

The Chinese Connection to the Flood of Mexican Fentanyl

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In August, I wrote about how Mexico's cartels are capitalizing on the fentanyl trade. Afterward, many people asked me how China fits into the equation. In tracking the flow and distribution of the synthetic opioid, The U.S. Drug Enforcement Administration's recently released 2017 National Drug Threat Assessment was ambiguous about the relationship between the Mexican cartels and China. Explaining China's role in its manufacture and its interactions with Mexican traffickers will require an examination of how two other cartel drugs – methamphetamine and heroin – intersect with fentanyl.

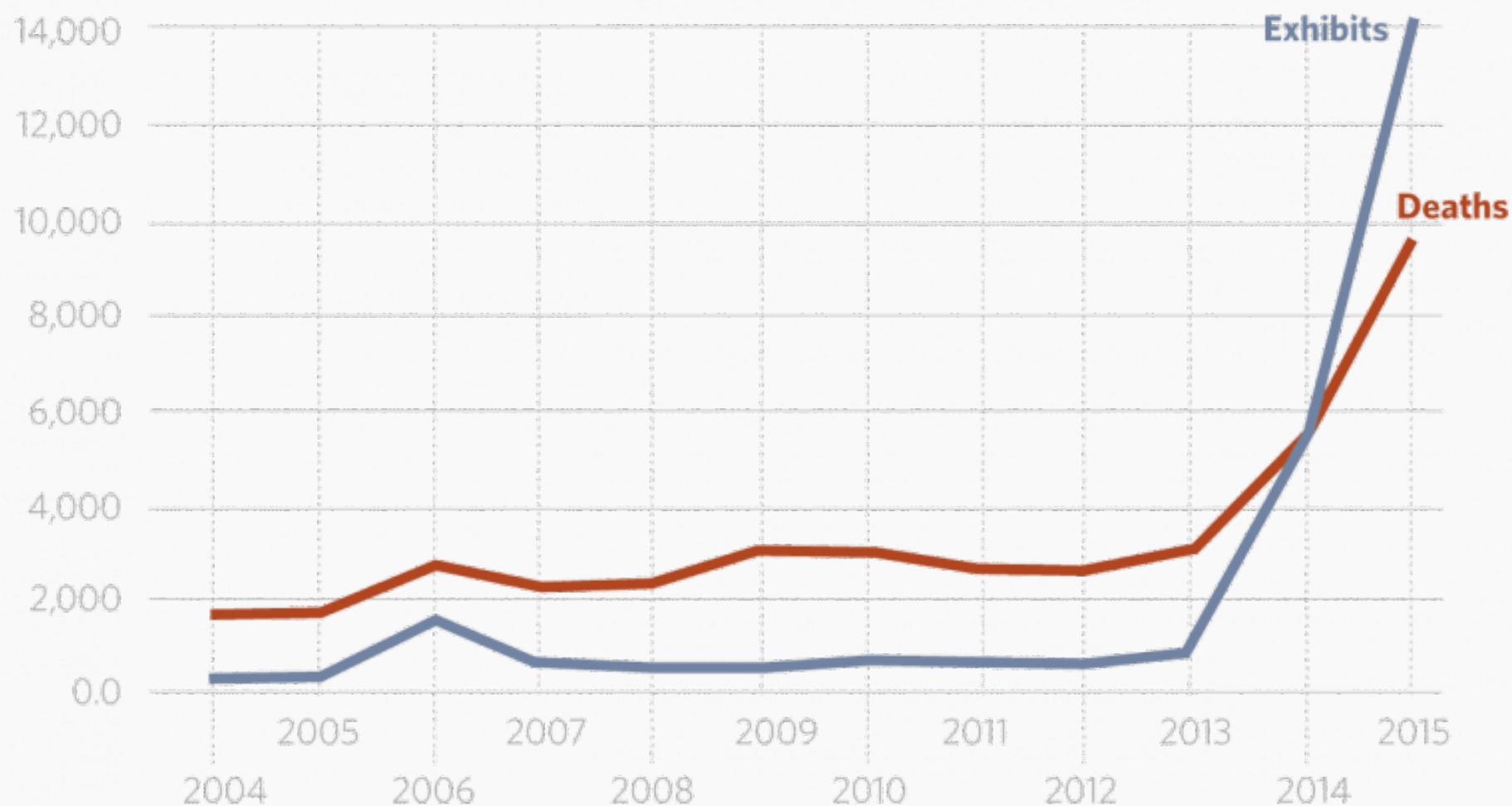
The Rise of Illicit Fentanyl

The danger posed by fentanyl first came to my attention many years ago when a friend who is an emergency room nurse told me about a man who overdosed on the potent opioid and died. He had extracted it from a skin patch prescribed for a family member – a case of the legitimately prescribed painkiller being diverted.

A few years later, the illicit production of fentanyl caught my eye when a large-scale laboratory was raided in the Mexican city of Toluca in May 2006. That lab was linked to fentanyl-laced heroin that had resulted in a rash of related overdoses and deaths in the United States during 2005 and 2006.

U.S. Synthetic Opioid Deaths and Fentanyl Seizures

The term “exhibit” is used by the U.S. Drug Enforcement Administration to refer to drug evidence that is seized in one location consisting of the same type of substance, composition and packaging.



Source: U.S. Centers for Disease Control and Prevention and DEA National Forensic Laboratory Information System

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The illicit manufacture and distribution of fentanyl, like methamphetamine, is lucrative for the Mexican cartels. They manufacture it in their own labs using precursor chemicals imported from China and reap huge profits smuggling it into the United States. Fentanyl's potency (it is many times stronger than heroin) allows the cartels to deal in smaller shipments, boosting the return on trafficking. It would take 50 kilograms (110 pounds) or so of heroin to equal the dosage from 1 kilogram of fentanyl.

The Methamphetamine Connection

In the cocaine trade, Mexican cartels act more as middlemen, buying the product wholesale from Colombian traffickers before smuggling it into the United States, cutting into its profitability. But since Mexican cartels dealing in methamphetamine often also manufacture it, they own the lion's share of the profit pool. This gives cartel groups that have embraced the meth trade and control the ports through which the precursors are imported a significant advantage. While most cartel groups participate in the meth trade to some degree, the Tierra Caliente-based groups, such as the Cartel de Jalisco Nueva Generacion, have benefited the most from it, fueling its rapid growth.

Some of the methamphetamine available in the United States is manufactured domestically from precursors either obtained locally or imported from Asia, Europe or Canada. Another source of the synthetic stimulant is supplied by smugglers from Asia, Canada and other areas. But the vast majority of the drug on U.S. streets comes from laboratories in Mexico, including some industrial-scale facilities dubbed "super labs" by U.S. law enforcement. The Mexican chemists are able to produce meth that is both less expensive and of higher quality than that from other sources, allowing them to corner the U.S. market.

However, this volume of production would not be possible without the precursor chemicals they receive from overseas, principally from China. The same contacts the Mexican cartels use to acquire meth precursors also supply the compounds needed to manufacture fentanyl. Likewise, the cartels use largely the same methods and networks they developed for smuggling meth to traffic fentanyl. Because it's simpler to synthesize fentanyl than to

make methamphetamine, cartel chemists can easily switch to production of the opioid. Additionally, some cartels, especially those that don't control the ports through which chemical precursors are brought in, import large quantities of finished fentanyl.

The Heroin Link

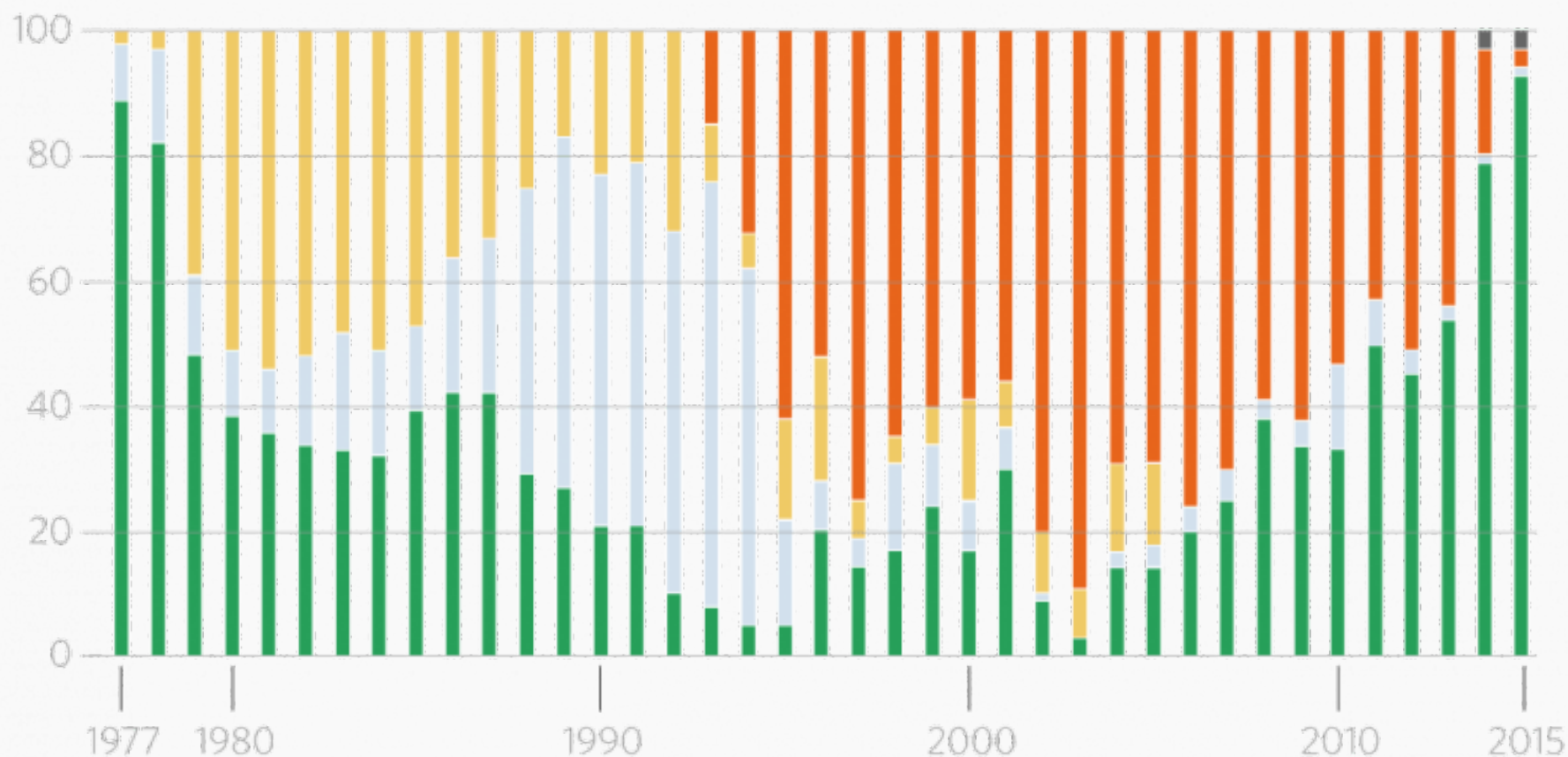
Fentanyl was initially developed as a medical painkiller intended to replace opium-based medications such as morphine. Because it is a synthetic, the opioid does not require a growing cycle, as do opium poppies, so it can be produced at any time. These qualities make fentanyl a favorite of drug dealers looking a cheap way to boost the potency of heroin (as in the overdose epidemic in 2005-2006). It is also mixed with fillers to create fake heroin, or used as the active ingredient in counterfeit opioid pills purported to be hydrocodone and oxycodone.

Where the Heroin Originates

Source of origin of wholesale-level heroin seizures in the United States.

■ Mexico ■ Southeast Asia ■ Southwest Asia ■ South America ■ Inconclusive

PERCENT



Source: U.S. Drug Enforcement Administration

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Over the past several decades, the Mexican cartels have made a big push into the U.S. heroin market. And heroin from Mexico, whether manufactured from domestically grown poppies or synthesized using fentanyl, now accounts for 90 percent of the wholesale seizures of that drug in the United States. While some South American and Southwest Asian heroin is still entering the country, the Mexicans have clearly dominated the market with their inexpensive and potent product. In the cocaine and even the methamphetamine trade, the Mexicans often work with other criminal groups in the United States on street-level retail sales. While they cooperate with other gangs to sell heroin in some cities, in many places, Mexican criminals own the entire distribution channel. The Mexicans have dramatically changed the methods used to distribute the drug. Users no longer have to travel into the inner city in search of heroin. Just like pizza delivery, Mexican traffickers will now bring your order to your home in the suburbs and small towns, making heroin no longer just a big city problem.

The Mexican cartels also use this same complex logistical system to distribute fentanyl, whether as a substitute for or supplement to heroin or to replace pharmaceutical opioids like oxycodone. Like heroin (and meth, for that matter), fentanyl is also being brought into the United States through other avenues. Some Asian and Canadian criminals are mailing it directly to buyers or sending some by couriers, but the volume of trade conducted through the darknet and mail order is far smaller than what is smuggled in by Mexican cartels.

The Growing Threat

The problem of darknet sales isn't trivial – an ounce of fentanyl mailed into the United States (at a significant health risk to postal workers) can provide over 14,000 2-milligram doses. And some recent seizures of Mexican fentanyl have come in much larger quantities. In August the Mexican military halted a shipment of 63.5 kilograms of fentanyl bound for the United States through Tijuana at a checkpoint in San Luis Rio Colorado. Also that month, the DEA seized 30,000 fentanyl-laced pills from a Sinaloa cartel network. Earlier, U.S. Customs and Border Protection agents in Nogales, Arizona, had seized about 10 kilograms of fentanyl coming in from Mexico on April 23, and on June 30, agents seized another 15 kilos after a vehicle stop in San Diego.

In August and September, the DEA and New York Police Department also made two large fentanyl seizures that appear to be linked to Mexico. First, NYPD made another 63.5 kilogram seizure during a raid on a Kew Gardens apartment in Queens, as well as about 27 kilos of fentanyl mixed with other narcotics. In a second raid, the department seized 25 kilograms of fentanyl and heroin in the Bronx. Before this year, the U.S. record for a fentanyl seizure had been 40 kilograms, which was confiscated from a man with links to Mexico in June 2016 in Bartow County, Georgia.

Overall, seizures of fentanyl by Customs and Border Protection have risen from a little less than 1 kilogram in fiscal year 2013 to about 200 kilograms in fiscal year 2016. This pattern of seizures closely matches trends in the heroin and methamphetamine trade: Some fentanyl is coming in from other places, including Asia, but that amount is dwarfed by the quantities flooding in from Mexico.

Fighting the Problem

There is no easy way to halt the influx of fentanyl to the United States. Like the other segments of the narcotics business, economics drives the fentanyl trade. As long as users are willing to pay for these powerful and potentially deadly drugs, creative traffickers will find ways to meet that demand. However, efforts are being made to impede the flow.

In March 2017, the Chinese government declared four variations of fentanyl – carfentanil, furanyl fentanyl, acryl fentanyl and valeryl fentanyl – as controlled substances. This should help curtail the sale of them through the mail from China. However, it will not extinguish that source, because inventive chemists will continue to create new analogs in an effort to stay ahead of regulations. But even if the Chinese supply is stemmed a bit, that just plays into the hands of the Mexican cartels by helping them increase their market share. Previous efforts to curb the sales of meth precursor chemicals helped the cartels corner the U.S. meth market.

In terms of scope, even if fentanyl imported from all other sources were halted altogether, it would not end the threat coming from Mexico. Unless the stream of precursor chemicals to Mexico is interrupted, its cartels are

capable of producing more than enough of the drug to meet U.S. demand. In this way, fentanyl mirrors meth. In both cases, halting the flow of their precursors is the key to halting their manufacture. Unfortunately, corruption and lawlessness in Mexico gives the cartels a great deal of latitude. As with methamphetamine, so long as the cartels can obtain the necessary chemicals, they will be able to synthesize the drugs that permit them to bribe officials, buy weapons and pay their gunmen. In the meantime, all U.S. authorities can do is try their best to limit the deadly tide, while deploying the medication naloxone more widely to try to save the lives of the rising number of fentanyl overdose patients.

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