US-MEXICO - U.S. Drug Habit Migrates to Mexico

Sam Logan & Kate Kairies, IRC-Americas

Sunday 18 February 2007, posted by Manuela Garza Ascencio

IRC - The seemingly insatiable U.S. appetite for drugs manifests itself on every level, from local neighborhoods to the halls of power in Washington.

For a long time, the United States' addiction to hard drugs was seen as strictly a domestic problem. Compared to drug demand in the United States, consumption of illegal drugs in Latin America was relatively low. Countries south of the Rio Grande kept mainly to production and distribution—as long as U.S. demand created a market, Latin America would supply. Criminals in Colombia and Mexico, in particular, focused on feeding the beast, making billions of dollars in the process.

But the nature of drug demand in the United States has changed. With the heavy and relatively rapid onset of demand for methamphetamine (meth), a new paradigm has formed. In the past, demand for the drugs coming out of Latin America remained inside the United States. Today demand has begun to spread out from the United States to Mexico, and possibly beyond.

Methamphetamine use has risen dramatically throughout the United States, and in the past few years the horror of meth has hit Mexico too. Drug producing and transit countries throughout Latin America have in recent years also become drug consuming countries, as drug traffickers seek profits at home. New findings show that meth—a drug that was previously little known south of the U.S.-Mexico border—is now not only being massively produced in Mexico but also widely consumed.

In Mexico, the drug story is not just one of powerful cartels contending for a share of the U.S. market. It is also the story of illicit drugs—initially produced for only the U.S. market—seeping into the pores of Mexican society.

Mexican Attorney General Eduardo Medina Mora raised the alarm about rising Mexican drug demand in his Jan. 23 congressional testimony in Washington. "The consumption of hard drugs is increasing at truly alarming rates ... at rates of as much as 20% annually," Medina said. According to Medina, changing drug market conditions and the increasing violent competition for market control has "focused organized criminal groups more toward the domestic market."

The story of how meth use permeated Mexican society begins in the U.S. heartland. There crackdowns on local meth labs created an opening for Mexican organized crime to grab hold of the new lucrative drug market.

Meth Mecca

Methamphetamine became popular in the United States in the 1990s, spreading from California to the Midwest and beyond. As one former meth user told the IRC Americas Program, "If doing cocaine was like driving a car, doing meth was like flying a space ship."

The Drug Enforcement Administration says that a 2006 survey of 500 county law enforcement officials in 44 states found that meth continues to be the number one drug problem—48% of the counties report that meth is the primary drug problem, more than cocaine (22%), marijuana (22%) and heroin (3%) combined.

Up until 2005, the U.S. market for methamphetamine was dominated by local producers, or "mom and

pop" labs, found throughout the US, especially in rural areas across the Midwest states.

These small-scale labs cooked up meth from a laundry list of ingredients that could be bought locally, including over-the-counter cough medication containing pseudoephredrine. The labs supplied meth users from all age groups and demographics, with users from 20 to 35 years old dominating market demand.

Kansas became known as the "Meth Mecca" because of the state's large population of meth producers and users. Kaye Deiter, a resident of Topeka, lived next to a meth lab for one year in 1999.

"Back in 1999, it took me several attempts to convince the local sheriff's office that the ammonia fumes and smell of starter fluid fuming from my neighbor's garage was something more than garage maintenance," she explained to the Americas Program. "Back then, no one really knew what meth was, or where to go to report it," she said.

Deiter, a stay-at-home mom, watched daily as her neighbor, a man in his late 40s, hosted a steady stream of "friends" throughout the day, and began to lose weight and develop open sores, or "crank bites," all over his body.

"Over time I knew that he was cooking [meth] in his garage, and using himself, but it took me a year to convince my neighbors as well, because I felt they didn't want to believe that someone in our neighborhood would be making drugs straight out of his garage ..."

As a result of breathing fumes from the meth lab next door for over a year, Deiter sustained lung damage and bronchial spasms that took over a year to heal under medical treatment. "My life was really never the same after dealing with that year," said Deiter. "I am okay now, but it took me a very long time to recover from both the physical and emotional side effects."

U.S. Government Fights Back

To combat the rise in meth demand, law enforcement agencies, state officials, and Kansas retailers designed the Meth Watch Program in 2001 as a public-private partnership to curtail the suspicious sale and theft of common household products used in the illicit manufacturing of methamphetamine. Meth Watch generated such success in Kansas that it became a national program by 2004.

Christie Cain, coordinator for the Kansas Methamphetamine Prevention Project, says that the training involved in her program was fundamental to cutting the local production of meth across the United States.

"We were able to train retailers and anyone who might encounter a meth lab or dealer to recognize the ingredients and the signs," Cain said.

She explained that by placing "Meth Watch" decals on storefronts, they established a community effort that made the local production of meth increasingly more difficult.

In September 2006 the U.S. government passed the Combat Methamphetamine Act, which requires stores to keep all non-prescription products containing pseudoephedrine, ephedrine, and phenylpropanolamine behind the counter or in a locked cabinet. This law required consumers to show proper identification and sign a logbook for each purchase. It also implemented daily sales limits and monthly purchase limits of these products.

Clandestine manufacture of domestic meth from "mom and pop" labs, as well as smaller user-production labs known as "addiction" labs, suffered a sharp decline after the passage of this bill.

"After the passage of this national bill, meth labs and the seizure of meth labs dropped off to nearly zero ... at least in single digits as far as clandestine labs," Don Mandrala, Assistant Special Agent in Charge with the Drug Enforcement Administration (DEA) regional office in St. Louis, Missouri, said in a recent phone interview.

The federal Combat Methamphetamine Act reinforced grassroots efforts to fight the production of meth in local communities that had already made the purchasing of meth ingredients much more difficult by 2006.

But it soon became clear that the new policy had the unintended result of drawing Mexican suppliers into the market.

Suppliers from the South

For many years, the supply for methamphetamines remained inside the United States, creating a closed circuit particularly within specific states, including Kansas and California. Local supply met local demand, but as demand grew, more and more communities began to crack down on small scale suppliers.

Successes at the local level in reducing production were then followed up by the federal programs. These had such a decisive impact, Cain points out, that "the real drop in production came with the reinforcement of federal legislation."

The drop in local production did not turn out to be the panacea to the meth problem that law enforcers had hoped. Once enacted, the Combat Methamphetamine Act restricted U.S.-based meth supplies, but it did not reduce demand. As meth production dropped off in the United States, Mexican organized crime rushed to fill the gap. Mexican suppliers came to dominate the market in 2005.

"Once these labs closed, Mexican traffickers coming up from across the border became our single biggest problem," said Mandrala.

Mandrala mentions that "the number of actual meth lab busts recorded are deceiving—even though the numbers of lab seizures are decreasing, meth use is actually staying the same or increasing because Mexican meth now supplies roughly 80% of the market."

The influx of Mexican meth to fill this supply vacuum was facilitated by the fact that Mexican drugtrafficking organizations had already established hardened distribution networks through their cocaine business. Using these networks, organized crime simply added one more item on the delivery list—methamphetamine.

According to the DEA, seizures of meth originating in Mexico increased over 1000% between 2004 and 2005 in the state of Kansas. In 2004, authorities seized 22 pounds of Mexican methamphetamines and by 2005, the figure had leapt to 271 pounds.

In August 2005, the DEA announced a haul of 55 pounds of methamphetamine at the conclusion of the nationwide program Operation Three-Hour Tour. DEA administrator Karen Tandy claimed the operation broke up a meth smuggling pipeline between the United States and Mexico that supplied methamphetamine to some 22,700 users a month.

The United Nations Office on Drugs and Crime published in its 2006 World Drug Report that methamphetamine seizures on the U.S.-Mexican border registered at 1.1 tons in 2002, 1.7 tons in 2003, and 2 tons in 2004. According to the UNODC, 99% of meth produced in Mexico is destined for the United States.

Supply-side Economics

When a particular drug begins to take hold of a community, law enforcement officials say that targeting the supply can be an effective way of grounding the problem before it takes off. Yet once demand begins to outpace supply, the market then becomes a "seller's market" and an aggressive strategy to fight demand becomes as important in fighting the wave of drug abuse as controlling the supply.

"Now that we are in the later years of a meth epidemic in the United States, producers in the market have adapted and become more efficient," Martin Y. Iguchi, PhD, professor of Public Health at the University of California-Los Angeles and former director of the RAND Drug Policy Research Center told the Americas

Program.

"[Producers] are now looking for ways to increase demand by marketing their product in new ways and [pushing] into new markets," he explained.

The strategy of targeting local producers created a window of opportunity for super labs in Mexico. The dominant suppliers, including members of Mexico's Sinaloa Federation—considered one of Mexico's most powerful drug trafficking organizations—operate these labs, which have become a highly profitable clandestine endeavor. Since Mexican organized crime has begun producing methamphetamines, U.S. suppliers have been largely replaced by their Mexican counterparts.

"Mexican meth is more attractive than locally produced meth because the price [...] on the street is cheaper than purchasing the materials to make meth yourself, and it is much less risky to buy ready-made meth than to deal with the health hazards associated with producing a toxic chemical," says Vicki Ward, Manager of Prevention Services for Tri County Mental (Kansas) Health Services.

As Mandrala noted, "In some ways, it's good for local communities because meth labs bring toxic fumes and poison water supplies and pose huge fire hazards within neighborhoods. But what you have now is an increase in street crime, such as robberies, from people stealing to support their habit versus making their own cheap meth in their bath tub."

For a meth user, buying Mexican meth is often the preferred way to feed a habit. Ward adds: "If I'm using, I want cheap and I want pure, and right now. You can buy Mexican ice much easier than making your own and risking burning your house down."

The Crystal King

Methamphetamine production is big business for some Mexican traffickers, and it is a big headache for Mexican law enforcement agencies and many source communities. Along with production, methamphetamine use and abuse is gradually spreading across Mexico.

The Sinaloa Federation controls the distribution of Mexican meth along the East Coast of the United States. One of the Federation's top lieutenants, Ignacio Coronel Villareal, is known as the "King of Crystal" because of his preference to work in the production and distribution of methamphetamine.

By the end of 2006, he rose to a high-level position within the Sinaloa Federation, running the organization's methamphetamine operations from super-labs in Michoacan and Jalisco, and supplying distribution networks that extend from Arizona, New Mexico, and Texas to the U.S. eastern seaboard.

Coronel Villareal's Mexican network stretches from Morelia, Michoacan, and along Mexico's Pacific coast through the states of Nayarit, Sinaloa, and inland into Sonora. The Crystal King's principal distribution outlets cross the border at Nogales, Sonora and Nogales, Arizona. His string of methamphetamine production labs runs from Morelia all the way north to Nogales, according to the Mexican Attorney General's office.

During "Operation Baja Kings," carried out by the Federal Bureau of Investigation in 2003, Crystal King associates were captured with some 80 pounds of methamphetamine that was 90% pure. It was the largest single methamphetamine bust to date in Mexico, as well as one of the first tangible indications of increased Mexican presence in U.S. meth supply chains.

Since 2003 Coronel Villareal may have moved from his traditional center of operations in Guadalajara, Jalisco to Morelia, Michoacan, according to the Mexican Attorney General's office. Meanwhile, the U.S. government has announced a \$5 million reward for information leading to his arrest.

Tijuana: Barometer of the Meth Storm

Since the discovery and rapid growth of methamphetamine use in the United States, demand—and

addiction—has begun to extend beyond U.S. borders. Mexico is already feeling the effects of widespread meth consumption inside its own borders.

Tijuana constitutes one barometer of meth use in Mexico. Its population of some 1.4 million inhabitants has over 100,000 meth addicts, according to Victor Clark-Alfaro, a sociologist and professor with the San Diego State University. Speaking to the IRC Americas Program from his office in Tijuana, Clark explained that hundreds of small meth labs around the city contribute to a serious problem of growing local demand.

"Due to a lack of government efforts, private rehabilitation centers have been established to deal with Tijuana's meth addicts," Clark explained. He says there are currently 109 rehabilitation centers, but they can treat only 6,000 meth users.

According to methamphetamine abuse and addiction information Mexican authorities have shared with Americas Program, methamphetamine use on the northern border is limited to the country's northwest, with the highest numbers in Tijuana. Addiction numbers quickly taper off moving east.

Methamphetamine use patterns in Mexico suggest that meth demand has spread south, notably along the traditional migrant paths that move along Mexico's Pacific corridor.

In 1995, when the Mexican government began recording methamphetamine statistics, the only significant incidence of meth use was recorded in Tijuana.

Jumping to 1997, meth use had spread to Mexicali on the border and south into various urban centers in Mexico's Pacific states. In Sinaloa, the towns of Los Mochis, Guamuchil, Culiacan, and Mazatlan registered significant levels of meth consumption. The towns of Tepic in Nayarit, Guadalajara in Jalisco, and Zamora in Michoacan also registered significant levels in 1997.

By 2004, the last year of information the Americas Program received from the Mexican government, numerous cities in Sonora, Sinaloa, Durango, Nayarit, Jalisco, Michoacan, Colima, Guerrero, and Pueblo all registered significant levels of methamphetamine addiction.

One theory explains that migrants move south along migrant paths after spending time on Mexico's northern border. While waiting to enter the United States in Tijuana or Mexicali, they become addicted and take that addiction back south as they settle elsewhere in Mexico.

A second theory sees migrants becoming addicted in the United States. When they are deported, they take that addiction back to Mexico and Central American countries. As these same individuals make a second or third attempt to enter the United States, they carry with them an addiction that fuels meth demand along migratory paths.

The easy availability of methamphetamine precursor chemicals, ranging from medicine for the common cold to garage supplies, facilitates the creation of "mom and pop" labs anywhere in the Americas.

Mexican dealers and users

The Mexican state of Michoacan, considered the center of the country's methamphetamine production, is home to an organization that calls itself "La Familia." Based in Morelia, the capital of Michoacan, La Familia is a criminal organization formed by men born and raised in Michoacan.

Despite being devoted to criminal activity, members of La Familia pride themselves on being community minded. And they don't like what methamphetamine does to their city and state.

The public health effects methamphetamine has on a city are much worse than the degenerative effects of crack-cocaine. Meth is cheap compared to other drugs like cocaine or heroin. Smoking or injecting meth creates a long-lasting high, one that can be extended for days if a user so desires.

The effects of the drug run a psychological gamut from euphoria and delusions of grandeur to

uncontrolled rages. These elements combine to convert a meth user into an unpredictable individual with a proclivity for violence.

Members of La Familia have learned that meth addicts don't last long. As individuals become addicted to meth, they sink inexorably toward imprisonment, or death, unless loved ones intervene in time. The resulting random violence is unpredictable and destructive to themselves and the community around them. In 2006, authorities in the state of Michoacan recorded over 500 drug-related murders.

According to an article written by Mexican security analyst Ricardo Ravelo and published by *Proceso* on Dec. 3, La Familia has 4,000 members disseminated throughout Michoacan's 113 municipalities. Each member of the organization earns between \$1,500 and \$2,000 a month. According to this report, the organization spends some \$1.5 million dollars a month in bribes, has good relations with the state police forces, and only hires individuals born and raised in Michoacan.

La Familia's head of public relations is a man who calls himself "El Tio"—The Uncle. He stated in a Nov. 22 interview published in <u>Proceso</u> that the current focus of his organization is to remove the scourge of methamphetamine from his state.

El Tio said his organization's principal targets are "El Chapo" Guzman and the Beltran-Leyva brothers, three men who work directly under Guzman to control the Sinaloa Federation's interests in the cities of Culiacan, Sonora, and Monterrey. La Familia targets the Sinaloa Federation leaders because it believes these men are responsible for meth addiction in Michoacan. While La Familia has no problem running cocaine, heroin, and marijuana to the United States, it draws the line at methamphetamine addiction in its home communities.

A New Demand Paradigm

Meth supply and demand in Mexico is repeating the same patterns observed in the United States in the early to mid-1990s, as local production feeds growing domestic demand. One can speculate on whether methamphetamine demand would have jumped the border if Mexican organized crime had not begun supplying the United States' meth addiction, but the fact is that demand in Mexico has grown at alarming rates since its incursion into the U.S. market.

As Mexico faces increasing health and crime problems related to meth addiction, it is clear that U.S. government policy catalyzed both supply and demand for meth in its southern neighbor. Now it appears as though Mexican government policy might push meth supply and demand further south.

Will Mexico's efforts to control the supply and production of methamphetamine force this extremely lucrative and clandestine market further south into Central America and beyond?

One of Mexican president Felipe Calderon's first actions after assuming power was to orchestrate major strikes against Mexico's drug smuggling organizations. He sent thousands of federal troops to Michoacan and specially organized groups of federal police agents to Tijuana and Acapulco. On Jan. 22, the Mexican government extradited five major Mexican drug trafficking bosses, including Osiel Cardenas, known to be the leader of the Gulf Cartel.

The Mexican government sought to demonstrate a strong response to the growing problem of drug smugglers and those who control the supply and production of illicit substances, including methamphetamines. Organized crime has become closely involved in meth production in Michoacan. The measures resulted in confiscation of drugs and numerous arrests.

However, many experts have warned of a possible "cockroach effect" in which crackdowns in one place diffuse criminal activity into formerly untouched parts of the country—particularly when spectacular measures, like sending in federal troops, are not followed up by continuing programs to control production and consumption.

Moreover, as the case of Tijuana reveals, little federal attention has been placed on drug demand and

addiction in Mexico. Tijuana and other border towns are literally crawling with meth addicts who have little more to live for beyond their next fix, doing what it takes to feed their habit. These addicts if left alone will die, but their presence ensures the existence of meth production, which in turn creates more addicts.

The U.S. experience shows that this is a vicious cycle that cannot be broken by targeting supply alone. A new demand paradigm has developed as methamphetamine use has spread from the United States to Mexico. Unlike cocaine and other drugs, demand and crippling addiction closely follows supply.

It is a pattern that will repeat itself until efforts to reduce demand meet or surpass efforts to eradicate supply, and binational policies are developed that assume shared responsibilities and an integral approach to the problem.

For More Information:

- Combat Meth Act Q and A: <u>http://www.deadiversion.usdoj.gov/meth/q_a.htm</u>
- Consejo Nacional contra las Adicciones (National Council Against Addition, Mexico): http://www.conadic.gob.mx/
- DEA fact sheet on meth: <u>http://www.usdoj.gov/dea/pubs/pressrel/methfact03.html</u>
- Instituto de Educación Preventiva y Atención de Riesgos: <u>http://www.inepar.com.mx/</u>
- Meth Watch: <u>http://www.methwatch.com/flash.html</u>
- National Meth Threat Assessment 2007: <u>http://www.usdoj.gov/ndic/pubs21/21137/index.htm</u>
- Red InterAmericana para la Prevencion de Drogas: <u>http://www.ripred.org/</u>
- Secretaría de Salud de Mexico: <u>http://www.salud.gob.mx/</u>
- The Crystal King: <u>http://www.state.gov/p/inl/narc/rewards/41420.htm</u>
- UN Office on Drugs and Crime: <u>http://www.unodc.org/unodc/index.html</u>
- Wikipedia: <u>http://en.wikipedia.org/wiki/Methamphetamine</u>

Sam Logan (<u>www.samuellogan.com</u>) is an investigative journalist who has covered security, energy, politics, economics, organized crime, terrorism, and black markets in Latin America since 1999. He has reported from Santiago, Sao Paulo, Brasilia, and Buenos Aires. He currently lives in Rio de Janeiro. Sam holds a masters degree in International Policy Studies, and has earned a specialization in Security and Development in South America.

Kate Kairies is a freelance journalist based in Washington, DC. She reports on economics, trade, security, and cultural issues. Kate holds a masters degree in International Relations and Economics from the Johns Hopkins University School of Advanced International Studies.