market is increasingly dominated by established Mexican Nationals with more efficient, well-organized distribution routes. In Los Angeles, methamphetamine is most often smoked or snorted rather than injected.

Treatment providers from across the State uniformly report that methamphetamine is one of their most serious problems. Treatment admissions in 1995 for methamphetamine abuse San Francisco, for example, were double the 1992 level. In our survey of providers, 57 percent of programs report that it is continuing to rise in their area; 25 percent feel that it has stabilized and 7 percent report it declining. While methamphetamine is a commonly reported drug, it may not be the primary drug problem which brings their clients to treatment. 39 percent of programs report alcohol as the most common problem among clients at entry into treatment, followed by opiates (18%), methamphetamine (18%), cocaine (14%) and marijuana (11%). However, on average 38 percent of treatment admissions are abusers of methamphetamine. Some programs, like one Northern California adolescent program, report far higher figures: 50 percent of the adolescent clients enter with methamphetamine as their primary drug of abuse and 80 percent report that they regularly use it.

Who is using methamphetamine? There are two basic profiles of users reported by treatment providers:

- 1) students, both high school and college age, males and females, and
- 2) white, blue collar workers or unemployed persons in their twenties.

Several providers in Southern California also mention an increase in the number of Hispanic methamphetamine users, though whites still appear to dominate this user group. They are also likely to be users of alcohol and marijuana along with methamphetamine rather than users of drugs like heroin. For example, two methadone programs reported that less than 10 percent of their clients enter treatment reporting that they use methamphetamine. In contrast, programs where alcohol or marijuana are the primary drugs of abuse at entry report that as many as 70-80 percent of their clients also use methamphetamine. 61 percent of treatment providers also felt that there was some substitution of methamphetamine for the less accessible and more expensive cocaine, but many also noted that methamphetamine has a clear following of its own.

What prompts methamphetamine users to enter treatment? Methamphetamine can cause a variety of mental, physical, and social problems which may prompt entry into treatment. Though it is not as expensive as heroin or cocaine, its cost might also produce financial problems for users and prompt them to seek help. Because so many clients in treatment for methamphetamine abuse are also unemployed, one might assume that it could eventually produce difficulties on the job. It is interesting to note, however, that the most commonly reported reason methamphetamine clients enter treatment is trouble with the law. 46 percent of programs report that legal problems are the most common reasons for entry; 29 percent report mental or emotional problems most common and 14 percent report problems on the job or at school.

Several providers also describe methamphetamine abusers as "the hardest to treat." They are often overly excitable and "extremely resistant to any form of intervention once the acute effects of meth use have gone away," e.g., malnourishment, depression, chronic sleeplessness, headaches.

WASHINGTON STATE

For the information concerning methamphetamine in Washington State, two law enforcement officials, a drug researcher at the University of Washington, and a random sample of 16 treatment providers around the State were interviewed.

In addition, we reviewed 1995 DAWN data, available only for Seattle. DAWN data indicate a 7 percent increase from 1994-1995 in the number of medical examiner mentions for Seattle, about 4 percent of all ME deaths reported for 1995. Of the 10,729 ER mentions for Seattle in 1995, approximately 3 percent involved methamphetamine.

All sources describe a rising trend in methamphetamine availability and use, though problems with heroin and cocaine are still dominant in the urban areas of the State. Epidemiologic data indicate that there has been a 252 percent increase in the number of treatment admissions with methamphetamine as the primary drug of abuse between 1992 and 1995. The overwhelming majority of methamphetamine admissions are of whites (almost 90%); 40 percent are in their late twenties and early thirties and 37 percent are injecting the drug.

Epidemiologic sources point out that while the majority of users continues to be rural bikers and blue collar workers, there are also a number of other groups now using. For example, it is reported that the drug is becoming increasingly popular among street youth, among Native American populations and among Hispanic immigrants. This source describes this as a diffusion from rural to urban, from gay populations to heterosexuals and from white to minorities.

Sellers and manufacturers in Washington State, including both local residents and Mexican Nationals, are reported to be increasing in number. One Seattle law enforcement source describes the increase in distribution and use as "remarkable in the last 18 months." The increase in the number of prosecutions from seven in 1991 to 52 in 1995 indicate the growth in the sheer number of dealers. Labs are reported as springing up in a variety of places: hotels, motels, backrooms of other facilities. DEA sources report that, as in California, Mexican meth dealers are using the same routes and distributors for meth as they use or have used for heroin and cocaine. This source also reports the practice of "eating" meth; that is, putting it on paper or food and chewing it, though injecting and snorting are the most common modes of ingestion.

Among **treatment providers** interviewed around the State, 94 percent reported that methamphetamine use is increasing in their area. The remaining 6 percent report that it has stabilized. Though no programs reported that methamphetamine use was the primary drug of abuse for most of their clients at treatment entry, on average, approximately 30 percent of those in treatment use the drug. As is reported in California, the most common reason cited for meth using clients to seek treatment is trouble with the law (50%), followed by mental and family problems.

There is a wider variety of methods of using methamphetamine in the Washington area than in some of the other States. Providers report that clients are equally likely to smoke, inject, or snort it. 81 percent of Washington treatment providers also reported that methamphetamine is substituting for the more expensive and far less accessible cocaine. Almost 70 percent reported that use is up because methamphetamine is cheap and/or readily available throughout the State. Methamphetamine, like marijuana, is considered a "local" or "homemade" drug.

Who is using meth in Washington State? The typical user is described as white, high school educated, in his or her twenties and thirties, and a blue collar or service worker. Several providers stress that this is not someone who also uses heroin and cocaine. Two directors of Seattle programs which serve heroin users state that less than 5 percent of their clients use methamphetamine. Most often the companion drugs used by methamphetamine users are alcohol and marijuana. As one provider comments, "It is the alcohol that brings them in here. Once in treatment, we see the problems with speed, pot, and hallucinogens."

OREGON

All sources describe methamphetamine as a "continuing problem" in Oregon. Methamphetamine has been part of the drug scene there since the 1960s—a part that did not disappear completely as it did in many other areas of the country. Oregon has also been one of the States with steady activity in the production of methamphetamine and distribution to other areas of the West. Whereas other States may report only a handful of laboratory busts or supply seizures over the last twenty years, Oregon law enforcement reports consistent activity surrounding the drug.

DAWN data from medical examiners in Portland indicates a decline in deaths due to methamphetamine from 1994-1995. Similarly, data gathered from police sources in Eugene, regional DEA agents and treatment providers indicates that, while there may be some stabilization, methamphetamine use is still a major drug problem in the State.

Law enforcement sources report that methamphetamine continues to plague the area. July of

1995 brought one of the largest laboratory busts in an area of rural Oregon where manufacturers were producing as much as 100 pounds of methamphetamine per batch. This bust led to related police action involving distributors across the Canadian border. While a portion of the drug is still produced locally, police sources report that currently the bulk of the supply now comes from California and Mexico. Production of methamphetamine is described as having "always been around" in rural Oregon. However, it is now no longer just a local operation managed by a handful of producers in small labs.

Treatment providers throughout the State describe methamphetamine as a problem. 47 percent of those interviewed reported that methamphetamine is the primary drug of abuse of their clients, followed by 40 percent reporting alcohol and 13 percent reporting marijuana as the primary problem. A average of 52 percent of clients across all programs use methamphetamine. In one small rural Oregon town, the treatment director commented that these are areas where "people don't use cocaine—wouldn't think of it—but speed is widely accepted, particularly among 18-25 year olds." Another program which dealt only with adolescents reports that only 10 percent come into treatment with meth as the primary problem (that is usually alcohol or marijuana), but 70-80 percent use it. Many providers also commented on its availability due to "homemade" sources. 80 percent of providers reported the prevalence of meth in their area as due primarily to its low cost and/or wide availability.

Who is using meth in Oregon? The typical Oregon user is quite similar to that reported in other States: white, often male, a blue collar worker now unemployed, in his/her twenties and early thirties. Adolescent programs also report methamphetamine use among students, sometimes as young as ninth graders. The most common reason for treatment entry is legal troubles. The most common method of ingestion in this area is snorting, followed by injecting and, to a far lesser degree, smoking.

ARIZONA

Like Southern California, Arizona has reported problems with methamphetamine use and trafficking for several years. Sitting at the southwest border, Arizona has been struggling with the traffic in what one source described as "first the makings for the cake (chemicals) and now the cake itself (processed methamphetamine)" for many years.

DAWN data indicate that Phoenix ranks third nationwide in the number of methamphetamine ER mentions in 1995 with 732 mentions, about 10 percent of all Phoenix ER mentions, though this number has been decreasing over the last few years. Medical examiner data from Phoenix is also somewhat encouraging, indicating a substantial decline (29%) in the number of deaths attributable to methamphetamine. Approximately 42 percent of these mentions involve smoking of the drug, the most common method reported in the State by all sources.

Ethnographic sources report that methamphetamine in both urban and rural areas is a widely prevalent, and may be increasingly popular among young users where "it has not received the attention cocaine has; does not have the 'mystique' cocaine has." Users tend to be either White, rural blue collar workers who have used the drug for many years or urban cocaine users who are switching to methamphetamine. The latter users are described as people who can not get cocaine and/or those who burn out on the drug and "need the stronger, longer lasting and cheaper high meth can provide." The problem noted by this source is that users burn out even faster often developing even higher levels of paranoia or other dysfunctional behavior than they experience with cocaine.

Law enforcement sources in Phoenix report that methamphetamine continues as the "drug of choice" in Arizona, the number one street trafficking drug problem. Though this source describes adult use as stabilizing somewhat, like the ethnographic source, he feels that adolescent use appears to be increasing as adolescents "feel more confident of its safety," perceiving it safer than cocaine. These users are more likely to snort the drug, though some are injecting.

Street level trade in methamphetamine is brisk in Phoenix. Prices range from \$20-\$25 for a 1/4 gram unit to \$160-\$180 for 1/8 ounce. Sellers tend to be U.S. citizens selling their own local product or Mexican nationals selling methamphetamine produced across the border. Many local labs continue to spring up in the area and it is estimated that police uncover one or even two a week.

Of the 24 Arizona **treatment providers** interviewed, 71 percent felt that methamphetamine use was up in their area, overwhelmingly (72%) because it is cheap and/or available. While alcohol (46%) and cocaine (17%) are the primary drugs of abuse at entry in most programs, methamphetamine (13%) ranks third. In addition, these programs report an average of 40 percent of their clientele using methamphetamine at entry. Smoking and snorting the drug are most common routes of administration.

As in other States, providers in Arizona report troubles with the law (63%) as the most common catalyst to treatment entry, followed by family problems (21%) and financial problems (8%). Most of the clients they see who are abusing methamphetamine are young (twenties) and either unemployed or employed in a blue collar occupation. While the typical user is still currently white, several providers noted the increase in methamphetamine abuse among young Hispanics and Native American populations. Urban areas like Phoenix and Tucson also reported the popularity of methamphetamine among the gay population due its image as an enhancer of sexual stamina.

NEW MEXICO

Law enforcement sources in New Mexico report that methamphetamine is readily available in that State, both from heavy trafficking across the border and from the local operations which spring up, particularly in rural or remote areas. Though there are many "match book" or "do-it-yourself" operations in the area, the bulk of the supplies to New Mexico come from the larger and more efficient Mexican based producers. The number of seizures of methamphetamine has increased dramatically since the early 1990s, including an almost 700 pound seizure in New Mexico in 1994.

The demand is both the traditional older "biker" users as well as former cocaine and crack users switching to the cheaper, longer lasting high. When cocaine is available, it is preferred by many of these users. This source reports that in fact, many users buy methamphetamine marketed as cocaine.

Half of the 16 **treatment providers interviewed** report that methamphetamine use has increased in the past year, while 44 percent report that it has stabilized in their areas. Three-fourths of the programs report that the primary drug of abuse at entry for most of their clients is alcohol, followed by opiates (13%). No program reported that the majority of their clients report methamphetamine as the primary drug problem, and the average proportion of clients using meth at entry is 27 percent.

Several providers report that the stabilization in use is due to crackdowns on local labs in their area as well as a rise in the popularity of heroin in the State. Methamphetamine is described as widely

available, however. As one provider commented, "They think they won't become addicted and it is cheaper than anything but pot." Programs in remote or very rural areas of the State often report users who value the drug for its ability to keep them working on farms or in oil fields for long periods of time allowing them to accumulate extra or overtime pay. Too often, that pay is spent on the common companion or primary drug problem, alcohol.

The typical users in New Mexico are white, unemployed, and in their twenties. They are as likely to snort the drug as they are to inject it. As in the other States, the most common reason for seeking treatment among meth abusers is trouble with the law. One provider describes a male client who abuses alcohol and methamphetamine and routinely gets into brawls as a result. The aggression produced by inebriation, heightened by the paranoia and sense of physical prowess produced by methamphetamine, combine to make him a regular with the local authorities. Methamphetamine also, however, makes him a difficult arrestee to manage in small facilities.

HAWAII

Sources in Hawaii report the greatest prevalence of methamphetamine use and the widest range in types of users of all the States surveyed. Most often in the smokeable crystalline form called "ice" in the mainland but a number of other names in Hawaii, methamphetamine is reported among whites, Asians, males and females, students, blue collar workers, and professionals. It is smoked in expensive glass pipes, mixed with tobacco, or even in pipes made from soda cans.

Drug research sources in Honolulu report that while methamphetamine has wide appeal in that area, it is also associated with violent episodes and difficulty in successful treatment. In a study in the early 1990s, 40 percent of prisoners admitted to local facilities had used methamphetamine. Sources of the drug are both local and from other areas in the Pacific, though the drug is distributed and readily available through local dealers of other drugs like cocaine and heroin.

69 percent of **treatment providers** interviewed felt that methamphetamine use had increased over the past year and 25 percent felt it was stabilizing. It is the primary drug of abuse at entry for 38 percent of programs interviewed, second only to alcohol (44%) and followed by marijuana (19%). An average of 55 percent of the clients at entry use methamphetamine, and, as in other States, it is trouble with the law which prompts them to seek treatment most of the time (44%). Several providers receive clients through employee assistance programs which refer employees who have exhibited inappropriate or aggressive behavior on the job or chronic absenteeism.

The typical user profile is harder to draw for Hawaii. While many programs report that users are young (teens and twenties), there is a range of jobs, ethnicities, and education levels reported. No program reports that clients inject; users either smoke methamphetamine (81%) or inhale it (25%). A commonly reported problem in treating these clients is that they "rarely admit to methamphetamine abuse. They will tell you about "huffing" (inhalant abuse) if they are kids or about alcohol if they are adults, but fail to mention the meth until you ask them." Methamphetamine users do, however, need extended treatment, according to several treatment providers, particularly if they have been smoking for a year or more.

SUMMARY

Methamphetamine abuse is a continuing problem in these Western states and in Hawaii. While the drug has been used in these States for many years by a small number of users, it has gradually become the drug of choice and primary drug of abuse at entry to treatment in many areas, even overtaking the more common drug problems of heroin and cocaine in treatment populations. Even in areas where alcohol is cited as the most common treatment problem, methamphetamine is often the companion drug, along with marijuana, in anywhere from 25 to 80 percent of the cases.

Methamphetamine is a drug with particular appeal to students and to blue collar workers, using it for recreation, to increase job or school performance, or simply to stay energized for long periods of time. It is cheaper and more accessible than cocaine and appears not to have the same stigma associated with it. As one ethnographer comments, "These users are too young to remember the 'Speed Kills' campaigns of the late 60s and early 70s, and seem to think it is pretty harmless." It can be injected, snorted, smoked or even eaten, making it more versatile drug to administer. However, it is also a drug which has high burnout potential. Treatment providers in all States report users enter treatment more rapidly with methamphetamine than with either heroin or cocaine.

One particularly interesting finding from these surveys is the uniformity of response in terms of why users decide to enter treatment. Over 50 percent of providers in each State cited legal problems as the catalyst for most of their methamphetamine clients' entry into treatment. These legal problems are described as aggressive behaviors like fighting or bizarre or inappropriate behaviors which prompt others to call the police. Police sources also note that arrestees under the influence of methamphetamine are some of the most difficult to manage due to high levels of hostility, paranoia and agitation.

This report also finds that methamphetamine is readily available in these six States. It is both locally manufactured by small producers operating in a variety of places and using recipes widely circulated in the drug culture and, increasingly (on the U.S. mainland), manufactured and distributed by Mexican nationals through local networks already established in the distribution of other drugs. This more efficient routing may be in part responsible for its increased popularity in many areas.

CITIES REPRESENTED IN SAMPLE OF TREATMENT PROVIDERS

Washington

Kirkland
Seattle
Wenatchee
Spokane
Yakima
Everett
Longview
Pasco
Tacoma

Arizona

Phoenix
Tempe
Tucson
Holbrook
Kingman
Chinle
Chandler

New Mexico

Albuquerque
Carlsbad
Alamogordo
Hobbs
Santa Fe

Hawaii

Honolulu
Kailua
Wahiawa
Waianae
Lihue
Pearl Harbor
Ewa Beach
Makawao
Wailuku

Oregon

John Day
Eugene
Medford
Portland
Pendleton
Albany
Salem
Hillsboro

California

Desert Hot Springs
Fresno
San Francisco
Los Angeles
Hawaiian Gardens
Berkeley
Chico
Hayward
Bakers Field
Modesta
Sacramento
Redwood City
Culver City
Bellevue
Canoga Park
San Mateo
Compton
Cypress
Long Beach
Chula Vista
Inglewood
Costa Mesa
Sonora

ETHNOGRAPHIC/DRUG RESEARCH SOURCES

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Appendix B

***Pulse Check* Methodology**

Since its first publication in 1992, the *Pulse Check* has provided the most current intelligence about drug markets and patterns of drug abuse nation-wide. The *Pulse Check* draws on discussions with ethnographers and epidemiologists working in the drug field, law enforcement agents, and drug treatment providers across the country. Approximately seventy-five people are called for each report.

Ethnographers, Epidemiologists, and other Ethnographic Sources

Ethnography is a mode of research that analyzes the behavior of groups in the natural settings in which these behaviors occur. Ethnographers use field observations and interviews to gather data. Ethnography is *not* undercover work. Rather, the ethnographer, who is fully revealed as a social science researcher, enters the drug user's world to record and describe it "on its own terms," that is, without predetermined ideas.

Epidemiologists are also consulted for the *Pulse Check*. Epidemiologists study the origins, spread, and control of diseases, in a general public health paradigm. In the field of substance abuse, they track changes in patterns of drug use, including the incidence and prevalence of the use of specific drugs, characteristics of users, and emerging trends. Many epidemiologists who report for the *Pulse Check* are members of the National Institute on Drug Abuse (NIDA) Community Epidemiology Working Group (CEWG).

Other ethnographers, such as sociologists and psychologists who use ethnographic research techniques, also are included as sources for the *Pulse Check*.

The ethnographic sources contacted by *Pulse Check* include some of the best known drug researchers in the country. In some cases, they are trained ethnographers; in other cases, they are epidemiologists with access to ethnographic information; a few are social researchers working in a field site collecting ethnographic data. Reporters are generally the same for each round of calls.

The following twelve ethnographers, epidemiologists, and other ethnographic sources from urban areas were contacted for this issue of *Pulse Check*:

Austin, TX: Jane Maxwell, M.A. Director of Needs Assessment Department, Texas Commission on Alcohol and Drug Abuse.

Bridgeport, CN: Garry Geter. Addictions Counselor, Connecticut Department of Health.

Chicago, IL: Wayne Weibel, Ph.D. Associate Professor of Epidemiology and Director of

Community Outreach Intervention Projects, University of Illinois School of Public Health.

Denver, CO: Stephen Koester, Ph.D. Professor, University of Colorado School of Medicine.

Miami, FL: Bryan Page, Ph.D. Professor of Anthropology and Psychiatry and Deputy Director, Center for the Biopsychosocial Study of AIDS, University of Miami.

Newark, DE: Mario Pazzaglini, Ph.D. Private Consultant to State of Delaware and several drug treatment facilities. Formerly with the State of Delaware, Bureau of Alcoholism and Drug Abuse and the University of Delaware.

New York, NY: Doug Goldsmith, M.A. Ethnographer, NDRI (a non-profit drug research company).

New York, NY: John Galea, M.A. Chief of Ethnography, New York State Office of Alcoholism and Substance Abuse Services. Former Commanding Officer of the New York City Police Department Youth Gang Intelligence Unit.

San Antonio/El Paso, TX: Reyes Ramos, Ph.D. Professor of Health Sciences, University of Texas.

San Diego, CA: Susan Pennell, M.A. Director, Criminal Justice Research Division, San Diego Association of Governments.

Trenton/Newark, NJ: John French, M.A. Chief Epidemiologist, New Jersey Department of Public Health.

Police Sources

Police sources are drawn from the Abt staff's existing contacts within law enforcement and from contacts developed through the recommendations of law enforcement agencies. These sources are typically officers working on special squads, narcotics task forces, and DEA agents.

This issue of *Pulse Check* reached police sources in six cities. Reporters are generally the same for each round of calls; however, when police contacts must change as officers take on new positions, replacements are typically made on the recommendation of the officer who had been the *Pulse Check* reporter.

Treatment Providers

The sample of treatment providers is derived from the National Facility Register, a directory of treatment programs compiled by the Substance Abuse and Mental Health Administration, from which this sample from the Uniform Facility Data Set (formerly the

National Drug Abuse Treatment Unit Survey) is drawn within the U.S. Department of Health and Human Services. The listings are divided into four regions that have a similar number of treatment programs and are treated equally for sampling. The states in each region are listed below.

- **Region I:** Connecticut, Maine, Massachusetts, New York, New Jersey, Rhode Island, New Hampshire, Vermont, Pennsylvania
- **Region II:** Alabama, Florida, Georgia, Kentucky, Mississippi, Texas, North Carolina, South Carolina, Tennessee, Arkansas, Louisiana, Oklahoma, Maryland, Delaware, Virginia, Washington, D.C., West Virginia
- **Region III:** Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin, Iowa, Kansas, Missouri, Nebraska, North Dakota, South Dakota
- **Region IV:** Colorado, Montana, Utah, Wyoming, Nevada, Arizona, California, Idaho, New Mexico, Washington, Oregon

This *Pulse Check* incorporates the comments of 61 treatment providers. From each of the four regions listed above, 20 large (over 100 clients) programs and 20 small (under 100 clients) programs were identified, 10 to 15 of each type were contacted, and the remaining 5 served as replacements. The samples are stratified to include equal numbers of large and small programs.

Topics of Discussion

Below is a sample of topics that are raised with *Pulse Check* reporters.

ETHNOGRAPHERS, EPIDEMIOLOGISTS, AND LAW ENFORCEMENT SOURCES

- Level of illicit drug use in the community. Changes in the use of drugs over the last six months.
- Age, ethnicity, and sex of users in your area.
- Frequency of use, prevailing routes of administration. Changes over the last six months.
- Who is selling. Changes in this group over the last six months. Other drugs sold by this group.
- Current prices. Changes in prices over the last six months. Typical units of purchase.

TREATMENT PROVIDERS

- Proportion of population reporting heroin/cocaine/marijuana/alcohol as the primary drug of abuse.
- Proportion of population that is injecting versus inhaling/smoking the drug. Changes in this proportion over the last six months.
- Other drugs used.
- Characteristics (age, ethnicity, and sex) of clients.
- Proportion of population that has had prior treatment.

ONDCP



The ONDCP Drugs & Crime Clearinghouse

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P.O. Box 6000

Rockville, MD 20849-6000

The ONDCP Drugs & Crime Clearinghouse -

- ◆ operates a toll-free 800 number staffed by drugs and crime information specialists
- ◆ distributes Office of National Drug Control Policy and Department of Justice publications about drugs and crime
- ◆ answers requests for specific drug-related data
- ◆ performs customized bibliographic searches
- ◆ advises requesters on data availability and of other information resources that may meet their needs
- ◆ maintains a public reading room

Affiliated with the National Criminal Justice Reference Service

Prepared for:
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Prepared by:
Dana Hunt, Ph.D.

Edited by:
Sumona Guha

Crime - Meth Report
and
DPC - Keep up on



Jose Cerda III

05/19/97 01:32:43 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Michelle Crisci/WHO/EOP
cc: Leanne A. Shimabukuro/OPD/EOP
Subject: Drug Policy Announcements for Wednesday

Bruce, Elena, Rahm:

After reviewing the draft Meth and drug testing, here are my reactions:

1. Meth report shows our strategy is working. Substantive and newsworthy items include: (1) preliminary '96 data show that meth use is down from 7 to 52 percent in most cities; (2) clandestine lab seizures have increased 170% (from 326 in '95 to 879 in '96), and '97 seizures are escalating; (3) increased meth penalties recently released by Sentencing Commission and will take effect on 11/1/97; and (4) good, recent anecdotes on successful prosecutions -- including life for meth dealers -- and lab seizures.

The report also discusses state and local cooperation, law enforcement training, treatment, meth awareness campaign, improved efforts from Mexico (1 ton of precursor chemicals seized last year), and precursor chemicals.

2. Update on Operation Drug TEST not ready. The report on drug testing still needs considerable work. Problems include: (1) more than a year later, not all 25 cities have program running (only 19); (2) no numbers/impact to report; (3) mostly a re-hash of original EO and proposed guidelines -- essentially no anecdotes; and (4) does not address issue of treatment -- to what extent are we treating offenders that test positive?

Rec: Play up the meth report and Treasury's GTO; hold the drug testing report. Also, get with DOJ on improving the criminal justice drug testing/treatment report. It's too important an anti-drug and crime initiative to get such short shrift. Here are some initial thoughts on improving the report: (1) Focus on cost-benefit of testing/treatment, along the lines of new RAND report; (2) broaden to include state and local efforts, like crime bill-funded "drug courts"; and (3) included new actions with reports -- Drug Testing Czar (in Dennis memo)? Directive/guidelines for states to adopt comprehensive testing/treatment? Push for testing/treatment dollars in juvie bill? Release of drug court funds? I follow-up on these and check DB's files for more. I know he was talking to Mark Kleiman about some ideas.

- Why?

Jose'

National Methamphetamine Strategy Update



May 1997

Message to the President

One year ago, in Miami, you announced our new methamphetamine strategy. It encompasses a tough but fair and balanced approach to this national problem. Those who violate the law must be caught and punished, while we must do all that we can to prevent the manufacture and trafficking of this poison.

We are already beginning to see results. We are beginning to turn the corner. Methamphetamine use is down in almost all cities where it is sampled. But, we must not let up. First, we must prevent the further spread of this scourge and second, we must continue to work until we have eliminated the problem.

While we are making this report to you, we are only doing so as representatives of men and women in federal, state, county and local government and the private sector. They have done the work and they deserve the credit.

Janet Reno
Attorney General

Barry McCaffrey
Director, Office of National
Drug Control Policy

NATIONAL METHAMPHETAMINE STRATEGY UPDATE

EXECUTIVE SUMMARY

I. Methamphetamine: The Challenge.

Methamphetamine is a synthetic stimulant drug that is cheaper than cocaine in many markets, produces a longer high than cocaine, and can produce extreme aggressiveness and irrational violence.

- **Methamphetamine use is spreading.** Use of the drug has historically been concentrated in the West and Southwest. It is now spreading to the Midwest and to the East. Left unchecked, methamphetamine could become the "crack" cocaine of the 1990s, with even more devastating results.
- **Methamphetamine production carries severe environmental risks.** Methamphetamine is produced in clandestine laboratories, which carry an enormously high risk of fire and explosion. The production process creates large amounts of extremely toxic waste, much of which is dumped into waterways or on the ground. Officers investigating laboratories have been overwhelmed by chemicals, and the cost of cleaning up a single laboratory is often in the thousands of dollars.

II. The Administration's Response.

- **National Methamphetamine Strategy.** The President's National Methamphetamine Strategy addresses the emerging methamphetamine threat and provides the underpinnings for a coordinated government-wide response.
- **Legislation.** With the Administration's leadership, Congress enacted the Comprehensive Methamphetamine Control Act of 1996 last October. The Act strengthens criminal penalties for methamphetamine trafficking and establishes new controls over precursor chemicals.
- **Law Enforcement.** The Administration has stepped up its efforts to help law enforcement deal with methamphetamine trafficking, specifically:
 - By enhancing the Organized Crime Drug Enforcement Task Forces (OCDETF) effort;
 - By designating a Midwest High Intensity Drug Trafficking Area (HIDTA) to meet the methamphetamine threat in Nebraska, Iowa, Kansas, Missouri, and South Dakota;
 - By requesting that all U.S. Attorneys submit district plans assessing the current threat and establishing coordination groups among community agencies, which was completed as of September 1996; and
 - By successfully investigating and prosecuting numerous criminal methamphetamine cases, in close coordination with the state and local law enforcement agencies.

-
- **Improving Intelligence Products and Information Sharing.** The Administration is reviewing the way intelligence and information is acquired, processed, and utilized in regard to the production, transportation, and sale of precursor chemicals, the manufacture, importation, and distribution of methamphetamine, and the laundering of profits derived from methamphetamine sales.
 - **Prevention and Education.** The Department of Education is developing material related to the prevention of methamphetamine use and will send the material to all local education agencies by September 30, 1997.
 - **Treatment.** Currently used psychosocial and cognitive-behavioral drug abuse treatment approaches are effective in reducing methamphetamine abuse. Research on drug abuse pharmacotherapies, as well as behavioral treatments, is continuing.
 - **Data Collection.** The National Institute of Justice's *Drug Use Forecasting Report* is adding substantial data to its banks of information on methamphetamine abuse. In addition, NIJ is sponsoring research on methamphetamine distribution and market patterns in five western cities. The National Institutes of Health are also conducting an in-depth study of the methamphetamine user. Preliminary findings from this study will be shared at an upcoming national methamphetamine conference.
 - **Conferences.** The Administration has hosted two methamphetamine conferences — one regional and one national in scope — which drew more than 450 people representing a broad array of disciplines from all over the country. These conferences are the primary forums for sharing information, increasing understanding, coordinating efforts, and soliciting input to improve the nation's response to the methamphetamine problem.
 - **Publications.** The Office of National Drug Control Policy published two documents in January 1997 on methamphetamine — *Pulse Check: Methamphetamine Trends in Five Western States and Hawaii* and *Recent DAWN Data on Methamphetamine and Speed*.
 - **Putting the Issue before the American People.** The Administration has highlighted the nature of the methamphetamine threat through public announcements, policy statements, media events, and meetings with coalitions at all levels of American society, and we plan to continue to do so in a variety of ways, including a proposed \$175 million national advertising campaign.
 - **Strategy Review.** The Administration is continually reviewing and evaluating the effectiveness of the National Methamphetamine Strategy. Building upon its foundation, the 1998 National Drug Control Strategy will incorporate budget entries to update the action items of the National Methamphetamine Strategy.

**REPORT ON METHAMPHETAMINE ABUSE AND TRAFFICKING
IN THE UNITED STATES: An Update of the
National Methamphetamine Strategy**

Introduction.

The trafficking and abuse of methamphetamine — a highly destructive, addictive, and violence-causing synthetic drug — continues to be a national problem. Methamphetamine, also known on the street as "crystal," "crank," "ice," and "speed," is a dangerous synthetic stimulant that results in an addiction cycle and physiological trauma similar to that associated with "crack" cocaine use. Methamphetamine may be injected, smoked, snorted, or ingested orally, making it increasingly attractive to casual users.

1. Historical Background.

Until the early 1990s, methamphetamine trafficking was largely associated with motorcycle gangs who supplied users in various parts of the United States. Available data show that in the last few years, abuse has risen significantly in the West and Southwest portions of the country. The Drug Use Forecasting (DUF) statistics released by the National Institute of Justice (NIJ) in July 1996 confirmed that methamphetamine use was highest in western locales. According to the Drug Abuse Warning Network (DAWN), between 1989 and 1995, the estimated number of nationwide emergency-room drug abuse episodes involving methamphetamine doubled, and between 1991 and 1994, the number of methamphetamine deaths nearly tripled.

The methamphetamine problem has been spreading into the Midwest and eastward into states such as Arkansas, Georgia, and Florida. For example, between 1992 and 1996, the Midwest region (Missouri, Iowa, Kansas, South Dakota, and Nebraska) saw a 300 percent increase in clandestine laboratory seizures, and in 1996, the Drug Enforcement Administration (DEA) seized 236 clandestine methamphetamine laboratories in Missouri alone.

Sophisticated poly-drug organizations with roots in the Mexican communities on both sides of the border have seized control of methamphetamine trafficking, using complex chemical procurement, manufacturing, and transportation techniques. The emergence of the Mexican drug trafficking organizations and their extensive involvement in methamphetamine production and distribution has re-defined the nature of the problem in the United States. According to the El Paso Intelligence Center, the amount of methamphetamine seized along the southwest border increased dramatically in recent years — nearly 100-fold between 1992 and 1994.

Unlike the cocaine business where Mexican traffickers are forced to rely upon their Colombian counterparts as primary suppliers, the Mexican organizations need not depend upon outside sources to manufacture methamphetamine. Once the precursor chemicals are obtained, Mexican organizations control all links of the production, transportation, and distribution chains — and therefore, unfortunately, gain virtually all of the illicit profits. The Mexican organizations that dominate wholesale methamphetamine trafficking are capable of producing unprecedented quantities of high-purity methamphetamine in large-scale laboratories.

Methamphetamine also poses a unique public health and environmental hazard because of the nature of its manufacturing process. The toxic properties associated with chemicals in and around methamphetamine laboratories introduce special health risks to law enforcement agents and the neighboring public; the incendiary and explosive nature of these chemicals further adds to the public safety risks. These hazards and challenges warrant special precautions and training.

The Administration's Response.

As a result of this growing methamphetamine threat, in February 1996, the Administration organized and coordinated a National Methamphetamine Conference in Arlington, Virginia to raise the public awareness of the increasing problem. Over 200 representatives from federal, state, and local law enforcement agencies nationwide participated in the Conference, and for three days, experts shared their experiences, successes, and setbacks in their fight against methamphetamine abuse and trafficking.

In response to the methamphetamine threat, the President released the National Methamphetamine Strategy (the Strategy) in April 1996. The Strategy assesses the methamphetamine threat, identifies the issues, and draws an action plan to avert the spread of methamphetamine, which, if unchecked, could reach epidemic proportions.

The Strategy incorporates the recommendations from a broad spectrum of the law enforcement community. It also recognizes that in order to tackle the methamphetamine and precursor chemicals problem, the Government must adopt a multi-disciplinary approach, including legislation, law enforcement, training, chemical regulation, international cooperation, environmental protection, education, and treatment. Therefore, the Strategy called upon the collective wealth of experience and expertise of the Departments of Defense, Education, Health and Human Services, Justice, State, Treasury, the Environmental Protection Agency, the Office of National Drug Control Policy (ONDCP), and other noted experts and scholars.

II. The Comprehensive Methamphetamine Control Act of 1996.

Based upon the Administration's initiative, Congress took an important step when it enacted the Comprehensive Methamphetamine Control Act of 1996 (the Act), which was signed into law on October 3, 1996. The Act incorporates many elements that had been suggested in the National Methamphetamine Strategy, including increased penalties and regulatory provisions for precursor chemicals.

Specifically, the Act directs the U.S. Sentencing Commission to increase penalties for trafficking in methamphetamine and precursor chemicals to reflect the nature of such offenses, their relative harm to society, and the need for aggressive law enforcement action. It also requests that the Commission consider significant penalty enhancements for laboratory operators who mishandle ignitable, corrosive, reactive, and toxic chemicals so as to pose a risk to public safety and the environment.

In late April 1997, the Commission adopted amendments (1) to increase the basic penalties for methamphetamine trafficking in certain cases; (2) to provide an enhancement for the importation of methamphetamine or the manufacture of methamphetamine from unlawfully imported chemicals; and (3) to enhance penalties for the unlawful discharge, emission, or release of a hazardous or toxic substance or the unlawful transportation, treatment, storage, or disposal of a hazardous waste. These amendments to the Sentencing

Guidelines will take effect on November 1, 1997, unless an act of Congress provides otherwise. Earlier in the year, the Commission had adopted emergency guideline amendments to increase penalties for trafficking in methamphetamine precursor chemicals.

The Act also includes tighter controls on retail sales of drug products containing key precursor chemicals: ephedrine, pseudoephedrine or phenylpropanolamine. Because methamphetamine must be synthesized from precursor chemicals, regulatory control of a select group of chemicals can impede clandestine domestic production of the drug.

III. Methamphetamine: A Top Law Enforcement Priority.

The Administration continues to place methamphetamine enforcement efforts as a top priority. We must continue our cooperative partnerships among federal, state, and local agencies and organizations. There should be continued frank and candid conversations to discuss openly the difficulties faced by each region of the country.

In 1996, at the request of the Attorney General, each U.S. Attorney assessed the methamphetamine problem in her/his district and together with the federal, state, and local agencies, came up with a plan to address the problem. In some cases — particularly, in the Midwest and California — the U.S. Attorneys developed regional strategies.

In addition, law enforcement agencies continue to develop intelligence and information on trafficking organizations and clandestine laboratories to assist in the monitoring of shipments of methamphetamine and its precursor chemicals — with a special emphasis on major violent methamphetamine trafficking organizations. Based upon this information, federal, state, and local law enforcement agencies are selecting and pursuing the highest-level and most dangerous targets.

The Administration is also addressing public safety issues connected with the illicit manufacture of methamphetamine. The environmental dangers presented by manufacturers of methamphetamine and the explosive potentialities pose significant hazards to private citizens and law enforcement personnel.

A sad example of the dangers of methamphetamine production occurred in Perris, California on April 19, 1997, when a fire exploded in a trailer home seriously burning two young children, ages 4 and 6. The investigators determined that the fire was most likely caused by the mother of the two children, attempting to extract pseudoephedrine from certain pharmaceutical tablets. The mother was subsequently arrested and charged with manufacturing methamphetamine and four counts of child endangerment, and more than 1,400 bottles of pseudoephedrine were seized by law enforcement authorities from the scene.

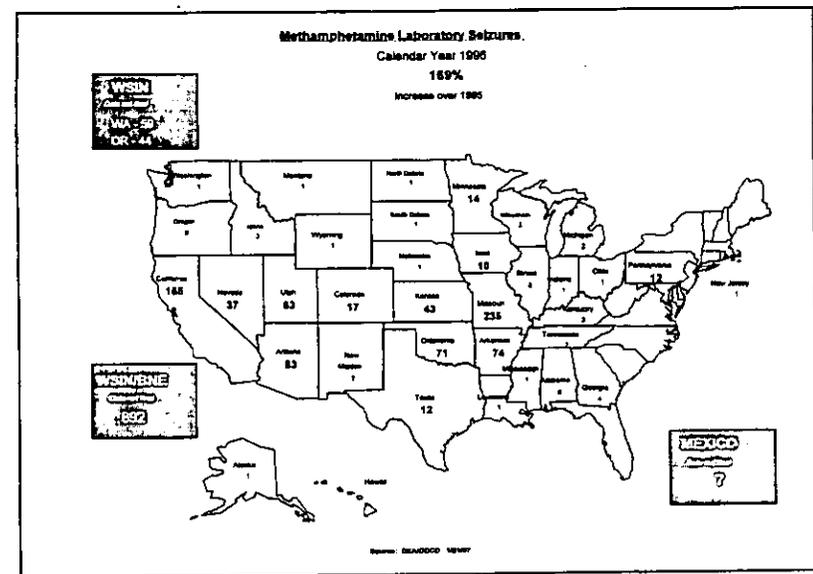
In December 1995, a similar incident occurred in which Kathy James watched as her three children — Dion (3 years), Jackson (2 years) and Megan (1 years) — perished in an explosion and fire at an illicit methamphetamine laboratory in Aguanga, California. The family's mobile home was demolished as a result of the activities of Kathy James and two males, Harry Jensen and Michael Talbert, operating a clandestine methamphetamine laboratory. The three adults were hospitalized for burns and smoke inhalation, and traces of methamphetamine were found in the mother's bloodstream. Kathy James was subsequently charged with second-degree murder and manufacture of a controlled substance, and Jensen and Talbert were charged with manufacturing a controlled substance and conspiracy.

In the same month, a methamphetamine laboratory using propane fuel caused \$3.5 million worth of property damage to a motel near Burns, Oregon. The fire quickly spread to the walls and roof of the adjoining four-building complex, and all 122 rooms of the motel were destroyed. Fortunately, no guests were injured in the mishap; however, it could have been much worse since the motel was located directly across the street from Burns High School.

These types of dangers must be addressed — not only by law enforcement authorities — but also in cooperation with public health and safety officials.

A. Drug Enforcement Administration Initiatives.

The DEA, in particular, has demonstrated its commitment to combat the spread of methamphetamine trafficking and abuse by undertaking significant law enforcement and educational efforts. DEA Clandestine Laboratory Enforcement Teams seized 879 clandestine methamphetamine laboratories — a 170 percent increase over the number of laboratories seized (326) in 1995. Current projections indicate that an even higher number of seizures will be achieved in 1997.



This map represents the laboratory seizures in which the DEA assisted or participated; it does not, however, account for the numerous law enforcement actions by the state and local authorities alone. There are two primary factors which contribute to the large increase in DEA seizures of methamphetamine laboratories — (1) the spread eastward of clandestine laboratory activity; and (2) the enhanced attention by law enforcement around the country. The spread eastward of methamphetamine manufacturers can be attributed, in large part, to the growth of small entrepreneurs producing small batches of methamphetamine (four ounces or less). Their source of precursor chemicals frequently is pseudoephedrine tablets purchased at local retail outlets; approximately 680 tablets of pseudoephedrine yield one ounce of finished methamphetamine.

In addition, the Special Operations Division run by DEA, Federal Bureau of Investigation (FBI), and U.S. Customs Service (USCS), since April 1996, has funded or assisted in approximately 80 major methamphetamine investigations of Mexican targets. Many of these investigations involve the use of extensive court-authorized electronic surveillance and other sophisticated investigative techniques.

DEA has also provided substantial support to state and local law enforcement agencies in combatting the distribution of methamphetamine on our streets. DEA, in response to a request by a county sheriff, placed the Mobile Enforcement Team in a rural Nebraska community to focus exclusively on methamphetamine investigations. The DEA Domestic Operations Section also instituted a Special Enforcement Program entitled Operation VELOCITY which targets major methamphetamine organizations, as well as independent traffickers in the United States. The DEA Office of Diversion Control initiated a priority targeting system named Operation BACKTRACK which targets rogue chemical companies that supply clandestine methamphetamine laboratories.

Also, DEA, in conjunction with the California Bureau of Narcotics Enforcement (BNE), the Western State Intelligence Network, and the El Paso Intelligence Center, continues to work to establish a National Clandestine Laboratory Data Base, which will assist all law enforcement agencies in methamphetamine investigations and provide a national perspective on clandestine laboratories, based upon input from all law enforcement agencies. DEA has formulated plans to purchase new safety equipment, such as air monitors, air purified respirators, laboratory trucks, fire-resistant clothing, and other tactical clothing for DEA agents and state and local officers who raid clandestine laboratories.

B. U.S. Customs Service Initiatives.

In May 1988, USCS initiated Operation CHEMCON, whose objectives are to identify shipments of precursor and essential chemicals that originate from or transit major chemical ports in the United States and determine what portion of these exported chemicals were being illegally diverted to clandestine laboratories. Since January 1996, the Clean Air Act has prohibited the production, purchase, sale, import, or export of freon into or outside the United States; freon is emerging an important solvent in the production of methamphetamine.

USCS is developing an automated export system database for domestic and international tracking of U.S. exports, including precursor chemicals. USCS is also developing a database to tabulate arrest and seizure statistics for illegal exportation of precursor chemicals.

C. Successful Prosecutions.

United States Attorneys around the nation continue to acknowledge methamphetamine as a growing threat. Numerous methamphetamine cases have been investigated and prosecuted by federal agencies in close coordination and cooperation with the state and local law enforcement agencies. Many others have been prosecuted by local District Attorney's Offices throughout the country.

The OCDETF program, administered by DOJ, is an inter-agency law enforcement program which targets the highest-level drug traffickers in the country, including methamphetamine traffickers. The nine federal agencies participating in the OCDETF program act in concert with numerous state and local agencies and have achieved unprecedented levels of cooperation and coordination.

In addition, in 1996, the Director of ONDCP designated a five-state region in the Midwest as a High Intensity Drug Trafficking Area (HIDTA). This HIDTA will address the problem of methamphetamine use, production, and trafficking in Nebraska, Iowa, Kansas, Missouri, and South Dakota and is chaired by the U.S. Attorney for the District of Nebraska.

Of the many successful federal methamphetamine prosecutions, a few are summarized below:

- *Life Sentence Imposed On Convicted Methamphetamine Trafficker.* On April 24, 1997, in the Eastern District of Washington, a federal court imposed a life sentence upon Bernard Montgomery who had been convicted of charges relating to his methamphetamine manufacturing and distribution operations in Oregon and Alberta, Canada. Co-defendants Lloyd Buxton and Edwin Dale McCain received sentences of 30-year prison terms. The convictions culminated a seven-month joint investigation involving the DEA, Royal Canadian Mounted Police, Harney County (Oregon) Sheriff's Office, Oregon State Police, and Lassen County (California) Narcotics Task Force.
- *Life Sentence For Convicted Methamphetamine Trafficker.* On December 17, 1996, in the Eastern District of Missouri, Brian Dierling was sentenced to life imprisonment without the possibility of parole. A co-defendant, Arthur Holt, received a 420-months sentence, while two other co-defendants, Mark Perkins and Lewis Younger, each were sentenced to almost 20 years in prison for conspiring to distribute methamphetamine. This OCDETF investigation was the joint effort of the DEA, U.S. Marshals Service, Northeast Missouri Drug Task Force, Quincy (Illinois) Police Department, Illinois State Police, Missouri Highway Patrol, West Central Illinois Task Force, Adair County (Missouri) Sheriff's Department, Putnam County Sheriff's Department, Adams County (Illinois) Sheriff's Department, Iowa Highway Patrol, Missouri State Fire Marshal's Evidence Bureau, and Schuyler County (Missouri) Sheriff's Department.
- *Drug Transporters Indicted Following Largest Methamphetamine Seizure in the U.S.* On November 12, 1996, 11 defendants were indicted in the District of New Mexico, following the February 1995 seizure of almost 700 pounds of methamphetamine and 200 pounds of marijuana. Two of the defendants, Hector Barron-Ramirez and Chicho, are charged as principal administrators of a continuing criminal enterprise, the drug kingpin statute that is reserved for the highest echelon of participants within a drug trafficking organization. The methamphetamine and marijuana, which originated in Juarez, Mexico, had been packed into molded fiberglass containers and loaded into the trailer at a warehouse in El Paso, and was being transported to Chicago. This OCDETF investigation was conducted by agents of the DEA and U.S. Customs Service, as part of the Southwest Border Initiative.
- *Chemical Sales Company Owner Sentenced for Illicit Sale of Methamphetamine Precursor Chemicals.* On September 17, 1996, in the Western District of Texas, Hector Dominguez was sentenced to a significant term of imprisonment for possessing with intent to distribute 25 kilograms of phenylacetic acid, a precursor chemical used in the production of methamphetamine. Dominguez, an owner of a small chemical sales company in El Paso, was arrested as he attempted to sell the phenylacetic acid to a DEA informant.

-
- *Largest Methamphetamine Trafficking Organization in Southeastern New Mexico Taken Down.* On July 17, 1996, in the District of New Mexico, 26 individuals were charged in a 28-count indictment alleging a conspiracy to possess with intent to distribute methamphetamine and related firearms charges, as well as forfeiture allegations against three pieces of land valued at more than \$8,000,000. The principal administrator of this organization and several of his family members were engaged in operating a continuing criminal enterprise. The organization, centered in Roswell, New Mexico, was responsible for transporting 500 pounds of methamphetamine from California to New Mexico. This OCDETF investigation was conducted by law enforcement agents from DEA, FBI, U.S. Marshals Service, New Mexico State Police, Roswell Police Department, and Artesia Police Department.

D. Joint Task Force and Working Group Efforts.

In accordance with the Administration's goals of maintaining an open dialogue on methamphetamine concerns, several working groups and task forces have been established to share information and discuss pending issues. Following a California-wide methamphetamine strategy meeting sponsored by DEA and BNE in May 1996 in Sacramento, California, a working group of local, state, and federal investigators and prosecutors (Precursor Committee) was established to improve strategy against and prosecution of rogue precursor chemical suppliers. The working group has already produced an investigation strategy which has been used as a guide around the state and in national training efforts. In addition, the group, working with DEA and BNE Headquarters, has spearheaded a number of policy changes within the agencies to increase the likelihood of success in precursor prosecutions.

In addition, the Precursor Committee, chaired by the U.S. Attorney for the Southern District of California, and with the participation of the other U.S. Attorney's Offices throughout California, has generated a target list of the largest precursor violators. Currently, there are a number of multi-district investigations against these violators who are located both within and outside of California. The Committee meets regularly to coordinate investigations and share intelligence information with state and local entities.

In coordination with DEA Headquarters, the Precursor Committee has also begun a campaign to have legitimate chain drug and warehouse stores voluntarily restrict the availability of products that can be diverted to manufacture methamphetamine. Beginning in February 1997, Wal-Mart, the nation's largest retail chain, announced that it would voluntarily limit sales of pseudoephedrine, phenylpropanolamine and ephedrine.

As part of the Precursor Committee, a California Prosecutors Working Group has been formed, consisting of Assistant U.S. Attorneys (AUSAs) from the four California districts and deputies from selected District Attorneys and the Attorney General's Office around the state. This group has already generated a number of reference guides to assist investigators. In addition, they are jointly researching and addressing key legal issues which affect precursor prosecutions, so that a common approach to various proof and search and seizure issues may be taken throughout the state.

The U.S. Attorney's Offices throughout the OCDETF Southwest Region have each designated an experienced AUSA to participate in a methamphetamine working group. These methamphetamine contacts conduct monthly teleconferences to share information regarding methamphetamine trends in the districts and to coordinate ongoing investigations of rogue chemical companies. The Southwest Border methamphetamine contacts group also generated a regional reference guide to be distributed to investigators and

prosecutors throughout the Southwest and is now coordinating training sessions in the same region. The San Diego County Methamphetamine Strike Force, composed of community leaders from 70 federal, state, and local agencies from law enforcement, health services, state courts, and drug treatment centers, has developed an action plan in the areas of interdiction, prevention, intervention, and treatment.

DOJ has worked to launch the Methamphetamine Interagency Task Force, to examine the best ways to reduce demand of methamphetamine, as required by the Act. This Task Force will bring together experts from all over the country to design, implement, and evaluate the education, prevention, and treatment practices and strategies of the Federal government with respect to methamphetamine and other synthetic stimulants.

E. Training.

The Administration believes that the unique sensitivities surrounding the methamphetamine problem warrant special training and awareness. In addition, DOJ's Advocacy Institute and Office of Legal Education have developed and offered a course on methamphetamine prosecutions. This course covered the operations of methamphetamine laboratory, distribution patterns of methamphetamine, search and seizure issues, precursor chemicals regulations, pro-active investigations, and prosecutive strategies. Training sessions continue to be arranged by the U.S. Attorneys from the Southern District of California and the District of Nebraska to coordinate and share techniques and lessons learned with prosecutors in the Midwest districts.

In addition, DEA has nearly doubled the number of clandestine laboratory certification training schools offered to state and local law enforcement from seven in FY 1996 to 13 in FY 1997 and established two remote training sites in San Diego and Kansas City. These schools will provide training for 520 local officers this year.

Furthermore, DEA is reviewing the possibility of providing additional chemical hazards training for law enforcement agents, especially in light of the toxic and incendiary risks involved. For instance, in March 1997, a DEA Special Agent in Blackburn, Missouri inhaled some dangerous acidic fumes in a raid on a clandestine methamphetamine laboratory. The agent suffered some minor burns to the nostril area and was taken to the hospital for treatment.

DEA also has funded a 24-hour methamphetamine telephone number in its San Diego Field Division to provide law enforcement, treatment, and preventive services to San Diego County at no cost. DEA has joined forces with organizations — such as the Partnership for a Drug Free America and other entities representing prevention, law enforcement, treatment, and medical professionals — to provide information and lectures on substance abuse to communities throughout the United States. DEA's Operation VELOCITY is producing a videotape production to educate law enforcement officers on some of the chemical hazards of clandestine laboratory investigations. Clandestine laboratory awareness posters are being distributed to state and local clandestine laboratory enforcement teams throughout the United States.

IV. International Efforts.

Mexico-based organizations are now the predominant force behind methamphetamine and precursor chemicals trafficking. The Administration has been advising and training our foreign counterparts — particularly in Mexico — on ways to curb methamphetamine trafficking, as well as precursor chemical smuggling and diversion. Further, the Administration has been augmenting the role of the existing U.S.-Mexico working group on precursor chemicals, which oversees the training of Mexican officials and the mechanics of the exchange of chemical information with Mexico.

Indeed, we are seeing some modest successes in Mexico. In 1996, Mexican law enforcement authorities seized more than a ton of precursor chemicals — an unprecedented action. The Mexican Government has also promulgated regulations restricting the number of ports through which precursor chemicals may enter their country. The DEA's Office of Diversion Control has established an automated process for notifying the relevant Mexican authority of each impending U.S. export of selected chemicals to Mexico.

DEA has also provided substantial training to Mexican law enforcement authorities. In January 1997, DEA provided a three-day training program in Mexico City to the Mexican government officials who are responsible for chemical diversion investigations. In December 1996, the DEA Mexico City Country Office similarly a three-day seminar on the control of precursor and essential chemicals. These seminars included courses on chemical identification, safety equipment, and raid planning, among other topics.

V. Demand Reduction Efforts.

A. Education and Prevention.

The Administration continues to stress the need for public awareness with respect to the methamphetamine threat. All segments of our society — including law enforcement, teachers, judges, social workers, and public health officials — should learn about the hazards posed by this drug and should proclaim its dangers to America's youth.

Two methamphetamine conferences have been scheduled to assess progress and solicit input from the States for revision of the National Methamphetamine Strategy. The first, a western regional conference, was held on January 12-13, 1997 in San Francisco, California. This Conference was co-hosted by Senator Feinstein and ONDCP, and over 160 persons participated from six states. The second Conference will take place on May 28-30, 1997 in Omaha, Nebraska and will be co-hosted by Senator Kerrey and ONDCP.

These Conferences bring together policy makers, researchers, public interest groups, law enforcement, treatment, and prevention specialists to share information, increase understanding, and make recommendations on improving the nation's strategic response to this growing problem. The Attorney General, Director of ONDCP, DEA Administrator, Director of NIJ, and the Director of the National Institute of Drug Abuse (NIDA) will address the National Conference in Omaha. These Conferences build upon the Administration's effort to educate the American public about the methamphetamine threat.

B. Collection Of Data.

NIJ's DUF program has been so successful in gathering important drug use data and information that the Administration has decided to expand the program more than three fold — from 23 sites to 75 sites — by fiscal year 2000, and it will be renamed Arrestee Drug Abuse Monitoring (ADAM). ADAM will establish a unique capacity to collect and distribute reliable data about ongoing and emerging drug use trends and crime patterns on a timely basis; it has received the strong support from NIDA and DEA. ADAM will be especially useful in developing effective national — as well as local — policies, and it will institute an outreach program to gather additional data from a targeted population, initiate local coordinating councils to assist in the selection of outreach sites, and re-design data gathering methodology to reflect a broader population base and to better sample arrestee drug use and crime patterns.

The Administration's Operation Drug TEST is being implemented with the Administrative Office of the United States Courts. Twenty-five federal districts have agreed to test arrestees for drug use — in most cases, prior to the arrestee's first appearance before a judicial officer. The Administration hopes to expand this drug-testing, sanctions, and treatment program in an additional 25 districts in 1998.

C. Treatment for Methamphetamine Abuse.

Administration personnel are continuing to work with medical researchers and treatment practitioners to study whether there are any unique behaviors of methamphetamine abusers and special measures that should be undertaken to restrain, but not further injure, the user during arrest. Government officials have participated in public health conferences to determine the direction that medical and scientific research should take to study the physical and chemical effects of methamphetamine, medical complications associated with its abuse, and treatment and prevention methods.

The Substance Abuse and Mental Health Services Administration (SAMHSA) held a conference in June 1996 to study the sequelae of methamphetamine abuse with implications for prevention, treatment, and research. The conference included participants from the National Institutes of Health (NIH), DOJ, and ONDCP, as well as a number of experts in the areas of research, treatment, and prevention.

NIDA held a conference entitled "Methamphetamine: Abuse, Treatment, and Prevention," on December 2-3, 1996 in San Francisco. This regional meeting brought together scientists, practitioners, and community leaders to discuss what is known about methamphetamine abuse and addiction in the western United States and how to improve the response to this growing problem. The participants reviewed the current state of epidemiology, basic research, prevention, consequences, and treatment. Additionally, NIDA continues to conduct research to develop specific treatment protocols, although research shows that general psychosocial and behavioral treatment effectively reduces drug use.

NIDA and other research has dramatically increased our knowledge about the neural basis for psychostimulant drugs (including methamphetamine) and the neurotoxic psychostimulant methamphetamine and related drugs. NIDA currently supports \$20 million in research annually to understand the epidemiology of methamphetamine use, its mechanism of action and effects on brain functions, behavioral consequences of methamphetamine, and treatment and prevention implications and approaches.

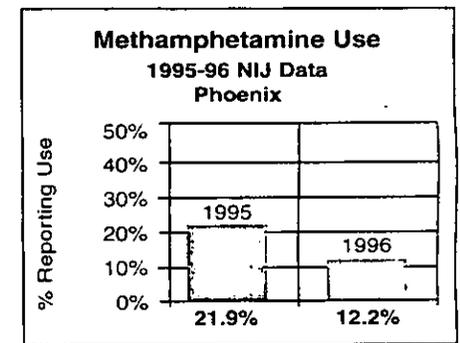
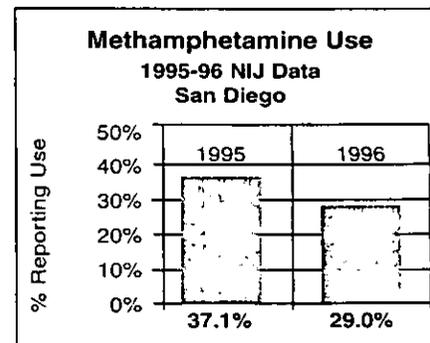
With funding from SAMHSA, a group in southern California has reported that there is a measurable response of methamphetamine users to psychosocial interventions, and that the general treatment experience, as reflected by the attendance at therapeutic sessions, breaks in treatment participation, and total treatment received, does not differ significantly between methamphetamine and cocaine users. A pilot follow-up study is in progress.

Furthermore, SAMHSA has a major proposals to investigate the implications of methamphetamine abuse. It will evaluate the effects of methamphetamine on pregnancy and post-natal development. The proposed project will examine, retrospectively, the association of methamphetamine use during pregnancy with the medical and developmental consequences found among two cohorts of pre-natally methamphetamine-exposed children born in 1989 and 1990.

These efforts are important because they will facilitate our understanding of how the behavior of methamphetamine users may endanger themselves, others in the home or the immediate community, and law enforcement personnel. Greater knowledge about the characteristics of methamphetamine users and the ability to identify them is important because investigative and prosecutive decisions may be affected if a defendant, a witness, or an informant has a drug abuse problem.

VI. Successful Initial Data Regarding Administration's Efforts.

The Administration believes that its vigorous efforts have led to a moderation in the trend of methamphetamine trafficking and abuse, based upon the same statistical criteria previously used. The preliminary data from NIJ's 1996 Drug Use Forecasting figures show that in eight western cities (Dallas, Denver, Los Angeles, Omaha, Phoenix, Portland, San Diego, and San Jose), methamphetamine use declined between 7 and 52



percent from 1995 figures. The only city that showed an increase in methamphetamine use was San Antonio, which rose from 1.5 percent in 1995 to 2.1 percent in 1996. In the remaining 14 cities participating in the DUF program (Miami, Cleveland, New Orleans, Chicago, District of Columbia, Ft. Lauderdale, Detroit, Manhattan, Birmingham, Houston, St. Louis, Indianapolis, Atlanta, and Philadelphia), fewer than 1% of arrestees tested positive for methamphetamine. In keeping with trends of recent years, the 1996 DUF figures show that adult female arrestees use methamphetamine more than male arrestees, and white arrestees continued to use methamphetamine in greater percentages than African-American and Hispanic arrestees.

**National Institute of Justice
Drug Use Forecasting
1995-1996 Comparison**

	1995 (%)	1996 (%)
San Diego	37.1	29.9
Phoenix	21.9	12.2
Portland, OR	18.7	12.4
San Jose	18.5	14.8
Omaha	8.1	4.3
Los Angeles	7.5	7.0
Denver	3.8	2.2
San Antonio	1.5	2.1

Nevertheless, our continued efforts must remain vigilant and should be fortified. We must be cautious not to relax our vigorous efforts, because our goals and objectives have not yet been accomplished. We need to continue a comprehensive assault against the dangers associated with methamphetamine production, distribution, trafficking, and abuse.

VII. Increased Resources Requested.

To demonstrate the Administration's continued efforts to combat the methamphetamine problem, it has requested additional resources be devoted to the threat.

A significant portion of the methamphetamine trafficking is occurring along the Southwest border. As part of the Administration's Southwest Border Initiative (SWBI), many DOJ components received significant resource enhancements in fiscal year 1997. The SWBI targets trafficking groups that manufacture and distribute methamphetamine as well as other drugs. In the Administration's fiscal year 1998 request, the U.S. Attorneys, DEA, and FBI are seeking a total of 359 positions (146 agents and 41 attorneys) and \$46.8 million as part of the SWBI. Much of these resources will be used to assist in combatting the trafficking of methamphetamine.

The rise in methamphetamine trafficking has also caused an increased caseload for the U.S. Attorneys. and in response, the Administration's fiscal year 1998 request for U.S. Attorneys includes an enhancement of 56 positions (37 attorneys) and \$5,161,000 for its Narcotic and Dangerous Drug program. In addition, the Administration is seeking three additional DOJ Criminal Division attorney positions in fiscal year 1998 to increase its ability to coordinate the SWBI from headquarters. These positions will support the Attorney General's goal to achieve enhanced centralized management of the investigations and prosecutions related to the large-scale, multi-district methamphetamine cases.

With respect to DEA, the fiscal year 1998 budget request includes an increase of 74 positions (60 agents) and \$11.1 million in resources to fund a comprehensive approach to combat methamphetamine trafficking. The FBI is focusing on identifying the most significant Mexican manufacturers and distributors of methamphetamine and targeting the command and control individuals of these organizations.

including key distribution networks in small and medium-sized U.S. communities. In addition, the FBI is focusing its resources on methamphetamine distribution elements located in problem areas, such as Omaha, Nebraska, St. Louis, Missouri, and Jackson, Tennessee.

VIII. Conclusion.

The Administration is dedicated to continuing its efforts to stop the spread of methamphetamine trafficking and abuse in this country. Curbing the tide of methamphetamine from abroad, stemming its eastward march, and punishing those who traffic in this pernicious poison are all part of our efforts. We are making a noticeable difference, and methamphetamine usage is beginning to drop almost everywhere in the country, as the Drug Use Forecasting numbers so vividly show.

While we are taking steps in the right direction, we cannot become complacent. We must remain strong in our commitment to fight this menace until we have completely eliminated it from society. Life sentences for major traffickers are entirely appropriate. Companies which facilitate these crimes must be punished as well.

We have begun to turn the tide on methamphetamine abuse and trafficking, and we must maintain our vigilance if we are to completely vanquish this threat.

Crime - Meth Report
and
Crime - CTO

MAYORS' SUMMIT ON DRUGS
Questions and Answers
May 21, 1997

Methamphetamine Report

Q. What does today's report say?

A. Today's report provides an update of the Administration's National Methamphetamine Strategy and make two key findings: (1) that methamphetamine use is down in 8 key cities; and (2) that clandestine lab seizures by the Drug Enforcement Agency (DEA) are up 170% in 1996. The Justice Department report cites 1996 data which shows that in eight western cities --Dallas, Denver, Los Angeles, Omaha, Phoenix, Portland, San Diego, and San Jose-- methamphetamine use declined between 7 and 52% from 1995 levels.

Moreover, the report shows that our strategy is being aggressively implemented and showing results. We've worked with Congress to strengthen penalties for meth trafficking and established new controls over precursor chemicals used to manufacture meth. U.S. Attorneys -- working with coalitions of federal, state and local law enforcement agencies -- are successfully prosecuting methamphetamine, including lifetime sentences for certain convicted methamphetamine traffickers. Federal agencies are working to increase information about the dangers of meth. They're producing meth-specific education and prevention materials, hosting local conferences and training local law enforcement.

Q. What is methamphetamine? Why is it so dangerous?

A. Methamphetamine is a synthetic stimulant drug that creates extreme aggressiveness among chronic users. The violence-prone, irrational, and aggressive behavior associated with methamphetamine usage make it an especially volatile drug. Meth can be snorted, smoked, injected, or ingested orally. The effects of methamphetamine can last anywhere from 4 to 24 hours, while the effect of cocaine is measured in minutes. The crash that occurs with the tapering off of methamphetamine's effects is often potentially psychologically disastrous.

Additionally, clandestine laboratories that manufacture methamphetamine pose an environmental and safety hazard, as toxic wastes are frequently dumped on the ground or into waterways, as well as the enormously high risk of a fire or explosion. Anyone near a meth manufacturing lab is in

- potential danger, and cleanup costs, per lab, run into thousands of dollars.
- Q. How much does methamphetamine cost?**
- A. A gram of methamphetamine can begin at \$50. For comparison purposes, a gram of cocaine costs about \$100. For this reason, meth is often referred to as the "poor man's cocaine."
- Q. How serious is the methamphetamine problem?**
- A. The methamphetamine problem is serious and spreading. In recent years, use of the drug has spread from the West to the Midwest. As a result, meth-related emergency room episodes doubled between 1991 and 1994, and the number of meth-related deaths tripled. Seizures of clandestine laboratories and along the Southwest border also increased during this time period.
- More importantly, methamphetamine is a triple killer and extremely dangerous: First, it is a cheap, highly addictive, long-lasting stimulant that often induces violent behavior; Second, labs used to manufacture meth present a high risk of fire or explosion, endangering nearby residents; and third, the toxic wastes produced by meth labs are often dumped on the ground and in waterways, posing an environmental threat to entire communities.
- Q. Why are you only providing meth data for 9 cities? Is there data on other cities?**
- A. The Drug Use Forecasting System collects meth data for 23 cities across the country. The methamphetamine use amongst the arrestees tested in the other 14 cities was so low, it was determined to be insignificant. By insignificant, we mean less than one percent.
- Q. Doesn't the drop in the numbers for methamphetamine mean that we're just generating hysteria about methamphetamine when the problem is really disappearing?**
- A. Not at all. I am very encouraged by the new, lower numbers. But we are just turning the corner. Now is not the time to let up. The numbers show that when we work hard, we can have some effect. Now, we've got to redouble that effort and help to prevent the spread of this dangerous drug to the eastern part of the U.S.
- Q. If illegal drugs are such a big problem, then why didn't your new anti-gang bill contain new drug provisions?**

- A. Our juvenile crime bill does contain increased penalties for people who sell drugs to kids and use kids to sell drugs. But we should keep in mind that existing federal drug laws are already pretty tough. Trafficking can carry up to a life sentence.

But we also need to do is to make sure that local prosecutors have more resources to go after the gangs that pedal drugs to our kids. Our juvenile crime bill does that, too.

Additionally, our anti-gang strategy calls for expanding after school programs. This will not only help us cut crimes when kids would be otherwise unsupervised, it will help schools get the message out that gangs, guns and drugs are dangerous.

- Q. Mr. President, despite the 1994 Crime Act and tough drug laws, federal statistics show enormous increases in drug use among teenagers. Don't these figures show that you have failed and that you are taking the wrong approach?**

- A. I am deeply disturbed by the current trends in teenage drug use. General McCaffrey, the Attorney General and I have spent a great deal of time on this issue. That's why I've proposed a national media campaign, leveraged with private sector resources, to reach the 68 million kids at risk in this country.

That's also why we need more programs to stop crimes and drug use from happening in the first place. We need a place for young people to go in those hours after school when they are unsupervised. If we don't, they may just wind up on a street corner using drugs or getting involved in delinquent or criminal activity. I've asked Congress to provide funds for after-school programs and for programs for at -risk youths-- so we could keep kids off the streets and out of trouble. I was disappointed that the House didn't include these provisions in its juvenile crime bill, but I'm hopeful that we'll be successful in the Senate.

Money Laundering

- Q: Could you briefly describe the proposed regulations on money laundering?**

- A: When I learned of the successes of the New York Geographic Targeting Order (GTO) in dramatically reducing the flow of narcotics proceeds to Columbia, I asked the Treasury Department to examine ways to extend the GTO nationally.

Today's regulations are a response to my request. There are three proposed rules which will be published today. The most fundamental of these proposals is to register "money services businesses" generally, which includes money transmitters or remitter, money order issuers and sellers, travelers check issuers and sellers, retail currency exchanges, and check cashers.

The second proposed regulation would extend the suspicious activity reporting requirements — already in place with respect to banks — to money transmitters and issuers, sellers and redeemers of traveler's checks or money orders.

The final proposed regulation essentially makes the New York GTO apply nation-wide and on a permanent basis. Under the proposed rule, money transmitters would be required to report currency transactions of \$750 or more that involve the transmission of funds to any person outside of the United States. The rule also requires the remitters to verify the identity of the person sending the funds.

Q: When will these proposed regulations become effective?

A: There will be a 90-day comment period that begins today. We will then review the comments and make any appropriate changes to the rules. Once that is complete, we will publish the final rule. We hope to do this by January 1, 1998.

The rules regarding suspicious activity reporting and the new \$750 reporting threshold will take effect 30 days after the final rules are published. Money services businesses will have 180 days from publication of the final rules to register with FinCEN.

Q: What are the current reporting requirements for sending money transmissions outside the U.S.?

A: Currently, no record has to be kept for any transmission under \$3,000. For transmissions of \$3,000 or more, the money transmitter must keep a record of the transmission. For transmissions of \$10,000 or more, the money transmitter must fill out a Currency Transaction Report or CTR and file it with the IRS.

Q: Why the \$750 threshold?

A: Our experience with the El Dorado Task Force indicates that most legitimate money transmissions are between \$250 and \$500, and that most of the

abuse by money launderers occurs above this level. Thus, we made the threshold \$750 so as to exclude the majority of legitimate businesses from reporting requirements.

Q: Money transmitters are used primarily by people who do not have bank accounts — the poor and immigrants. Isn't it then discriminatory to have a \$750 threshold for transmitters and not banks?

A: We do not believe the proposed regulations are discriminatory. The \$750 amount applies to wires purchased in cash that are sent anywhere outside the United States. We did not focus on any particular country or region.

Also, these regulations do not prevent anyone from wiring money anywhere. You can pay cash to send \$100,000 to Colombia tomorrow, so long as you fill out a form and provide a photo ID. The proposed rules are designed to stop the abuse of the money transmitter industry by criminals by collecting information, not to prevent legitimate transactions.

Banks are already subject to extensive regulation. Today's proposed rules are intended to deal with a relatively unregulated area of the financial services industry — the money services businesses.

GENERAL DRUG POLICY QUESTIONS

Q. Why do you think spending \$175 million on an ad campaign will reduce drug use among our youth?

A. The central challenge we face is to reverse the surge in youth drug rates-- this is the focus of my 1997 National Drug Control Strategy and it is the primary concern of the mayors. My targeted anti-drug advertising campaign-- which would involve about 1 percent of the federal counterdrug budget-- holds the promise to change our youth's relaxed attitudes toward drugs. We have 68 million kids who are vulnerable to drugs. It is imperative that we get our kids accurate information about drugs.

Q. What do you think of the Sentencing Commission's recommendations on penalties for crack and powder cocaine?

A. Last month, I commended the Sentencing Commission for moving forward with recommendations to Congress to reduce the disparity between crack and powder cocaine penalties. My Administration will give them very serious consideration. I have asked Attorney General Reno and General McCaffrey to review the Sentencing Commission's recommendations and report back to me by the end of June.

However, I continue to believe that our sentencing laws must reflect that crack cocaine is a more harmful form of cocaine. The Sentencing Commission's new recommendations do so. Trafficking in crack, and the violence it fosters, has a devastating impact on communities across America, and any changes in penalties must ensure that more dangerous offenders receive tougher sentences.

- Q. Isn't the National Action Plan put forward by the Mayors essentially a criticism of your Administration's drug policy? Doesn't it call for more funds and different actions to be taken?**
- A.** I don't think so. On the contrary, I think the Mayors' Action Plan is complementary to our own National Drug Strategy. Both of our plans share the same number one priority: that drug use amongst our kids must be reduced. Both of our plans call for a comprehensive drug strategy that includes enforcement, treatment, prevention and education. And both of our plans recognize the importance of responding to the country's growing methamphetamine problem -- as well as cracking down on money laundering. While some of the details vary, the plans are largely similar.

Days
Crime-meth report

NATIONAL METHAMPHETAMINE STRATEGY UPDATE

EXECUTIVE SUMMARY

I. Methamphetamine: The Challenge.

Methamphetamine is a synthetic stimulant drug that is cheaper than cocaine in many markets, produces a longer high than cocaine, and can produce extreme aggressiveness and irrational violence.

- Methamphetamine use is spreading. Use of the drug has historically been concentrated in the West and Southwest. It is now spreading to the Midwest and to the East. Left unchecked, methamphetamine could become the "crack" cocaine of the 1990s, with even more devastating results.
- Methamphetamine production carries severe environmental risks. Methamphetamine is produced in clandestine laboratories, which carry an enormously high risk of fire and explosion. The production process creates large amounts of extremely toxic waste, much of which is dumped into waterways or on the ground. Officers investigating laboratories have been overwhelmed by chemicals, and the cost of cleaning up a single laboratory is often in the thousands of dollars.

II. The Administration's Response.

- **National Methamphetamine Strategy.** The President's National Methamphetamine Strategy addresses the emerging methamphetamine threat and provides the underpinnings for a coordinated government-wide response.
- **Legislation.** With the Administration's leadership, Congress enacted the Comprehensive Methamphetamine Control Act of 1996 last October. The Act strengthens criminal penalties for methamphetamine trafficking and establishes new controls over precursor chemicals.
- **Law Enforcement.** The Administration has stepped up its efforts to help law enforcement deal with methamphetamine trafficking, specifically:
 - By enhancing the Organized Crime Drug Enforcement Task Forces ["OCDETF"] effort;
 - By designating a Midwest High Intensity Drug Trafficking Area ["HIDTA"] to meet the methamphetamine threat in Nebraska, Iowa, Kansas, Missouri, and South Dakota;

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- By requesting that all U.S. Attorneys submit district plans assessing the current threat and establishing coordination groups among community agencies, which was completed as of September 1996; and
- By successfully investigating and prosecuting numerous criminal methamphetamine cases, in close coordination with the state and local law enforcement agencies.
- **Improving Intelligence Products and Information Sharing.** The Administration is reviewing the way intelligence and information is acquired, processed, and utilized in regard to the production, transportation, and sale of precursor chemicals, the manufacture, importation, and distribution of methamphetamine, and the laundering of profits derived from methamphetamine sales.
- **Prevention and Education.** The Department of Education is developing material related to the prevention of methamphetamine use and will send the material to all local education agencies by September 30, 1997.
- **Treatment.** Currently used psychosocial and cognitive-behavioral drug abuse treatment approaches are effective in reducing methamphetamine abuse. Research on drug abuse pharmacotherapies, as well as behavioral treatments, is continuing.
- **Data Collection.** The National Institute of Justice's Drug Use Forecasting Report is adding substantial data to its banks of information on methamphetamine abuse. In addition, NIJ is sponsoring research on methamphetamine distribution and market patterns in five western cities. The National Institutes of Health are also conducting an in-depth study of the methamphetamine user. Preliminary findings from this study will be shared at an upcoming national methamphetamine conference.
- **Conferences.** The Administration has hosted two methamphetamine conferences -- one regional and one national in scope -- which drew more than 450 people representing a broad array of disciplines from all over the country. These conferences are the primary forums for sharing information, increasing understanding, coordinating efforts, and soliciting input to improve the nation's response to the methamphetamine problem.

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- Publications. The Office of National Drug Control Policy published two documents in January 1997 on methamphetamine -- Pulse Check: Methamphetamine Trends in Five Western States and Hawaii and Recent DAWN Data on Methamphetamine and Speed.
- Putting the Issue before the American People. The Administration has highlighted the nature of the methamphetamine threat through public announcements, policy statements, media events, and meetings with coalitions at all levels of American society, and we plan to continue to do so in a variety of ways, including a proposed \$175 million national advertising campaign.
- Strategy Review. The Administration is continually reviewing and evaluating the effectiveness of the National Methamphetamine Strategy. Building upon its foundation, the 1998 National Drug Control Strategy will incorporate budget entries to update the action items of the National Methamphetamine Strategy.

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REPORT ON METHAMPHETAMINE ABUSE AND TRAFFICKING
IN THE UNITED STATES: An Update of the
National Methamphetamine Strategy

I. Introduction.

The trafficking and abuse of methamphetamine -- a highly destructive, addictive, and violence-causing synthetic drug -- continues to be a national problem. Methamphetamine, also known on the street as "crystal," "crank," "ice," and "speed," is a dangerous synthetic stimulant that results in an addiction cycle and physiological trauma similar to that associated with "crack" cocaine use. Methamphetamine may be injected, smoked, snorted, or ingested orally, making it increasingly attractive to casual users.

A. Historical Background.

Until the early 1990s, methamphetamine trafficking was largely associated with motorcycle gangs who supplied users in various parts of the United States. Available data show that in the last few years, methamphetamine abuse has risen significantly in the West and Southwest portions of the country. The Drug Use Forecasting ["DUF"] statistics released by the National Institute of Justice ["NIJ"] in July 1996 confirmed that methamphetamine use was highest in western locales. According to the Drug Abuse Warning Network ["DAWN"], between 1989 and 1995, the estimated number of nationwide emergency-room drug abuse episodes involving methamphetamine doubled, and between 1991 and 1994, the number of methamphetamine deaths nearly tripled.

The methamphetamine problem has been spreading into the Midwest and eastward into states such as Arkansas, Georgia, and Florida. For example, between 1992 and 1996, the Midwest region (Missouri, Iowa, Kansas, South Dakota, and Nebraska) saw a 300 percent increase in clandestine laboratory seizures, and in 1996, the Drug Enforcement Administration ["DEA"] seized 236 clandestine methamphetamine laboratories in Missouri alone.

Sophisticated poly-drug organizations with roots in the Mexican communities on both sides of the border have seized control of methamphetamine trafficking, using complex chemical procurement, manufacturing, and transportation techniques. The emergence of the Mexican drug trafficking organizations and their extensive involvement in methamphetamine production and distribution has re-defined the nature of the problem in the United States. According to the El Paso Intelligence Center, the amount of methamphetamine seized along the southwest border increased dramatically in recent years -- nearly 100-fold between 1992 and 1994.

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Unlike the cocaine business where Mexican traffickers are forced to rely upon their Colombian counterparts as primary suppliers, the Mexican organizations need not depend upon outside sources to manufacture methamphetamine. Once the precursor chemicals are obtained, Mexican organizations control all links of the production, transportation, and distribution chains -- and therefore, unfortunately, gain virtually all of the illicit profits. The Mexican organizations that dominate wholesale methamphetamine trafficking are capable of producing unprecedented quantities of high-purity methamphetamine in large-scale laboratories.

Methamphetamine also poses a unique public health and environmental hazard because of the nature of its manufacturing process. The toxic properties associated with chemicals in and around methamphetamine laboratories introduce special health risks to law enforcement agents and the neighboring public; the incendiary and explosive nature of these chemicals further adds to the public safety risks. These hazards and challenges warrant special precautions and training.

B. The Administration's Response.

As a result of this growing methamphetamine threat, in February 1996, the Administration organized and coordinated a National Methamphetamine Conference in Arlington, Virginia to raise the public awareness of the increasing problem. Over 200 representatives from federal, state, and local law enforcement agencies nationwide participated in the Conference, and for three days, experts shared their experiences, successes, and setbacks in their fight against methamphetamine abuse and trafficking.

In response to the methamphetamine threat, the President released the National Methamphetamine Strategy [the "Strategy"] in April 1996. The Strategy assesses the methamphetamine threat, identifies the issues, and draws an action plan to avert the spread of methamphetamine, which, if unchecked, could reach epidemic proportions.

The Strategy incorporates the recommendations from a broad spectrum of the law enforcement community. It also recognizes that in order to tackle the methamphetamine and precursor chemicals problem, the Government must adopt a multi-disciplinary approach, including legislation, law enforcement, training, chemical regulation, international cooperation, environmental protection, education, and treatment. Therefore, the Strategy called upon the collective wealth of experience and expertise of the Departments of Defense, Education, Health and Human Services, Justice, State, Treasury, the Environmental Protection Agency, the Office of National Drug Control Policy ["ONDCP"], and other noted experts and scholars.

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II. The Comprehensive Methamphetamine Control Act of 1996.

Based upon the Administration's initiative, Congress took an important step when it enacted the Comprehensive Methamphetamine Control Act of 1996 [the "Act"], which was signed into law on October 3, 1996. The Act incorporates many elements that had been suggested in the National Methamphetamine Strategy, including increased penalties and regulatory provisions for precursor chemicals.

Specifically, the Act directs the U.S. Sentencing Commission to increase penalties for trafficking in methamphetamine and precursor chemicals to reflect the nature of such offenses, their relative harm to society, and the need for aggressive law enforcement action. It also requests that the Commission consider significant penalty enhancements for laboratory operators who mishandle ignitable, corrosive, reactive, and toxic chemicals so as to pose a risk to public safety and the environment.

In late April 1997, the Commission adopted amendments (1) to increase the basic penalties for methamphetamine trafficking in certain cases; (2) to provide an enhancement for the importation of methamphetamine or the manufacture of methamphetamine from unlawfully imported chemicals; and (3) to enhance penalties for the unlawful discharge, emission, or release of a hazardous or toxic substance or the unlawful transportation, treatment, storage, or disposal of a hazardous waste. These amendments to the Sentencing Guidelines will take effect on November 1, 1997, unless an act of Congress provides otherwise. Earlier in the year, the Commission had adopted emergency guideline amendments to increase penalties for trafficking in methamphetamine precursor chemicals.

The Act also includes tighter controls on retail sales of drug products containing key precursor chemicals: ephedrine, pseudoephedrine or phenylpropanolamine. Because methamphetamine must be synthesized from precursor chemicals, regulatory control of a select group of chemicals can impede clandestine domestic production of the drug.

III. Methamphetamine: A Top Law Enforcement Priority.

The Administration continues to place methamphetamine enforcement efforts as a top priority. We must continue our cooperative partnerships among federal, state, and local agencies and organizations. There should be continued frank and candid conversations to discuss openly the difficulties faced by each region of the country.

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In 1996, at the request of the Attorney General, each U.S. Attorney assessed the methamphetamine problem in her/his district and together with the federal, state, and local agencies, came up with a plan to address the problem. In some cases -- particularly, in the Midwest and California -- the U.S. Attorneys developed regional strategies.

In addition, law enforcement agencies continue to develop intelligence and information on trafficking organizations and clandestine laboratories to assist in the monitoring of shipments of methamphetamine and its precursor chemicals -- with a special emphasis on major violent methamphetamine trafficking organizations. Based upon this information, federal, state, and local law enforcement agencies are selecting and pursuing the highest-level and most dangerous targets.

The Administration is also addressing public safety issues connected with the illicit manufacture of methamphetamine. The environmental dangers presented by manufacturers of methamphetamine and the explosive potentialities pose significant hazards to private citizens and law enforcement personnel.

A sad example of the dangers of methamphetamine production occurred in Perris, California on April 19, 1997, when a fire exploded in a trailer home seriously burning two young children, ages 4 and 6. The investigators determined that the fire was most likely caused by the mother of the two children, attempting to extract pseudoephedrine from certain pharmaceutical tablets. The mother was subsequently arrested and charged with manufacturing methamphetamine and four counts of child endangerment, and more than 1,400 bottles of pseudoephedrine were seized by law enforcement authorities from the scene.

In December 1995, a similar incident occurred in which Kathy James watched as her three children -- Dion (3½ years), Jackson (2½ years) and Megan (1½ years) -- perished in an explosion and fire at an illicit methamphetamine laboratory in Aguanga, California. The family's mobile home was demolished as a result of the activities of Kathy James and two males, Harry Jensen and Michael Talbert, operating a clandestine methamphetamine laboratory. The three adults were hospitalized for burns and smoke inhalation, and traces of methamphetamine were found in the mother's bloodstream. Kathy James was subsequently charged with second-degree murder and manufacture of a controlled substance, and Jensen and Talbert were charged with manufacturing a controlled substance and conspiracy.

In the same month, a methamphetamine laboratory using propane fuel caused \$3.5 million worth of property damage to a motel near Burns, Oregon. The fire quickly spread to the walls and roof of the adjoining four-building complex, and all 122 rooms of the motel were destroyed. Fortunately, no guests were

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injured in the mishap; however, it could have been much worse since the motel was located directly across the street from Burns High School.

These types of dangers must be addressed -- not only by law enforcement authorities -- but also in cooperation with public health and safety officials.

A. Drug Enforcement Administration Initiatives.

The DEA, in particular, has demonstrated its commitment to combat the spread of methamphetamine trafficking and abuse by undertaking significant law enforcement and educational efforts. DEA Clandestine Laboratory Enforcement Teams seized 879 clandestine methamphetamine laboratories -- a 170 percent increase over the number of laboratories seized (326) in 1995. Current projections indicate that an even higher number of seizures will be achieved in 1997.

[DEA map on lab seizures.¹]

In addition, the Special Operations Division run by DEA, Federal Bureau of Investigation ["FBI"], and U.S. Customs Service ["USCS"], since April 1996, has funded or assisted in approximately 80 major methamphetamine investigations of Mexican targets. Many of these investigations involve the use of extensive court-authorized electronic surveillance and other sophisticated investigative techniques.

DEA has also provided substantial support to state and local law enforcement agencies in combatting the distribution of methamphetamine on our streets. DEA, in response to a request by a county sheriff, placed the Mobile Enforcement Team in a rural Nebraska community to focus exclusively on methamphetamine investigations. The DEA Domestic Operations Section also

¹ The above map represents the laboratory seizures in which the DEA assisted or participated; it does not, however, account for the numerous law enforcement actions by the state and local authorities.

There are two primary factors which contribute to the large increase in DEA seizures of methamphetamine laboratories -- (1) the spread eastward of clandestine laboratory activity; and (2) the enhanced attention by law enforcement around the country. The spread eastward of methamphetamine manufacturers can be attributed, in large part, to the growth of small entrepreneurs producing small batches of methamphetamine (four ounces or less). Their source of precursor chemicals frequently is pseudoephedrine tablets purchased at local retail outlets; approximately 680 tablets of pseudoephedrine yield one ounce of finished methamphetamine.

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instituted a Special Enforcement Program entitled Operation VELOCITY which targets major methamphetamine organizations, as well as independent traffickers in the United States. The DEA Office of Diversion Control initiated a priority targeting system named Operation BACKTRACK which targets rogue chemical companies that supply clandestine methamphetamine laboratories.

Also, DEA, in conjunction with the California Bureau of Narcotics Enforcement ["BNE"], the Western State Intelligence Network, and the El Paso Intelligence Center, continues to work to establish a National Clandestine Laboratory Data Base, which will assist all law enforcement agencies in methamphetamine investigations and provide a national perspective on clandestine laboratories, based upon input from all law enforcement agencies. DEA has formulated plans to purchase new safety equipment, such as air monitors, air purified respirators, laboratory trucks, fire-resistant clothing, and other tactical clothing for DEA agents and state and local officers who raid clandestine laboratories.

B. U.S. Customs Service Initiatives.

In May 1988, USCS initiated Operation CHEMCON, whose objectives are to identify shipments of precursor and essential chemicals that originate from or transit major chemical ports in the United States and determine what portion of these exported chemicals were being illegally diverted to clandestine laboratories. Since January 1996, the Clean Air Act has prohibited the production, purchase, sale, import, or export of freon into or outside the United States; freon is emerging an important solvent in the production of methamphetamine.

USCS is developing an automated export system database for domestic and international tracking of U.S. exports, including precursor chemicals. USCS is also developing a database to tabulate arrest and seizure statistics for illegal exportation of precursor chemicals.

C. Successful Prosecutions.

United States Attorneys around the nation continue to acknowledge methamphetamine as a growing threat. Numerous methamphetamine cases have been investigated and prosecuted by federal agencies in close coordination and cooperation with the state and local law enforcement agencies. Many others have been prosecuted by local District Attorney's Offices throughout the country.

The OCDETF program, administered by DOJ, is an inter-agency law enforcement program which targets the highest-level drug traffickers in the country, including methamphetamine traffickers. The nine federal agencies participating in the

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OCDETF program act in concert with numerous state and local agencies and have achieved unprecedented levels of cooperation and coordination.

In addition, in 1996, the Director of ONDCP designated a five-state region in the Midwest as a High Intensity Drug Trafficking Area ["HIDTA"]. This HIDTA will address the problem of methamphetamine use, production, and trafficking in Nebraska, Iowa, Kansas, Missouri, and South Dakota and is chaired by the U.S. Attorney for the District of Nebraska.

Of the many successful federal methamphetamine prosecutions, a few are summarized below:

- Life Sentence Imposed On Convicted Methamphetamine Trafficker. On April 24, 1997, in the Eastern District of Washington, a federal court imposed a life sentence upon Bernard Montgomery who had been convicted of charges relating to his methamphetamine manufacturing and distribution operations in Oregon and Alberta, Canada. Co-defendants Lloyd Buxton and Edwin Dale McCain received sentences of 30-year prison terms. The convictions culminated a seven-month joint investigation involving the DEA, Royal Canadian Mounted Police, Harney County [Oregon] Sheriff's Office, Oregon State Police, and Lassen County [California] Narcotics Task Force.

- Life Sentence For Convicted Methamphetamine Trafficker. On December 17, 1996, in the Eastern District of Missouri, Brian Dierling was sentenced to life imprisonment without the possibility of parole. A co-defendant, Arthur Holt, received a 420-months sentence, while two other co-defendants, Mark Perkins and Lewis Younger, each were sentenced to almost 20 years in prison for conspiring to distribute methamphetamine. This OCDETF investigation was the joint effort of the DEA, U.S. Marshals Service, Northeast Missouri Drug Task Force, Quincy [Illinois] Police Department, Illinois State Police, Missouri Highway Patrol, West Central Illinois Task Force, Adair County [Missouri] Sheriff's Department, Putnam County Sheriff's Department, Adams County [Illinois] Sheriff's Department, Iowa Highway Patrol, Missouri State Fire Marshal's Evidence Bureau, and Schuyler County [Missouri] Sheriff's Department.

- Drug Transporters Indicted Following Largest Methamphetamine Seizure in the U.S. On November 12, 1996, 11 defendants were indicted in the District of New Mexico, following the February 1995 seizure of almost 700 pounds of methamphetamine and 200 pounds of

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marijuana. Two of the defendants, Hector Barron-Ramirez and "Chicho," are charged as principal administrators of a continuing criminal enterprise, the drug kingpin statute that is reserved for the highest echelon of participants within a drug trafficking organization. The methamphetamine and marijuana, which originated in Juarez, Mexico, had been packed into molded fiberglass containers and loaded into the trailer at a warehouse in El Paso, and was being transported to Chicago. This OCDETF investigation was conducted by agents of the DEA and U.S. Customs Service, as part of the Southwest Border Initiative.

- Chemical Sales Company Owner Sentenced for Illicit Sale of Methamphetamine Precursor Chemicals. On September 17, 1996, in the Western District of Texas, Hector Dominguez was sentenced to a significant term of imprisonment for possessing with intent to distribute 25 kilograms of phenylacetic acid, a precursor chemical used in the production of methamphetamine. Dominguez, an owner of a small chemical sales company in El Paso, was arrested as he attempted to sell the phenylacetic acid to a DEA informant.

- Largest Methamphetamine Trafficking Organization in Southeastern New Mexico Taken Down. On July 17, 1996, in the District of New Mexico, 26 individuals were charged in a 28-count indictment alleging a conspiracy to possess with intent to distribute methamphetamine and related firearms charges, as well as forfeiture allegations against three pieces of land valued at more than \$8,000,000. The principal administrator of this organization and several of his family members were engaged in operating a continuing criminal enterprise. The organization, centered in Roswell, New Mexico, was responsible for transporting 500 pounds of methamphetamine from California to New Mexico. This OCDETF investigation was conducted by law enforcement agents from DEA, FBI, U.S. Marshals Service, New Mexico State Police, Roswell Police Department, and Artesia Police Department.

D. Joint Task Force and Working Group Efforts.

In accordance with the Administration's goals of maintaining an open dialogue on methamphetamine concerns, several working groups and task forces have been established to share information and discuss pending issues. Following a California-wide methamphetamine strategy meeting sponsored by DEA and BNE in May 1996 in Sacramento, California, a working group of local, state, and federal investigators and prosecutors ["Precursor Committee"] was established to improve strategy against and prosecution of

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rogue precursor chemical suppliers. The working group has already produced an investigation strategy which has been used as a guide around the state and in national training efforts. In addition, the group, working with DEA and BNE Headquarters, has spearheaded a number of policy changes within the agencies to increase the likelihood of success in precursor prosecutions.

In addition, the Precursor Committee, chaired by the U.S. Attorney for the Southern District of California, and with the participation of the other U.S. Attorney's Offices throughout California, has generated a target list of the largest precursor violators. Currently, there are a number of multi-district investigations against these violators who are located both within and outside of California. The Committee meets regularly to coordinate investigations and share intelligence information with state and local entities.

In coordination with DEA Headquarters, the Precursor Committee has also begun a campaign to have legitimate chain drug and warehouse stores voluntarily restrict the availability of products that can be diverted to manufacture methamphetamine. Beginning in February 1997, Wal-Mart, the nation's largest retail chain, announced that it would voluntarily limit sales of pseudoephedrine, phenylpropanolamine and ephedrine.

As part of the Precursor Committee, a California Prosecutors Working Group has been formed, consisting of Assistant U.S. Attorneys ("AUSAs") from the four California districts and deputies from selected District Attorneys and the Attorney General's Office around the state. This group has already generated a number of reference guides to assist investigators. In addition, they are jointly researching and addressing key legal issues which affect precursor prosecutions, so that a common approach to various proof and search and seizure issues may be taken throughout the state.

The U.S. Attorney's Offices throughout the OCDETF Southwest Region have each designated an experienced AUSA to participate in a methamphetamine working group. These methamphetamine contacts conduct monthly teleconferences to share information regarding methamphetamine trends in the districts and to coordinate ongoing investigations of rogue chemical companies. The Southwest Border methamphetamine contacts group also generated a regional reference guide to be distributed to investigators and prosecutors throughout the Southwest and is now coordinating training sessions in the same region. The San Diego County Methamphetamine Strike Force, composed of community leaders from 70 federal, state, and local agencies from law enforcement, health services, state courts, and drug treatment centers, has developed an action plan in the areas of interdiction, prevention, intervention, and treatment.

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DOJ has worked to launch the Methamphetamine Interagency Task Force, to examine the best ways to reduce demand of methamphetamine, as required by the Act. This Task Force will bring together experts from all over the country to design, implement, and evaluate the education, prevention, and treatment practices and strategies of the Federal government with respect to methamphetamine and other synthetic stimulants.

E. Training.

The Administration believes that the unique sensitivities surrounding the methamphetamine problem warrant special training and awareness. In addition, DOJ's Advocacy Institute and Office of Legal Education have developed and offered a course on methamphetamine prosecutions. This course covered the operations of methamphetamine laboratory, distribution patterns of methamphetamine, search and seizure issues, precursor chemicals regulations, pro-active investigations, and prosecutive strategies. Training sessions continue to be arranged by the U.S. Attorneys from the Southern District of California and the District of Nebraska to coordinate and share techniques and lessons learned with prosecutors in the Midwest districts.

In addition, DEA has nearly doubled the number of clandestine laboratory certification training schools offered to state and local law enforcement from seven in FY 1996 to 13 in FY 1997 and established two remote training sites in San Diego and Kansas City. These schools will provide training for 520 local officers this year.

Furthermore, DEA is reviewing the possibility of providing additional chemical hazards training for law enforcement agents, especially in light of the toxic and incendiary risks involved. For instance, in March 1997, a DEA Special Agent in Blackburn, Missouri inhaled some dangerous acidic fumes in a raid on a clandestine methamphetamine laboratory. The agent suffered some minor burns to the nostril area and was taken to the hospital for treatment.

DEA also has funded a 24-hour methamphetamine telephone number in its San Diego Field Division to provide law enforcement, treatment, and preventive services to San Diego County at no cost. DEA has joined forces with organizations -- such as the Partnership for a Drug Free America and other entities representing prevention, law enforcement, treatment, and medical professionals -- to provide information and lectures on substance abuse to communities throughout the United States. DEA's Operation VELOCITY is producing a videotape production to educate law enforcement officers on some of the chemical hazards of clandestine laboratory investigations. Clandestine laboratory awareness posters are being distributed to state and local

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clandestine laboratory enforcement teams throughout the United States.

IV. International Efforts.

Mexico-based organizations are now the predominant force behind methamphetamine and precursor chemicals trafficking. The Administration has been advising and training our foreign counterparts -- particularly in Mexico -- on ways to curb methamphetamine trafficking, as well as precursor chemical smuggling and diversion. Further, the Administration has been augmenting the role of the existing U.S.-Mexico working group on precursor chemicals, which oversees the training of Mexican officials and the mechanics of the exchange of chemical information with Mexico.

Indeed, we are seeing some modest successes in Mexico. In 1996, Mexican law enforcement authorities seized more than a ton of precursor chemicals -- an unprecedented action. The Mexican Government has also promulgated regulations restricting the number of ports through which precursor chemicals may enter their country. The DEA's Office of Diversion Control has established an automated process for notifying the relevant Mexican authority of each impending U.S. export of selected chemicals to Mexico.

DEA has also provided substantial training to Mexican law enforcement authorities. In January 1997, DEA provided a three-day training program in Mexico City to the Mexican government officials who are responsible for chemical diversion investigations. In December 1996, the DEA Mexico City Country Office similarly provided a three-day seminar on the control of precursor and essential chemicals. These seminars included courses on chemical identification, safety equipment, and raid planning, among other topics.

V. Demand Reduction Efforts.

A. Education and Prevention.

The Administration continues to stress the need for public awareness with respect to the methamphetamine threat. All segments of our society -- including law enforcement, teachers, judges, social workers, and public health officials -- should learn about the hazards posed by this drug and should proclaim its dangers to America's youth.

Two methamphetamine conferences have been scheduled to assess progress and solicit input from the States for revision of the National Methamphetamine Strategy. The first, a western regional conference, was held on January 12-13, 1997 in San Francisco, California. This Conference was co-hosted by Senator Feinstein and ONDCP, and over 160 persons participated from six

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states. The second Conference will take place on May 28-30, 1997 in Omaha, Nebraska and will be co-hosted by Senator Karrey and ONDCP.

These Conferences bring together policy makers, researchers, public interest groups, law enforcement, treatment, and prevention specialists to share information, increase understanding, and make recommendations on improving the nation's strategic response to this growing problem. The Attorney General, Director of ONDCP, DEA Administrator, Director of NIJ, and the Director of the National Institute of Drug Abuse ["NIDA"] will address the National Conference in Omaha. These Conferences build upon the Administration's effort to educate the American public about the methamphetamine threat.

B. Collection Of Data.

NIJ's DUF program has been so successful in gathering important drug use data and information that the Administration has decided to expand the program more than three fold -- from 23 sites to 75 sites -- by fiscal year 2000, and it will be renamed Arrestee Drug Abuse Monitoring ["ADAM"]. ADAM will establish a unique capacity to collect and distribute reliable data about ongoing and emerging drug use trends and crime patterns on a timely basis; it has received the strong support from NIDA and DEA. ADAM will be especially useful in developing effective national -- as well as local -- policies, and it will institute an outreach program to gather additional data from a targeted population, initiate local coordinating councils to assist in the selection of outreach sites, and re-design data gathering methodology to reflect a broader population base and to better sample arrestee drug use and crime patterns.

The Administration's Operation Drug TEST is being implemented with the Administrative Office of the United States Courts. Twenty-five federal districts have agreed to test arrestees for drug use -- in most cases, prior to the arrestee's first appearance before a judicial officer. The Administration hopes to expand this drug-testing, sanctions, and treatment program in an additional 25 districts in 1998.

C. Treatment for Methamphetamine Abuse.

Administration personnel are continuing to work with medical researchers and treatment practitioners to study whether there are any unique behaviors of methamphetamine abusers and special measures that should be undertaken to restrain, but not further injure, the user during arrest. Government officials have participated in public health conferences to determine the direction that medical and scientific research should take to study the physical and chemical effects of methamphetamine,

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medical complications associated with its abuse, and treatment and prevention methods.

The Substance Abuse and Mental Health Services Administration ["SAMHSA"] held a conference in June 1996 to study the sequelae of methamphetamine abuse with implications for prevention, treatment, and research. The conference included participants from the National Institutes of Health ["NIH"], DOJ, and ONDCP, as well as a number of experts in the areas of research, treatment, and prevention.

NIDA held a conference entitled "Methamphetamine: Abuse, Treatment, and Prevention," on December 2-3, 1996 in San Francisco. This regional meeting brought together scientists, practitioners, and community leaders to discuss what is known about methamphetamine abuse and addiction in the western United States and how to improve the response to this growing problem. The participants reviewed the current state of epidemiology, basic research, prevention, consequences, and treatment. Additionally, NIDA continues to conduct research to develop specific treatment protocols, although research shows that general psychosocial and behavioral treatment effectively reduces drug use.

NIDA and other research has dramatically increased our knowledge about the neural basis for psychostimulant drugs (including methamphetamine) and the neurotoxic psychostimulant methamphetamine and related drugs. NIDA currently supports \$20 million in research annually to understand the epidemiology of methamphetamine use, its mechanism of action and effects on brain functions, behavioral consequences of methamphetamine, and treatment and prevention implications and approaches.

With funding from SAMHSA, a group in southern California has reported that there is a measurable response of methamphetamine users to psychosocial interventions, and that the general treatment experience, as reflected by the attendance at therapeutic sessions, breaks in treatment participation, and total treatment received, does not differ significantly between methamphetamine and cocaine users. A pilot follow-up study is in progress.

Furthermore, SAMHSA has a major proposals to investigate the implications of methamphetamine abuse. It will evaluate the effects of methamphetamine on pregnancy and post-natal development. The proposed project will examine, retrospectively, the association of methamphetamine use during pregnancy with the medical and developmental consequences found among two cohorts of pre-natally methamphetamine-exposed children born in 1989 and 1990.

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These efforts are important because they will facilitate our understanding of how the behavior of methamphetamine users may endanger themselves, others in the home or the immediate community, and law enforcement personnel. Greater knowledge about the characteristics of methamphetamine users and the ability to identify them is important because investigative and prosecutive decisions may be affected if a defendant, a witness, or an informant has a drug abuse problem.

VI. Successful Initial Data Regarding Administration's Efforts.

The Administration believes that its vigorous efforts have led to a moderation in the trend of methamphetamine trafficking and abuse, based upon the same statistical criteria previously used. The preliminary data from NIJ's 1996 Drug Use Forecasting figures show that in eight western cities (Dallas, Denver, Los Angeles, Omaha, Phoenix, Portland, San Diego, and San Jose), methamphetamine use declined between 7 and 52 percent from 1995 figures. The only city that showed an increase in methamphetamine use was San Antonio, which rose from 1.5 percent in 1995 to 2.1 percent in 1996. In keeping with trends of recent years, the 1996 DUF figures show that adult female arrestees use methamphetamine more than male arrestees, and white arrestees continued to use methamphetamine in greater percentages than African-American and Hispanic arrestees.

Nevertheless, our continued efforts must remain vigilant and should be fortified. We must be cautious not to relax our vigorous efforts, because our goals and objectives have not yet been accomplished. We need to continue a comprehensive assault against the dangers associated with methamphetamine production, distribution, trafficking, and abuse.

VII. Increased Resources Requested.

To demonstrate the Administration's continued efforts to combat the methamphetamine problem, it has requested additional resources be devoted to the threat.

A significant portion of the methamphetamine trafficking is occurring along the Southwest border. As part of the Administration's Southwest Border Initiative ["SWBI"], many DOJ components received significant resource enhancements in fiscal year 1997. The SWBI targets trafficking groups that manufacture and distribute methamphetamine as well as other drugs. In the Administration's fiscal year 1998 request, the U.S. Attorneys, DEA, and FBI are seeking a total of 359 positions [146 agents and 41 attorneys] and \$46.8 million as part of the SWBI. Much of these resources will be used to assist in combatting the trafficking of methamphetamine.

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The rise in methamphetamine trafficking has also caused an increased caseload for the U.S. Attorneys, and in response, the Administration's fiscal year 1998 request for U.S. Attorneys includes an enhancement of 56 positions (37 attorneys) and \$5,161,000 for its Narcotic and Dangerous Drug program. In addition, the Administration is seeking three additional DOJ Criminal Division attorney positions in fiscal year 1998 to increase its ability to coordinate the SWBI from headquarters. These positions will support the Attorney General's goal to achieve enhanced centralized management of the investigations and prosecutions related to the large-scale, multi-district methamphetamine cases.

With respect to DEA, the fiscal year 1998 budget request includes an increase of 74 positions (60 agents) and \$11.1 million in resources to fund a comprehensive approach to combat methamphetamine trafficking. The FBI is focusing on identifying the most significant Mexican manufacturers and distributors of methamphetamine and targeting the command and control individuals of these organizations, including key distribution networks in small and medium-sized U.S. communities. In addition, the FBI is focusing its resources on methamphetamine distribution elements located in problem areas, such as Omaha, Nebraska, St. Louis, Missouri, and Jackson, Tennessee.

VIII. Conclusion.

The Administration is dedicated to continuing its efforts to stop the spread of methamphetamine trafficking and abuse in this country. Curbing the tide of methamphetamine from abroad, stemming its eastward march, and punishing those who traffic in this pernicious poison are all part of our efforts. We are making a noticeable difference, and methamphetamine usage is beginning to drop almost everywhere in the country, as the Drug Use Forecasting numbers so vividly show.

While we are taking steps in the right direction, we cannot become complacent. We must remain strong in our commitment to fight this menace until we have completely eliminated it from society. Life sentences for major traffickers are entirely appropriate. Companies which facilitate these crimes must be punished as well.

Furthermore, we know that the Midwest is where the greatest gains can be achieved. While we have got to do all that we can to rid California and the Southwest of methamphetamine, it is in the Midwest that we have an opportunity to prevent the worst of the potential epidemic from occurring. It is there that the line must be drawn; for if the Midwest falls to this drug, the East will not be far behind.



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We have begun to turn the tide on methamphetamine abuse and trafficking, and we must maintain our vigilance if we are to completely vanquish this threat.

^{Draft}
Crime: Meth report

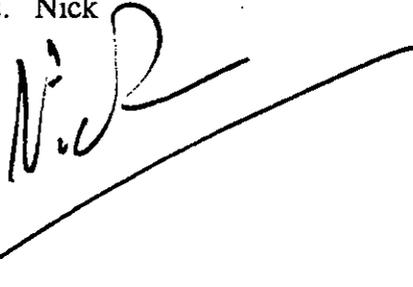
April 30, 1997

Rahm,

Per your request, attached is the current working draft of the methamphetamine report as of this time. Please note that neither General McCaffrey nor the Attorney General have seen or passed on this document and that it is very much of a work in progress and very clearly a DRAFT. Most particularly, it needs a great deal of editing by way of tightening, grammar and syntax. ONDCP has graciously agreed to work on this part of the project and we anticipate being able to provide you with a "cleaner" version by the end of the week.

Nonetheless, we would like to get as much feedback as possible so that our final product incorporates all of your thinking, so that last minute revisions can be avoided and so that the President ultimately receives the very best product which can possibly be produced.

Many thanks. Nick

A handwritten signature in black ink, appearing to be "Nick", written over a long horizontal line that extends across the page.

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NATIONAL METHAMPHETAMINE STRATEGY UPDATE

EXECUTIVE SUMMARY

In April 1996, the Administration released the National Methamphetamine Strategy, which assessed the threat and outlined an action plan for efforts to reduce the spread of methamphetamine. Since that time, the Administration has significantly enhanced its efforts to combat methamphetamine abuse and trafficking. While some progress has been made, we need to maintain our vigilance in the effort.

The Methamphetamine Problem: Methamphetamine is a dangerous synthetic stimulant drug that can create extreme aggressiveness among chronic users; it is cheaper than cocaine and produces a longer high. Use of the drug has historically been concentrated in the West and Southwest, but there are indications that its popularity is spreading to the Midwest and eastward. The clandestine laboratories that manufacture methamphetamine pose an environmental risk and public safety hazard, as toxic wastes are frequently dumped on the ground or into waterways.

Legislation: Based upon the Administration's initiative and persistence, Congress enacted the Comprehensive Methamphetamine Control Act of 1996 last October. The Act strengthens criminal penalties for methamphetamine trafficking and establishes new controls over precursor chemicals.

Law Enforcement: The Administration has significantly stepped up its efforts in methamphetamine law enforcement, particularly with respect to the Organized Crime and Drug Enforcement Task Force ["OCDETF"] efforts and the establishment of a Midwest High Intensity Drug Trafficking Area ["HIDTA"]. As of September 1996, all U.S. Attorneys have provided district plans assessing the current threat and ways to address it, and establishing coordination groups among community agencies and groups. Numerous methamphetamine cases have been successfully investigated and prosecuted by federal agencies, in close coordination with the state and local law enforcement agencies.

Prevention and Education: The Department of Education is conducting meetings to assess the need for a prevention and education strategy on methamphetamine and will send guidance to local schools to reduce methamphetamine use. A \$10 million fund has been authorized from the Forfeiture Fund for methamphetamine reduction activities, and requests are currently being reviewed.

Treatment: As of today, there is no specific treatment protocol for methamphetamine; however, the Administration is funding the study of users' behavior patterns to formulate appropriate protocols.

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Data Collection: The National Institute of Justice's Drug Use Forecasting Report is due to be released in May 1997, which will include substantial data on methamphetamine abuse. The National Institutes of Health is also conducting an in-depth study of the methamphetamine user and will present its preliminary findings at a national conference.

Conferences: More than 400 people from all over the country and many diverse disciplines have participated (or will participate) in methamphetamine conferences to share information, increase understanding, and propose recommendations to improve the nation's response to the methamphetamine problem.

Publications: The Office of National Drug Control Policy published two documents in January 1997 on methamphetamine -- Pulse Check: Methamphetamine Trends in Five Western States and Hawaii and Recent DAWN Data on Methamphetamine and Speed. The next edition will be released later this month.

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REPORT ON METHAMPHETAMINE ABUSE AND TRAFFICKING
IN THE UNITED STATES: An Update of the
National Methamphetamine Strategy

I. Introduction.

The trafficking and abuse of methamphetamine -- a highly destructive, addictive and violence-causing synthetic drug -- continues to be a national problem. Methamphetamine, also known on the street as "crank," "ice," and "speed," is a dangerous synthetic stimulant that results in an addiction cycle and physiological trauma similar to that associated with "crack" cocaine use. Methamphetamine may be injected, smoked, snorted, or ingested orally, making it increasingly attractive to casual users.

A. Historical Background.

Until the early 1990s, methamphetamine was largely associated with motorcycle gangs who supplied users in various parts of the United States. Available data show that in the last few years, methamphetamine abuse has risen significantly in the West and Southwest portions of the country. The Drug Use Forecasting ["DUF"] statistics (released in July 1996) confirmed that methamphetamine use was highest in western and southwestern locales. According to the Drug Abuse Warning Network ["DAWN"], between 1989 and 1995, the estimated number of nationwide emergency-room drug abuse episodes involving methamphetamine doubled, and between 1991 and 1994, the number of methamphetamine deaths nearly tripled.

The methamphetamine problem has been spreading into the Midwest and eastward into states such as Arkansas, Georgia, and Florida. For example, in 1996, the Drug Enforcement Administration ["DEA"] seized 236 clandestine methamphetamine laboratories in Missouri.

Well-organized poly-drug organizations with roots in the Mexican communities on both sides of the border have seized control of methamphetamine trafficking, using sophisticated chemical procurement, manufacturing and transportation techniques. The emergence of the Mexican drug trafficking organizations and their extensive involvement in methamphetamine production and distribution has re-defined the nature of the problem in the United States. According to the El Paso Intelligence Center, the amount of methamphetamine seized along the southwest border increased dramatically in recent years -- nearly 100-fold between 1992 and 1994.

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Unlike the cocaine business where Mexican traffickers are forced to rely upon their Colombian counterparts as primary suppliers, the Mexican organizations need not depend upon outside sources to manufacture methamphetamine. Once the precursor chemicals are obtained, Mexican organizations control all links of the entire production, transportation, and distribution chains -- and therefore, unfortunately, gain virtually all of the illicit profits. The Mexican organizations that dominate wholesale methamphetamine trafficking are capable of producing unprecedented quantities of high-purity methamphetamine in large-scale laboratories.

Methamphetamine also poses a unique public health and environmental hazard because of the nature of its manufacturing process. The toxic properties associated with chemicals in and around methamphetamine laboratories introduce special health risks to law enforcement agents and the neighboring public; the incendiary and explosive nature of these chemicals further adds to the public safety risks. These hazards and challenges warrant special precautions and training.

B. The Administration's Response.

As a result of this growing methamphetamine threat, in February 1996, the Administration organized and coordinated a National Methamphetamine Conference in Arlington, Virginia to raise the public awareness of the increasing problem. Over 200 representatives from federal, state, and local law enforcement agencies nationwide participated in the Conference, and for three days, experts shared their experiences, successes, and setbacks in their fight against methamphetamine.

In response to the methamphetamine threat, the President released the National Methamphetamine Strategy [the "Strategy"] in April 1996. The Strategy assesses the methamphetamine threat, identifies the issues, and draws an action plan to avert the spread of methamphetamine, which, if unchecked, would become a national scourge.

The Strategy incorporates many of the recommendations from a broad spectrum of the law enforcement community. It also recognizes that in order to tackle the methamphetamine and precursor chemicals problem, the Government must adopt a multi-disciplinary approach, including legislation, law enforcement, training, chemical regulation, international cooperation, environmental protection, education, and treatment. Therefore, the Strategy called upon the collective wealth of experience and expertise of the Departments of Defense, Education, Health and

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Human Services, Justice, State, Treasury, the Environmental Protection Agency, the Office of National Drug Control Policy ["ONDCP"], and other noted experts and scholars.

II. The Comprehensive Methamphetamine Control Act of 1996.

Based upon the Administration's initiative and persistence, Congress took an important step when it enacted the Comprehensive Methamphetamine Control Act of 1996 [the "Act"], which was signed into law on October 3, 1996. The Act includes many elements that had been suggested in the National Methamphetamine Strategy, including increased penalties and regulatory provisions for precursor chemicals.

Specifically, the Act directs the U.S. Sentencing Commission to increase penalties for trafficking in methamphetamine and its precursor chemicals to reflect the nature of such offenses, their relative harm to society, and the need for aggressive law enforcement action. It also requests that the Commission consider significant penalty enhancements for laboratory operators who mishandle ignitable, corrosive, reactive, and toxic chemicals so as to pose a risk to public safety and the environment. The Department of Justice ["DOJ"] is attempting to ensure that the Sentencing Commission's Guidelines, currently in the drafting phase, reflect the legislative intent to increase penalties substantially for methamphetamine offenses.

The Act includes tighter controls on retail sales of drug products containing key precursor chemicals: ephedrine, pseudoephedrine or phenylpropanolamine. Because methamphetamine must be synthesized from precursor chemicals, regulatory control of a select group of chemicals can impede clandestine production of the drug.

III. Methamphetamine: A Top Law Enforcement Priority.

The Administration continues to place methamphetamine enforcement efforts as a top priority. We must continue our cooperative partnerships among federal, state, and local agencies and organizations. There should be continued frank and candid conversations to discuss openly the difficulties faced by each region of the country.

In 1996, at the request of the Attorney General, each U.S. Attorney assessed the methamphetamine problem in her/his district and together with the federal, state, and local agencies, came up with a plan to address the problem. In some cases --

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particularly, in the Midwest and California -- the U.S. Attorneys developed regional strategies.

In addition, law enforcement agencies continue to develop intelligence and information on trafficking organizations and clandestine laboratories to assist in the monitoring of shipments of methamphetamine and its precursor chemicals -- with a special emphasis on major violent methamphetamine trafficking organizations. Based upon this information, federal, state, and local law enforcement agencies are selecting and pursuing the highest-level and most dangerous targets.

In addition, the Administration is addressing public safety issues connected with the illicit manufacture of methamphetamine. The environmental dangers presented by manufacturers of methamphetamine and the explosive potentialities pose significant hazards to private citizens and law enforcement personnel.

One sad example of the dangers of methamphetamine production occurred in Perris, California on April 19, 1997, when a fire exploded in a trailer home seriously burning two young children, ages 4 and 6. The investigators determined that the fire was caused by the mother of the two children attempting to extract pseudoephedrine from certain pharmaceutical tablets. The mother was subsequently arrested on suspicion of manufacturing methamphetamine and four counts of child endangerment, and more than 1,400 bottles of pseudoephedrine were recovered from the scene. Such dangers must be addressed -- not only by law enforcement authorities -- but also in cooperation with public health and safety officials.

A. Drug Enforcement Administration Initiatives.

The DEA, in particular, has demonstrated its commitment to combat the spread of methamphetamine trafficking and abuse by undertaking significant law enforcement and educational efforts. DEA Clandestine Laboratory Enforcement Teams seized 879 clandestine methamphetamine laboratories -- 2.7 times the number seized (326) in 1995. Current projections indicate that an even higher number of seizures will be achieved in 1997.

[DEA map on lab seizures.¹]

¹ The above chart represents the laboratory seizures in which the DEA assisted or participated; it does not, however, account for the numerous law enforcement actions by the state and local authorities.

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In addition, DEA's Special Operations Division, since April 1996, has funded or assisted in approximately 80 major methamphetamine investigations of Mexican targets. Many of these investigations involve the use of extensive court-authorized electronic surveillance and other sophisticated investigative techniques.

DEA has also provided substantial support to state and local law enforcement agencies in combatting the distribution of methamphetamine on our streets. The DEA Domestic Operations Section established a Special Enforcement Program entitled Operation VELOCITY which targets major methamphetamine organizations, as well as independent traffickers in the United States.

Moreover, the DEA Office of Diversion Control established a priority targeting system named Operation BACKTRACK which targets rogue chemical companies that supply clandestine methamphetamine laboratories. Also, DEA, in conjunction with the California Bureau of Narcotics Enforcement ["BNE"], the Western State Intelligence Network, and the El Paso Intelligence Center, continues to work to establish a National Clandestine Laboratory Data Base, which will assist all law enforcement agencies in methamphetamine investigations and provide a national perspective on clandestine laboratories, based upon input from all law enforcement agencies. DEA has formulated plans to purchase new safety equipment, such as air monitors, air purified respirators, laboratory trucks, fire-resistant clothing, and other tactical clothing for DEA agents and state and local officers who raid clandestine laboratories.

B. Successful Prosecutions.

United States Attorneys around the nation continue to acknowledge methamphetamine as a growing threat. Numerous

There are two primary factors which contribute to the large increase in DEA seizures of methamphetamine laboratories -- (1) the spread eastward of clandestine laboratory activity; and (2) the enhanced attention by law enforcement around the country. The spread eastward of methamphetamine manufacturers can be attributed, in large part, to the growth of small entrepreneurs using the "Nazi" method" to produce small batches of methamphetamine (four ounces or less). Their source of precursor chemicals frequently is pseudoephedrine tablets purchased at local retail outlets; approximately 680 tablets of pseudoephedrine yield one ounce of finished methamphetamine.

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methamphetamine cases have been investigated and prosecuted by federal agencies in close coordination and cooperation with the state and local law enforcement agencies, and many others have been prosecuted by local District Attorney's Offices throughout the country.

Indeed, in 1996, a High Intensity Drug Trafficking Area was designated by the Administration for a five-state region in the Midwest. This HIDTA will address the problem of methamphetamine use, production, and trafficking in Nebraska, Iowa, Kansas, Missouri, and South Dakota.

Of the many successful federal methamphetamine prosecutions, a few are summarized below:

- Life Sentence Imposed On Convicted Methamphetamine Trafficker. On April 24, 1997, in the Eastern District of Washington, a federal court, for the first, imposed a life sentence upon a defendant convicted of charges relating to his methamphetamine manufacturing and distribution operations in Burns, Oregon and Alberta, Canada. Co-defendants received sentences of 30-year prison terms. The convictions culminated a seven-month joint investigation involving the DEA, Royal Canadian Mounted Police, Harney County [Oregon] Sheriffs Office, Oregon State Police, and Lassen County [California] Narcotics Task Force.
- Methamphetamine Trafficker Convicted. On April 4, 1997, in the Southern District of Texas, a defendant was convicted on four counts charging various methamphetamine offenses, including possession with intent to distribute 136 grams of methamphetamine and his attempt to possess more than 800 grams of 98% pure methamphetamine.
- Drug Transporters Indicted Following Largest Methamphetamine Seizure in the U.S. On November 12, 1996, 11 defendants were indicted in the District of New Mexico, following the February 1995 seizure of almost 700 pounds of methamphetamine and 200 pounds of marijuana. Two of the defendants are charged as principal administrators of a continuing criminal enterprise, the drug kingpin statute that is reserved for the highest echelon of participants within a drug trafficking organization. The methamphetamine and marijuana, which originated in Juarez, Mexico, had been packed into molded fiberglass containers and loaded

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into the trailer at a warehouse in El Paso, and was being transported to Chicago. This OCDETF investigation was conducted by agents of the DEA and U.S. Customs Service, as part of the Southwest Border Initiative.

- Chemical Sales Company Owner Sentenced for Illicit Sale of Methamphetamine Precursor Chemicals. On September 17, 1996, in the Western District of Texas, a defendant was sentenced to a significant term of imprisonment for possessing with intent to distribute 25 kilograms of phenylacetic acid, a precursor chemical used in the production of methamphetamine. The defendant, an owner of a small chemical sales company in El Paso, was arrested as he attempted to sell the phenylacetic acid to a DEA informant.
- Largest Methamphetamine Trafficking Organization in Southeastern New Mexico Taken Down. On July 17, 1996, in the District of New Mexico, 26 individuals were charged in a 28-count indictment alleging a conspiracy to possess with intent to distribute methamphetamine and related firearms charges, as well as forfeiture allegations against three pieces of land valued at more than \$8,000,000. The principal administrator of this organization and several of his family members were engaged in operating a continuing criminal enterprise. The organization, centered in Roswell, New Mexico, was responsible for transporting 500 pounds of methamphetamine from California to New Mexico. This OCDETF investigation was conducted by law enforcement agents from DEA, the Federal Bureau of Investigation ["FBI"], U.S. Marshals Service, New Mexico State Police, Roswell Police Department, and Artesia Police Department.

C. Joint Task Force and Working Group Efforts.

In accordance with the Administration's goals of maintaining an open dialogue on methamphetamine concerns, several working groups and task forces have been established to share information and discuss pending issues. Following a methamphetamine strategy meeting sponsored by DEA and BNE in May 1996 in Sacramento, California, two working groups were established to address improvements in investigative approaches to methamphetamine cases and prepare a model for successful investigation and prosecution of rogue chemical company targets.

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The U.S. Attorney for the Southern District of California has formed a precursor chemicals working group [the "Precursor Committee"], primarily involving the districts that form the new OCDETF Southwest Region, in close coordination with the DOJ Criminal Division and the DEA Diversion Division. Among its goals is to develop a priority list of targeted chemical corporations that are suspected of trafficking in precursor chemicals. The Precursor Committee has also prepared an Investigative Techniques and Prosecution Tactics Outline Regarding Rogue Chemical Companies and facilitated intelligence sharing among agencies and prosecutors.

The second group, the California Prosecutors Working Group, consists of Assistant U.S. Attorneys ["AUSAs"] from the four judicial districts in California and Deputy District Attorneys from selected California District Attorney's Offices. The Working Group is addressing the following: (1) discovery and ethical issues associated with methamphetamine laboratory cases in which hidden transponder devices are utilized; (2) responses to common defenses utilized in methamphetamine and precursor chemical cases; and (3) successful use of sentencing enhancements in state and federal prosecutions.

The Southwest Border Methamphetamine Contacts Group, consisting of AUSAs from each of the relevant districts, will facilitate coordination of inter-district investigations of rogue chemical companies. The San Diego County Methamphetamine Strike Force, composed of community leaders from 70 federal, state, and local agencies from law enforcement, health services, state courts, and drug treatment centers, has developed an action plan in the areas of interdiction, prevention, intervention, and treatment.

D. Education and Training.

The Administration believes that the unique sensitivities surrounding the methamphetamine problem warrant special training and awareness. In addition, DOJ's Advocacy Institute and Office of Legal Education have developed and offered a course on methamphetamine prosecutions. This course covered the operations of methamphetamine laboratory, distribution patterns of methamphetamine, search and seizure issues, precursor chemicals regulations, pro-active investigations, and prosecutive strategies. Training sessions continue to be coordinated by the U.S. Attorneys from the Southern District of California and the District of Nebraska to share techniques and lessons learned with prosecutors in the Midwest districts.

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In addition, DEA has nearly doubled the number of clandestine laboratory certification training schools offered to state and local law enforcement from seven in FY 1996 to 13 in FY 1997 and established two remote training sites in San Diego and Kansas City. These schools will provide training for 520 local officers this year.

Furthermore, DEA is reviewing the possibility of additional chemical hazards training for law enforcement agents, especially in light of the toxic and flammability risks involved. For instance, in March 1997, a DEA Special Agent in Blackburn, Missouri inhaled some dangerous acidic fumes in a raid on a clandestine methamphetamine laboratory; the agent suffered some minor burns to the nostril area and was taken to the hospital for treatment.

DEA has funded a 24-hour methamphetamine hotline in its San Diego Field Division to provide law enforcement, treatment, and preventive services to San Diego County at no cost. DEA has also joined forces with organizations -- such as the Partnership for a Drug Free America and other entities representing prevention, law enforcement, treatment, and medical professionals -- to provide information and lectures on substance abuse to communities throughout the United States. DEA's Operation VELOCITY is producing a videotape production to educate law enforcement officers on some of the chemical hazards of clandestine laboratory investigations. Clandestine laboratory awareness posters are being distributed to state and local clandestine laboratory enforcement teams throughout the United States.

Two Methamphetamine Conferences have been scheduled to assess progress and solicit input from the States for revision of the National Methamphetamine Strategy. The first, a western regional conference, was held on January 12-13, 1997 in San Francisco, California. This Conference was co-hosted by Senator Feinstein, and over 160 persons participated from six states; it was well-received. The second Conference will take place on May 28-30, 1997 in Omaha, Nebraska and will be co-hosted by Senator Kerrey.

These Conferences bring together policy makers, researchers, public interest groups, law enforcement, treatment, and prevention specialists to share information, increase understanding, and make recommendations on improving the nation's strategic response to this growing problem. The Attorney General, Director of the National Institute of Justice ["NIJ"], and the Director of the National Institute of Drug Abuse ["NIDA"] will address this National Conference.

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IV. International Efforts.

Mexico-based organizations are now predominant in methamphetamine and precursor chemicals trafficking. The Administration has been advising and training our foreign counterparts -- particularly in Mexico -- and on ways to curb methamphetamine trafficking. They have been encouraged to implement meaningful controls to prevent smuggling and diversion of precursor chemicals. Further, the Administration has been augmenting the role of the existing U.S.-Mexico working group on precursor chemicals, which oversees the training of Mexican officials and the mechanics of the exchange of chemical information with Mexico.

Indeed, we are seeing some modest successes in Mexico. In 1996, the Mexican authorities made seizures of more than a ton of precursor chemicals. The Mexican Government has also promulgated regulations restricting the number of ports that precursor chemicals may be imported into their country. The DEA's Office of Diversion Control has established an automated process for notifying the relevant authority of Mexico of an impending U.S. export of selected chemicals to Mexico.

DEA has also provided substantial training to Mexican law enforcement authorities. In January 1997, DEA provided a three-day training program in Mexico City to the Mexican government officials who are responsible for chemical diversion investigations, and in December 1996, the DEA Mexico City Country Office similarly provided a three-day seminar on the Control of Precursor and Essential Chemicals to Mexican officials. These seminars included courses on chemical identification, safety equipment, and raid planning, among other topics.

V. Demand Reduction Efforts.

A. Education and Prevention.

The Administration continues to stress the need for public awareness with respect to the methamphetamine threat. All segments of our society -- including law enforcement, teachers, judges, social workers, and public health officials -- should learn about the hazards posed by this drug and should proclaim its dangers to America's youth.

DOJ has worked to launch the Methamphetamine Interagency Task Force, to examine the best ways to reduce demand of methamphetamine, as required by the Act. This Task Force which will bring together experts from all over the country to design,

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implement, and evaluate the education, prevention, and treatment practices and strategies of the Federal government with respect to methamphetamine and other synthetic stimulants.

B. Collection Of Data.

The NIJ is also expanding its DUF program from 23 to over 40 sites in 1997, and the program will be renamed the Arrestee Drug Abuse Monitoring ["ADAM"]. This program is important in tracking the spread of an emerging drug like methamphetamine and will provide timely data about drug trends from a select population. The next DUF Report on methamphetamine use is due to be released in May 1997.

The Administration's Operation DRUGTEST is being implemented with the Administrative Office of the United States Courts. Twenty-five federal districts have agreed to test arrestees for drug use -- in most cases, prior to the arrestee's first appearance before a judicial officer. The Administration hopes to expand this drug testing, sanctions, and treatment program to an additional 25 districts in 1998.

C. Treatment Protocol for Methamphetamine Abuse.

As of today, there is no specific treatment protocol for methamphetamine. Because chronic methamphetamine users frequently suffer major changes in neural chemical activity and brain functions, treatment periods for methamphetamine users can be much longer and more extensive than treatments for other abused drugs.

Administration personnel are continuing to work with medical researchers and treatment practitioners to understand the behaviors that threaten law enforcement and the measures that will be taken to restrain and not further injure the user. Government authorities have participated in public health conferences to determine the direction that medical and scientific research should take with respect to physical and chemical effects of methamphetamine, medical complications associated with its abuse, and treatment and prevention methods.

In addition, NIJ has begun to formulate a demonstration plan that would test drug treatment protocols for methamphetamine-involved persons in the criminal justice systems. Drawing upon the expertise of drug treatment professionals, NIJ hopes to support the development of effective methamphetamine treatment technologies as the criminal justice system confronts the continuing challenges of drugs and crime.

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NIDA held a research conference in June 1996 to study treatment. NIDA research has dramatically increased our knowledge about the neural basis for psycho-stimulant drugs like methamphetamine and the neuro-toxic potential of these stimulants. Methamphetamine has been shown to be a powerfully addictive stimulant causing physical and behavioral changes. NIDA currently supports \$20 million in research to understand the epidemiology of methamphetamine use, its mechanism of action and effects on brain functions, behavioral consequences of methamphetamine, and treatment and prevention implications and approaches.

NIDA is also supporting research entitled "Integrating Treatments for Methamphetamine Abuse: A Psychosocial Perspective." Their findings suggest that there is a measurable degree of response by methamphetamine abusers to psychosocial intervention and that the general treatment experience, as reflected by the attendance of therapeutic sessions, breaks in treatment participation, and total treatment received does not differ significantly between methamphetamine and cocaine users.

The National Institutes of Health ["NIH"] similarly are conducting an in-depth study of the methamphetamine user and will present its preliminary findings at a national conference. NIH also plans to expand its drug testing program to improve data collection.

Furthermore, the Substance Abuse and Mental Health Services Administration ["SAMHSA"] has two major proposals to investigate the implications of methamphetamine abuse. The first proposal will evaluate the effects of methamphetamine on pregnancy and post-natal development; this type of information is currently obtained anecdotally. The proposed project will examine retrospectively the association of methamphetamine use during pregnancy with the medical and developmental consequences found among two cohorts of pre-natally methamphetamine-exposed children born in 1989 and 1990. SAMHSA's second project will study the effects on suppressing methamphetamine demand at the community level with intensified drug-testing in the criminal justice system and at the workplace, combined with media campaigns and enhanced treatment for methamphetamine dependence.

These efforts are important because they will facilitate our understanding of how the behavior of methamphetamine users may endanger herself/himself, others in the home or the immediate community, and law enforcement personnel. Greater knowledge about the characteristics of methamphetamine users and the ability to identify them is important because investigative and

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prosecutive decisions may be affected if a defendant, a witness, or an informant has a drug abuse problem.

VI. Successes of Administration's Efforts.

The Administration believes that its vigorous efforts have led to a moderation in the trend of methamphetamine trafficking and abuse, based upon the same statistical criteria previously used. Initial reports from available statistical data indicate that methamphetamine use have shown a slight decline. [ONDCP will provide recent DUF and DAWN figures which presumably show that methamphetamine use has decreased in all cities, except San Antonio. These figures are due out in May.]

Therefore, our continued efforts must remain vigilant and should be fortified. We must be cautious not to relax such efforts, because our goals and objectives are not yet accomplished. We need to continue a comprehensive assault against the dangers associated with methamphetamine production, distribution, trafficking, and abuse.

VII. Increased Resources Requested.

To demonstrate the Administration's continued efforts to combat the methamphetamine problem, it has requested significant additional resources be devoted to the threat. A significant portion of the methamphetamine trafficking is occurring along the Southwest border.

As part of the Administration's Southwest Border Initiative ["SWBI"], many DOJ components received significant resource enhancements in FY 1997. The SWBI targets trafficking groups that manufacture and distribute methamphetamine as well as other drugs. In FY 1998 request, the U.S. Attorneys, DEA, and FBI are requesting a total of 359 positions [146 agents and 41 attorneys] and \$46.8 million as part of the SWBI. A significant portion of these resources have helped and will continue to assist in combatting the trafficking of methamphetamine.

The rise in methamphetamine trafficking has also caused an increased caseload for the U.S. Attorneys, and in response, the Administration's FY 1998 request for U.S. Attorneys includes an enhancement of 56 positions (37 attorneys) and \$5,161,000 for its Narcotic and Dangerous Drug program. In addition, the Administration is seeking three additional DOJ Criminal Division attorney positions in FY 1998 to increase its ability to coordinate and support the SWBI from headquarters. These positions will support the Attorney General's goal to achieve

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enhanced centralized management of the investigations and prosecutions related to the large-scale, multi-district methamphetamine cases.

With respect to DEA, the FY 1998 budget request includes an increase of 74 positions (60 agents) and \$11.1 million in resources to fund a comprehensive approach to combat methamphetamine trafficking. The FBI is focusing on identifying the most significant Mexican manufacturers and distributors of methamphetamine and targeting the key command and control elements of these organizations, including key distribution networks in small- and medium-sized U.S. communities. In addition, the FBI focuses its resources on methamphetamine distribution elements located in problem areas, such as Omaha, St. Louis, and Jackson.

VIII. Conclusion.

The Administration is dedicated to continuing its efforts to stop the spread of methamphetamine trafficking and abuse in this country. The Administration will continue its cooperative efforts with the U.S. Conference of Mayors ["USCM"] in contributing to their "National Action Plan To Control Drugs." One of their top priorities has been to increase public awareness of the methamphetamine threat, and the USCM fully supports the Administration's initiative to combat the spread of methamphetamine. Federal authorities will continue to investigate and prosecute cases aggressively, as well as promulgate strong regulations, provide training to state and local agencies, promote public awareness of the problem, and educate and treat methamphetamine users.

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