

UNCLASSIFIED

NW HIDTA

Northwest High Intensity Drug Trafficking Area

Threat Assessment
Program Year 2020



Jonathan Weiner
Executive Director
300 5th Avenue, Suite 1300
Seattle, WA 98104

UNCLASSIFIED

TABLE OF CONTENTS

SCOPE	4
EXECUTIVE SUMMARY	4
NORTHWEST HIDTA REGION	5
Waterways	6
Air	6
Interstate Highways	6
Canada	7
Tribal Lands	7
Demographics and Crime	7
DRUG THREATS	7
Source Considerations	8
Opioids	8
Key Observations	8
Availability	9
Use	9
Transportation	10
Intelligence Gaps	10
Methamphetamine	10
Key Observations	11
Availability	11
Use	12
Transportation	12
Intelligence Gaps	13
Marijuana	13
Key Observations	13
Availability	14
Use	14
Transportation	14
Production	15
Intelligence Gaps	15
Cocaine	15
Key Observations	16
Availability	16
Use	16
Transportation	17
Intelligence Gaps	17

Controlled Prescription Drugs..... 17

- Key Observations 17
- Availability..... 17
- Use 18
- Transportation 18
- Intelligence Gaps..... 18

DRUG TRAFFICKING ORGANIZATIONS..... 19

- International DTOs..... 19
 - Key Observations 19
 - Affiliation and Membership 19
 - Activities and Methods 20
- Multi-State DTOs..... 21
 - Key Observations 21
 - Affiliations and Memberships 21
 - Activities and Methods 21
- Local DTOs..... 22
 - Key Observations 22
 - Affiliations and Memberships 22
 - Activities and Methods 23

MONEY LAUNDERING ORGANIZATIONS 24

- Key Observations 24
- Affiliations and Memberships 24
- Activities and Methods 25

OUTLOOK..... 26

- Customer satisfaction survey 26

APPENDICES 27

- Appendix A – NW HIDTA Region, Initiatives, and Tribal Lands..... 27
- Appendix B – CPDs Dispensed in Washington State 28
- Appendix C – Methodology 29

ENDNOTES..... 30

SCOPE

(U) Northwest High Intensity Drug Trafficking Area (Northwest HIDTA) produced this Threat Assessment to offer an independent appraisal of current and prospective drug threats in Washington State. Many factors contribute to the region's original — and continued — designation as a High Intensity Drug Trafficking Area: major (east/west and north/south) thoroughfares with access to areas that serve as transshipment and/or destination points for illicit organizations, a segment of the population with close ties to foreign-based organizations that are responsible for the importation and distribution of drugs, densely populated metropolitan areas, a common border with Canada, and significant maritime operations, to name a few.

(U) This assessment identifies threats in the region and speaks to the availability and abuse of specified drugs, as well as the activities of Drug Trafficking Organizations (DTOs) and Money Laundering Organizations (MLOs) that harm the area.

(U) This document fulfills the annual grant requirements of the Office of the National Drug Control Policy (ONDCP) and has been approved by Northwest HIDTA's Executive Board.

EXECUTIVE SUMMARY

(U) Each year, Northwest HIDTA's Executive Board directs the development of a strategy that focuses its resources on identifying and addressing the most serious trafficking threats. Thus, Northwest HIDTA supports 20 distinctive task forces (referred to as "initiatives") that operate throughout Washington State. Initiatives unite federal, state, local, and tribal law enforcement personnel and associated resources, with a common goal — disrupt and dismantle DTOs and MLOs that are adversely impacting the region. Operating together enables law enforcement agencies to allocate stretched resources in a more efficient and effective manner. Also, a by-product of this operating model is the marked increase of information and intelligence sharing.

(U) This document identifies these threats and presents a 12 month outlook based on the following key findings and supporting information:

- (U) Northwest HIDTA assesses opioids to be the greatest single drug threat (based on a combination of factors including criminal justice and public health consequences) facing the State of Washington and its communities, followed closely by methamphetamine.
- (U) Since 2017, heroin treatment admissions have surpassed those for alcohol in the State of Washington. A steady flow of heroin from Mexico continues to supply the state's demand for the drug.
- (U) Methamphetamine remains a serious drug threat in Washington, and methamphetamine-related deaths in King County are increasing.
- (U) Drug overdose events increasingly involve multiple substances. These mixtures may occur in a single dose such as fentanyl tablets mixed with over the counter or pharmaceutical drugs and pressed to resemble legitimate controlled prescription drugs. They may also be

revealed through toxicology screenings showing multiple substances, like heroin and methamphetamine, in an overdose victim's body at the time of death that may or may not have been consumed independent of one another.

- (U) Cocaine seizure data by Northwest HIDTA law enforcement initiatives over the past five years indicate large quantities of cocaine passing through Washington on its way to Canada.
- (U) Hydrocodone and oxycodone are the most dispensed controlled prescription drugs given out (by volume) in Washington. Over the past five years there has been a noticeable increase in orders for pharmaceutical stimulants commonly used to treat attention deficit hyperactivity disorder (ADHD).
- (U) Every Northwest HIDTA law enforcement initiative reported activity by DTOs affiliated with Mexican Transnational Criminal Organizations (TCO). Two thirds of Northwest HIDTA 2019 Threat Assessment Survey (TAS)^A respondents reported they are currently investigating DTOs with links to the Sinaloa Cartel.
- (U) MLOs identified in the region laundered proceeds derived largely from the sale of opioids, methamphetamine, marijuana, and cocaine. Common methods employed to transfer proceeds and mask origins are: funneling through restaurants and casinos, real estate purchases, internet-based pay systems, and bulk cash smuggling.
- (U) Throughout 2018 the 10 Adult Felony Drug Court programs supported by Northwest HIDTA served 1,253 participants with a 54 percent graduation rate.
- (U) Community-based substance abuse prevention programs supported by Northwest HIDTA provided 22 curriculum-based programs that served 11,668 citizens, and organized or participated in 123 community events attended by 12,151 persons throughout the region in 2018.
- (U) Northwest HIDTA, in collaboration with the Greater Spokane Substance Abuse Council, developed the Washington Meth Watch, Washington Marijuana Watch, and Washington Rx Watch curricula. Designed as a train-the-trainer program, 12 presenters were trained and in turn provided 6 presentations to 233 attendees in 2018. Since its inception in 2002, the program has trained 1,138 presenters who have provided 1,393 presentations to 52,296 citizens.

NORTHWEST HIDTA REGION

(U) Northwest HIDTA was created in 1997 and is responsible for supporting drug prevention, treatment, and enforcement efforts in Washington State. The HIDTA program provides direct service to 14 of the State's 39 counties: Benton, Clark, Cowlitz, Franklin, King, Kitsap, Lewis, Pierce, Skagit, Snohomish, Spokane, Thurston, Whatcom, and Yakima (see Appendix A). The program encompasses 20 law enforcement initiatives, represented by dozens of federal, state, and

^A Threat Assessment Surveys are completed at the end of each calendar year by each Northwest HIDTA sponsored initiatives as well as task forces receiving Byrne Grants.

local agencies, spread throughout these 14 counties. In addition, representatives from 24 public health, community coalitions, drug courts, and other prevention and treatment groups participate in Northwest HIDTA's program. Northwest HIDTA's Investigative Support Center (ISC) in Seattle, provides Northwest HIDTA partners with analytical and investigative support, and deconfliction services.

(U) Situated in the furthestmost corner of the northwestern United States, Washington borders Oregon, Idaho, Canada, and the Pacific Ocean. With a land mass of more than 71,000 square miles, it is the 18th largest state in the United States (U.S.) in terms of surface area and is home to more than 7.6 million people. Western Washington has a diverse and robust economy which employs a highly skilled workforce. It is home to several multi-national corporations, including: Amazon, Boeing, and Microsoft. Eastern Washington is well known for agriculture, where farmers produce more than 300 different agricultural commodities.

Waterways

(U) Most of the state's 28,000 miles of marine coastline and freshwater shores are in Western Washington.¹ The Puget Sound has a complex shoreline that touches some of the most populous cities: Everett, Seattle, and Tacoma. Washington's extensive waterways and high volume of commercial and recreational maritime traffic make it difficult for law enforcement to monitor trafficking activities.

Air

(U) In 2018, nearly 50 million travelers passed through Washington's SeaTac International Airport. Ranked the nation's 8th busiest passenger airport in 2018, it was also ranked the 16th busiest airport in the U.S. by cargo volume.² In 2018, more than 432,000 metric tons of cargo was imported and/or exported through SeaTac International Airport. The airport is vital to the cargo shipping industry, with daily non-stop service to 91 domestic and 28 international destinations. There are over 130 public-use airports spread throughout Washington State, ranging from the ability to support agricultural and recreational aircraft to commercial aircraft.^B

Interstate Highways

(U) Imported products that arrive at the state's marinas, airports, and railway stations are often carried away by commercial vehicles that travel on Washington's highways. Interstate Highway 90 (I-90) begins in Seattle, Washington and continues across the country, through the upper Midwest, and ends in Boston, Massachusetts. It is a vital route for commerce between the maritime ports of Seattle and Tacoma, the rich agricultural land of eastern Washington and Idaho, and the oil and coal fields of Montana, Wyoming, and the Dakotas. Interstate Highway 5 (I-5) is the north-south artery of the U.S. Pacific Coast. I-5 links most of the urban centers between Mexico and Canada. Alternate east-west highways including U.S. Highway 2, Interstate Highways 82 and 84 (I-82) (I-84); and north-south highways including U.S. Highways 99, 97 and 395 are also used extensively for commerce.

^B Per Washington Department of Transportation staff, the number of "public use airports" varies from year to year.

Canada

(U) Washington shares 427 land-border miles with British Columbia, Canada. This includes 13 vehicle-accessible border crossing points. Five of those points west of the Cascade Mountain Range, including the Peace Arch where I-5 crosses the Washington-British Columbia border, handle most of Washington State's personal and commercial vehicle crossings. During peak months, more than 475,000 cars and 50,000 trucks pass through these crossings.³ The Peace Arch is open 24 hours a day and handles only passenger vehicle traffic. Most of the remaining eight vehicle border crossings east of the Cascade Mountain Range are in remote locations and only two of them are open 24 hours a day.

Tribal Lands

(U) The majority of Washington's 29 federally recognized Native American tribes are located on the west side of the state near the Pacific Ocean, Puget Sound and other bodies of water. Washington's two largest reservations, home to the Yakama and Colville tribes, are in Eastern Washington. Each of these reservations is a sovereign nation governed by an elected tribal council.

Demographics and Crime

(U) Washington's population of approximately 7.6 million residents ranks 13th in the U.S. According to the U.S. Census Bureau population estimates the majority of the state's residents are White (68%), followed by Hispanic (12.9%), Asian (9%), Black (4.3%), American Indian or Alaska Native (1.9%), and Native Hawaiian or Other Pacific Islander (.8%).⁴

(U) Based on data from the Federal Bureau of Investigation's (FBI) Uniform Crime Reporting Program (UCR) from 2012 to 2016, property crimes (including burglary, larceny-theft, motor vehicle theft and arson) account for an average of 18 percent of all arrests in Washington State. Drug abuse violations totaled an average of 6 percent of all arrests during the five-year span, followed by violent crime (murder, non-negligent manslaughter, rape, robbery and aggravated assault) at 4 percent.⁵

(U) Individuals incarcerated for drug crimes in Washington State make up 6.4 percent of the total 19,328 offenders who were in confinement at the end of 2018.⁶ Washington State Department of Corrections (DOC) information at the close of 2018 showed that assault was the most common offense committed by those incarcerated at 28.1 percent, followed by sex crimes at 19 percent and property crimes at 16.8 percent. There were 21,364 offenders on active supervision with 32.9 percent of them serving time for drug crimes. Another 23.4 percent of offenders on active supervision had committed assault, 16.8 percent had committed a sex crime and 15.3 percent had committed a property crime.

DRUG THREATS

(U) Overall, illicit drug use continues to pose serious public health and safety threats to communities in the State of Washington. Public health reports point to opioids, namely heroin, as the most widely used illicit drug category. Opioid-related overdoses were higher in 2018 than 2017, and accounted

for 66 percent of all drug related overdose deaths in King County. Overdose deaths associated with methamphetamine, as well as treatment admissions for methamphetamine also increased in 2018, while cocaine use, overdose, and treatment rates remained relatively stable from 2014-2018.

Source Considerations

(U) Northwest HIDTA examined a number of sources in order to determine the most significant drug threats in the State of Washington. These sources included treatment and drug overdose data from the Washington Department of Health (DOH) and other local, state, federal and academic institutions engaged in public health research. Law enforcement seizure statistics, including Northwest HIDTA Initiative Performance Management Process (PMP)^C reporting and Washington State Crime Laboratory reporting were also examined. Finally, intelligence reporting by federal, state, and local agencies, and Northwest HIDTA initiatives' responses to the TAS were used to assess the drug threat in general as well as how it relates to violence and property crime. Also, general trends in trafficking intelligence is collected by ISC intelligence analysts while supporting criminal investigations.

Opioids

(U) Northwest HIDTA assesses opioids present the greatest drug threat to communities in its area of responsibility (AOR). While record numbers of people are suffering fatal opioid-related overdoses or seeking treatment for opioid use, the supply of both heroin and fentanyl laced counterfeit pills has increased. In addition, drug combinations are becoming a greater threat. In King County, over 80 percent of fentanyl overdoses in 2018 were in combination with other drugs.⁷

Key Observations

- (U) Northwest HIDTA law enforcement initiatives reported a 41 percent increase in heroin seizures from 2017 to 2018.⁸
- (U) Heroin treatment admissions surpassed alcohol treatment admissions in 2018.⁹
- (U) In King County, opioid involved overdose deaths accounted for roughly two thirds of all drug related deaths.⁷
- (U) Seizures of fentanyl by Northwest HIDTA initiatives increased from 846 dosage units (DU) in 2016 to 111,394 DU in 2018.⁸
- (U) King County deaths involving a combination of opioids and stimulants has increased from 17 percent in 2009 to 32 percent in 2018.⁷

^C All HIDTA initiatives report seizure and criminal organization data in the PMP. References to PMP data in this report only includes Northwest HIDTA initiatives and do not reflect state totals. For the purposes of this report, all PMP data is from calendar year 2018, unless otherwise stated.

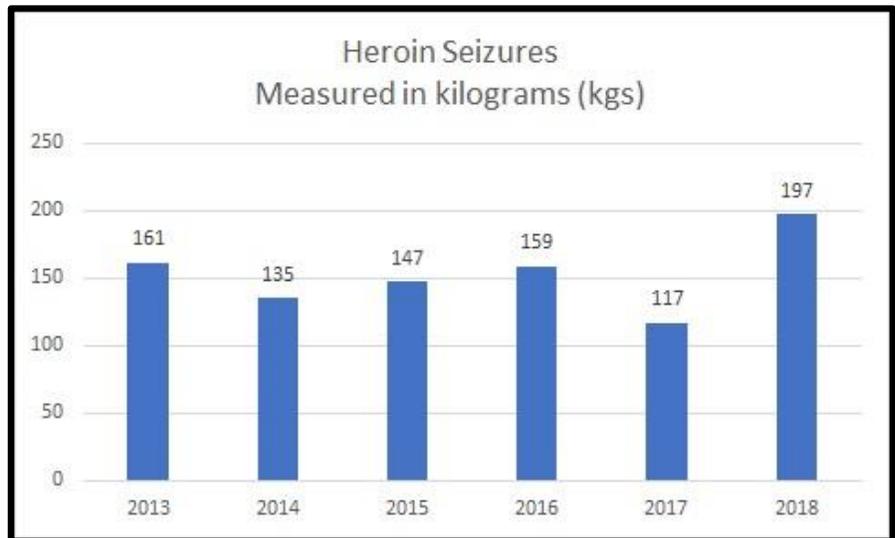
Availability

(U) Northwest HIDTA drug seizure data indicate that Mexican black tar (BT) heroin is the most common form of heroin encountered in Washington.⁸ Mexican sourced brown powder (BP) heroin, sometimes referred to as “gunpowder” heroin, is also available in Washington but is less common. The DEA Special Testing and Research Laboratory (STRL) did not detect any South American, Southeast Asian or Southwest Asian sourced heroin in exhibits submitted from Washington state.^{D10} Nationwide, the purity levels for both Mexican BT and BP heroin average between 35 and 40 percent. Both the DEA Tacoma and Yakima Resident Offices (RO) have reported an increase in Mexican BP heroin availability in recent years.^E

(U) Fentanyl availability increased across the state in 2018. Law enforcement seizures of fentanyl in pill form by Northwest HIDTA initiatives dramatically increased from 846 dosage units (DU) in 2016 to 111,394 DU in 2018.⁸ Conversely, seizures of fentanyl in powder form declined from 14 kilograms in 2017, to only 15 grams in 2018. Investigative and medical examiner reporting show an increased number of encounters of counterfeit pharmaceutical pills pressed to look like legitimate opioid medications. These counterfeit pills often contained fentanyl.¹¹

Use

(U) According to The System for Communicating Outcomes, Performance and Evaluation (SCOPE)^F, in 2018, heroin treatment admissions surpassed alcohol treatment admissions in Washington. Over twenty thousand adults were admitted for heroin treatment in 2018, accounting for 34 percent of all drug treatment admissions in Washington and representing a 141 percent increase since 2012. Adults between the ages of 26 and 39 accounted for the majority of treatment admissions from 2012 to 2018. One positive indication is youth admissions have decreased 118 percent over the same time.⁹ The King County



(U) Heroin seizures reported by Northwest HIDTA Initiatives to PMP, accessed May 16, 2019.

^D Every year the DEA STRL collects random heroin samples seized from U.S. Ports of Entry as well as interior domestic seizures weighing more than one kilogram and conducts a detailed analysis to determine the production process, which is indicative of a particular geographic source area and processing method.

^E Heroin purity is partly due to the chemical process used to extract the opium from poppies and refine it into heroin and partly due to the number of traffickers it passes through on its way to the retail market. These traffickers may add adulterants to the heroin to increase their profits.

^F SCOPE consists of publicly funded treatment data. Patients admitted for drug treatment through private insurance are not included in SCOPE data.

Medical Examiner reported opioid overdose deaths accounted for 66 percent of all drug-related deaths in 2018. Fentanyl-related deaths in King County have steadily increased from 23 in 2016 to 66 in 2018.⁷

Transportation

(U) TAS responses and investigative reporting indicates Mexican DTOs are primarily responsible for trafficking opioids in the region, and that Caucasian DTOs and street gangs are significant retail distributors. Heroin available in Northwest HIDTA's region is produced in Mexico, and smuggled by Mexican DTOs across the Southwest Border and then northward along I-5 and other major highways through California and Oregon to Washington. Traffickers often use private or rented passenger vehicles as well as commercial trucks and bus services. The product is often concealed in factory voids^G manufactured in the vehicles or clandestinely constructed hidden compartments. Heroin, like other drugs sourced by Mexican DTOs, are frequently wrapped in plastics or aluminum foil and may be coated in various substances to mask the odor emitted in an effort to avoid detection.

(U) Intelligence from criminal investigations indicates the majority of the fentanyl available in Washington is illicitly manufactured, rather than diverted from the pharmaceutical industry. Mexican DTOs produce fentanyl in clandestine laboratories and smuggle it into and throughout the U.S. along with traditional shipments of heroin, methamphetamine and cocaine. Fentanyl is also produced in China and sold directly to customers in the U.S. through the dark web. It is shipped through commercial and government parcel services to U.S. based traffickers who press it into counterfeit pharmaceutical pills for further distribution locally and nationally. Northwest HIDTA law enforcement initiatives have encountered fentanyl and its analogs obtained from both Asian and Mexican sources.¹³

Intelligence Gaps

- (U) Are drug users actively seeking fentanyl or trying to avoid it? What are user perceptions of fentanyl?
- (U) To what extent are they aware of different drug combinations?

Methamphetamine

(U) Northwest HIDTA assesses methamphetamine as a significant drug threat to communities in its AOR. While there is much focus on the impact of the opioid threat to Washington State, the destructive presence of methamphetamine and the criminal activity associated with it remain a significant concern for law enforcement. Northwest HIDTA law enforcement initiatives listed methamphetamine as the drug most often associated with both violent crime and property crime. Mexican DTOs supply the state with a consistent flow of methamphetamine, resulting in continued availability of the drug, increased treatment admission numbers, and steadily increasing methamphetamine-related overdose deaths.

^G Factory or natural voids are empty spaces within the body or mechanical components of an automobile that are part of the original manufacturers' design. Drug smugglers access these spaces by removing upholstery or other auto body parts and replacing them after the contraband has been inserted or removed.

Key Observations

- (U) Methamphetamine seizures by Northwest HIDTA initiatives increased 52 percent from 2017 to 2018, from 489 kilograms in 2017 to 749 kilograms in 2018.⁸
- (U) Methamphetamine production in Mexico is cost efficient and yields high volumes of the drug with purity levels that tested greater than 90 percent in 2017.¹¹
- (U) Forty-six percent of needle exchange clients in the Seattle area reported mixing methamphetamine and heroin together.¹²
- (U) Methamphetamine-involved overdose death rates differ greatly among geographical areas of the state. Spokane County has twice the rate of methamphetamine-involved overdose deaths as King County.¹⁴

Availability

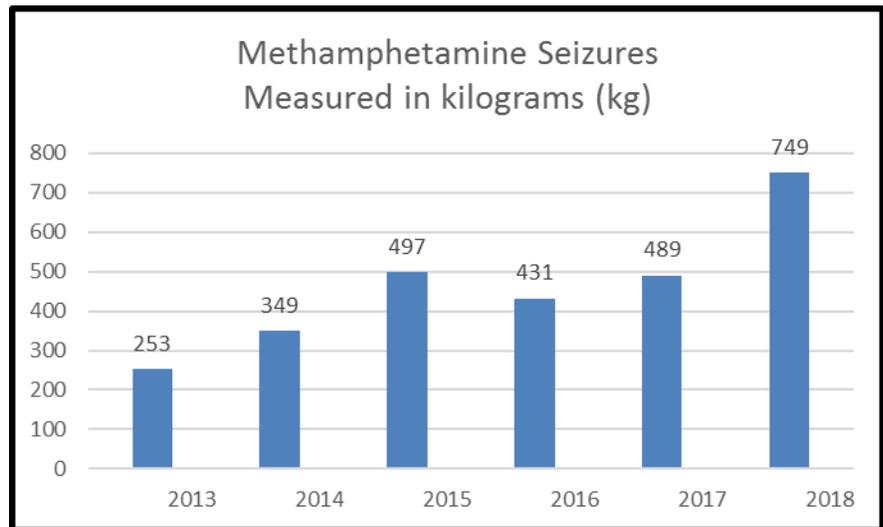
(U) Methamphetamine seizures by Northwest HIDTA law enforcement initiatives increased 52 percent from 2017 to 2018, from 489 kilograms in 2017 to 749 kilograms in 2018.⁸ This increase in seizures mirrors reports by Northwest HIDTA law enforcement initiatives that methamphetamine availability has increased over the past year.¹³ The last significant change in methamphetamine seizures by Northwest HIDTA initiatives occurred between 2013 and 2015 when methamphetamine seizures nearly doubled from 253 kilograms in 2013 to 497 kilograms in 2015.⁸

(U) Northwest HIDTA law enforcement initiatives report crystal methamphetamine as the predominant form of methamphetamine available in Washington. There were a small number of reports of powder methamphetamine available in limited quantities.¹³

(U) Consistent with national trends, most methamphetamine found in Washington is produced in Mexico and smuggled across the Southwest Border.¹¹

While methamphetamine labs in Washington are extremely rare, the type of domestic labs most commonly encountered use what is commonly referred to as the “Birch,” “Lithium,” Ammonia,” or “Nazi” method. This method involves the reduction of ephedrine or pseudoephedrine and the use of liquefied ammonia gas, lithium, organic solvents, hydrogen chloride and ephedrine/pseudoephedrine. These labs usually produce little more than two ounces of methamphetamine at a time.¹¹

(U) Though rare, methamphetamine in solution is also encountered by law enforcement in Northwest



(U) Methamphetamine seizures reported by Northwest HIDTA Initiatives to PMP, accessed April 25, 2019.

HIDTA's AOR^H. Methamphetamine in solution requires a conversion laboratory somewhere in the U.S. where the methamphetamine HCl is processed out of the solution and reconstituted into crystal methamphetamine.¹¹

Use

(U) Adult treatment admissions where methamphetamine is listed as the primary, secondary, or tertiary drug of abuse increased from 22,074 admissions in 2017 to 22,834 admissions in 2018.⁹ There was a decrease in admissions where methamphetamine is listed only as the primary drug of abuse, suggesting an increase in the use of methamphetamine in conjunction with other drugs. In contrast to the increase in adult methamphetamine treatment admissions, youth methamphetamine treatment admissions have shown a steady decrease since 2014.⁹ A 2017 University of Washington Alcohol and Drug Abuse Institute (ADAI) survey of needle exchange clients showed 46 percent of respondents reported having mixed methamphetamine and heroin together.¹²

(U) Sixty-eight percent of youth and adults being treated for methamphetamine addiction reported smoking or inhalation as their preferred method of use and another 29 percent reported injection as their preferred method.⁹ The 2017 ADAI survey revealed 81 percent of needle exchange clients had injected methamphetamine within the previous three months.¹²

(U) Methamphetamine-involved overdose deaths in King County have increased 800 percent since 2010 and 19 percent from 2017¹. The King County Medical Examiner's data shows "the rate of methamphetamine-involved deaths has increased significantly from 4.2 to 10.1 deaths per 100,000 between 2009 and 2018."⁷ According to a 2017 study conducted by ADAI, nearly 50 percent of King County's methamphetamine-related deaths also involved an opioid.¹⁴ While naloxone can reverse an opioid overdose, there is no antidote for a methamphetamine overdose. Methamphetamine-involved overdose death rates appear to differ greatly among geographical areas of the state. For example, Spokane County has twice the rate of methamphetamine-involved overdose deaths as King County.¹⁴

Transportation

(U) A large number of Northwest HIDTA law enforcement initiatives reported that the methamphetamine found in their regions originates in Mexico.¹³ The drug is most often trafficked by Mexican DTOs who move it across the Southwest Border into California or Arizona for further disbursement. Methamphetamine is then transported, often together with heroin, north to Washington State along I-5, the most direct route from the Southwest Border. Some agencies reported that in order to conceal their illicit cargo, traffickers wrapped the crystal methamphetamine in plastic zip bags and air-tight, plastic containers. When transporting the drugs in passenger vehicles, the packages are concealed in hidden compartments or natural voids.¹³

^H Methamphetamine in solution (sometimes erroneously called liquid meth) refers to finished methamphetamine HCl that has been dissolved in a liquid solvent, such as water or alcohol, for concealment purposes.

¹ King County Medical Examiner's Office uses the term 'overdose' to describe "...a death caused by a single drug or multiple drugs in combination." A methamphetamine overdose would indicate that methamphetamine was the cause of death, but a methamphetamine-involved overdose indicates that methamphetamine was found in the decedent's system, but may not have been the cause of death.

Intelligence Gaps

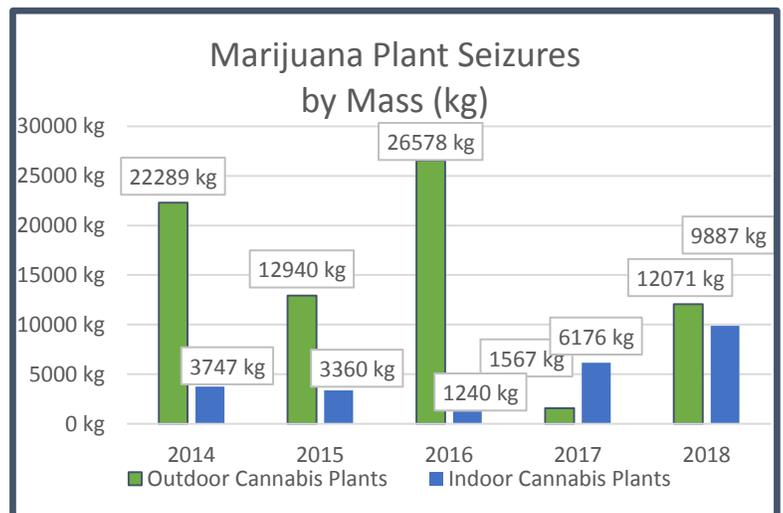
- (U) Why are youth methamphetamine treatment admissions declining while adult methamphetamine treatment admissions are rising?

Marijuana

(U) Northwest HIDTA assesses that marijuana is a moderate drug threat to communities in its AOR. While the immediate public health threat posed by marijuana is not as severe as other drugs, the long term public health effects of this popular and widely available drug are still being studied. However, from a law enforcement perspective, Washington is a source of production for ton quantities of marijuana illegally distributed throughout the United States. This production also leads to the transfer of tens of millions of dollars in illicit proceeds back to Washington State.²² Marijuana was tied for the second place ranking among Northwest HIDTA law enforcement initiatives for contributing to violent crime and third for using the most law enforcement resources¹³.

Key Observations

- (U) In Washington State Fiscal Year^J (WSFY) 2018, state licensed marijuana retailers generated \$972.5 million in gross revenue (retail sales only), resulting in \$367.4 million in tax and license fee revenue for the state.¹⁵
- (U) In WSFY 2018, The Washington State Liquor and Cannabis Board (WSLCB) seized 12,450 marijuana plants and over 18,957 pounds of marijuana product from 43 locations due to various rule violations as well as illegal activity involving personal illicit grows.¹⁵
- (U) DEA, in conjunction with state and local partners, seized 111,838 marijuana plants and 46 weapons from illegal grow sites in Washington in Federal FY^K (FFY) 2018.¹⁶
- (U) In 2018, the Washington Healthy Youth Survey found that 7 percent of 8th graders, 18 percent of 10th graders, and 26 percent of 12th graders reported marijuana consumption in the past 30 days.¹⁷



(U) Marijuana plant seizures by Northwest HIDTA initiatives to PMP, Accessed April 25, 2019.

^J The Washington State Fiscal Year runs from July 1, through June 30.

^K The Federal Fiscal Year runs from October 1, through September 30.

- (U) Washington’s Department of Ecology has removed 729 pounds of fertilizers, pesticides, and chemicals from illicit outdoor grow sites.¹⁸

Availability

(U) Marijuana is widely available in Washington State for all individuals 21 years and older. Washington’s marijuana market is divided between nearly 2,000 state licensed businesses (producers, processors, and retailers) and the black market. Northwest HIDTA law enforcement initiatives seized significantly more marijuana plants in 2018 than the previous year. However, bulk marijuana^L seizures saw only a marginal increase in 2018. Task force seizures dropped significantly after recreational consumption was legalized in 2012 and have been sporadic since. This is due, in part, to changing marijuana eradication budgets, the reallocation of resources to combat the opioid epidemic in Washington, and the ongoing development of the legal market.

Use

(U) According to the most recent data available from the Behavioral Risk Factor Surveillance System, 14% percent of Washington adults consumed marijuana in the past 30 days in 2016.¹⁹ Adult marijuana treatment admissions continue to decline. There were 3,047 adult treatment admissions for marijuana use in 2018 accounting for 4.9 percent of all adult admissions.⁹ The most recent Young Adult Health Survey (YAHS) data shows over 47 percent of those 18 to 25 years old in Washington reported marijuana use within the past year and 40 percent of them stated they had operated a vehicle within three hours of marijuana consumption.²⁰ The 2018 Healthy Youth Survey (HYS) found that 7 percent of 8th graders, 18 percent of 10th graders, and 26 percent of 12th graders reported marijuana consumption in the past 30 days.¹⁷ Nearly 50 percent of 12th graders perceived “little risk” associated with regular marijuana use. The HYS also found that 53 percent of 12th graders who reported marijuana use in the past 30 days also reported operating a vehicle within three hours of marijuana consumption at least once in the same period.¹⁷

Transportation

(U) Northwest HIDTA law enforcement initiatives report Washington’s interstate highways remain the overwhelming favorite routes for illicit wholesale and retail marijuana trafficking. Privately owned vehicles with installed concealed compartments^M are the most frequently indicated transportation method. Locally grown marijuana has been trafficked throughout the United States, including: Florida, Georgia, Maryland, Minnesota, Missouri, New York, North Carolina, South Carolina, Tennessee, and Texas.¹³

(U) Traffickers also use the U.S. Postal Service and other commercial air and ground freight companies; private and commercial aircraft; the Alaska State Ferry system; rented or private watercraft and commercial rail service. Traffickers moving marijuana and marijuana infused

^L DEA defines Bulk Marijuana as exhibits consisting of ten kilograms or more of mixture or substance containing a detectable amount of marijuana.

^M Installed concealed compartments, sometimes referred to as “traps”, are hidden compartments, specially built after a vehicle has left the factory and are not part of its original design. These compartments are often accessed by mechanical levers or electrical switches known only to the person inserting or removing items from the concealed compartment.

products between Washington and Canada are also known to use all-terrain vehicles, pack animals, and foot trails to transport marijuana in backpacks and duffle bags. Proceeds from illicit marijuana trafficking is returned to Washington through parcel services, commercial flights, or through the banking system.¹³

Production

(U) There is persistent illicit marijuana cultivation in Washington, despite state level legalization. This is caused by a number of factors, including: a sustained black market demand in U.S. regions where recreational marijuana remains illegal; illicit domestic cultivation has a lower perceived risk than cross-border smuggling due to enhanced U.S. border security²¹; and Washington's landscape and general climate, which are well suited to outdoor marijuana cultivation. Working with state and local partners, the DEA reported eradicating 111,838 marijuana plants, seizing 46 weapons and making nearly 200 arrests at illicit grow sites in FY 2018.¹⁶ Illegal marijuana growers continue to exploit Washington's public and tribal lands. In 2016, 83 percent of all outdoor marijuana (approximately 76 percent of total plants) eradicated in Washington was located on federal, state, and tribal land.²² Illegal growers are attracted to public lands because they offer ideal growing conditions (e.g., fertile soil and natural water sources) and relatively remote/inaccessible growing spaces, which reduce the chance of discovery.

(U) Illegal outdoor grows contribute to substantial environmental impacts: deforestation, erosion, natural resource diversion, chemical pollution, harm to wildlife, and the proliferation of garbage and human waste. Illegal growers frequently alter local water systems via damming and stream redirection to feed their irrigation systems. These alterations often deprive surrounding ecosystems of the water they require. Chemical pollution is also a significant concern. Illegal growers frequently apply substantial amounts of fertilizer, fungicides, herbicides, pesticides, and rodenticides onto their crop with little concern for subsequent environmental effects. Of particular concern is the recent utilization of Furadan (Carbofuran), a neurotoxin and banned pesticide in the U.S., at illegal grow sites in Washington. According to the Washington Department of Ecology, the presence of this chemical is potentially very hazardous to the illegal growers, law enforcement officials, and other state officials tasked with cleaning up the sites. Washington's Department of Ecology is actively involved in cleaning up the chemicals used at illegal grow sites. In 2018, they removed 729 pounds of fertilizers, pesticides, and chemicals from 30 grow sites.¹⁸

Intelligence Gaps

- (U) How will the legalization of marijuana in Canada impact the licit and illicit marijuana markets in Washington?
- (U) How frequent are marijuana induced emergency room visits in Washington?
- (U) To what extent are Asian marijuana traffickers affiliated with international criminal organizations?

Cocaine

(U) Northwest HIDTA assesses that cocaine is a moderate drug threat to communities in its AOR. The public health and safety impact of cocaine is relatively moderate and stable in Washington. The

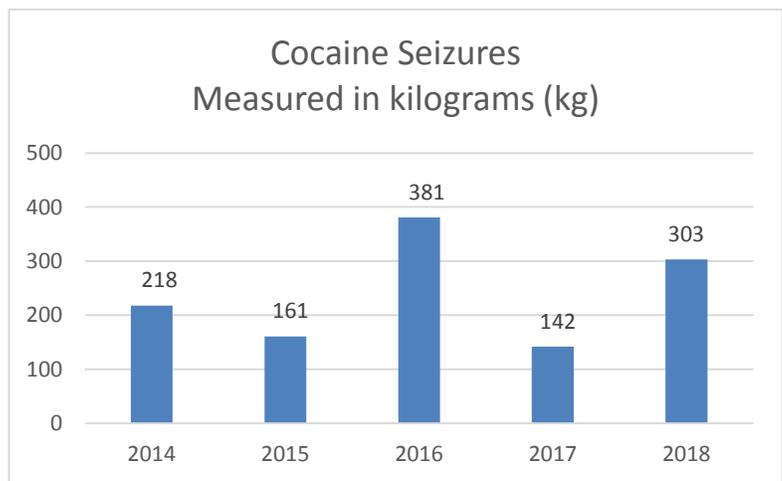
rate of cocaine related deaths in Washington is well below the national average.²³ However, cocaine seizure data by Northwest HIDTA law enforcement initiatives over the past five years indicate large quantities of cocaine passing through Washington on its way to Canada. This transshipment smuggling, and related criminal activity such as money laundering, is directed by international DTOs and MLOs operating in Northwest HIDTA's AOR.

Key Observations

- (U) Over 95 percent of cocaine treatment admissions in 2018 were for individuals over the age of 30.⁹
- (U) In King County, 21 percent of all alcohol/drug caused deaths involved cocaine in 2018.⁷
- (U) Over 80 percent of the cocaine seized by Northwest HIDTA law enforcement initiatives was seized near the U.S./Canada border.⁸

Availability

(U) Cocaine seizures by Northwest HIDTA law enforcement initiatives have fluctuated over the past five years with spikes reflecting an occasional large seizure. Moreover, four of the five largest seizures in 2018 occurred near the U.S./Canada border.⁸ This corroborates investigative intelligence that Washington is a transshipment point for cocaine in transit to Canada. Nearly all of the HIDTA initiatives in the region indicate the availability and distribution of cocaine in their jurisdictions had dropped or remained stable over the past year with little change in the demand. Most Northwest HIDTA law enforcement initiatives reported powder cocaine as the most prevalent form of the drug available in their AORs.¹³



(U) Cocaine seizures reported to Northwest HIDTA to PMP, accessed May 2, 2019.

Use

(U) SCOPE data reflects a decline in adult cocaine treatment admissions since 2014 that has steadied itself over the past few years. Youth cocaine treatment admissions are low but consistent in the past 6 years. Over 95 percent of cocaine treatment admissions in 2018 were for those over the age of 30 (900 admissions out of a total of 932). Of those admitted for cocaine treatment in 2017, 78 percent said they smoked the drug, the remainder indicated they consumed the drug through inhalation, injection, or another unspecified manner.⁹

Transportation

(U) While some cocaine remains in Washington for local use, the bulk appears to be destined for Canada where it commands a higher price. Colombian sourced cocaine is transported through Mexico and across the Southwest Border into California. There, Mexican DTOs utilize private, commercial, and rental vehicles to smuggle the drug north to Washington utilizing the same routes and concealment methods used to smuggle methamphetamine and heroin. Cocaine is further transported to Canada by various land, air and sea routes. DEA Seattle noted in previous years that cocaine was transported across the Washington-British Columbia land border along the I-5 corridor by means of vehicles or foot traffic. Law enforcement partners along the Puget Sound, Strait of Juan de Fuca, and the Pacific Coast have noted that all manner of watercraft are used to smuggle cocaine to British Columbia, Canada. The types of watercraft employed include: kayaks, private speedboats, commercial fishing vessels, ferries, cruise and container ships. Light aircraft are also used to smuggle drugs between the U.S. and Canada utilizing remote or unmarked landing strips on both sides of the border.²⁴

Intelligence Gaps

- (U) What percentage of cocaine transiting Washington to Canada is smuggled in maritime conveyance versus land or air conveyance?

Controlled Prescription Drugs

(U) Northwest HIDTA assesses that controlled prescription drugs (CPDs) are a moderate drug threat to communities in its AOR. Law enforcement initiatives report prescription drugs are widely available; however, treatment admissions and overdose rates for these types of drugs are stable or declining⁷. The top two drugs dispensed in the state for the past five years have been the opioids hydrocodone and oxycodone, respectively. The third most-prescribed drug in 2017 was dextroamphetamine and dextromethamphetamine, stimulants commonly used to treat ADHD (See Appendix B).

Key Observations

- (U) More than 11 million prescriptions for controlled prescription drugs were dispensed in Washington in 2017, nearly enough for every resident in the state to receive 1.5 of those prescriptions.²⁵
- (U) Prescriptions for stimulants used to treat ADHD nearly doubled from 2013 to 2017.
- (U) As of 2017, only 30 percent of medical and dental providers in Washington had registered for use with the Washington Prescription Monitoring Program (WPMP)²⁶

Availability

(U) There are three classes of prescription drugs that are often abused in Washington State: opioids used to treat pain, central nervous system (CNS) depressants used to treat anxiety and sleep disorders, and stimulants used to treat Attention Deficit Hyperactivity Disorder (ADHD). These drugs constitute the top 10 CPDs dispensed in Washington State. While prescriptions for

hydrocodone are declining, oxycodone prescriptions remained stable and prescriptions for dextroamphetamines/dextromethamphetamines more than doubled from 2013 to 2018.²⁷

Use

(U) Prescription-opioid overdose deaths appear to be trending downward since 2011, from 504 prescription-opioid overdose-related deaths in 2011 to 342 in 2017.²⁸ Per SCOPE, overall youth admissions for prescription drugs have decreased since 2012 by 68 percent; while adult admissions for the same have plateaued, decreasing only 3 percent. The dominant drugs-of-choice are oxycodone and other prescription opioids.⁹

(U) Most Northwest HIDTA law enforcement initiatives reported oxycodone as the greatest prescription opioid threat in their area.¹³ Although most Northwest HIDTA initiatives reported the fentanyl they encounter is illicitly manufactured, testing by the Washington State Toxicology Lab found that the majority of fentanyl-related overdoses involved another drug, often pharmaceutically sourced benzodiazepines.^{N28}

(U) Dextroamphetamines-amphetamines used to treat ADHD were the only drugs in Washington's top 10 CPDs that showed an increase in prescribing. Dextromethamphetamine, dextroamphetamine, dexmethylphenidate (brand name Focalin®) and methylphenidate (brand name Ritalin®) are sometimes referred to as "smart pills" because they have been known to be abused by high school and college students to stay awake during long periods of studying.¹¹

Transportation

(U) Forged prescriptions presented at otherwise legitimate pharmacies are the primary source for diverted pharmaceutical drugs in Washington.¹³ Traffickers obtaining prescriptions from an unsuspecting or negligent physician is another leading source of diverted CPDs. Individuals and organizations that obtain pharmaceutical drugs via these methods often resell the drugs locally or regionally, reducing the need for long distance smuggling routes.

(U) However, more traditional DTOs drug trafficking organizations import pharmaceutical drugs from other areas, most notably, California, Nevada, Mexico and Canada. These organizations use personal, private or rented vehicles to transport drugs overland via various state and federal highways. These DTOs may also utilize government or commercial parcel post services. Some Northwest HIDTA law enforcement initiatives noted that street gangs were also involved in the distribution of CPDs.¹³

Intelligence Gaps

- (U) Does the increase in prescription stimulants correspond with an increase in the diagnosis of ADHD in patients in Washington?

^N Benzodiazepines are pharmaceutical sedatives commonly prescribed for anxiety or as a sleep aid. Common brand names include Valium and Xanax.

DRUG TRAFFICKING ORGANIZATIONS

(U) International, regional, and locally-based Mexican DTOs are primarily responsible for trafficking opioids, methamphetamine, and cocaine throughout the State of Washington. Caucasian organizations, such as Outlaw Motorcycle Gangs (OMGs) also account for significant amounts of methamphetamine trafficking into and throughout the state, in partnership with Mexican DTOs. Asian DTOs are active in the production and distribution of illicit marijuana along with other synthetic drugs, including opioids. African-American and ethnic immigrant gangs are involved in the retail distribution of various drugs including crack-cocaine, khat, and a variety of pharmaceutical and illicitly manufactured synthetic stimulants, opioids and hallucinogens.

International DTOs

(U) Northwest HIDTA assesses that international Mexican DTOs pose the greatest drug trafficking threat to communities in the State of Washington. These organizations smuggle high volumes of illicit opioids and stimulants, primarily methamphetamine, into and through Northwest HIDTA's AOR. These large DTOs are often allied with other criminal organizations in the region for the purposes of local distribution and are known to further distribute their products through Washington to the upper Midwest, the east coast of the United States, and to Canada. These DTOs are primarily concentrated in Northwest HIDTA counties, specifically: King, Pierce, Snohomish, Clark, Yakima, Franklin, and Spokane Counties.

Key Observations

- (U) Northwest HIDTA law enforcement initiatives investigated 35 international DTOs in 2018.¹³
- (U) Over half of the international DTOs identified by Northwest HIDTA law enforcement initiatives in 2018 were considered poly-drug organizations.¹³
- (U) Mexican DTOs establish business alliances with other criminal organizations, including prison gangs, money launderers, and national and local street gangs.¹¹

Affiliation and Membership

(U) In Northwest HIDTA's region, the majority of international DTOs are affiliated with the Sinaloa Cartel, and to a lesser extent the La Familia Michoacana (LFM), and Cartel Jalisco New Generation (CJNG).¹³ According to law enforcement reporting, the Sinaloa Cartel maintained the largest presence of the three cartels in 2018 and were closely aligned with local street gangs for the distribution and sale of illicit drugs across Washington. These street gangs often consist of Mexican nationals or U.S. citizens with familial ties to areas controlled by the Sinaloa Cartel in Mexico. Investigative and drug seizure data also indicate that a significant portion of drugs trafficked in Washington are being sourced from the Sinaloa region.¹³

(U) LFM and CJNG are extremely violent organizations that have established at least some presence in Northwest HIDTA’s region, and both organizations are known to use gang affiliations for drug distribution in Washington. LFM specializes in the production and smuggling of methamphetamine and other synthetic drugs, while CJNG is considered one of the most dangerous cartels in Mexico with extensive reach throughout Asia, Europe, and the Americas, including the United States.¹¹ Other cartel affiliations known to exist in Northwest HIDTA’s region are the Gulf Cartel, Los Caballeros Templarios (Knights Templar), and the Beltran-Leyva Organization (BLO). However, these cartels were encountered to a much lesser extent than the Sinaloa, LFM, and CJNG cartels.¹³

(U) Asian DTOs are actively involved in the production of marijuana in Northwest HIDTA’s AOR. The marijuana is then distributed throughout the United States. These organizations are predominantly Chinese. However, Vietnamese DTOs have also been encountered. These groups are also involved in laundering proceeds derived from the sale and distribution therefrom. To a lesser extent, Asian DTOs are involved in the importation and distribution of synthetic drugs and precursor chemicals, including synthetic opioids. Little is known about the command and control structure of these organizations, nor the extent of their ties to, or reliance on, monetary support and leadership from their home countries in Asia.

International DTOs Identified by Northwest HIDTA	
Characteristics	
Total International DTOs	35
Total Members (Leaders)	412 (88)
Average DTO Size	11.77
Multi-Ethnic	9
Gang Related	0
Violent	4
Polydrug	18
Money Laundering Activities	0
Federal Case Designations	
OCDETF	11
CPOT	6
RPOT	0
PTO	14

(U) International DTOs Identified by Northwest HIDTA, PMP, accessed May 16, 2019.

Activities and Methods

(U) According to law enforcement investigative reporting, international DTOs involved in the wholesale trafficking of drugs into and throughout Northwest HIDTA’s region primarily transported products via federal and interstate highways. Personal or rental vehicles are used primarily, although some also transported via buses, trucks, or car haulers. Contraband is concealed in specially manufactured hidden compartments or factory voids. Illicit drug proceeds are often smuggled using the same compartments. Regional bus services, trains, and commercial air services are also used by these organizations to smuggle drugs and money concealed either on their body or in their luggage.¹³

(U) The U.S. Postal Service and other commercial parcel and freight services are increasingly used to smuggle drugs and money both domestically and internationally. This smuggling method is particularly popular with Asian DTOs and other organizations smuggling marijuana and synthetic drugs or chemicals. Many times marijuana is packaged in zip-locked or vacuum sealed plastic bags for shipping. Law enforcement has encountered elaborately built and carefully sealed boxes and/or crates used to ship large quantities of marijuana via commercial freight services. Various other products are sometimes included in the packaging to mask or lessen the odor of the illicit substance.

Multi-State DTOs

(U) Northwest HIDTA assesses that multi-state Mexican DTOs pose a significant drug trafficking threat to communities in the State of Washington. Similar to their international DTO counterparts, multi-state DTOs trafficked primarily in methamphetamine and opioids, however, maintain a strong presence in the cocaine and marijuana markets.⁸ The drugs trafficked by multi-state DTOs in Washington were sold primarily in King, Pierce, Spokane, and Snohomish Counties.⁸ Many of the multi-state DTOs present in Washington also export drugs to nearby states, mainly: Oregon, Idaho, and Montana, as well as British Columbia, Canada.⁸

Key Observations

- (U) Northwest HIDTA law enforcement initiatives reported investigating 37 multi-state DTOs in 2018.¹³
- (U) Almost half of all multi-state DTOs were involved in polydrug trafficking.¹³
- (U) Seven multi-state DTOs had gang affiliations and four were described as having violent tendencies.⁸

Affiliations and Memberships

(U) While still grouped along racial, ethnic or cultural lines, multi-state DTOs are less well defined than their international counterparts. Multi-state DTO members of all racial backgrounds are often natural born U.S. citizens whose primary familial ties are in the U.S., though some of their associates may align more closely with international DTOs. Northwest HIDTA law enforcement initiatives investigated 37 multi-state DTOs averaging approximately eight members each. They were comprised primarily of Hispanic, Caucasian, Asian, and African-American members. Seven DTOs were considered multi-ethnic.⁸ Approximately seven of the multi-state DTOs had gang affiliations, and four were identified as having violent tendencies.⁸ The majority of the multi-state DTOs operating in Northwest HIDTA’s region had connections to cells in California, specifically Los Angeles and San Diego, and a few had connections to other states, including Arizona, Maryland and New York.⁸

Multi-State DTOs Identified by Northwest HIDTA	
Characteristics	
Total Multi-State DTOs	37
Total Members (Leaders)	292 (74)
Average DTO Size	7.89
Multi-Ethnic	7
Gang Related	7
Violent	4
Polydrug	17
Money Laundering Activities	1
Federal Case Designations	
OCDETF	2
CPOT	1
RPOT	0
PTO	9

(U) Multi-State DTOs Identified by Northwest HIDTA, PMP, accessed May 16, 2019.

Activities and Methods

(U) As with international DTOs, federal and interstate highways were the most common routes used to traffic drugs in Northwest HIDTA’s region.¹³ Most often, these DTOs utilized personal or rental vehicles, but there were some instances of using buses, recreational vehicles and commercial or rented trucks as well.¹³ Other common ways to transport drugs intended for wholesale distribution

included trains, commercial air travel, and through the U.S. Postal Service and commercial parcel services.¹³

(U) At least one multi-state DTO also engaged in money laundering activities. Common money laundering methods employed by DTOs included laundering drug proceeds through real estate and other property, businesses (including markets and restaurants), banks and other financial services, casinos, cryptocurrency, bulk cash smuggling, and by commingling the drug proceeds with legitimate personal income.¹³

Local DTOs

(U) Northwest HIDTA assesses that local DTOs pose a moderate drug trafficking threat to communities in the State of Washington. Seventy-six local DTOs were recorded by Northwest HIDTA initiatives in 2018. The majority of these DTOs operated in King, Snohomish, Spokane, Pierce, Cowlitz, and Thurston Counties.⁸ Similar to their international and multi-state DTO counterparts, local DTOs trafficked primarily in methamphetamine and opioids, but also had a strong presence in the cocaine, marijuana, and MDMA markets.⁸ Over one-third of all local DTOs were involved in poly-drug trafficking. The drugs trafficked by local DTOs in Washington were sold primarily in King, Snohomish, Spokane, and Thurston Counties.⁸ They received their drugs from sources of supply associated with the corresponding multi-state and international DTOs.

Key Observations

- (U) Local DTOs accounted for more than half of all organizations investigated by Northwest HIDTA law enforcement initiatives.⁸
- (U) Over one-third of local DTOs were involved in poly-drug trafficking.⁸
- (U) Street and prison gangs in Washington State, such as the Mexican Mafia, Nortenos, Surenos, and various Alt-Right gangs are known to be affiliated with international DTOs such as the Sinaloa Cartel.¹¹

Affiliations and Memberships

(U) Analysis of data provided by Northwest HIDTA law enforcement initiatives revealed these task forces investigated 76 local DTOs. The DTOs averaged approximately nine members each. Almost one-half of the DTOs were comprised of Hispanic and Mexican members, and approximately one-third were comprised of Caucasian members.⁸ The remaining DTOs were comprised primarily of Asian and African-American members.⁸ Fourteen of the local DTOs had gang affiliations, and 10 were identified as having violent tendencies. In Washington State, street gangs, most notably the Norteños, Sureños, and the Mexican Mafia have strong working relationships with the Sinaloa and LFM international DTOs.¹¹

Activities and Methods

(U) Local DTOs are primarily involved in retail drug sales along with other criminal activity, including violent and property crimes. They interact with multi-state and international DTOs to obtain drugs and occasionally to trade weapons, vehicles, and assist with money laundering activities. Several of the local DTOs had gang affiliations and were identified as having violent tendencies.⁸ In 2018, Northwest HIDTA initiatives conducted an investigation aimed at reducing drug and gang violence. This operation led to more than eighty arrests of local and multi-state DTO members operating in the Puget Sound area. These violent DTOs were known for their use of firearms to facilitate trafficking activities. Subjects of this investigation were involved in several shooting incidents in King County, some of which resulted in homicides. The operation culminated in the seizure of 75 firearms, approximately 134 pounds of methamphetamine, heroin, cocaine, MDMA, and fentanyl, and over \$327,000.²⁹

Local DTOs Identified by Northwest HIDTA	
Characteristics	
Total Local DTOs	76
Total Members (Leaders)	696 (111)
Average DTO Size	9.16
Multi-Ethnic	10
Gang Related	14
Violent	10
Polydrug	30
Money Laundering Activities	0
Federal Case Designations	
OCDETF	7
CPOT	0
RPOT	0
PTO	7

(U) Local DTOs Identified by Northwest HIDTA, PMP, accessed May 16, 2019

MONEY LAUNDERING ORGANIZATIONS

(U) Northwest HIDTA assesses that MLOs pose a moderate threat to communities in the State of Washington. Most Northwest HIDTA law enforcement initiatives reported the use of MLOs to launder a DTOs drug proceeds.¹³ Throughout Northwest HIDTA’s region, MLOs employed traditional methods of laundering drug proceeds, such as bulk cash smuggling and utilizing the banking industry, as well as more sophisticated methods, such as through cryptocurrency and cash intensive businesses.¹³

Key Observations

- (U) It is estimated that upwards of \$2 trillion U.S. dollars, or 5% of global GDP, is laundered globally each year.³⁰
- (U) Bulk cash smuggling remains a preferred method of moving illicit proceeds across the U.S.-Mexico and U.S.-Canada borders. In FY 2018, approximately \$64,741,939 in currency was seized at the border by Customs and Border Protection.³¹
- (U) During his reign as leader of the Sinaloa Cartel, which was responsible for trafficking more than one million kilograms of illicit drugs in the United States, Joaquin Guzman Loera (“El Chapo”) profited at least \$12.6 billion by laundering drug proceeds through various methods, including bulk cash smuggling, reloadable gift cards, and shell companies.³²

Affiliations and Memberships

(U) Northwest HIDTA initiatives and law enforcement partners identified MLOs operating throughout the following Washington Counties: Pierce, Whatcom, King, Clark, Snohomish, Grant, and Adams Counties. Multnomah County, Oregon was also identified.^{O 8} Demographically, these MLOs were characterized as being Hispanic, Caucasian, African-American, or Canadian organizations.¹³ Northwest HIDTA initiatives reported that more often than not, MLO members were also involved in distributing and/or transporting drugs.¹³ These hybrid members often acted as couriers, transporting drugs to and/or from Washington and subsequently sending the drug proceeds back to the source of supply through funnel accounts.^{P 13} The drugs most often trafficked by these hybrid DTO/MLOs were methamphetamine, opioids, and cocaine.⁸ Most of the drugs were sourced out of Mexico and the United States and were destined for several counties within Washington, including: Pierce, King, Snohomish, and Clark, as well as Oregon, California, and British Columbia, Canada.⁸

^O Multnomah County, Oregon borders Clark County, Washington (a Northwest HIDTA County). Both encompass the Portland, OR – Vancouver, WA metropolitan area.

^P Funnel accounts are characterized by continuing currency deposits made in a city or state outside of where the account holder resides; each currency deposit is then followed soon after by a currency withdrawal of approximately the same amount made by the account holder in his city/state of residence.

MLOs Identified by Northwest HIDTA			
Total Identified	International	Multi-State/Regional	Local
10	6	1	3

(U) MLOs identified by Northwest HIDTA PMP, Accessed May 16, 2019.

Activities and Methods

(U) The use of bulk cash couriers remained the top money laundering threat in Northwest HIDTA’s region. The most common method used to conceal bulk currency was in commercial and private vehicles, often in hidden compartments.¹³ Other common methods included: concealing bulk currency in luggage at the airport or on trains, in a lockbox, in safe deposit boxes, or in residential walls and floors.¹³ A few Northwest HIDTA initiatives noted more intricate concealment methods, including one instance where bulk cash was hidden inside a folding laptop case hidden in a car tire buried under tree limbs.¹³

(U) MLOs also continued to employ traditional methods of laundering drug proceeds through the banking industry, most often in the form of funnel accounts, wire and bank transfers, and money service businesses, including hawalas.^{Q 13} Transaction amounts of this kind of money laundering activity can range up to hundreds of thousands of dollars. Several Northwest HIDTA law enforcement initiatives reported MLOs infusing bulk cash into casinos and then immediately retrieving pay-out tickets.¹³ Additionally, the trend of using gift cards and other stored value cards to launder money has continued, particularly when organizations need to transport drug proceeds across the international border to their sources of supply.¹³

(U) A growing trend identified by Northwest HIDTA initiatives is the use of cryptocurrency by MLOs.¹³ Although the use of cryptocurrency in this region is not prevalent, law enforcement initiatives arrested a significant, international money launderer in 2018, who used cryptocurrency extensively.³³

(U) Laundering drug proceeds through real and personal property continues to be a common method utilized.¹³ Chinese DTOs involved in large-scale marijuana cultivation commonly launder drug proceeds through real estate purchases.¹³

(U) Another common method to launder drug proceeds is through legitimate businesses. Examples of legitimate businesses exploited by MLOs in Northwest HIDTA’s region includes: restaurants, markets/corner stores, trucking companies, check cashing businesses, auto auction companies, and at least one tire shop.¹³

^Q Hawala is an alternative remittance channel outside of the traditional banking or financial systems. Customers send money to another individual using a hawala dealer, or hawalader. After receiving the customer’s funds, the hawalader contacts a trusted individual in his/her network who can deliver the funds to the intended recipient. No funds are actually sent to the second hawalader at that time. Instead, the second hawalader uses his/her own money to deliver the funds. The debt owed by the first hawalader is recorded in their books, and is paid off in the future through another unrelated business transaction between the hawaladers.

OUTLOOK

(U) The following assessments are based upon currently available information and intelligence gathered by Northwest HIDTA's ISC and offer a 12-month forecast designed to assist in the development and implementation of a strategy to address significant threats facing the region:

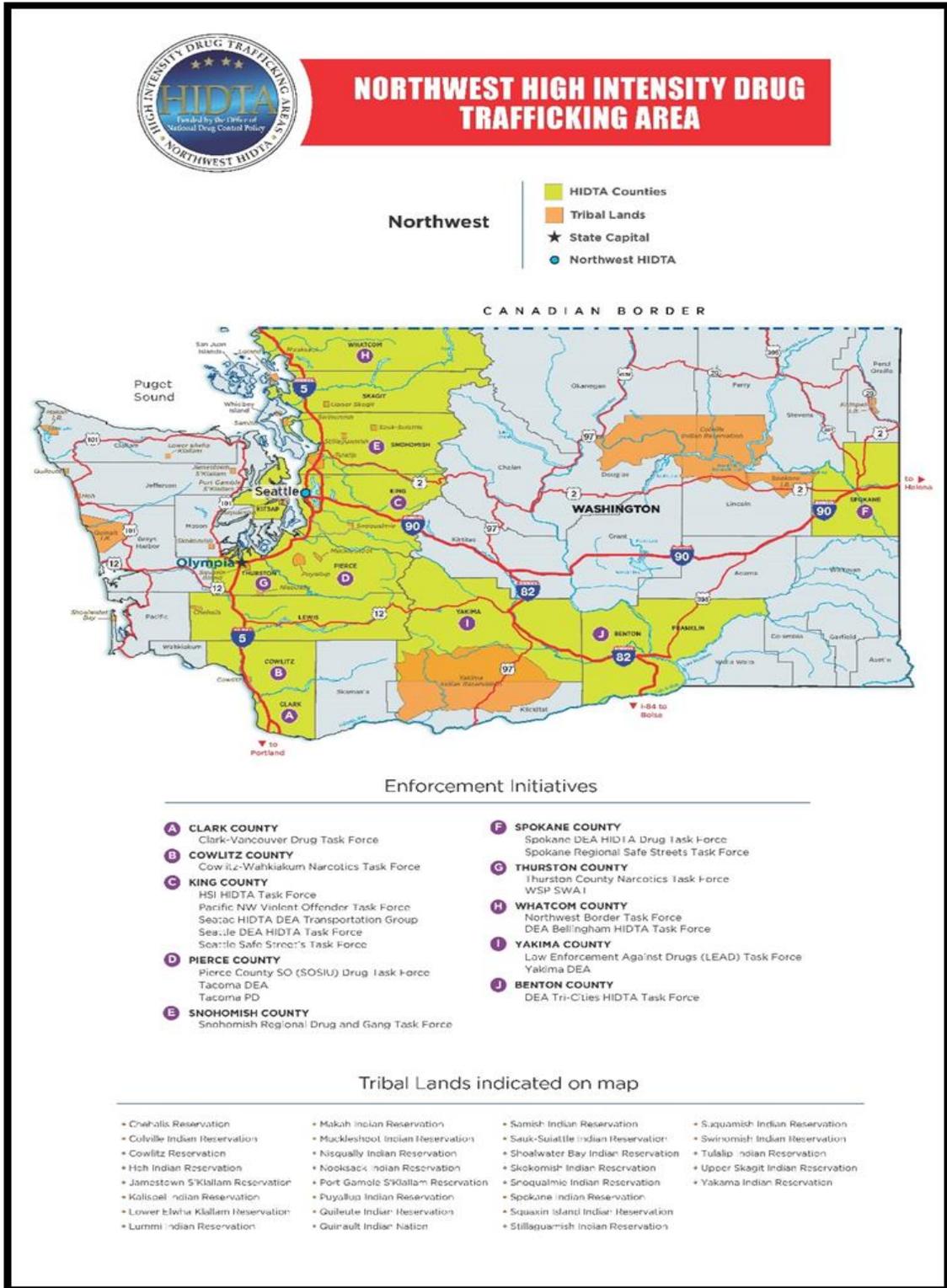
- (U) Opioids will remain the greatest drug threat facing Northwest HIDTA's region in 2020, and Mexican DTOs will continue to be the primary suppliers of BT and BP heroin in Washington.
- (U) Mexican DTOs will continue to traffic highly pure, potent, and inexpensive methamphetamine throughout the region for distribution via locally-based street gangs.
- (U) Asian DTOs will continue to engage in and expand indoor marijuana growing operations. Marijuana and marijuana products will continue to be trafficked outside of Washington State on the black market.
- (U) Cocaine cultivation in Colombia continues to increase. It is likely that greater amounts will be sent through the region destined for Canada. Therefore, availability in the state may increase.
- (U) International, polydrug DTOs affiliated with Mexican and Asian TCOs will continue to pose the greatest drug trafficking threats to the region.
- (U) Bulk cash smuggling will remain the greatest money laundering threat facing the region in 2020. With increasing emphasis on border security, MLOs will find more innovative ways to conceal bulk currency when crossing the U.S. border into Canada.

Customer satisfaction survey

Please tell us how we did by answering a short, two question survey [here](https://survey.hidta.net/TakeSurvey.aspx?s=182&doid=1a1hsr) , or go to <https://survey.hidta.net/TakeSurvey.aspx?s=182&doid=1a1hsr>

APPENDICES

Appendix A – NW HIDTA Region, Initiatives, and Tribal Lands



Appendix B – CPDs Dispensed in Washington State

Controlled Prescription Drugs Dispensed in Washington State						
Drug	2013	2014	2015	2016	2017	2018
Hydrocodone	2,928,052	2,855,227	2,521,688	2,371,802	2,096,731	1,860,994
Oxycodone	1,827,750	1,889,380	1,952,720	1,937,349	1,819,159	1,699,969
Dextroamphetamine/ Dextromethamphetamine	323,013	579,927	626,923	701,795	777,311	857,740
Tramadol	N/A	308,803	730,446	718,261	680,506	655,616
Zolpidem Tartrate	838,636	790,571	761,159	712,360	649,127	607,802
Lorazepam	634,566	643,922	640,505	623,551	589,411	564,366
Alprazolam	641,634	644,930	625,209	609,594	565,432	528,812
Clonazepam	521,425	527,935	520,615	502,644	468,441	450,901
Dexmethylphenidate/ Methylphenidate	410,821	422,664	420,891	443,262	487,343	512,969
Morphine	330,399	336,190	362,408	351,167	329,280	311,395

(U) Washington Department of Health, Prescription Monitoring Program report, updated January 16, 2019.

Appendix C – Methodology

(U) Northwest HIDTA examined a number of sources in order to determine the most significant drug threats in the State of Washington. The two principal sources of information used to assess threat levels were the TAS and data collected in the Performance Management Process PMP. Threat assessment surveys are completed at the end of each calendar year by each Northwest HIDTA sponsored initiative as well as other law enforcement task forces receiving Byrne Grants. The survey collects information regarding general drug trends as well as drug trafficking and money laundering threats posed by criminal organizations. In addition to the TAS, all HIDTA initiatives report seizure and criminal organization data in the PMP. This data is based on criminal investigations, seizures, and arrests conducted by the initiatives. References to PMP data in this report only includes Northwest HIDTA sponsored initiatives and do not reflect state totals. For the purposes of this report, all TAS and PMP data is from calendar year 2018, unless otherwise stated.

In addition to these sources, Northwest HIDTA analysts researched relevant public health information, including drug treatment and overdose data from the Centers for Disease Control and Prevention, Washington Department of Health (DOH), Washington Department of Social and Health Services (DSHS), as well as the King County Public Health Department and the University of Washington Alcohol and Drug Abuse Institute. Finally, unclassified intelligence reporting by federal, state, and local law enforcement agencies was used to provide context and background information related to data collected through the TAS and PMP. The most notable source for this information is the DEA National Drug Threat Assessment.

ENDNOTES

- ¹ (U) Washington Department of Ecology, Shoreline Master Programs, accessed June 15, 2019, <https://ecology.wa.gov/Water-Shorelines/Shoreline-coastal-management/Shoreline-coastal-planning/Shoreline-Master-Programs>.
- ² (U) Port of Seattle, Statistics, accessed June 15, 2019, <https://www.portseattle.org/page/airport-statistics>.
- ³ (U) Whatcom Council of Governments, Cascade Gateway Border Data Warehouse, accessed June 15, 2019; <http://www.cascadegatewaydata.com>.
- ⁴ (U) U.S. Census Bureau, “Washington Quick Facts”, accessed June 15, 2019, <https://www.census.gov/quickfacts/fact/table/WA/>.
- ⁵ (U) Federal Bureau of Investigation; Uniform Crime Reporting; Crime Data Explorer, accessed June 15, 2019, <https://crime-data-explorer.fr.cloud.gov/>.
- ⁶ (U) Washington State Department of Corrections Fact Card; 30 June 2019.
- ⁷ (U) King County Public Health, “2018 Overdose Death Report,” accessed June 15, 2019 <https://www.kingcounty.gov/overdose>.
- ⁸ (U) Northwest HIDTA Performance Management Process (PMP), collated data for CY 2018.
- ⁹ (U) Washington State Department of Social and Health Services, System for Communicating Outcomes, Performance & Evaluation, “Ad Hoc Queries,” accessed May 05, 2019, <http://www.scopewa.net/>.
- ¹⁰ (U) United States Department of Justice, Drug Enforcement Administration Joint Intelligence Report, “The 2017 Heroin Signature Program,” (DEA-DCW-DIR-029-19, July 2019).
- ¹¹ (U) United States Department of Justice, Drug Enforcement Administration, “2018 National Drug Threat Assessment”, accessed June 15, 2019, <https://www.dea.gov/documents/2018/10/02/2018-national-drug-threat-assessment-ndta>.
- ¹² (U) Caleb Banta-Green, Alison Newman and Susan Kingston, “Washington State Syringe Exchange Health Survey: 2017 Results,” Alcohol & Drug Abuse Institute (ADAI), (January 2018): 4, accessed June 15, 2019, <http://adai.uw.edu/pubs/pdf/2017syringeexchangehealthsurvey.pdf>.
- ¹³ (U) Northwest HIDTA, collated responses to “2018 Northwest HIDTA Threat Assessment Survey”.
- ¹⁴ U) Stoner, Susan A, et al., “Methamphetamine in Washington,” Alcohol & Drug Abuse Institute (ADAI) (June 2018): 5, accessed June 15, 2019, <http://adai.uw.edu/pubs/pdf/2018methamphetamineinwashington.pdf>.
- ¹⁵ (U) Washington State Liquor and Cannabis Board, “2018 Annual Report”, accessed June 15, 2019, https://www.doh.wa.gov/Portals/1/Documents/1000/2018SHA_FullReport.pdf.
- ¹⁶ (U) U.S. Department of Justice, Drug Enforcement Administration, “2018 Final Domestic Cannabis Eradication/Suppression Program Statistical Report” accessed June 15, 2019, <https://www.dea.gov/cannabis-eradication>.
- ¹⁷ (U) 2018 Washington State Healthy Youth Survey Data Brief: Marijuana
- ¹⁸ (U) Washington Department of Ecology, *2018 Drug Lab Incident Summary* (Olympia, WA; January 2019).
- ¹⁹ (U) Washington State Department of Health, “2018 Washington State Health Assessment,” accessed June 15, 2019, https://www.doh.wa.gov/Portals/1/Documents/1000/2018SHA_FullReport.pdf.
- ²⁰ (U) Young Adult Health Survey January 23, 2019 Division of Behavioral Health and Recovery, Substance Use Disorder Prevention and Mental Health Promotion Section <https://www.hca.wa.gov/assets/program/fact-sheet-washington-state-young-adult-health-survey.pdf>
- ²¹ (U) Koch et al. (2016) <http://dx.doi.org/10.1016/j.econ.2016.06.013>; CATO (2018) <https://www.cato.org/publications/policy-analysis/how-legalizing-marijuana-securing-border-border-wall-drug-smuggling>
- ²² (U) Northwest HIDTA, “2017 Marijuana Impact Report”.
- ²³ (U) Centers for Disease Control, Wide-Ranging Online Data for Epidemiological Research, Query of cocaine-related deaths by state for CY 2017, accessed through National HIDTA Assistance Center, Interactive Drug Indicator by State tool June 15, 2019, <https://wonder.cdc.gov/>.
- ²⁴ (U) Northwest HIDTA; “2015 Northern Border Report,” April 22, 2015.

²⁵ (U) Washington Prescription Monitoring Program, "Prescription Review Data Report." (2018) accessed June 15, 2019, <https://www.doh.wa.gov/Portals/1/Documents/2300/PMPDataReport.pdf>.

²⁶ (U) Washington State Attorney General's Office, "Reducing the Supply of Illegal Opioids in Washington State," (November 2017), accessed June 15, 2019, https://agportal-s3bucket.s3.amazonaws.com/uploadedfiles/Another/News/Press_Releases/OpioidSummitReport.pdf.

²⁷ (U) Washington Department of Health, "Prescription Monitoring Program, Health Care Provider Account Registrations, 2018 – 2019 Opioid Prescribing Rules Implementation, ESHB 1427 (2017)," Updated 01/16/2019.

²⁸ (U) Mamadou Ndiaye, "Fentanyl Overdose Deaths in Washington State," Washington State Department of Health, accessed May 5, 2017, <https://www.doh.wa.gov/Emergencies/CurrentHazardsandIssues/FentanylDeathReport>.

²⁹ (U) Department of Justice, United States Attorney's Office, Western District of Washington, "Joint Federal State and Local Operation Across Puget Sound Targets Violent Drug Trafficking Organization," (June 2018), accessed March 27, 2019, <https://www.justice.gov/usao-wdwa/pr/>.

³⁰ (U) United Nations, Office of Drugs and Crime, "Money Laundering and Globalization," accessed June 15, 2019, <https://www.unodc.org/unodc/en/money-laundering/globalization.html>.

³¹ (U) U.S. Customs and Border Protection, "CBP Enforcement Statistics FY 2018," accessed June 15, 2019, <https://www.cbp.gov/newsroom/stats/cbp-enforcement-statistics>.

³² (U) U.S. Department of Justice, Office of Public Affairs, "Joaquin 'El Chapo' Guzman, Sinaloa Cartel Leader, Sentenced to Life in Prison Plus 30 Years," accessed June 15, 2019, <https://www.justice.gov/opa/pr/joaquin-el-chapo-guzman-sinaloa-cartel-leader-sentenced-life-prison-plus-30-years>.

³³ (U) Department of Justice, United States Attorney's Office, Western District of Washington, "Multi-State International Drug Trafficking Organization Targeted in 18-Month Investigation," (December 2018), accessed March 27, 2019, <https://www.justice.gov/usao-wdwa/pr/>.