



# **Philadelphia/Camden**

High Intensity Drug Trafficking Area

# Drug Market Analysis 2009



**NATIONAL DRUG INTELLIGENCE CENTER  
U.S. DEPARTMENT OF JUSTICE**





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This assessment is an outgrowth of a partnership between the NDIC and HIDTA Program for preparation of annual assessments depicting drug trafficking trends and developments in HIDTA Program areas. The report has been coordinated with the HIDTA, is limited in scope to HIDTA jurisdictional boundaries, and draws upon a wide variety of sources within those boundaries.



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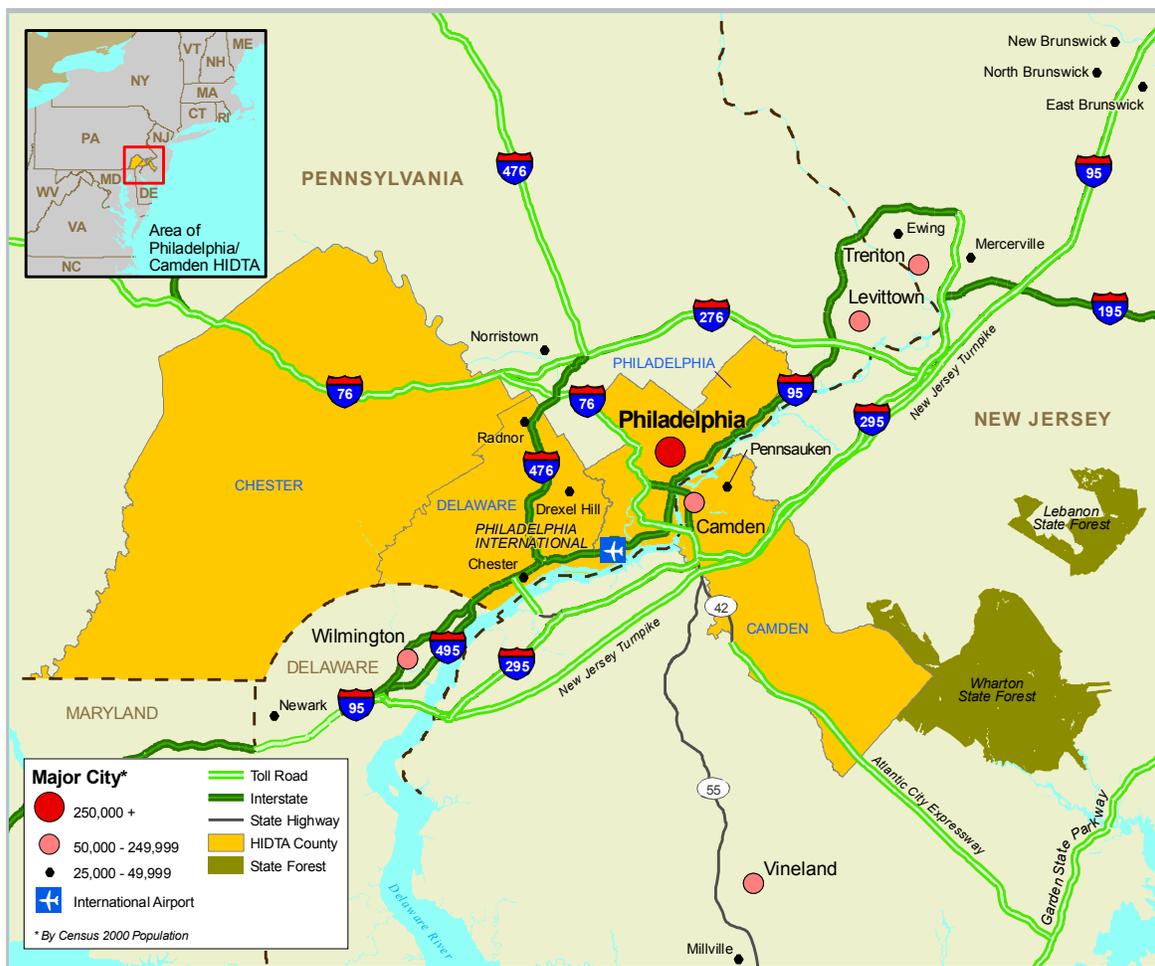
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# Preface

This assessment provides a strategic overview of the illicit drug situation in the Philadelphia/Camden (PC) High Intensity Drug Trafficking Area (HIDTA), highlighting significant trends and law enforcement concerns related to the trafficking and abuse of illicit drugs. The report was prepared through detailed analysis of recent law enforcement reporting, information obtained through interviews with law enforcement and public health officials, and available statistical data. The report is designed to provide policy-makers, resource planners, and law enforcement officials with a focused discussion of key drug issues and developments facing the PC HIDTA.

**Figure 1. Philadelphia/Camden High Intensity Drug Trafficking Area**



## Strategic Drug Threat Developments

- Mexican drug trafficking organizations (DTOs) are becoming more influential in the illicit drug trade in the PC HIDTA region. They transport large amounts of cocaine, heroin, and marijuana for Colombian and Dominican DTOs, the predominant cocaine and heroin traffickers in the region. Mexican DTOs also are increasingly transporting large quantities of high-purity ice methamphetamine into the region for local distribution.
- Dominican DTOs and criminal groups also are becoming more influential in the illicit drug trade in the PC HIDTA region. They are traveling to the Southwest Border area to obtain large quantities of cocaine and heroin for transport to the HIDTA region, and are developing sources of illicit drugs in the Caribbean region.
- Cocaine availability in the PC HIDTA region fluctuated the past year. The region experienced a significant decline in cocaine availability during the first half of 2007 and returned to previous levels during the second half of 2007. Cocaine availability declined again in the first quarter of 2008 and remained lower through the end of June. Law enforcement reporting on cocaine availability and prices indicates that cocaine is still in short supply in Philadelphia and southern New Jersey.
- Street gang activity is increasing in the PC HIDTA region and is expanding from the inner cities to suburban and some rural areas. Many Bloods gang members are moving into these suburban and rural areas from northern and central New Jersey cities to recruit members and create new or take over established drug markets; as a result, drug-related violent crime is increasing in these areas.

## HIDTA Overview

The PC HIDTA region comprises Chester, Delaware, and Philadelphia Counties in Pennsylvania and Camden County in New Jersey. The PC HIDTA was designated in 1995 to address the threat posed by illegal drugs and to increase the safety and quality of life in the region by measurably reducing drug-related crime and violence. The HIDTA region and surrounding counties (Bucks and Montgomery Counties in Pennsylvania and Burlington and Gloucester Counties in New Jersey) comprise the Philadelphia metropolitan area, which has an estimated population of more than 5.1 million. As such, the Philadelphia metropolitan area is the fifth-largest in the United States and the second-largest on the East Coast. Approximately 100 million people—more than a third of the U.S. population—live within a day's drive of Philadelphia, providing many distributors and abusers ready access to illicit drugs distributed in the HIDTA region.

The PC HIDTA region is ethnically diverse and is home to more than 166,000 foreign-born residents. This factor helps many drug traffickers assimilate in communities and mask their illicit activities. Philadelphia has the second-largest Jamaican population and the fourth-largest African American population in the nation. In recent years the Hispanic and Asian American (Chinese, Korean, and Vietnamese) populations have significantly increased. Hispanics, mostly Puerto Ricans, have settled throughout the city, especially around El Centro de Oro, an area in the east side of North Philadelphia. Philadelphia now has the third-largest Puerto Rican population in the continental United States. The Asian population, once concentrated in Philadelphia's thriving Chinatown, is expanding throughout the region. The majority of Camden residents are African American; however, the local Hispanic population is rapidly increasing, especially in the East Camden section of the city.

The HIDTA region has a well-developed transportation infrastructure (including interstate highways, passenger rail and bus services, an international airport, and a seaport) that is ideally suited for the movement of illicit drugs and drug proceeds to and from the region. Interstate 95, the major north-south route on the East Coast, is the highway most frequently used by traffickers to transport drugs to the area; they generally use this interstate to supply illicit drugs to the region from New York, New York; Atlanta, Georgia; and Miami, Florida. Traffickers also transport illicit drugs to the region from the West Coast, Southwest Border states, and Canada, using virtually every roadway leading to the area. Drug shipments arriving in the PC HIDTA region typically are broken down into smaller quantities for local distribution within the region or transportation to other cities throughout Pennsylvania, New Jersey, and Delaware.

## Drug Threat Overview

Cocaine (particularly crack), heroin, marijuana, and controlled prescription drugs (CPDs) pose significant drug threats in the HIDTA region. High levels of violent and property crime associated with crack trafficking and the social and health consequences associated with cocaine and heroin abuse severely tax law enforcement and public health resources in the region. Cocaine, especially crack, is the primary drug-related cause of deaths, emergency department visits, and treatment admissions to publicly funded facilities in Philadelphia. Heroin is frequently abused in the HIDTA region, and its abuse is spreading to new and younger populations. Distributors are targeting customers in smaller towns and rural areas to gain market share. The purity of South American (SA) heroin, the predominant type available in the region, is relatively high but has been gradually decreasing over the past several years. Declining heroin purity has contributed to local abusers seeking alternative methods of abuse, such as injecting

### Fluctuations in Cocaine Availability

Cocaine availability in the PC HIDTA region fluctuated during 2008, according to law enforcement reporting. The region experienced a significant decline in cocaine availability during the first half of 2007, most likely the result of local law enforcement successes and large seizures of the drug in Mexico. Cocaine availability returned to previous levels during the second half of 2007. However, cocaine availability declined again in the first quarter of 2008 and remained lower through the end of June. Law enforcement officials report that in the second quarter of 2008, repeated attempts to purchase kilogram quantities were unsuccessful due to shortages of cocaine in those amounts. In June 2008 law enforcement officials in the PC HIDTA region contributed to the area's cocaine shortages by making a 340-kilogram seizure of the drug—the largest cocaine seizure in Philadelphia history. Reporting for the third quarter of 2008 indicates disruptions to traditional cocaine supply routes from Mexico as well as disruptions to alternative routes from other areas, such as the Caribbean. Prices for kilogram quantities of cocaine remain high and increased between \$17,000 and \$32,000 during the first quarter of 2008 to between \$22,000 and \$32,000 during the second quarter. In November 2008, law enforcement officials in the region reported that the price of kilogram quantities of cocaine had increased to between \$35,000 and \$38,000.

larger doses or injecting more frequently. Commercial-grade Mexican marijuana is the most widely available and abused illicit drug in the region; increasing availability of high-potency marijuana, both Canadian and locally produced, is drawing new users to the drug. The abuse of CPDs is increasing among teenagers and young adults in the region. Many teens believe that drugs prescribed by a doctor are not as harmful as illegal drugs such as

cocaine, heroin, and methamphetamine and, therefore, are not as dangerous.

Other illicit drugs pose varying threats to the PC HIDTA region. The threat from methamphetamine production and abuse historically has been low in the area; however, an increase in methamphetamine availability is a growing concern for law enforcement and public health officials. This increase is being driven by the slowly rising local production of powder methamphetamine and by an influx of high-purity ice methamphetamine transported into the region by Mexican and, more recently, Canada-based Asian DTOs. Other dangerous drugs (ODDs) such as MDMA, PCP (phencyclidine), and LSD (lysergic acid diethylamide) are available and abused to varying degrees within the HIDTA region, mainly by teens and young adults.

## Drug Trafficking Organizations

Colombian and Dominican DTOs control much of the smuggling and wholesale distribution of cocaine and SA heroin in the PC HIDTA region. Most Colombian DTOs operating in the HIDTA region are cells of larger Colombian organizations based in New York City. These larger organizations and the cells that they operate supply wholesale quantities of cocaine and heroin to upper-level distribution groups, primarily Dominican DTOs. Dominican DTOs control much of the midlevel cocaine and heroin distribution in the HIDTA region and supply African American, Caucasian, Jamaican, and Puerto Rican midlevel and retail distribution groups throughout the area. An increasing number of Dominican DTOs are bypassing sources in New York City and the HIDTA region and obtaining cocaine and heroin directly from Mexican sources at the Southwest Border and from sources in the Caribbean in order to lower purchase costs and increase profit margins. As a result of these newly established relationships,

### Drug Trafficking Organizations, Criminal Groups, and Gangs

**Drug trafficking organizations** are complex organizations with highly defined command-and-control structures that produce, transport, and/or distribute large quantities of one or more illicit drugs.

**Criminal groups** operating in the United States are numerous and range from small to moderately sized, loosely knit groups that distribute one or more drugs at the retail level and midlevel.

**Gangs** are defined by the National Alliance of Gang Investigators' Associations as groups or associations of three or more persons with a common identifying sign, symbol, or name, the members of which individually or collectively engage in criminal activity that creates an atmosphere of fear and intimidation.

Dominican DTOs also are increasingly distributing marijuana and ice methamphetamine throughout the region. Colombian and Dominican DTOs also employ Mexican DTOs to transport cocaine and heroin to the region on their behalf.

Mexican DTOs are becoming more influential in the illicit drug trade in the PC HIDTA region. They have well-established transportation and distribution networks throughout most of the country, including the PC HIDTA region. Mexican DTOs and criminal groups transport and distribute most of the marijuana available in the region; they also transport significant quantities of cocaine, heroin, and methamphetamine, including high-purity ice methamphetamine, to the area. Mexican DTOs transport these drugs from Mexico, Southwest Border states and, increasingly, Atlanta. Mexican DTOs supply a majority of the drugs they transport to the area to midlevel and retail-level distribution groups of various races and ethnicities, including Asian, African American, Dominican, Jamaican, and

Puerto Rican DTOs and street gangs. They also supply illicit drugs to imprisoned gang members and outlaw motorcycle gangs (OMGs).

Other DTOs and criminal groups also distribute illicit drugs at the wholesale level in the HIDTA region. Jamaican DTOs obtain marijuana supplies from Mexican and Dominican distributors, either locally or in southwestern drug markets. Jamaican DTOs and criminal groups also supply marijuana from Florida and the Caribbean to the region. Asian DTOs, primarily Chinese and Vietnamese, based in Canada have emerged as significant producers, transporters, and distributors of MDMA and high-potency marijuana in the region. Law enforcement reporting indicates that Chinese and Vietnamese DTOs are transporting large quantities of MDMA and high-potency marijuana to the region from Canada in order to supply markets throughout the area and gain a wider customer base.

African American, Asian, and Hispanic street gangs (Asian Boyz, Bloods, Crips, Latin Kings, Ñetas, and Sureños) are the predominant retail drug distributors in the PC HIDTA region. Most street gangs are polydrug dealers, selling more than one type of drug at a time. Street gangs distribute primarily cocaine (powder and crack), heroin, and commercial-grade marijuana; however, they also distribute PCP, ice methamphetamine, MDMA, and high-potency marijuana. Although most gangs are polydrug distributors, some concentrate their efforts on certain drugs. For instance, Bloods, Crips, and Latin Kings predominantly distribute crack throughout the PC HIDTA region.

According to law enforcement reporting, Bloods street gangs are strengthening and growing in the HIDTA region. Many Bloods street gang members have moved into Camden and South Philadelphia from northern New Jersey (Newark) to expand their drug distribution territories; street gang activity also is expanding



Drug Enforcement Administration

### Largest Mexican Ice Methamphetamine Seizure in New Jersey History

On December 2, 2008, law enforcement officials with the DEA New Jersey Division, Passaic County Prosecutor's Office, and Passaic County Sheriff's Office announced the seizure of 165 pounds of ice methamphetamine worth an estimated \$11 million—the largest seizure of ice methamphetamine in New Jersey history—and the arrest of a Texas man, a member of a Mexican DTO that transports illicit drugs to New Jersey and surrounding areas. The man was arrested in West Paterson, New Jersey, while driving a refrigerated tractor-trailer full of produce. The methamphetamine was packaged in plastic food storage containers, wrapped in black duct tape, and commingled with crates of produce.

Source: Drug Enforcement Administration.

into surrounding suburban and rural areas from the inner cities. Bloods members have taken over distribution areas formerly controlled by local street gangs, a situation that has led to increased violence in the region. Law enforcement officials report that Bloods street gang members are moving into the region from Trenton, New Jersey, to recruit new members. The Bloods gang recruits anyone involved in the drug trade as well as those of any age, race, ethnicity, and background to increase membership and strengthen the gang.

Power is in numbers, and Bloods members are well aware of it, as the gang is constantly recruiting to increase its membership. Law enforcement reporting indicates that Bloods members recruit heavily within public and private schools. Impressionable school children, often looking to fit in, are regularly persuaded by members to join the gang. The gang also recruits heavily in correctional facilities throughout the region. Eighteen federal prisons are located in the northeast region—half of which are located in Pennsylvania. Three federal prisons are located in the PC HIDTA region (Federal Detention Center Philadelphia, Federal Correctional Institution (FCI) Fort Dix (NJ), and FCI Fairton (NJ). Additionally, numerous state, county, and local correctional facilities are located in the PC HIDTA region—a situation that gives gangs such as the Bloods ample opportunity to recruit new members. The promises of protection and status within the prison often induce individuals to join the gang. Upon being released or paroled from prison, many of the individuals who were recruited within the prison continue their allegiance to the gang.

Other street gangs also are increasing their presence in the PC HIDTA region. African American Crips sets are growing in number, although not as significantly as Bloods. Hispanic street gangs such as Latin Kings, Mara Salvatrucha (MS 13), and Trinitarios, a Dominican street gang, are showing an increasing presence in correctional facilities and on the streets of the PC HIDTA region. Law enforcement officials report that Trinitarios street gangs in the region have been “under the radar,” because most law enforcement attention has been paid to other gangs such as Bloods or Crips. Asian street gangs have increased their presence in the PC HIDTA region and are emerging as key suppliers of MDMA and Canadian high-potency marijuana. In many cases

Asian street gangs smuggle these drugs from Canada to New York City prior to transporting them to the Philadelphia area for distribution. They operate primarily in southern, southwestern, and northern Philadelphia.

OMGs—most notably Pagans, Warlocks, and Outlaws—distribute retail quantities of cocaine and manufacture and distribute retail quantities of powder methamphetamine in the PC HIDTA region. Many OMGs have established relationships with Mexican DTOs in order to gain greater access to illicit drugs and facilitate their distribution operations.

### **Marijuana Transported by Jamaican Nationals Seized in Delaware County**

In July 2008, law enforcement officials with Folcroft Borough, Delaware County, Pennsylvania, seized 221 pounds of marijuana during a routine traffic stop and arrested two Jamaican nationals. The two individuals were transporting the marijuana, which was concealed in a box in the rear of a rental truck, from Texas to Philadelphia. According to the Pennsylvania Attorney General, one of the individuals is an alleged marijuana dealer who smuggled drugs from Mexico to Texas for distribution in U.S. markets. The two individuals were charged with possession with intent to deliver marijuana, criminal conspiracy, corrupt organizations, and related charges.

Source: Pennsylvania Attorney General's Office.

### Trinitarios Street Gang

The Trinitarios (meaning the Trinity or Special One) street gang was formed as a protection gang for Dominican inmates in New York prisons during the early 1990s. Members, upon leaving prison, banded together as a street gang, calling themselves Trinitarians/Trinitarios to distinguish the gang from other Dominican street gangs in New York. While Trinitarios is primarily a Dominican gang, many Puerto Rican and South American members have joined the gang's ranks. Trinitarios members do not have affiliations with any other gangs and are rivals of Bloods, Crips, Latin Kings, MS 13, and Ñetas as well as other Dominican street gangs. Trinitarios members reportedly have migrated to other areas of the country, such as Alaska, Connecticut, Florida, Illinois, Massachusetts, New Jersey, North Carolina, Ohio, Pennsylvania, and Rhode Island. Trinitarios members are establishing a reputation for extreme violence in the PC HIDTA region.

## Production

Illicit drug production in the PC HIDTA region is limited to the conversion of powder cocaine to crack and to occasional methamphetamine and marijuana production.

Crack conversion takes place in the HIDTA region, particularly in urban areas. African American street gangs and independent dealers convert powder cocaine to crack in residential settings, usually in the vicinity of the intended market.

Powder methamphetamine production in the HIDTA region is limited and generally takes place in the rural areas of the region. Seizure data indicate that only a few methamphetamine laboratories have been seized over the past several years in the region; however, law enforcement intelligence and investigative information suggest that methamphetamine production is slowly

increasing, particularly in rural areas adjacent to the HIDTA region, such as the Pocono Mountains in northeastern Pennsylvania. Most clandestine methamphetamine laboratories in and near the PC HIDTA region are operated by OMGs, particularly Pagans and Warlocks, that typically produce only retail quantities of the drug; local independent Caucasian producers also produce limited amounts of methamphetamine, mostly for personal use.

Indoor cannabis cultivation appears to be increasing in the HIDTA region as marijuana traffickers attempt to attain higher profits through production of high-potency marijuana and take advantage of a perceived lack of law enforcement scrutiny of indoor cannabis grow sites in the PC HIDTA region. Asian DTOs and criminal groups in the region, primarily Vietnamese, are increasingly replicating methods used at indoor cannabis grow sites in Canada, such as using elaborate hydroponic equipment, bypassing electrical meters, and using entire buildings for grow operations. For example, some Asian DTOs in the HIDTA region have purchased high-priced houses in residential neighborhoods to use as grow sites. The houses are typically gutted, and all space is used for growing cannabis.

## Transportation

The PC HIDTA region's expansive transportation infrastructure is often exploited by DTOs to transport drugs into and throughout the region. Most illicit drugs available in the HIDTA region are transported from New York City in private vehicles along I-95; traffickers also use this route to transport illicit drugs through the region to markets in eastern Pennsylvania (Allentown, Harrisburg, Lancaster, Reading, and York) as well as Delaware, southern New Jersey, and the eastern shore of Maryland. Traffickers also transport illicit drugs into the region along I-95 from Miami and Atlanta. According to law enforcement reporting, Atlanta is increasingly being

used as a major distribution center for cocaine, marijuana, and methamphetamine sold in the PC HIDTA region. For example, Mexican DTOs are increasingly transporting drugs in tractor-trailers from Atlanta to the PC HIDTA region. Additionally, Philadelphia-based African American street gang members are increasingly traveling to Atlanta to pick up drugs for distribution in the region. Traffickers also are increasing their use of package delivery services to smuggle drugs from Atlanta to Philadelphia.

Interstates 76, 276, and 476 also are significant drug transportation routes to and from the HIDTA region. Traffickers typically use these routes when transporting illicit drugs by vehicle to the region from the West Coast, Southwest Border states, and Canada. Law enforcement reporting suggests that, in addition to interstate highways, traffickers are increasingly using indirect routes such as state routes and secondary roads to transport drugs to the area. In doing so, traffickers generally use common GPS (geographic positioning system) technology to navigate indirect routes.

Traffickers also transport drugs into and throughout the HIDTA region using rail, air, and maritime conveyances. They exploit Philadelphia's extensive intercity and regional passenger rail systems, which provide numerous departures and arrivals from Philadelphia's 30th Street Station to Baltimore, Maryland; New York City; and Washington, D.C. Newark- and Trenton-based street gangs in New Jersey routinely use commuter rail services to transport cocaine, currency, and gang members to Camden.

Drug traffickers sometimes use the Philadelphia International Airport to smuggle drugs into the HIDTA region because of its direct connection to many foreign and domestic locations, its high volume of travelers and cargo, and its proximity to major highways and interstates, including I-95. For example, in July 2008 a crew member aboard an

### PC HIDTA Interdiction Initiative Reveals Cocaine Shipments From Puerto Rico

In April, May, and June 2008, several packages containing cocaine were intercepted en route to locations in Philadelphia from Puerto Rico. The packages, appearing to contain electronics or toy boxes, were professionally wrapped and difficult to identify. For example, one package appeared to contain a child's board game; however, upon closer examination, it contained 2 kilograms of cocaine. Another package appeared to contain a toy set box; however, its contents, 2 kilograms of cocaine, were packed with spray foam to preclude movement and easy detection. A third package contained two boxes for wireless routers; upon examination, each box contained 2 kilograms of cocaine. According to the Philadelphia Police Department, Parcel Interdiction Team, packages containing illicit drugs have been found in shipments sent through all the private package delivery services and the U.S. Postal Service.

Source: Philadelphia/Camden High Intensity Drug Trafficking Area.

Air Jamaica flight bound for Philadelphia discovered 5 pounds of cocaine and 4.5 pounds of marijuana hidden in the aircraft's galley. The drugs were wrapped tightly in brown tape and divided into eight packages; the source and destination of the drugs were undetermined. Federal and state authorities at the Philadelphia International Airport indicate that multikilogram shipments of heroin from Colombia and the Dominican Republic are occasionally discovered. The shipments are typically carried by couriers who are met at the airport or instructed to proceed to a hotel in the Philadelphia area to turn over the heroin. In one investigation, 4 kilograms of heroin were interdicted; the drug had been sewn into the lining of jeans carried in the courier's luggage. Couriers may also swallow pellets of heroin to transport the drug to the region. Some traffickers use numerous couriers on

## Operation Broken Doll

In September 2008 Pennsylvania Attorney General Corbett announced the breakup of a multimillion-dollar methamphetamine organization, responsible for trafficking as much as \$6.6 million worth of ice methamphetamine from Mexico to the city of Philadelphia and Bucks, Chester, and Montgomery Counties. The operation, known as Operation Broken Doll, began in January 2008 and resulted in the arrests of 13 DTO members. The methamphetamine was produced in Mexico and transported to California, where members of the DTO packaged and concealed pound quantities of the drug inside porcelain dolls, which were then shipped to Philadelphia, using a commercial shipping company. Most of the methamphetamine shipments were sent to a local shoe store in center city Philadelphia. DTO members routinely picked up the dolls at the shoe store and then delivered the dolls to a private residence, where the drugs were removed and repackaged into smaller quantities for further distribution. The DEA Philadelphia Field Office Group One, Pennsylvania Attorney General's Bureau of Narcotics Investigation Office, the Chester County District Attorney's Office, Chester County Sheriff's Office, and the Philadelphia Police Department took part in the investigation.

Source: Pennsylvania Attorney General's Office.

flights with several connections in a relay style, in which one courier hands the package to another at a midway stop. Additionally, some traffickers have reportedly employed handicapped individuals, or persons posing as handicapped, to transport drugs aboard commercial flights in the belief that they may receive less scrutiny during security screening.

Traffickers also use the Port of Philadelphia—which comprises the waterfront areas of Camden, Philadelphia, and Wilmington, Delaware—to smuggle drugs into the HIDTA region. Traffickers reportedly exploit maritime vessels that arrive in the port from numerous foreign countries, including high-risk drug source and transit countries such as Colombia, the Dominican Republic, Jamaica, and Venezuela. For example, in August 2008 law enforcement officers from U.S. Immigration and Customs Enforcement (ICE) and DEA boarded a Colombian cargo container ship at the Port of Philadelphia and seized 6,500 grams of heroin and 1.5 grams of cocaine. In addition, cruise ship passengers, crew members, and stevedores have reportedly smuggled illicit drugs into the PC HIDTA region aboard cruise ships traveling between Philadelphia and various Caribbean island nations, many of which are drug transit countries.

Traffickers employ U.S. mail and package delivery services to ship illicit drugs into the region. Law enforcement officials in the PC HIDTA region report that traffickers are increasing their use of package delivery services to smuggle drugs from Atlanta to Philadelphia. Reporting also indicates an increase in the number of packages containing cocaine arriving in the region from the Caribbean. This may be an indication that traffickers are attempting to create alternative cocaine supply routes because of disruptions to the traditional routes by law enforcement. Many drug traffickers prefer to use package delivery services because they can monitor the shipments on the Internet. According to law enforcement officials, when a shipment is delayed, some traffickers assume that the package has been intercepted by law enforcement and refuse delivery out of fear of arrest.

Traffickers use a variety of concealment methods when transporting drugs to avoid detection and increase the likelihood of successful delivery. Drugs such as cocaine, heroin, marijuana, methamphetamine, and diverted CPDs that are transported overland in private and commercial vehicles are often concealed by traffickers

in oil pans, manifolds, brake drums, drive shafts, radiators, and gas tanks. Additionally, many traffickers construct false compartments in vehicles, some of which are operated electronically. Traffickers also hide drugs in various items such as furniture, stuffed animals, blankets, women's undergarments, and baby diapers or commingle them among shipments of legitimate goods. Some traffickers conceal commercially available GPS tracking devices in illicit drug shipments. They can then use the Internet to track the shipments and identify delays or deviations from the selected route, which may lead the trafficker to conclude that the shipment has been seized or compromised. Some traffickers transport heroin mixed with other substances, such as shampoo and soap, capitalizing on the unique chemical characteristics of the drug that enable it to be stored in solution—this requires the recipient to have some ability in chemistry to extract the drug. Traffickers who use package delivery services as a mode of transportation sometimes conceal illicit drugs in laptop computers, book bindings, ceramic statues, candles, candy bars, and other items. They also ship drugs such as cocaine, heroin, and methamphetamine in flat, commercial “letter envelopes” in an attempt to elude law enforcement or package handlers who are adept at discovering contraband shipped in larger boxes.

## Distribution

Various DTOs, criminal groups, gangs, and independent dealers of differing races/ethnicities distribute illicit drugs at the wholesale level, midlevel, and retail level in the PC HIDTA region. (See Table 1.)

Colombian and Dominican DTOs based in New York City are the principal wholesale distributors of cocaine and SA heroin in the PC HIDTA region. They supply midlevel and retail quantities of these drugs to African American, Caucasian, Dominican, Jamaican, and Puerto

Rican DTOs as well as to independent dealers, street gangs, imprisoned gang members, and OMGs. Dominican DTOs also supply smaller cities in eastern Pennsylvania, such as Allentown, Bethlehem, Easton, and Reading, and suburban and rural areas, such as Hazleton, Sunbury, and the Pocono Mountains.

Mexican DTOs distribute wholesale quantities of cocaine, most of the commercial-grade marijuana, and significant quantities of powder and ice methamphetamine in the HIDTA region. They use well-established, national-level transportation networks to supply these drugs to African American, Dominican, Jamaican, and Puerto Rican midlevel and retail distributors. Additionally, some Mexican DTOs use Atlanta as a distribution center for cocaine and methamphetamine destined for the region.

Vietnamese criminal groups distribute MDMA, high-potency marijuana, and methamphetamine in the region that they obtain from Canada-based Asian DTOs. These criminal groups supply high-potency marijuana to a specific customer base, particularly affluent individuals who are willing to pay more for higher-quality marijuana. Additionally, Vietnamese criminal groups in the region sell wholesale quantities of MDMA and retail quantities of high-purity ice methamphetamine.

Neighborhood-based African American and Hispanic street gangs control retail drug distribution in the PC HIDTA region; however, law enforcement reporting indicates that some street gangs are becoming involved in wholesale-level drug trafficking, aided by their connections to DTOs, particularly Mexican and Asian DTOs. These gangs often distribute crack, heroin, and other illicit drugs in open-air drug markets. Various OMGs also serve as retail-level drug distributors. According to law enforcement officials, OMGs often use bars in the region as distribution sites for methamphetamine and marijuana.

**Table 1. Drug Distribution Activities in the Philadelphia/Camden High Intensity Drug Trafficking Area, 2008**

Group	Wholesale Distribution		Retail Distribution
	Upper Level	Midlevel	
<b>African American</b>	Powder cocaine and marijuana	Powder cocaine, crack, heroin, and marijuana	Powder cocaine, crack, heroin, and marijuana
<b>Asian</b>	Marijuana and MDMA	Marijuana, MDMA, and ice methamphetamine	Marijuana, MDMA, and ice methamphetamine
<b>Caucasian</b>	Powder cocaine, marijuana, and diverted pharmaceuticals	Powder cocaine, crack, heroin, marijuana, methamphetamine, MDMA, and diverted pharmaceuticals	Powder cocaine, crack, heroin, marijuana, methamphetamine, MDMA, and diverted pharmaceuticals
<b>Colombian</b>	Powder cocaine and heroin	Powder cocaine and heroin	Powder cocaine and heroin
<b>Dominican</b>	Powder cocaine and heroin	Powder cocaine, crack, heroin, marijuana, ice methamphetamine, and MDMA	Powder cocaine, crack, heroin, marijuana, ice methamphetamine, and MDMA
<b>Jamaican</b>	Powder cocaine and marijuana	Powder cocaine, crack, and marijuana	Powder cocaine, crack, and marijuana
<b>Mexican</b>	Powder cocaine, marijuana, and powder and ice methamphetamine	Powder cocaine, marijuana, and powder and ice methamphetamine	Powder cocaine and marijuana
<b>Puerto Rican</b>	Powder cocaine and heroin	Powder cocaine, crack, and heroin	Powder cocaine, crack, heroin, and marijuana
<b>Street gangs</b>	None	Powder cocaine, crack, heroin, marijuana, and PCP	Powder cocaine, crack, heroin, marijuana, MDMA, and PCP
<b>Outlaw motor-cycle gangs</b>	None	Cocaine and methamphetamine	Cocaine and methamphetamine

Source: Philadelphia/Camden High Intensity Drug Trafficking Area.

Retail drug distribution typically takes place in open-air markets. Many of these markets are controlled by a particular gang or criminal group that either sells drugs at that location or collects a percentage of the profits from drug sales conducted by another group. Gangs and criminal groups generally establish ownership of open-air markets through long-term drug sales in a particular area, by taking control through violence or threats of violence, or by purchasing the right to sell drugs in a particular open-air market from other gangs or criminal groups, often at a high price.

Many street gang members store drugs in stash locations throughout the HIDTA region and then bring smaller amounts to open-air markets to facilitate distribution and to lower the risk of having large quantities of drugs seized. Many Bloods street gang members store cocaine in sparsely furnished rental properties separate from their residences. Additionally, law enforcement officials in Camden report that there are approximately 8,000 abandoned dwelling places in the city that are sometimes used by street gang members to store drugs. In April 2008, law enforcement officers in the PC HIDTA region uncovered

a stash house in South Philadelphia, arrested two men (a father and a son), and seized 748 pounds of cocaine. They also seized packaging materials, a hydraulic press for making kilogram “bricks” of cocaine, and scales.

Street gang members and other drug distributors in the HIDTA region use a variety of communications methods to conduct their operations. They increasingly use prepaid cell phones, which can be purchased at a low cost and with relative anonymity—factors that encourage frequent disposal of the phones and complicate communications intercepts by law enforcement. Some gang members prefer cell phones with two-way, direct-connect communication, believing that they are more secure from law enforcement interception. Street gang members increasingly use Internet social networking sites, personal web pages, online communities and forums, and message boards to facilitate their drug trafficking operations, recruit new members, boast about gang membership or related activities, and advertise events and house parties. Some street gang members also use online role-playing games to communicate with one another. This allows them to talk to each other without being detected by law enforcement.

CPDs often are diverted by abusers through a variety of methods. Abusers in the HIDTA region historically acquired CPDs through doctor shopping, forged prescriptions, or unscrupulous physicians and pharmacists working alone or in association; however, many of these individuals have been dissuaded from using these methods because of prescription drug monitoring programs (PDMPs)<sup>1</sup> and increased law enforcement scrutiny. As a result, abusers have shifted to other means of obtaining CPDs, such as theft, purchase from retail distributors, or acquisition through

personal networks, such as friends or family. For example, law enforcement officials report that some criminal groups and abusers in the region occasionally steal CPDs from delivery trucks that transport the controlled drugs from manufacturers to wholesale or retail distributors. Additionally, abusers in the HIDTA region, particularly teenagers and young adults, increasingly are using the Internet to obtain CPDs. These individuals reportedly place orders with online pharmacies or distributors located throughout the United States or foreign countries. They often discuss transactions and place orders on web logs (blogs) and bulletin boards, in chat rooms, or through e-mail and electronic messaging. This situation poses a particular challenge to law enforcement officials because individuals can exchange information and consummate Internet sales quickly and with relative anonymity.

## Drug-Related Crime

Drug-related violent crime is a significant threat in the PC HIDTA region. Ten of the 20 state and local law enforcement respondents to the National Drug Intelligence Center National Drug Threat Survey 2009 in the PC HIDTA region reported that crack was the drug most associated with violent crime in their jurisdictions.<sup>2</sup> Street gang members often use firearms to demand respect, defend their turf, or acquire new distribution territories. Moreover, law enforcement officials in Camden attribute high levels of violence to attempts by the Camden Bloods street gang to take control of drug markets from smaller, less organized neighborhood gangs. Asian street gang members are

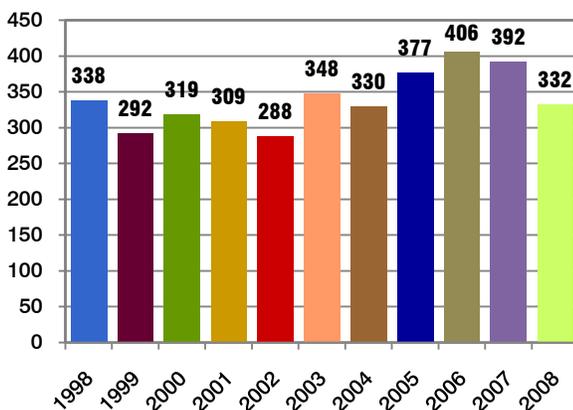
1. Prescription drug monitoring programs (PDMPs) are systems in which controlled substance prescription data are collected in a centralized database and administered by an authorized state agency to facilitate the early detection of trends in diversion and abuse.

2. National Drug Threat Survey (NDTS) data for 2009 cited in this report are as of February 12, 2009. NDTS data cited are raw, unweighted responses from federal, state, and local law enforcement agencies solicited through either the National Drug Intelligence Center or the Office of National Drug Control Policy's High-Intensity Drug Trafficking Area (HIDTA) program. Data cited may include responses from agencies that are part of the NDTS 2009 national sample and/or agencies that are part of HIDTA solicitation lists.

increasing their presence in the PC HIDTA region. They often commit armed home invasions of Asian businessmen who, as a result of their distrust of traditional financial institutions, often have large amounts of cash in their homes. Additionally, law enforcement reporting in New Jersey indicates that Trinitarios, a Dominican street gang, is increasing its presence in the region. Trinitarios members are establishing a reputation for using extreme violence throughout the area.

Many of the homicides in the PC HIDTA region involve individuals with a history of drug use and/or arrests; however, most of the homicides are the result of interpersonal disputes. During the past decade, the number of homicides in Philadelphia rose to a high of 406 in 2006 and decreased to 392 in 2007 and 332 in 2008. (See Figure 2.) However, despite the decrease, Philadelphia's homicide rate is one of the highest among the nation's 10 largest cities. The number of homicides in Camden increased from 32 in 2006 to 42 in 2007 and 55 in 2008. Violence against law enforcement officers also is a major concern to officials in the PC HIDTA region. From October 2007 through November 2008, three Philadelphia police officers were shot and killed in the line of duty.

**Figure 2. Number of Homicides in Philadelphia, 1998–2008**



Source: Philadelphia Police Department.

## Abuse

Cocaine, heroin, and marijuana are abused at high levels in the PC HIDTA region. Cocaine, especially crack, is the primary cause of drug-related deaths, emergency department visits, and treatment admissions to publicly funded facilities in Philadelphia. Heroin abuse is increasing in the HIDTA region; declining purity has caused some abusers to seek alternative methods of abuse, such as injecting larger doses or injecting more frequently. Heroin abuse in the region is becoming more common among teens and young adults, who initially inhale the drug but typically progress to injection as addiction sets in. Marijuana is the most widely available and commonly abused illicit drug in the region. The availability of high-potency marijuana, both Canadian and locally produced, is increasingly enticing new users.

A rising number of teenagers and young adults are abusing CPDs in the PC HIDTA region. Such abuse often occurs in social settings in which party attendees bring a number of CPDs—such as opioids, stimulants, or depressants—and exchange them for pharmaceuticals that other partygoers bring. This activity is commonly known as pharming. Many teens believe that drugs prescribed by a doctor are not as harmful as illegal drugs such as cocaine, heroin, and methamphetamine and, therefore, are not as dangerous. However, treatment providers indicate that the abuse of CPDs often serves as a gateway for adolescents and young adults to abuse other drugs, such as heroin, cocaine, and methamphetamine. Once addicted to controlled prescription narcotics, abusers often switch to heroin because of the drug's higher availability and lower price. Similarly, abusers of controlled prescription stimulants sometimes “graduate” to crack abuse; treatment providers believe that some abusers of controlled prescription stimulants such as amphetamines—Ritalin (methylphenidate) or Adderall (amphetamine)—may

begin to abuse methamphetamine if that drug were to become more widely available.

Methadone abuse is a developing problem in the PC HIDTA region. Availability of the drug for illicit use results, in large part, from patients in opioid treatment programs who sell portions of their take-home doses of the drug. According to treatment providers, many methadone abusers are using the drug in combination with benzodiazepines in an attempt to achieve a heroin-like effect. Many methadone abusers acquire benzodiazepines from patients who obtain the drugs by prescription, keep some for themselves, and then sell the rest.

## Illicit Finance

Drug traffickers in the PC HIDTA use various money laundering techniques to move and conceal illicit drug proceeds and finance their operations. The means used to transfer illicit funds varies by group and includes smuggling bulk cash; using money services businesses (MSBs); conducting electronic wire transfers; structuring bank deposits and money order purchases; commingling drug proceeds with funds generated through legitimate businesses; purchasing real estate and vehicles; operating front businesses; and using smart cards, automated teller machines (ATMs), and prepaid stored value cards. Bulk cash smuggling is the illicit transfer method most often cited by law enforcement in the PC HIDTA region. Law enforcement reporting indicates a decrease in the use of traditional financial institutions by traffickers to launder illicit drug proceeds because the traffickers have become aware that banking officials are readily identifying illicit financial activity through Currency Transaction Reports (CTRs) and Suspicious Activity Reports (SARs). Additionally, some DTOs launder drug proceeds through casinos in southern New Jersey and Pennsylvania.

Colombian, Dominican, and Mexican DTOs and criminal groups typically transport drug proceeds in bulk from the PC HIDTA region to New

York City, the Southwest Border area, Mexico, or other drug source locations. These traffickers use private vehicles, commercial vehicles, freight transportation companies, shipping containers, and package delivery services to transport and ship their bulk cash. They often conceal bulk quantities of cash in hidden compartments of vehicles or in shipments of commodities such as furniture, car parts, electronics, or produce.

Colombian, Dominican, and Mexican DTOs also use U.S.-based MSBs—particularly money transmittal and check-cashing businesses—to launder proceeds, frequently in conjunction with bulk cash smuggling. These DTOs also send significant amounts of money through MSBs to Colombia, the Dominican Republic, and various locations in Central and South America. Mexican DTOs often wire structured amounts to collection points along the Southwest Border, where the electronic wires are cashed and the money is smuggled to Mexico.

Colombian DTOs use prepaid credit cards to launder drug proceeds in the HIDTA region. They use illicit funds to purchase prepaid credit cards that are generally redeemed in Colombia for pesos. Some DTOs consider this method to be preferable to the Black Market Peso Exchange (BMPE)<sup>3</sup> because it involves a lower exchange rate. Open-system prepaid cards are payment mechanisms that allow cardholders to access global credit and debit payment networks. The manner in which existing regulations apply to these financial products is unclear, and some of these products may be used without forming a traditional account-holder relationship with a depository institution. This lack of account-holder relationship enables card holders to anonymously transfer unlimited amounts of money across global payments networks.

3. The Black Market Peso Exchange (BMPE) is a system in which Colombian traffickers receive Colombian pesos in Colombia in exchange for U.S. dollars in the United States. Peso brokers facilitate this process by selling Colombian trafficker-owned U.S. dollars located in the United States at a discount to Colombian merchants, who use the funds to purchase U.S. goods.

Many DTOs in the HIDTA region, particularly Dominican and Asian organizations, transport drug proceeds to Atlantic City, New Jersey, where they launder the funds through casinos. Some DTOs are increasingly transporting drug proceeds to Pennsylvania's casinos in Bensalem and Chester. These DTOs purchase betting chips with large amounts of drug proceeds, pass some time in the casino, and then exchange their chips for cash. Commercial casinos, which are classified as financial institutions and are regulated by the Bank Secrecy Act (BSA),<sup>4</sup> are susceptible to money laundering and are often used by criminal groups to launder illicit proceeds. Casinos are attractive venues for money laundering schemes because they offer many of the same financial services as banks, regularly process large volumes of cash, and enable money launderers to legitimize illicit proceeds by claiming them as gambling earnings.

Some traffickers in the region, particularly Asian DTOs and criminal groups, often use cash-intensive "front" businesses to launder illicit drug proceeds. Businesses such as auto repair shops, beauty and nail salons, car washes, construction companies, tattoo parlors, and travel agencies are used by traffickers to conceal illicit drug funds among seemingly legitimate daily cash transactions. Members of Asian DTOs and criminal groups also transport drug proceeds in bulk, in the form of cash and money orders, to Canada, where they deposit them into Canadian bank accounts before electronically wire transferring the proceeds to source countries. Asian DTOs and criminal groups also launder drug proceeds by structuring bank deposits and participating in real estate fraud.

Retail-level drug dealers in the PC HIDTA region often launder drug proceeds through the purchase of consumer goods (clothing, expensive jewelry, and luxury vehicles) and real estate,

and through the use of front businesses, including some recording studios and businesses that promote rap music.

## Outlook

Mexican DTOs operating out of the southwestern United States and major distribution centers on the East Coast, such as Atlanta, will most likely increase their wholesale distribution of cocaine, heroin, and marijuana in the HIDTA region in the coming year. Limited local methamphetamine production and the growing presence of Mexican DTOs in the HIDTA region may also lead to increased availability of Mexican ice methamphetamine in the region. Mexican organizations have well-established transportation and distribution networks that will enable them to supply wholesale quantities of illicit drugs to the region.

Dominican DTOs and criminal groups will quite likely increase their influence in the PC HIDTA region and become a significant threat in the next year. Dominican DTOs already travel to the Southwest Border area to obtain large quantities of cocaine and heroin for transport to the PC HIDTA region. They are branching out and obtaining illicit drugs from sources in the Caribbean and are increasingly supplying large quantities of marijuana and ice methamphetamine throughout the region as well.

Street gangs, particularly Bloods, will very likely continue to expand their influence from urban communities into suburban and rural locations throughout the region to establish new markets and territories and to escape the scrutiny of urban law enforcement. This expansion will most likely increase competition for market share and cause a corresponding increase in drug-related violence.

Sporadic cocaine shortages will quite likely continue in the PC HIDTA region into early 2009. Disruptions to traditional cocaine supply routes from Mexico and to alternative routes,

4. A casino or a card club that is duly licensed or authorized to do business as such and has gross annual gaming revenue in excess of \$1 million is a financial institution under the Bank Secrecy Act (BSA).

such as those through the Caribbean, will more than likely affect cocaine availability in the region through early 2009.

Indoor cannabis cultivation, particularly cultivation that yields high-potency marijuana, will most likely increase over the next year. The rising demand for high-potency marijuana and the high profit potential will quite likely entice more traffickers in the region to become involved in indoor cannabis cultivation.

## Sources

### State and Local

#### New Jersey

Camden Police Department  
 New Jersey National Guard  
 New Jersey State Police  
 State Attorney General's Office  
 Camden County Prosecutor's Office

#### Pennsylvania

City of Philadelphia  
 Drug and Alcohol Abuse Program  
 Pennsylvania Attorney General's Office  
 Pennsylvania Bureau of Narcotics Investigation and  
 Drug Control  
 Pennsylvania Department of Health  
 Pennsylvania National Guard  
 Pennsylvania State Police  
 Philadelphia Medical Examiner's Office  
 Philadelphia Police Department  
 Narcotics Bureau  
 University of Pennsylvania Police Department

### Regional

Middle Atlantic–Great Lakes Organized Crime  
 Law Enforcement Network

### Federal

Executive Office of the President  
 Office of National Drug Control Policy  
 High Intensity Drug Trafficking Area  
 Philadelphia/Camden  
 U.S. Department of Commerce  
 U.S. Census Bureau  
 U.S. Department of Health and Human Services  
 Centers for Disease Control and Prevention  
 National Institute on Drug Abuse  
 National Institutes of Health  
 Community Epidemiology Work Group  
 Substance Abuse and Mental Health Services  
 Administration  
 Drug Abuse Warning Network  
 Treatment Episode Data Set  
 U.S. Department of Homeland Security  
 U.S. Coast Guard  
 U.S. Immigration and Customs Enforcement

U.S. Department of Justice  
 Bureau of Alcohol, Tobacco, Firearms and  
 Explosives  
 Drug Enforcement Administration  
 Domestic Monitor Program  
 El Paso Intelligence Center  
 National Seizure System  
 New Jersey Field Division  
 Philadelphia Field Division  
 Federal Bureau of Investigation  
 Philadelphia Office  
 National Institute of Justice  
 Arrestee Drug Abuse Monitoring Program  
 U.S. Attorneys Offices  
 District of New Jersey  
 Eastern District of Pennsylvania  
 U.S. Marshals Service  
 U.S. Department of the Treasury  
 Internal Revenue Service  
 U.S. Department of Transportation  
 Federal Aviation Administration  
 Federal Highway Administration  
 U.S. Postal Inspection Service  
 U.S. Sentencing Commission

### Other

Associated Press  
*Northeast Times*  
*The Philadelphia Inquirer*

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**Questions and comments may be directed to  
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