

Statement of

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“The Poisoning of Paradise: Crystal Methamphetamine in Hawaii”

Introduction

Chairman Souder and distinguished members of the Subcommittee it is a pleasure to appear before you. My name is Briane M. Grey and I am the Assistant Special Agent in Charge of the Honolulu District Office. On behalf of the DEA Administrator Karen P. Tandy and Los Angeles Field Division Special Agent in Charge Stephen C. Delgado, I would like to thank this subcommittee for your continued support of the DEA and its mission.

While Hawaii has always been viewed as a paradise destination, it currently has the distinction of being number one per capita for crystal methamphetamine use in the United States. The spread of crystal methamphetamine use has been a longstanding problem in the Hawaiian Islands and the user population continues to grow due to crystal methamphetamine’s highly addictive nature.

Current trafficking of crystal methamphetamine in Hawaii is similar to the overall trends experienced throughout the entire Pacific Rim. Crystal methamphetamine, also known as “Ice”, “Batu”, and “Speed” is the number one drug threat in Hawaii, Guam and Saipan. The “Ice” situation in Hawaii is a twofold challenge: Combating the proliferation of Mexican and Asian organizations that are expanding their wholesale and retail distribution in Hawaii and disrupting or dismantling the growing “Ice” retail networks in our areas of operation. As the most isolated island chain in the world, Hawaii presents a unique challenge for federal, state, and local law enforcement officials. The DEA in conjunction with the High Intensity Drug Trafficking Area (HIDTA) has joined forces with our state and local law enforcement counterparts to identify, investigate, disrupt and dismantle drug organizations operating in our area.

In the last two years, Hawaii has seen a significant increase in the amount of crystal methamphetamine being distributed and seized. The majority of recent “Ice” seizures have been linked to Mexican organizations, a significant departure from “Ice” traditionally supplied by Asian criminal organizations.

The profitability of dealing “Ice” in Hawaii has attracted Mexican organizations that now control the majority of the wholesale methamphetamine distribution to Hawaii. Mexican organizations transport multi-pound quantities from clandestine methamphetamine “superlabs” located on the Southwest border and Mexico to Hawaii for distribution.

Hawaii in the Grip of Crystal Methamphetamine

According to the Substance Abuse and Mental Health Services Administration’s Treatment Episode Data Sets, treatment admissions for amphetamine abuse in Hawaii increased from 1,243 in 1998 to 2,238 in 2002. This rate has increased steadily, and in 2003, Hawaii was the only State to have crystal methamphetamine treatment admissions exceed alcohol abuse treatment admissions.

“Ice” purity levels ranging from 96-99% are readily available and consumed by the user population throughout the State. Crystal methamphetamine prices for Hawaii vary depending on where it is purchased and are typically proportional to the distance from the mainland. In Hawaii one gram of “Ice” costs \$200 - \$300. One ounce ranges from \$2,200 - \$2,800. The wholesale price for one pound of “Ice” ranges from \$22,000 to \$40,000. When sold at the retail level, the same pound of “Ice” sells for approximately \$300,000. In Guam and Saipan, retail and wholesale prices are several times higher than these amounts. The price of crystal methamphetamine in Hawaii and Guam are among the highest in the nation.

In Hawaii, “Ice” abusers have been linked to violent crimes including child abuse, hostage situations, and homicides. Hawaii’s violent crime rates, which historically have been among the lowest in the nation, are on the rise. “Ice” abusers are also linked to Hawaii’s high property crime rate, which is one of the worst in the nation. Methamphetamine and the violence associated with the drug threaten the well-being of all of Hawaii’s citizens and continue to challenge not only the DEA, but all law enforcement, health care, and social services entities within the state. This epidemic is fueled by the ever increasing number of drug trafficking organizations operating in conjunction with larger organizations located in Mexico and on the U.S. West Coast.

“Ice” in Paradise

Historically, “Ice” production and distribution has been associated with Asian drug trafficking organizations. This drug first appeared in Hawaii around 1985 and was considered to be the “poor man’s cocaine”. During mid 1980s “Ice” was distributed by Asian youth gangs. At that time, the pure “Ice” crystals came primarily from the Philippines, South Korea, Hong Kong, Taiwan and Japan. Asian organizations routinely transported drugs from source countries such as Korea, Thailand, and the Philippines through Canada to Hawaii via California to avoid Hawaii’s strict U.S. Customs and Border Protection inspections. In the 1990’s, the trend shifted and Mexican organizations became the principal “Ice” suppliers for traffickers in Hawaii.

The DEA has recently emphasized, and had significant success with investigations targeting the flow of precursor chemicals used to produce methamphetamine. Due to the successes of OCDETF investigations Operations Mountain Express III and Northern Star between 2002 and 2003, U.S. importation of bulk pseudoephedrine from Canada dramatically

dropped and the U.S. price of bulk pseudoephedrine more than doubled. These enforcement successes at the Northern border have forced traffickers to import pseudoephedrine to Mexico from Hong Kong, increased methamphetamine manufacturing in Mexico, and increased the smuggling of finished methamphetamine from Mexico into the U.S. across the Southwest Border.

Presently, Mexican organizations are producing “Ice” in Mexico, California, and Southwestern states and are using their established transportation networks to distribute the drug throughout the United States, including Hawaii. Clandestine labs located in Mexico and the Southwestern United States are responsible for most of the “Ice” distributed in Hawaii.

While Hawaii has not been inundated with clandestine laboratory operations, the state is intensely concerned and motivated to protect indigenous flora and fauna to avoid the devastating environmental damage suffered throughout the mainland. The DEA uses a precursor control program to identify and target the most significant sources of methamphetamine precursor chemicals. The DEA also works domestically with legitimate handlers of precursor chemicals to ensure that these chemicals are not diverted for illicit use.

Through DEA’s State and Local Task Force Program and the HIDTA program, the DEA Honolulu District Office has joined forces with our state and local partners to address methamphetamine-related trends from large Mexican trafficking organizations down to the small-time producers operating out of their homes. For example, in March 2004, in a joint investigation with the Bureau of Customs and Border Protection, the DEA Airport Task Force seized 20 pounds of crystal methamphetamine concealed inside aluminum pipes sent from an individual in Mexico to Honolulu, as well as \$200,000 in proceeds. At the bottom end of the chain, in February 2004, the Maui Post of Duty arrested an individual with 15 grams of “Ice”. This individual allegedly supplied high school students and was the source for other dealers on Lanai since July 2003.

Significant Investigations and Seizures

The Honolulu District Office has DEA Task Forces in Maui and Hilo and at the Honolulu Airport. These federally deputized state and local officers have the same authority and jurisdiction as DEA Special Agents. This Task Force concept acts as a force multiplier for the DEA and allows participating agencies to participate in major investigations. This team effort has led to significant investigations allowing law enforcement to jointly attack crystal methamphetamine trafficking.

For example, a joint investigation between the DEA and the Honolulu Office of Immigration and Customs Enforcement (ICE), led to the seizure of five gallons of red phosphorous in the possession of a Canadian citizen in February 2004. The individual was identified as a methamphetamine chemist shipping substantial quantities of “Ice” to distributors in Hawaii and elsewhere. This investigation eliminated a clandestine manufacturing operation based in Canada. The individual was responsible for distribution of approximately 30 to 40 pounds of “Ice” per month from February 2002 through March 2003.

More recently, the DEA Airport Task Force, which included state and local officers deputized with DEA authority, seized 1.8 kilograms of “Ice” shipped from California to Kihei, Maui and 1.44 kilograms of “Ice” from two individuals arriving in Honolulu from Las Vegas, Nevada. Also, our Guam office seized 200 grams of liquid methamphetamine sent from the Philippines to Guam.

Conclusion

The DEA is committed to protecting the American public’s health and safety from the serious consequences resulting from the methamphetamine threat. The DEA has had a significant impact on the trafficking of precursor chemicals and continues to target Mexican trafficking organizations controlling the majority of the methamphetamine produced and distributed in our country.

Thank you again for the opportunity to testify before the Subcommittee today. I will be happy to answer any questions at the appropriate time.