

**Statement of
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***“Fighting Methamphetamine in the Heartland:
How Can the Federal Government Assist State and Local Efforts?”***

Executive Summary

The rapid rise and spread of methamphetamine use and trafficking in Indiana has created a unique and difficult challenge for federal and state law enforcement officials. Unlike more traditional drugs of abuse, methamphetamine presents some distinctive challenges. First, it is relatively easy to manufacture; anyone who can read and measure can make methamphetamine. Second, many production sites are located in rural areas of Indiana where there is limited day-to-day law enforcement presence. Third, methamphetamine is a particularly intense stimulant, highly addictive, and devastatingly dangerous. The combination of these factors has led DEA to pursue a multi-faceted response.

The methamphetamine trafficking situation in Indiana reflects the current overall methamphetamine situation in the Midwest. Mexican drug trafficking organizations control a vast majority of the methamphetamine distribution in Indiana. Their networks transport multi-pound quantities from clandestine superlabs capable of producing at least 10 pounds of the drug in a 24-hour period from locations in the West and even Mexico.

While the methamphetamine trade remains dominated by Mexican trafficking organizations, a growing number of small, dangerous clandestine laboratories are straining communities and Indiana police forces. Locally, ninety percent of independent small toxic lab (STL) operators produce methamphetamine for personal use and local distribution. Such a constant supply of methamphetamine in Indiana rivals, if not exceeds that of cocaine and continues to grow in popularity due to its low cost, availability and duration of effect.

DEA has joined forces with our state and local counterparts to investigate and shut down these toxic labs. Progress requires vigilance to ensure the safe cleanup of the labs. Being very costly, DEA works with state officials to provide as much assistance as possible with lab cleanups and extensive training for law enforcement.

In this testimony, DEA will describe the nature of the methamphetamine threat to Indiana, offer specific examples of how we are targeting it, and describe why it is important for DEA and its partners to make every effort to combat this increasing menace.

Introduction

Chairman Souder, distinguished members of the Subcommittee, and honored guests; it is indeed my distinct pleasure to appear before you. My name is Armand McClintock and I am the Assistant Special Agent in Charge of the Indianapolis District Office. On behalf of DEA Administrator Karen P. Tandy and Special Agent in Charge Richard Sanders of the Chicago Field Division, I would like to thank this subcommittee for your continued support of DEA and its mission.

The Simplicity of Methamphetamine

Methamphetamine is a synthetic stimulant that is classified as a Schedule II controlled substance. This widely abused drug also goes by the names “crank”, “meth”, “crystal” and “speed.” Although commonly sold in powder form, it has been distributed in tablets or as crystals. Methamphetamine can be smoked, snorted, injected or taken orally.

The clandestine manufacture of methamphetamine has been a concern of law enforcement officials since the 1960's, when outlaw motorcycle gangs dominated distribution. Methamphetamine continues to be the primary drug manufactured in the vast majority of drug labs seized by law enforcement throughout the nation. Since 1997, ninety-seven percent of the clandestine lab seizures reported to DEA were either methamphetamine or amphetamine labs.

Methamphetamine is, unfortunately, a simple drug to produce. Ingredients are not only readily available, but also inexpensive. For approximately \$100 in materials purchased in either a grocery or hardware store, a “cook” can produce \$1,000 worth of methamphetamine. Items such as rock salt, battery acid, red phosphorous road flares, pool acid, and iodine crystals can be utilized to substitute for some of the necessary chemicals. Precursor chemicals such as pseudoephedrine can be extracted from common over-the-counter cold medications. And a clandestine lab operator can utilize relatively ordinary items such as mason jars and coffee filters to substitute for sophisticated laboratory equipment. Simply put, these are straightforward science fair experiments put to the worst use imaginable.

Another factor in the clandestine lab epidemic is the evolution of technology and the increased use of the Internet. While in the past “chemists” closely guarded their formulas, today's computer savvy America has made them more willing to share their “recipes of death.” Aside from marijuana, methamphetamine is the only widely abused illegal drug that is readily manufactured or capable of being produced by the actual abuser. Given the relative ease with which manufacturers are able to acquire precursor chemicals, and the unsophisticated nature of the production process, it is not difficult to see why this highly addictive drug and literally explosive clandestine laboratories continue to appear in Indiana neighborhoods and all across America.

Indiana - The Heartland in the Grasp of Methamphetamine

Overall, DEA offices in Indiana expend approximately half their investigative resources on methamphetamine related cases - a substantial increase since 1999, when approximately 35 percent of cases were methamphetamine related. DEA investigations into Mexican drug trafficking organizations distributing methamphetamine within the state have risen from 17 in 2001 to 36 in 2003. In addition, the number of methamphetamine traffickers and dealers who have been arrested and charged in federal court has grown from 80 in 2001 to 111 in 2003.

According to the latest statistics from the El Paso Intelligence Center (EPIC), the number of clandestine methamphetamine laboratories seized in Indiana has increased steadily from a low of 5 in 1998 to a high of 506 reported thus far for 2003. But even this figure could be a low estimate due to incomplete reporting to EPIC from other law enforcement agencies. Detailed statistics from the Indiana State Police now indicate that 1,260 clandestine laboratories were seized in 2003. Assuming this number remains constant, it would represent a 26 percent increase from the 998 laboratories reported seized in the state during 2002.

Indiana Distribution Sources, Prices and Purity

The methamphetamine trafficking situation in Indiana reflects the current trafficking situation throughout the Midwest. Federal investigations have found that Mexican trafficking organizations transport multi-pound quantities of methamphetamine to Indiana from clandestine superlabs (laboratories with a production capacity of at least 10 pounds of methamphetamine in a 24-hour period), located in the West and Mexico. However, small toxic labs (STLs) remain the principal threat to local communities.

STLs are local and independent operators who produce gram to multi-ounce quantities of methamphetamine for personal use and local distribution. Ninety percent of all clandestine methamphetamine laboratories seized in Indiana utilize the *Birch*, or "Nazi," production method that allows a novice manufacturer to rely on readily available, inexpensive products and an uncomplicated process to create methamphetamine. The prevalence of these labs spreads the drug to more users and has the most immediate and visible impact. Even so, control over the vast majority of what is actually distributed in Indiana by volume is dominated by the Mexican drug trafficking organizations.

Methamphetamine prices for Indiana are on average \$90 - \$100 per gram, \$500 - \$1,200 per ounce and \$5,000 - \$8,000 per pound. The average purity level for these methamphetamine laboratory exhibits is 24.8 percent.

DEA aids our state partners to fight against the methamphetamine scourge. While no superlabs were seized in Indiana during 2003, EPIC has documented 506 clandestine methamphetamine laboratory seizures (6th among all states). Adding dumpsites and chemical/glassware/equipment seizures together resulted in 805 incidents (5th among all states). In response to the rise of such labs, in 2000 DEA launched a new training initiative to provide clandestine laboratory awareness training to federal, state and local law enforcement agencies and fire departments. The demand for Clandestine Laboratory training has been immense. DEA

has provided Clan Lab/Methamphetamine Awareness training for 540 state and local officers (and certified another 58) in the state of Indiana since 2000.

The Escalation of Small Toxic Labs and Their Environmental Impact

The small toxic labs I described generate significant quantities of hazardous waste during each production cycle. Small, rural communities within Indiana ultimately must pay the price of the fiscal, environmental, health, and safety hazards associated with criminal entrepreneurs.

STLs initially emerged as a problem in the Midwest in the early to mid-1990s. After initial introduction by Mexican traffickers, local users discovered that they could produce their own methamphetamine. Both the ease of manufacturing and the availability of chemicals contributed greatly to the dramatic growth and spread of these labs throughout the state of Indiana. While not readily available at the retail level, anhydrous ammonia is used extensively in rural areas throughout the state. State law enforcement reports indicate that the chemical has been easily stolen from nurse tanks stored on family farms and coops, train tanker cars that transport the chemical, or diverted from one of the anhydrous pipelines.

Methamphetamine laboratories create environmental hazards with enormous cleanup costs. The chemicals used to produce methamphetamine are extremely flammable and toxic. Every pound of methamphetamine produced yields up to five pounds of waste chemicals, which in turn contaminate the land, streams, and public sewer systems. The small labs are often more dangerous than the larger operations. The “cooks” are generally less experienced and have little regard for the consequences arising from the use of toxic, explosive, and poisonous chemicals. In 2001, EPIC reported 19 fires and explosions related to methamphetamine production in Indiana. While that number had risen to 35 in 2002, the number of explosions and fires related to methamphetamine laboratories fell to 21 in 2003.

A Child’s Home Becomes a Parent’s Lab

The methamphetamine trade is particularly insidious because of its direct, alarming, and negative impact on our youth. Federal and state law enforcement officials remain vigilant in our efforts to keep youth in Indiana and across the country from the devastating effects of this drug.

A recently published comprehensive report from the National Jewish Medical and Research Center found that the toxic clouds of chemicals created by meth “cooks” within their “home labs” are posing a significant health and safety threat to the children and adults living in and around labs. This first-of-its kind study scientifically documented how toxic methamphetamine chemicals adhere to almost all the surfaces in a home or even hotel rooms used as a meth lab, from walls to carpets, to table tops and children’s clothing. Given this environment, children might as well be taking the drug directly. DEA Administrator Karen Tandy commented at a January 2004 press conference that the study “exposes the enormous, but hidden, risks of methamphetamine.” She emphasized that these high levels of toxins “expose innocent and unwary citizens to poisons that can be silent killers.”

The sad fact is that Indiana children are continually exposed to the ravages of this illegal substance. Toxic labs are often discovered where children live and play. In 2003, information reported to EPIC showed 176 children affected, 65 children exposed to toxic chemicals, 5 children injured, 1 child killed, 59 children present at labs, 39 children placed into protective custody and 74 children residing at homes where clandestine labs were present. More than any other controlled substance, methamphetamine endangers children through exposure to drug use/abuse, neglect, physical and sexual abuse, toxic chemicals, hazardous waste, fire, and explosion. In response to this tragic phenomenon, DEA has enhanced its Victim Witness Program to identify and report these incidents to the proper state agencies. Each of DEA's Field Divisions has a Victim/Witness Coordinator to ensure that endangered children are identified and the child's immediate safety is addressed at the scene through coordination with child welfare and health care service providers.

Enforcement Initiatives

DEA has joined forces with our state and local partners to address methamphetamine-related trends from large trafficking organizations down to the small-time producer operating out of their homes.

Priority Targeting Program

Administrator Tandy has made it an agency priority to focus on disrupting and dismantling priority target organizations and to deprive them of the profits of the drug trade. One of DEA's most aggressive enforcement efforts is the Priority Targeting Program to which substantial financial and manpower resources are committed consistent with the strategies of the President and the Attorney General. Since the inception of the Priority Targeting Program in 2000, DEA has dismantled 61 and disrupted 35 priority target methamphetamine trafficking organizations throughout the United States. There are currently 170 active methamphetamine Priority Target cases worldwide, including nine active in the Indianapolis District Office area.

Elimination of Small Toxic Labs

Along with state and local law enforcement counterparts, DEA has been successful in eliminating many STLs throughout Indiana. Moreover, DEA assists state and local authorities with hazardous waste removal, prevention, public awareness, and training that are associated with methamphetamine.

Chemical Control

Recent local initiatives in Indiana have required the placement of pseudoephedrine behind counters in retail businesses that sell cold medications and limits on the amount of pseudoephedrine that can be purchased. Combined with Federal regulations already in place, these initiatives will significantly limit the availability of precursor chemicals such as pseudoephedrine in the illicit market.

Controlling Pseudoephedrine/Precursor Trafficking

DEA also uses the precursor control program to identify and target the most significant sources of methamphetamine precursor chemicals. DEA works domestically with legitimate handlers of precursor chemicals to ensure that these chemicals are not diverted for illicit use. Currently there are six Diversion Investigators assigned to the Indianapolis District Office responsible for working with their state and local counterparts to enforce the chemical control measures in the Controlled Substances Act.

DEA chemical investigations have increased by 400 percent since 1999, and DEA has also undertaken yearly “outreach” and education efforts with the regulated chemical industry for the purpose of preventing chemical diversion.

In addition, DEA aggressively investigates companies who wish to distribute List I chemicals that could be utilized to manufacture a controlled substance. We also operate a Warning Letter Program to notify manufacturers and distributors of pseudoephedrine and ephedrine tablets when their product is found in illicit settings. To date, DEA has issued 634 warning letters, which can form a foundation for criminal, civil, and/or administrative action against registrants who fail to adequately monitor their distribution of List I chemicals.

Seizures and Investigations – An Ongoing Battle

As I mentioned, DEA devotes half of its Indiana investigative resources to methamphetamine related cases. These investigations have uncovered activities of concern across the state. Locally, the Merrillville, Indiana Resident Office (MRO), reported that methamphetamine trafficking (and some production) is controlled by Hispanic groups around South Bend. Law enforcement has identified four groups that are sending approximately 500 pounds of methamphetamine to South Bend every month. This influx results in Elkhart becoming a transshipment point where the drug is subsequently shipped to other Midwest states. In September 2003, authorities in South Bend seized 34 pounds of methamphetamine that had been associated with this traffic. Within the next week, an additional 26 pounds of methamphetamine and 16 kilograms of cocaine were also seized. These seizures underscore the severe methamphetamine problem faced by law enforcement and public health officials in and around South Bend.

DEA seizure statistics confirm the increased availability of methamphetamine across Indiana. Recorded methamphetamine seizures by the MRO increased from zero in 1999 to more than 27 kilograms in 2003. DEA intelligence has identified a Mexican trafficking source responsible for smuggling 30 pounds of methamphetamine at a time into the Evansville area. This represents a substantial increase in the volume of methamphetamine entering Indiana from Mexican controlled organizations.

On August 22, 2002, DEA agents, along with Indiana State and local law enforcement officers arrested 20 individuals in central and southern Indiana for trafficking methamphetamine. Operation Exorcism 2 was the result of a 14 month Organized Crime Drug

Enforcement Task Force investigation (OCDETF) which targeted the *Diablos Motorcycle Gang*. This Priority Target was trafficking as much as 30 pounds of methamphetamine every two to three weeks. Our combined efforts resulted in the seizure of 10 kilograms of methamphetamine, 644 grams of marijuana, and \$123,321 in U.S. currency. In addition, 300 firearms, 14 vehicles, two boats, and two all-terrain vehicles were seized by DEA.

On December 6, 2003, approximately 90 local law enforcement officers, led by the DEA Indianapolis District Office, concluded Operation Sweet Home Alabama, a six month investigation which yielded the arrest of 18 defendants and the execution of 14 federal search warrants. The Priority Target involved a Mexican National who oversaw the largest methamphetamine, cocaine and marijuana ring ever exposed in Indiana. The investigation resulted in the seizure of \$70,000 in U.S. currency, 40 pounds of methamphetamine, 20 kilograms of cocaine, three vehicles, and 20 firearms. On January 27, 2004, a federal judge sentenced the head of the organization, Ramon Montero, to twenty years in prison. Upon his release from prison, he will likely be deported back to Mexico.

Conclusion

The seriousness of the problems resulting from the methamphetamine threat cannot be overstated. Perhaps more than any other drug, methamphetamine puts all of us—users and nonusers alike—at risk. The innocence of children, the fortitude of law enforcement, and the pristine state of our ecosystem are not immune to meth's dangers.

DEA is combating the methamphetamine epidemic on several fronts. Our agency is targeting Mexican trafficking organizations while working closely with state and local law enforcement to eliminate the spread of small toxic labs and alleviate their consequences.

As a single mission agency, DEA will continue to devote its resources to identify, investigate and dismantle the organizations responsible for the spread of methamphetamine across Indiana and 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.