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THE METHAMPHETAMINE EPIDEMIC: INTERNATIONAL ROOTS OF THE PROBLEM, AND RECOMMENDED SOLUTIONS

FOURTH REPORT

BY THE

COMMITTEE ON GOVERNMENT REFORM

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LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
Washington, DC, December 16, 2005.

Hon. J. DENNIS HASTERT,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: By direction of the Committee on Government Reform, I submit herewith the committee's fourth report to the 109th Congress. The committee's report is based on a study conducted by its Subcommittee on Criminal Justice, Drug Policy, and Human Resources.

TOM DAVIS,
Chairman.

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Mr. DAVIS, from the Committee on Government Reform submitted the following

FOURTH REPORT

On December 15, 2005, the Committee on Government Reform approved and adopted a report entitled, "The Methamphetamine Epidemic: International Roots of the Problem, and Recommended Solutions." The chairman was directed to transmit a copy to the Speaker of the House.

EXECUTIVE SUMMARY

Of the many drug threats facing our Nation, few can compare in their growth or destructiveness to methamphetamine abuse. The methamphetamine problem has grown at a dramatic rate; in the words of U.S. Attorney General Alberto Gonzales, "meth is now the most dangerous drug in America." [1] According to surveys conducted by the National Association of Counties, meth is now the No. 1 drug problem for the majority (58 percent) of county law enforcement agencies, and the drug is having far-reaching impacts on child welfare services.[2]

Although a great deal of attention has been paid to the local production of meth in small, clandestine (or "clan") laboratories, the majority of the U.S. supply of illegal meth is now believed to come from Mexico, or is controlled by Mexican drug trafficking organizations. Moreover, virtually all of the world's supply of the major meth precursor chemical—pseudoephedrine—is manufactured over-

[1] Prepared Remarks of Attorney General Alberto Gonzales, National District Attorneys Association meeting, Portland, ME, July 18, 2005.

[2] National Association of Counties surveys: "The Impact of Meth on Children: Out of Home Placement" and "The Criminal Effect of Meth on Communities," July 5, 2005.

seas, in only relatively few factories. As such, meth is as much an international problem as it is a local problem.

This report, the first report by the committee on the methamphetamine problem, focuses on this international aspect of the epidemic. Building on the oversight work done by the Subcommittee on Criminal Justice, Drug Policy, and Human Resources since 2001, this report describes how the international trade in precursor chemicals fuels the large-scale foreign production of the meth that poisons our local communities.[3] The report also points the way toward solutions that may help dramatically reduce the supply of this most dangerous drug.

METHAMPHETAMINE: AN OVERVIEW

Methamphetamine, commonly referred to as "meth," is among the most powerful and dangerous stimulants available. Referred to by many names, such as "speed," "meth," and "chalk," meth is a derivative of amphetamine that severely impacts the central nervous system. The drug can be smoked, snorted, orally ingested, or injected. In powder form meth resembles granulated crystals, and in a rock form it is known as "ice."[4]

Meth produces extremely powerful feelings of euphoria, increases energy, and reduces appetite. Smoking meth produces a high that lasts 8–24 hours compared to a 20–30 minute high produced by smoking cocaine.[5] After the initial rush of intense feelings, users are prone to become highly agitated and nervous, which can lead to violent behaviors. Because the effects of meth are usually pleasurable at first, many users wish to repeat the experience, which is the beginning of a cycle of psychological addiction.

THE CONSEQUENCES OF METH ABUSE

Meth abuse takes a severe toll, not simply on the user, but on the entire community. Meth has particularly harmful consequences for children who spend time in the presence of parents or other adults who abuse the drug. Unlike abuse of most other drugs (including alcohol), meth abuse does not follow the typical paradigm of a single abuser within an enabling family. Instead, meth abuse is very frequently a "family affair" in which both parents are addicts, leading to child neglect and abuse. According to one state child services official, this kind of meth abuse is "the worst form of child endangerment that I have ever seen."[6]

Second, the increasing supply of meth has generated increasing numbers of meth addicts who then begin to manufacture meth in small, makeshift labs, primarily for personal use. The small-scale manufacture of meth in "clandestine" labs involves the use of highly volatile chemicals and the labs generate significant quantities of highly toxic waste. Dangerous explosions are common, compounding the danger to children and relatives of meth "cooks,"

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[3] The subcommittee has held 11 hearings on methamphetamine trafficking and abuse since Representative Mark Souder (R–IN) became chairman in 2001, including 7 field hearings outside Washington, DC.

[4] See http://www.nida.nih.gov/Infofacts/methamphetamine.html (last visited Aug. 23, 2005).

[5] See http://www.methamphetamineaddiction.com/methamphetamine—meth.html (last visited Aug. 23, 2005).

[6] Statement of Betsy Dunn, Child Protection Services, Tennessee Department of Children's Services.

and finding, securing, and cleaning up meth lab sites consumes tremendous amounts of State and local resources.

Finally, meth abuse fuels criminal conduct. According to the National Association of Counties, of 500 counties in the past year, 67 percent reported increases in meth related arrests. Counties in the Southwest reported particularly disturbing results, with 76 percent reporting such increases. Over half of the agencies surveyed stated that at least 1 in 5 jail inmates are serving methamphetamine related sentences.[7] In some Western cities, nearly one-third to one-half of arrestees for any crime test positive for meth; for example, in Honolulu, 40.3 percent of men jailed tested positive for methamphetamine in 2003.[8]

SOURCES OF METHAMPHETAMINE

Meth began as a West Coast phenomenon, with most use and production concentrated in a few cities in California and Hawaii. Use of the drug was spread in other Western states by motorcycle biker gangs during the 1980's. It was during the 1990's, however, that the meth epidemic as we now know it began to take shape.

That decade saw the development of two parallel currents in methamphetamine production and trafficking. First, neighborhood clandestine or small toxic labs [STL's] began to spread in response to the growing numbers of meth addicts. These labs rely on precursor chemicals obtained from retail stores—most notably the pseudoephedrine contained in most cold medicines. These STL's have continued to proliferate throughout the country, following the spread of methamphetamine abuse eastward and creating epidemic crime, environmental hazards, and social problems.

Second, Mexican criminal organizations, based in Mexico and California, began to produce high-purity, low-cost methamphetamine in "superlabs." These Mexican trafficking organizations have relied on their established networks for smuggling cocaine, heroin, and marijuana to spread crystal meth throughout the country. Today, it is estimated that over 70 percent of the U.S. meth supply is controlled by these groups. These organizations have the additional advantage over their smaller competitors of being able to import huge quantities of precursor chemicals like pseudoephedrine. Increasing reliance on importation of precursors is a consequence of the fact that domestic acquisition of precursors has been sharply curtailed through tougher penalties and aggressive enforcement by DEA and other law enforcement agencies).

Until just a few years ago, most of those illegal precursors came from Canada, which lacked any effective regulation. In fact, the Drug Enforcement Administration [DEA] and the Royal Canadian Mounted Police estimated that imports of pseudoephedrine to Canada were 14 times higher in 2001 than in 1995, in response to congressional enactment of tougher precursor chemical controls in the mid-1990's.[9] However, joint U.S.-Canadian law enforcement operations and increased Canadian regulation have led traffickers to

[7] National Association of Counties survey, "The Criminal Effect of Meth on Communities," July 5, 2005.

[8] Arrestee Drug Abuse Monitoring [ADAM] Program, 2004, National Institute of Justice.

[9] See Chemical Diversion and Synthetic Drug Manufacture, joint report of the Office of International Intelligence, Drug Enforcement Administration and the Criminal Intelligence Directorate, Royal Canadian Mounted Police, http://www.usdoj.gov/dea/pubs/intel/intel010621.html.

shift their precursor chemical supply routes directly to Mexico. That has also resulted in a geographic shift of the superlabs from California to Mexico. According to the DEA, the number of superlabs seized in the United States dropped from 246 in 2001 to only 55 in 2004.[10]

That shift of production from California to Mexico is a testament to the success of U.S. law enforcement agencies, but, paradoxically, it has made reducing the supply of meth more difficult. The Mexican superlabs are larger than their California counterparts, capable of producing multihundred-pound quantities of methamphetamine per production cycle. By comparison, domestic data indicates that the largest reported methamphetamine laboratory seized in the United States in 2003 was capable of producing only 50 pounds per production cycle.[11]

Increased methamphetamine production in Mexico has, not surprisingly, led to increasing seizures of meth in Mexico and at U.S. ports of entry along the Southwest border. Data from the International Narcotics Control Strategy Report [INCSR] indicates that the amount of methamphetamine reported seized in Mexico increased from 400 kilograms in 2001, to 457 kilograms in 2002, and 652 kilograms in 2003.[12] Furthermore, 2003 data shows that the amount of methamphetamine seized along the Southwest border increased from 1,130 kilograms in 2002, to 1,733 kilograms in 2003, and 1,168 kilograms through July 2004.[13]

METH PRECURSORS: FUEL FOR THE FIRE

Most of our meth problem can be attributed to one simple fact: the United States and the international community have failed to set up an effective control system for pseudoephedrine and other precursor chemical products. Unlike meth, pseudoephedrine can't be made clandestinely—it can only be manufactured in large facilities using very sophisticated equipment. As a groundbreaking report by the Oregonian newspaper recently showed, only a few companies worldwide make the chemical, and virtually all of the world's supply comes from three countries: Germany, India, and China.[14] As such, it would not be very difficult for the United States and its allies to get better control of the chemical and prevent its large-scale diversion.

That hasn't happened, yet, however. Instead, huge amounts of pseudoephedrine products are being shipped all over the world, with little or no tracking or control. Many nations are importing far more than they can legitimately consume, meaning that the excess is probably being diverted to meth production. Mexican imports of pseudoephedrine, the primary meth precursor, have risen from almost 100 tons in 2001 to nearly 224 tons in 2003. Mexican authorities estimate their legitimate demand for pseudoephedrine to be only 70 tons per year.[15]

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[10] Testimony of Timothy J. Ogden, Assistant Special Agent in Charge, Chicago Field Division, Drug Enforcement Administration, before the Subcommittee on Criminal Justice, Drug Policy, and Human Resources, June 27, 2005.

[11] See http://www.usdoj.gov/ndic/pubs11/12620/meth.htm (last visited Aug. 31, 2005).

[12] *Id.*

[13] *Id.*

[14] Suo, Steve, "The Mexican Connection," the Oregonian, June 5, 2005.

[15] *Id.*

Without pseudoephedrine (or two other, similar chemicals, namely ephedrine and phenylpropanolamine) neither small meth lab cooks, nor Mexican drug traffickers, can manufacture this deadly drug. If there is one "choke point" in the international supply of meth, it is there.

SQUEEZING THE BALLOON: WHY U.S. ANTI-METH STRATEGY NEEDS AN INTERNATIONAL COMPONENT

Although many proposals for Federal anti-meth legislation have focused primarily on the domestic production of the drug—in particular by cutting down on the domestic supply of precursors available for small meth labs—such measures will do little, by themselves, to cut down on the supply of meth. Merely tackling small clandestine labs is like squeezing a balloon—the meth supply will expand elsewhere to meet the demand. Mexican meth will more than replace the supply from small labs, unless Congress addresses the problem in a comprehensive way.

The recent experience of Oklahoma illustrates this problem. Oklahoma passed one of the toughest laws regulating the domestic, retail sale of certain pseudoephedrine products, making it far more difficult for meth cooks to obtain the precursor chemical. Although the Oklahoma law apparently resulted in a significant reduction in local clan labs, there has been a corresponding increase in imported Mexican crystal meth to meet the demand.[16] In other words, while laws focusing on local production are specifically vital to curtail the serious problem of the clean-up of local production sites, all other effects to the local community, including crime and child abuse, continue to remain once Mexican methamphetamine replaces local meth. As one U.S. Attorney in Georgia recently put it, "The Mexico cartels will replace the meth supplied by local labs with double the volume, double the purity, and double the quality."

RECOMMENDATIONS

EXECUTIVE

The executive branch of the Federal Government—in particular, the Departments of State and Justice—will have to take the lead in getting better control of the international supply of meth. This is because success will largely depend on three factors: first, whether multilateral or bilateral agreements can be reached with precursor chemical exporting and importing countries to track and control those chemicals; second, whether greater international pressure can be brought against meth "superlabs" around the world; and third, whether improvements can be made in stopping the trafficking of meth into the United States, particularly through the Southwest Border.

First, the United States should seek to extend the reach of international drug control treaties to finished drug products made from pseudoephedrine, ephedrine, phenylpropanolamine and other precursor chemicals. This step would allow a truly comprehensive, international tracking system for precursor chemicals to take shape. It is imperative that the United States and other nations be

[16] Suo, Steve, "As Laws Dry Up Home Meth Labs, Mexican Cartels Flood U.S. Market," the Oregonian, Sept. 25, 2005.

able to follow the entire "chain of custody" of these chemicals, from manufacturer, through export, import, and wholesale market, through use in (legitimate) drug production, to retail. This will allow for greater transparency and help prevent the diversion of the chemicals during shipment or transfer. If an international agreement cannot be reached, or until one can be concluded, the United States should seek bilateral agreements with the major precursor chemical producing and importing nations.

Second, the United States should seek to improve its bilateral and multilateral enforcement efforts against international "superlabs"—particularly those in Mexico. Recent history provides some hope for success from such efforts. As described above, joint U.S.-Canadian law enforcement operations, coupled with tougher Canadian regulations (requested by the United States), significantly slowed the flow of precursor chemicals through Canada to the United States across the Northern border. The United States should seek, whenever possible, to duplicate those efforts in Mexico, by assisting the Mexican government in stopping the diversion of imported precursor chemicals, and in shutting down the "superlabs."

Finally, reducing the flow of meth into the United States will require greater control of our borders, particularly the Southwest border with Mexico. Improved inspection and patrol technologies and facilities, and well as increased numbers of trained, capable customs inspectors and Border Patrol officers, will be critical to success. However, as our success on the Northern border showed, the most important tasks will be the dismantling of smuggling rings and improved regulations in the source zone.

LEGISLATIVE

Congress cannot negotiate treaties (the Senate can only ratify an already-concluded treaty), but there is much that the legislative branch can do to assist and encourage the executive branch in its efforts. First, it is vital that Congress plug any gaps or loopholes in U.S. precursor chemical regulations. The United States should not be put in the position of asking other countries to enact laws or regulations that Congress itself will not pass. Congress should therefore follow the advice of the administration (contained in its National Synthetic Drugs Action Plan) and enact import and domestic production quotas for precursor chemicals (to ensure that only the legitimate demand for these chemicals is supplied, thus cutting back on any oversupply that might be diverted), and tighten domestic import and wholesale market regulations.[17] In short, the United States must "practice what it preaches" to remain credible in the international arena.[18]

Second, Congress should strengthen the existing international drug certification reporting requirements, to include a separate report on precursor chemical production and diversion. The existing drug certification procedures—which consist of an annual report by the State Department listing the major drug producing and transit nations, and potential reductions in U.S. foreign aid if those na-

[17] See National Synthetic Drugs Action Plan, U.S. Department of Justice and Office of National Drug Control Policy, October 2004.

[18] These changes were included in legislation introduced this year by Chairman Souder; see the "Methamphetamine Epidemic Elimination Act," H.R. 3889.

tions do not cooperate with the United States in enforcing international drug control obligations—have been a very useful tool in strengthening worldwide efforts against drug traffickers. At present, however, there is no separate treatment for the burgeoning problem of meth precursor chemical trafficking. The United States needs to hold precursor producing, exporting, and importing nations accountable for their efforts to stop the diversion of these chemicals to meth traffickers. Revising the existing certification procedures will help achieve that accountability.[19]

Finally, Congress can help the administration guard our borders against meth and other drug traffickers by increasing appropriations for border technology, inspectors, patrol agents, and investigators. Although merely throwing money at the Southwest border problem will not solve it, judicious application of new resources can greatly help our national efforts to protect the borders and ports of entry from criminal smugglers of all kinds.

CONCLUSION

An effective response to the methamphetamine epidemic must address both its international and domestic aspects; it is not enough simply to deal with local symptoms of the problem. With so much of our Nation's meth supply coming from outside the country, Congress and the administration need to find ways to engage the international community to reduce that supply.

But there is hope; the supply of meth can be reduced, and dramatically, if the United States and other key nations work together to bring the supply of precursor chemicals (like pseudoephedrine) under control. Although that task may not be easy, policymakers owe it to local law enforcement agencies, communities, and families to bring this deadly scourge to an end.

[19] This proposal was also included in H.R. 3889; it was also approved by the House of Representatives on July 19, 2005 as part of the "Foreign Relations Authorization Act, Fiscal Years 2006 and 2007," H.R. 2601. As stated by Representative Tom Lantos, the provision is intended to "persuade [such nations] to cooperate fully with us and end this abhorrent trade [in methamphetamine]." Congressional Record, H6045 (July 19, 2005).