



Situation Report

Product No. 2009-S0787-007

Pseudoephedrine Smurfing Fuels Surge in Large-Scale Methamphetamine Production in California

Preface

This Situation Report is in response to a request from the Office of National Drug Control Policy for information regarding pseudoephedrine smurfing in California. The National Drug Intelligence Center collected and analyzed data and reporting from 2007 through May 2009 related to methamphetamine production and pseudoephedrine smurfing. This report draws upon data from the National Seizure System (NSS) as well as information obtained through interviews with federal, state, and local law enforcement officers.

Executive Summary

Pseudoephedrine smurfing^a has become increasingly organized and widespread in California, particularly since 2007, fueling an increase in the number of large-scale methamphetamine laboratories in the state.¹ Among the increased number of large-scale laboratories are those operated by Mexican criminal groups that have relocated to California from Mexico since 2007. Mexican criminal groups and some independent operators are increasingly acquiring bulk quantities of pseudoephedrine through smurfing. Despite strong efforts by law enforcement to curtail smurfing, there is no indication that this practice will decline in the near term. In fact, pseudoephedrine acquired through smurfing in California in 2009 was sent in bulk to methamphetamine producers in Mexico, an indication that some criminal groups in Mexico still find it easier to acquire pseudoephedrine through smurfing in California than from other sources.

Discussion

Pseudoephedrine smurfing increased significantly in California in 2008 and early 2009. The incidence of individuals and criminal groups organizing pseudoephedrine smurfing operations that supply pseudoephedrine to California-based methamphetamine producers has increased throughout California. These smurfing operations began to gain prominence in late 2007, when pseudoephedrine availability and methamphetamine production decreased in Mexico. (See text box on page 5.) For instance, in October 2007, a Fresno County investigation revealed that a couple had been conducting daily precursor chemical smurfing operations, soliciting homeless individuals to travel from store to store to purchase pseudoephedrine. In exchange, the couple paid each person approximately \$30 and sometimes gave the individuals alcohol. Evidence seized from the couple's vehicle included packages of pseudoephedrine, pharmacy listings torn from an area telephone directory, and several cellular telephones. (See Figure 1 on page 2.) Similar smurfing operations increased in 2008 and have continued at high levels in 2009. In fact, law enforcement officials in 21 large California cities report that pseudoephedrine smurfing increased in their areas in 2008 and 2009. (See Figure 2 on page 2.)

a. Smurfing is a method used by some methamphetamine and precursor chemical traffickers to acquire large quantities of pseudoephedrine. Individuals purchase pseudoephedrine in quantities at or below legal thresholds from multiple retail locations. Traffickers often enlist the assistance of several associates in smurfing operations to increase the speed with which chemicals are acquired.

Figure 1. Smurfing Evidence Seized From a Vehicle in 2007



Fresno Meth Task Force

Figure 2. California Cities Where Law Enforcement Officials Reported an Increase in Pseudoephedrine Smurfing in 2008 and 2009



Figure 3. Evidence Seized From a Burnt Dumpsite



Merced County Sheriff's Department

Note: This waste was left alongside the road in a commercial orchard in Merced County in 2008. Among the waste were approximately 10,000 empty pseudoephedrine blister packs.

Figure 4. Five-Gallon Bucket of Pseudoephedrine Seized in 2008

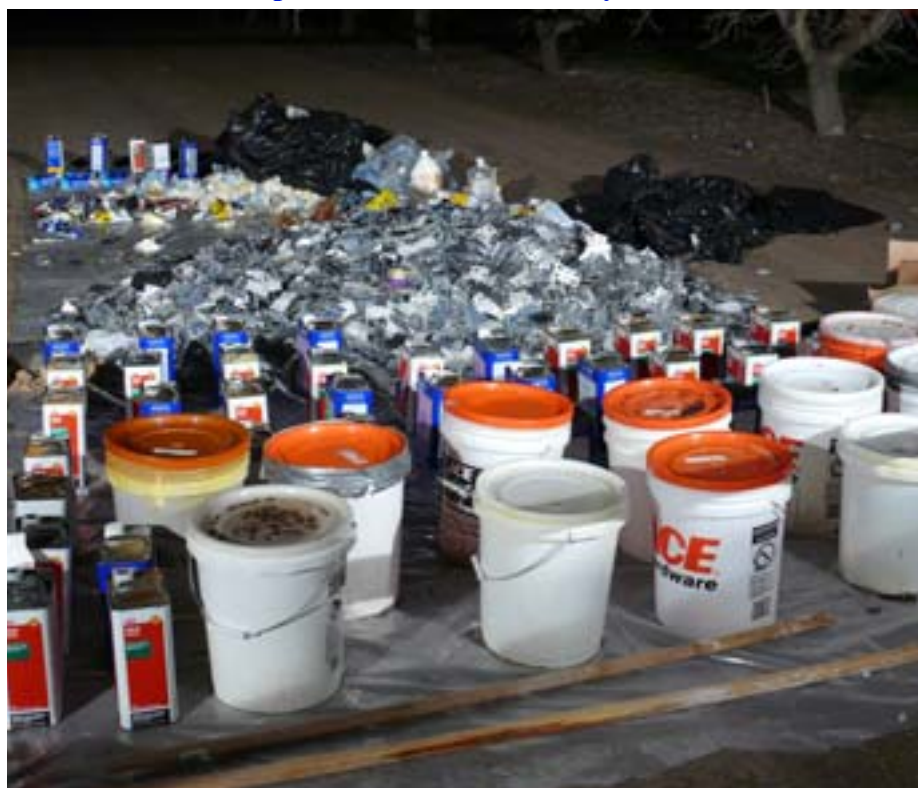


Fresno Meth Task Force

Note: This was one of several 5-gallon buckets of pseudoephedrine products seized through a 2008 search warrant served at a superlab site in Madera County. Next to the bucket is a 5-gallon can of acetone, a solvent commonly used in methamphetamine production. The laboratory was connected to 24 dumpsites seized in the area and was capable of producing approximately 22 pounds of methamphetamine per production cycle.

Methamphetamine production in California-based superlabs^b has increased since 2007 because of pseudoephedrine supplied to producers through organized smurfing. Large-scale methamphetamine production by Mexican criminal groups increased in California in 2008 and early 2009 as many methamphetamine producers in Mexico relocated to California, most likely because pseudoephedrine had become more available to some producers through smurfing in California than it was in Mexico. (See text box on page 5.) The rise in large-scale methamphetamine production is evidenced by increased methamphetamine superlab and dumpsite seizures. (See Figure 3 on page 3.) NSS data indicate that the number of superlabs seized in California increased from 10 in 2007 to 15 in 2008. Moreover, the proportion of larger superlabs (those capable of producing 20 or more pounds of methamphetamine) increased during that period from 2 of 10 superlabs in 2007 to 5 of 15 in 2008. Keeping pace with 2008 seizures, 7 superlab seizures were reported to NSS for California in 2009 (through May 26), 5 of them capable of producing 20 or more pounds of methamphetamine.

Figure 5. Evidence Seized From a Methamphetamine Superlab in Merced County, 2009



Merced County Sheriff's Department

Note: Photo shows chemicals, waste materials, and empty pseudoephedrine blister packs.

According to Central Valley California High Intensity Drug Trafficking Area reporting, the superlabs operating in that area—the primary large-scale methamphetamine production area in the United States—are producing methamphetamine with pseudoephedrine acquired primarily through California-based smurfing operations. In fact, the Fresno and Stanislaus/San Joaquin Methamphetamine Task Forces report that officers at laboratory sites commonly find evidence of large-scale and organized smurfing, including pseudoephedrine product price lists, store receipts, coupons for pseudoephedrine products, pseudoephedrine product packaging, paper shredders, gallon-size freezer bags, and 5-gallon plastic buckets filled with various commercial brands of pseudoephedrine tablets.²

b. Superlabs are laboratories capable of producing 10 or more pounds of methamphetamine in a single production cycle.

(See Figure 4 on page 3.) In addition, officers frequently discover trash bags full of pseudoephedrine blister packs and empty bags containing residue from pseudoephedrine tablets at laboratory dumpsites in their area, further evidence of large-scale pseudoephedrine smurfing. (See Figure 5 on page 4.) By 2009, California pseudoephedrine smurfing had increased to the extent that some Los Angeles area smurfers not only were supplying pseudoephedrine for large-scale production in California, but also were supplying pseudoephedrine to methamphetamine producers in Mexico.³

Methamphetamine Production in Mexico

Ephedrine and pseudoephedrine import restrictions in Mexico resulted in decreased Mexican methamphetamine production in 2007.⁴ In 2005, the government of Mexico (GOM) began implementing progressively increasing restrictions on the importation of ephedrine and pseudoephedrine and other chemicals used for methamphetamine production. In fact, in 2007, the GOM announced a prohibition on ephedrine and pseudoephedrine imports into Mexico for 2008 and a ban on the use of both chemicals in Mexico by 2009.⁵ Pseudoephedrine import restrictions resulted in a significant decrease in methamphetamine production in Mexico in 2007, as evidenced by a reduced flow of the drug from Mexico into the United States. NSS data show a sharp decrease in the amount of methamphetamine seized at or between ports of entry (POEs) along the Southwest Border from 2005 (1,950.26 kg) and 2006 (1,882.01 kg) to 2007 (only 1,046.47 kg)—a 44 percent decrease from 2006 to 2007. NSS data show that the amount of methamphetamine seized at or between POEs along the Southwest Border remained well below 2006 levels in 2008 (1,255.52 kg). The amount of methamphetamine seized at or between POEs along the Southwest Border appears to be trending upward in 2009. As of May 26, 2009, 1,001.29 kilograms of methamphetamine had been seized, possibly suggesting some resurgence of methamphetamine production in Mexico.

Intelligence Gaps

The actual number of methamphetamine superlabs operating in California is unknown and may be much higher than the laboratory seizure number—which has increased—suggests. Law enforcement reporting indicates that superlabs are becoming more difficult to detect, not because there are fewer laboratories, but because laboratory operators have adapted to law enforcement pressure and improved their laboratory concealment methods by operating in remote areas.⁶ As a result, there may be significantly more large-scale production at undetected superlabs than the laboratory seizure data indicate.

Outlook

The number of superlabs in California will remain relatively high in the near term as criminal groups and individuals supply laboratory operators with bulk pseudoephedrine acquired through smurfing. There is no indication that pseudoephedrine smurfing will decline in the near term. Smurfing is widespread, well organized, and increasing throughout California. The continued ban on pseudoephedrine imports into Mexico will most likely limit the availability of the chemical in that country, thereby limiting any incentive for Mexican methamphetamine producers to move their operations back to Mexico. In fact, evidence of California smurfers supplying pseudoephedrine to methamphetamine producers in Mexico in 2009 illustrates the continued difficulty that producers in that country are experiencing in acquiring the chemical.

Endnotes

1. Central Valley California High Intensity Drug Trafficking Area.
2. Fresno Methamphetamine Task Force, Stanislaus, San Joaquin Methamphetamine Task Force.
3. Phone interviews with Los Angeles Police Department, June 4, 2009.
4. NDIC *National Methamphetamine Threat Assessment 2009*, December 2008, Product Number 2008-Q0317-006.
5. United Nations reporting.
6. Fresno Methamphetamine Task Force, Stanislaus, San Joaquin Methamphetamine Task Force.

Sources

Federal

Executive Office of the President

Office of National Drug Control Policy

High Intensity Drug Trafficking Areas

California Border Alliance Group

Central Valley California

Fresno Methamphetamine Task Force

Stanislaus, San Joaquin Methamphetamine Task Force

Los Angeles

Los Angeles County Regional Criminal Information Clearinghouse

Northern California

U.S. Department of Justice

Bureau of Justice Assistance

Western States Information Network

Drug Enforcement Administration

El Paso Intelligence Center

National Seizure System

State and Local

California

Alameda County Drug Task Force

Bay Methamphetamine Task Force

Los Angeles Police Department

Merced Sheriff's Department

Sacramento Police Department

San Diego Law Enforcement Coordination Center

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