

SMUGGLING ACTIVITIES

The fuel that drives the illegal importation of drugs into the United States is the huge increase in value between the foreign wholesale market and the domestic wholesale market. In the case of marijuana, the wholesale value in the United States is 20 to 30 times higher than it is in the source countries. OTA's calculations, based on 1985 data, suggest that transport of marijuana into the United States added roughly \$6 billion to the value of the product. In the case of cocaine the domestic wholesale value is four to five times higher than the foreign wholesale value. Thus, transport added roughly \$1.6 billion to the value of the cocaine. In the case of heroin, transportation added roughly \$1 billion in 1985, increasing the value 30 to 40 times. Net profit margins of at least 90 percent of these added values attract participants who show great ingenuity in devising smuggling methods. Modes of transport range from commercial airplane passengers with drugs hidden in body cavities, to four-engine, long-range aircraft that start in South America and end in New England, to high-speed boats that are the envy of racing enthusiasts.

To understand the nature of the drug interdiction problem and the technologies available to support interdiction requires investigating three elements:

- the transport system and those who operate it;
- the organizational, jurisdictional, and geographic responsibilities of the Federal organizations that carry out interdiction activities; and
- existing and potential technologies and the strategies available to enforcement agencies.

Transport Modes

The starting point for any effort to gain a picture of the transportation system used by drug smugglers must be the recognition that the United States has a long and highly permeable border. The choice of transport mode for illegal drugs coming into the United States reflects three factors:

- the geographic location from which the drug is exported,
- the dollar value/volume ratio of the drug, and
- the smugglers perception of interdiction strategies and capabilities.

The maps in figures 7 through 9 provide a general picture of the routes whereby heroin, cocaine, and marijuana are illegally imported into the United States from Western Hemisphere source countries.

Heroin

The three sources of heroin destined for the U.S. market are Southwest Asia, Mexico, and Southeast Asia. Most of the opium poppies that supply the smuggling system from Southwest Asia are grown in Afghanistan, Iran, and Pakistan, with a small amount coming from India. Major export points for heroin produced from Southwest Asian opium poppies are Pakistan, Turkey, and India, with smaller amounts coming through Syria and Lebanon.

Mexican heroin is produced from poppies grown and processed in Mexico. It enters the United States across the 2,000-mile border with Mexico.

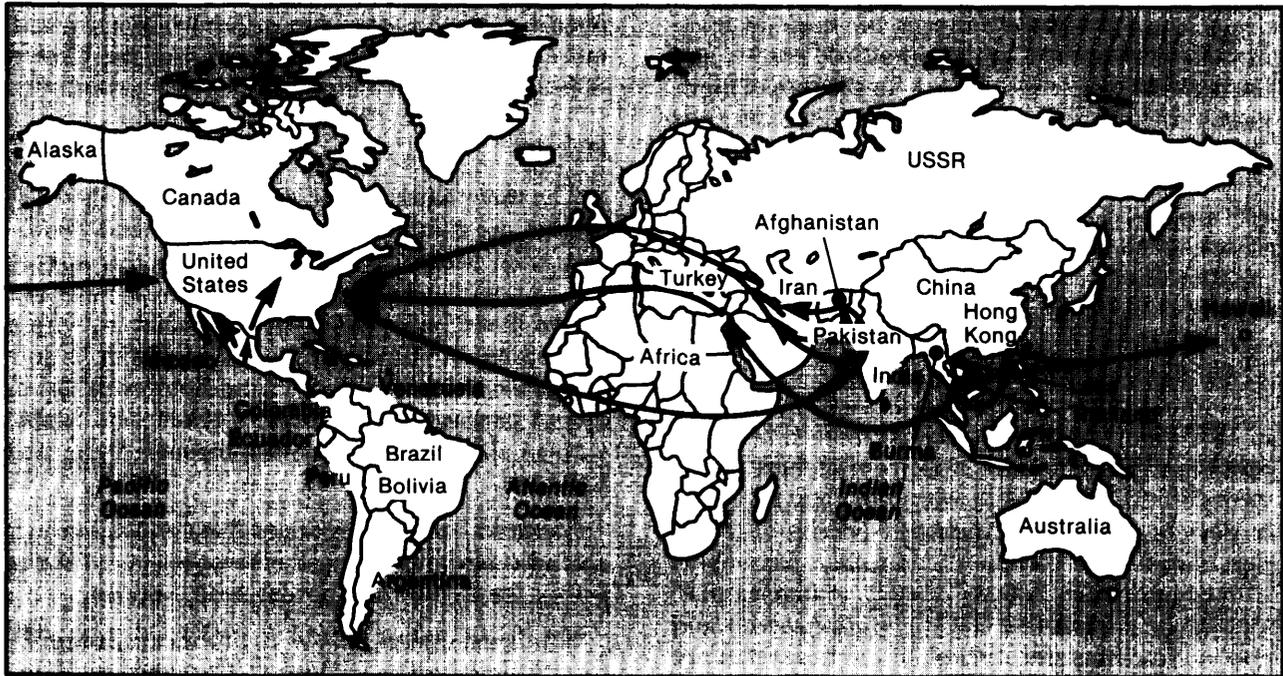
Southeast Asian heroin is produced primarily from poppies grown in Burma, Thailand, and Laos and generally processed along the Thailand-Burma border. It is then exported from Thailand and Malaysia.

Most Southwest Asian heroin is smuggled through European countries and enters the United States at ports of entry along the east coast. Southeast Asian heroin comes in primarily through Hawaii and west coast ports of entry. Usually Southwest and Southeast Asian heroin is transported via commercial aircraft in the possession of passengers who act as couriers. Smaller amounts are shipped in commercial vessels and through the mail. Air parcels appear to be more widely used for heroin exported from India than any other location. Mexican heroin is typically transported in vehicles or by persons.

Because of its high value to volume ratio, heroin can be profitably imported into the United States in very small quantities. That fact, in combination with the long transportation distances, explains the use of commercial aircraft and vessels as the primary transportation mode. During 1985, 25 million passengers entered the United States on commercial airline flights, 48,000 ocean-going commercial

¹Ibid., p. 24.

Figure 7.—Heroin Smuggling Routes From Source Areas to the United States



SOURCE: Drug Enforcement Administration

vessels entered U.S. sea ports from foreign ports, and 100 million letters and parcels entered through the postal system. Given this volume of traffic, the probabilities of interdicting smuggled heroin without prior intelligence (so-called 'cold hits' have some of the characteristics of finding the proverbial "needle in the haystack."

Mexican heroin enters both at official ports of entry and between ports of entry. The number of persons entering from Mexico through official land ports of entry during 1985 was 115 million with as many as 3 to 4 million illegal entries between ports of entry. Although the form of transport is different, the Mexican border also poses a "needle in the haystack" problem.

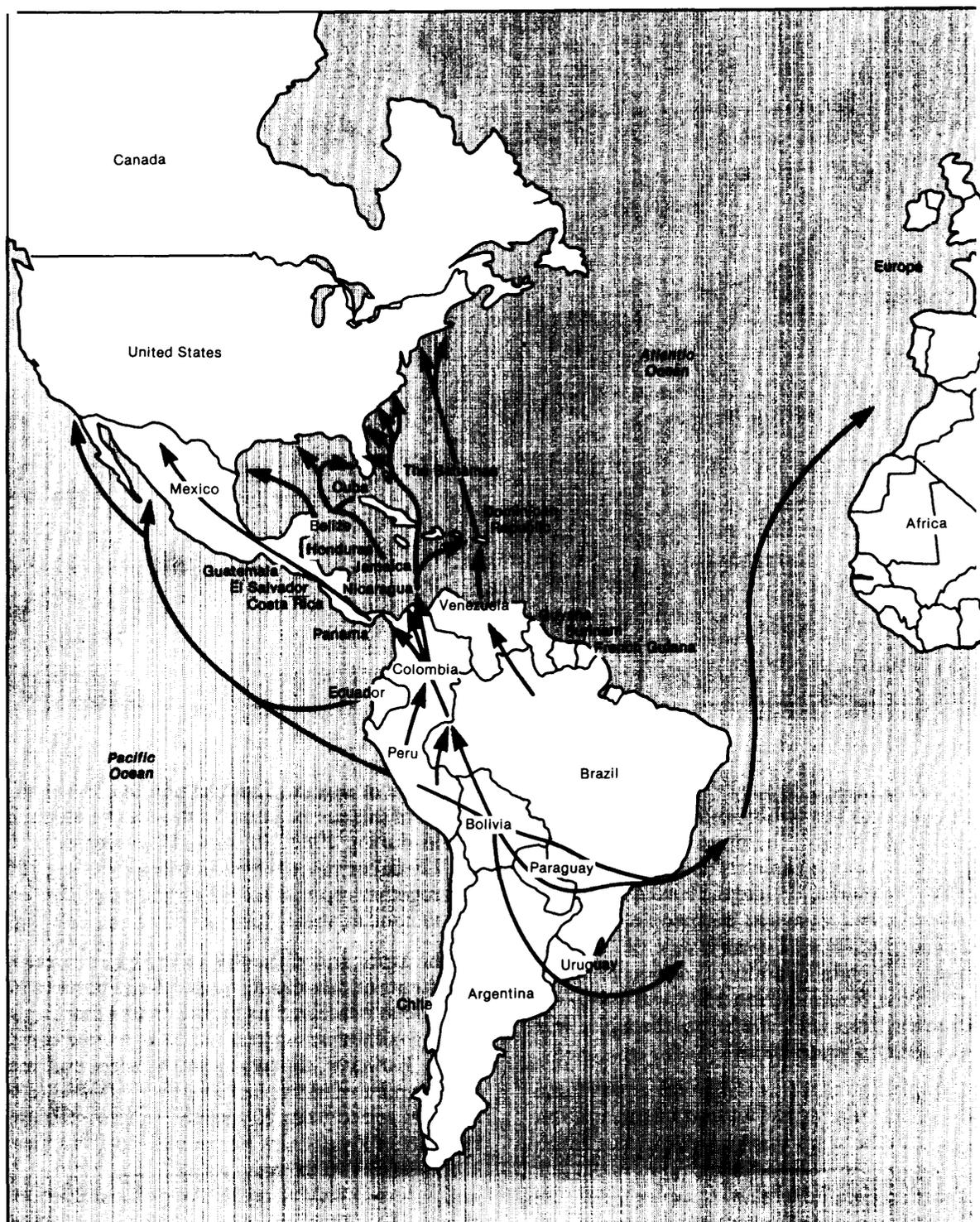
Cocaine

Colombia is the primary export point for cocaine. Cocaine enters the United States on all three coasts as well as across the Mexican border. Florida continues to be the largest import area, but entry through other Gulf Coast States is also large. Intelligence indicates that transshipment of cocaine via Mexico is increasing, probably as a result of interdiction efforts in Florida and the Caribbean.

Cocaine smuggling involves a complex, diverse, and flexible transportation system. Until recently, the majority of cocaine was thought to bypass the official entry process at ports. Seizure statistics indicated that, in 1985, private aircraft transported over one-half and private vessels one-quarter of cocaine imports. The remaining cocaine came by commercial aircraft, commercial vessels, and overland methods. However, recent large seizures and other intelligence indicate a growing use of ports of entry.

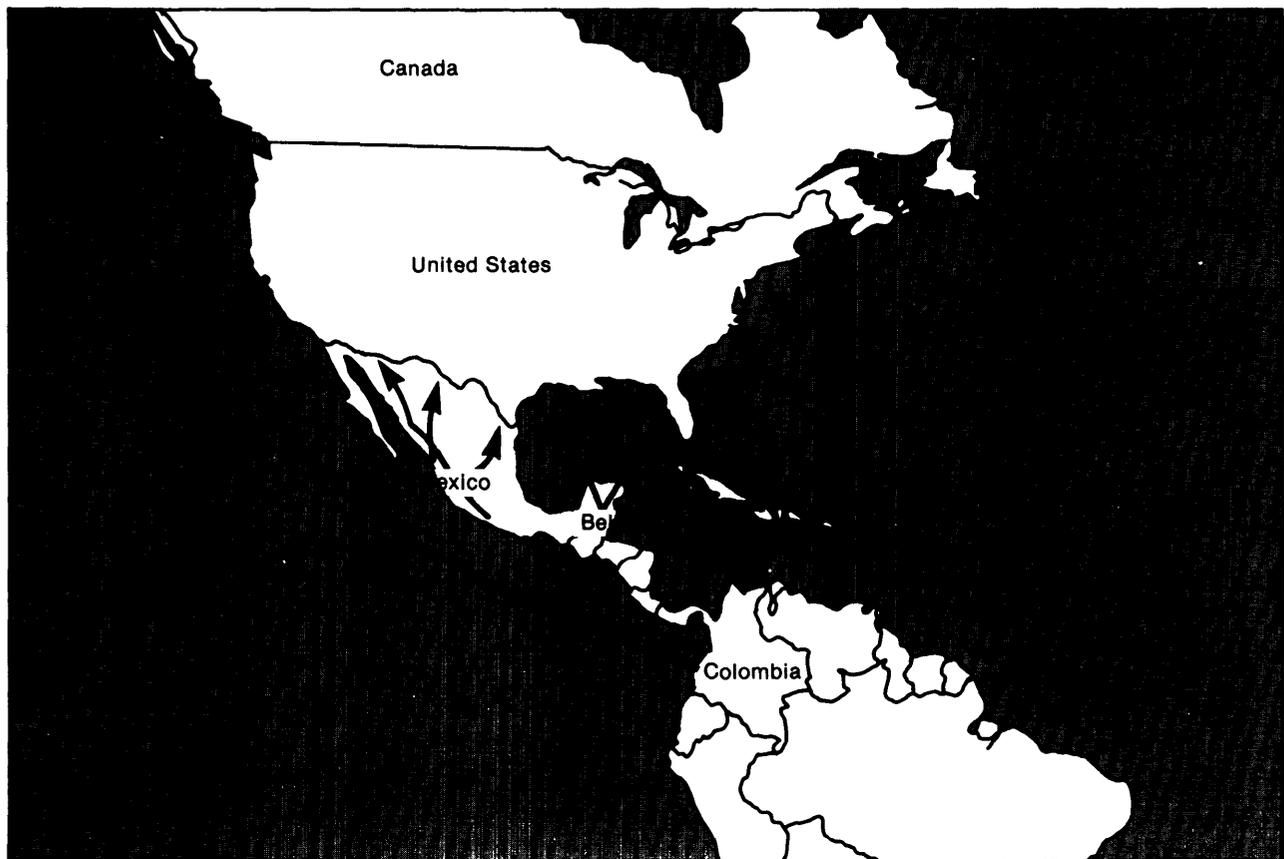
There is no one mode of transport clearly preferable for cocaine smuggling. The past preference of cocaine smugglers for noncommercial modes of transport is a reflection of several characteristics of the cocaine trade as compared to heroin. First, although cocaine sells on a weight basis for only one-fourth to one-half the price of heroin on the domestic wholesale market, it nonetheless has a high dollar value to volume ratio. Second, transportation distances for cocaine as compared to Asian heroin are short. General aviation aircraft can fly from Colombia to the United States without refueling and, depending on the departure point, private vessels can move to the United States in relatively short periods of time—a few days at most. In the case

Figure 8.—Cocaine Smuggling Routes From Latin America to the United States and Europe



SOURCE: Drug Enforcement Administration.

Figure 9.—Marijuana Smuggling Routes From Latin America and the Caribbean to the United States



SOURCE: Drug Enforcement Administration.

of cocaine transshipped through the Bahamas, a go-fast boat can leave the Bahamas and be in Florida within an hour. A third factor which could influence the transportation choice of cocaine smugglers is the size of the market. While the heroin user population is estimated to be 500,000 people, the population of current cocaine users is at least 10 times that amount. The total quantity of cocaine imported into the United States during 1985 was probably over 100 metric tons while for heroin the figure was probably about 6 metric tons.

In combination, then, the dollar value to volume ratio of cocaine, the relatively short transportation distances, and the large market add up to a situation where there are substantial economies of scale in transporting cocaine by private aircraft and vessels. The average size of a cocaine shipment is in

the range of several hundred pounds. Some illustration of this can be found in the cocaine shipments seized during 1985. In total, 121 seizures of 100 kg (220 lb) or more were interdicted during 1985, and together represented 41 metric tons. The average weight of these large seizures was 341 kg.

The risks and difficulty of trying to transport shipments of this size through official ports to date have been perceived as higher than other modes, leading cocaine smugglers to prefer private conveyances. However, the two largest seizures ever made were at ports of entry. In 1986, over 3,000 kg (6,900 lb) were seized from 40-foot shipping containers at the port of West Palm Beach and, in 1982, nearly 1,800 kg (3,940 lb) were seized from cargo at Miami International Airport. Available evidence indicates that when interdiction efforts put pressure

on particular locations or particular modes of transport the cocaine smugglers do not hesitate to switch to transport through ports of entry.

In sum, cocaine smugglers can and do make use of every conceivable means of transport. Thus, cocaine smuggling can only be stopped if every means of transport is restricted.

Marijuana

Imported marijuana comes primarily from Colombia, Mexico, Jamaica, and Belize, with smaller quantities originating in Brazil, Guatemala, Costa Rica, Panama, and Thailand. In addition, approximately 150 to 200 tons of the cannabis derivative, hashish, were smuggled into the United States during 1985. The principle hashish producing countries are Lebanon, Pakistan, and Afghanistan with small amounts coming from Morocco and India.

The vast majority of the Central and South American marijuana is transported to the United States in private vessels. The next largest mode of transport is private aircraft. Both marijuana and hashish coming from Thailand appear to use commercial vessels as the primary means of transport.

The mode of marijuana transport is a reflection of its low dollar/high volume character, the relatively short distances from export point to the United States, and the large volume marijuana market. These factors result in large individual shipments. The average shipment seized by American authorities in 1985 was 4 metric tons. Shipments of this size are difficult to bring through official ports of entry and too large for all except the largest aircraft. Thus, the primary pattern is to move marijuana into the United States along Gulf of Mexico and Caribbean sea routes bypassing official ports of entry. A particularly popular mode of transport has been so-called "mother ships." These ships transport large quantities of marijuana to points near the coast of the United States. The marijuana is then shuttled to shore on smaller boats. The other major means have been vessels which transport directly from export points to the border of the United States or through transshipment points in the Caribbean islands.

Mexican marijuana is predominantly transported across the border in land vehicles and private aircraft, although some is carried in by individuals.

Primarily because of the low dollar/high volume character of the marijuana trade, smugglers do not have as wide a range of transportation alternatives as those available to cocaine smugglers. Smuggling vessels sometimes carry both marijuana and cocaine.

An overview of the drug smuggling network indicates that U.S. borders are being assaulted from every direction and by every means of transport. Further, the smugglers have demonstrated a strikingly rapid response capability. When drug interdiction agencies focus attention on a particular mode of transport or a particular region, smugglers shift quickly to other modes of transport, other routes, or other strategies. They can, for example, simply wait out the period of interdiction pressure. Alternatively, they may send decoy vessels or aircraft with small amounts of drugs and, when authorities have focused attention on the decoys, dispatch larger shipments in follow-on vessels or planes.

Drug Trafficking Organizations

The people and organizations responsible for smuggling heroin, cocaine, and marijuana into the United States generally specialize in a particular drug. Traffickers range from individual entrepreneurs to tightly run, highly disciplined, well-financed organizations. At one extreme is the person who crosses into Mexico to purchase either



Photo credit: U.S. Customs Service

Border crossing stations such as this are increasingly used to smuggle illegal drugs from Mexico.

marijuana or heroin for personal use and/or for sale in a local market. At the other extreme are organizations that own or lease fleets of airplanes and ships for transporting marijuana or cocaine into the United States. The highest priority concerns of those responsible for drug law enforcement are, of course, the continuing criminal activities of major organizations that are involved in cultivation, production, smuggling, and distribution of drugs.

Although drug trafficking organizations have great variability, they commonly share several characteristics that allow them to succeed. The leaders of the organizations pay their members generously. They provide continuing support for members of the organization if they are arrested in the course of drug trafficking activities, and they provide support for the members' families. That same pattern of generosity extends to people who live in the areas where the organization is based or where its processing occurs. Thus, the drug traffickers are frequently viewed as local heroes. Any member of the organization who violates the code of secrecy, cheats, or informs on the organization faces the threat of death. In those instances where retribution cannot be taken directly on an informant or a violator of the organization, it is commonly carried out against family members. Some drug traffickers try to wreak their vengeance quickly and with no quarter given.

Another factor that contributes to the success of drug trafficking organizations is corruption in source, processing, and transit countries. In addition, drug law enforcement agencies lack the equipment, training, manpower, and funding to conduct effective anti-drug operations and investigations in source countries.

Figure 10 shows the major source countries and their relative gross revenues attributable to illegal drug trafficking.

Following are illustrative sketches of some of the types of organizations that traffic in heroin, cocaine, and marijuana. These sketches are general in character and are derived from public literature and interviews with drug enforcement officials.

Heroin

Southwest Asia is the largest source of heroin coming into the United States. A variety of orga-

nized crime groups are involved in that smuggling. Following is a general sketch of a Southwest Asian drug trafficking organization.

Southwest Asian organizations normally control the heroin system from the point where the poppies are harvested through the various processing steps to the delivery of heroin to an American wholesaler. Farmers who grow opium poppies are frequently linked to a specific organization. That is, the poppy crop is committed to a particular criminal organization from the time it is planted. Farmers commit their crops based on an agreement with the drug trafficking organization to pay a predetermined price.

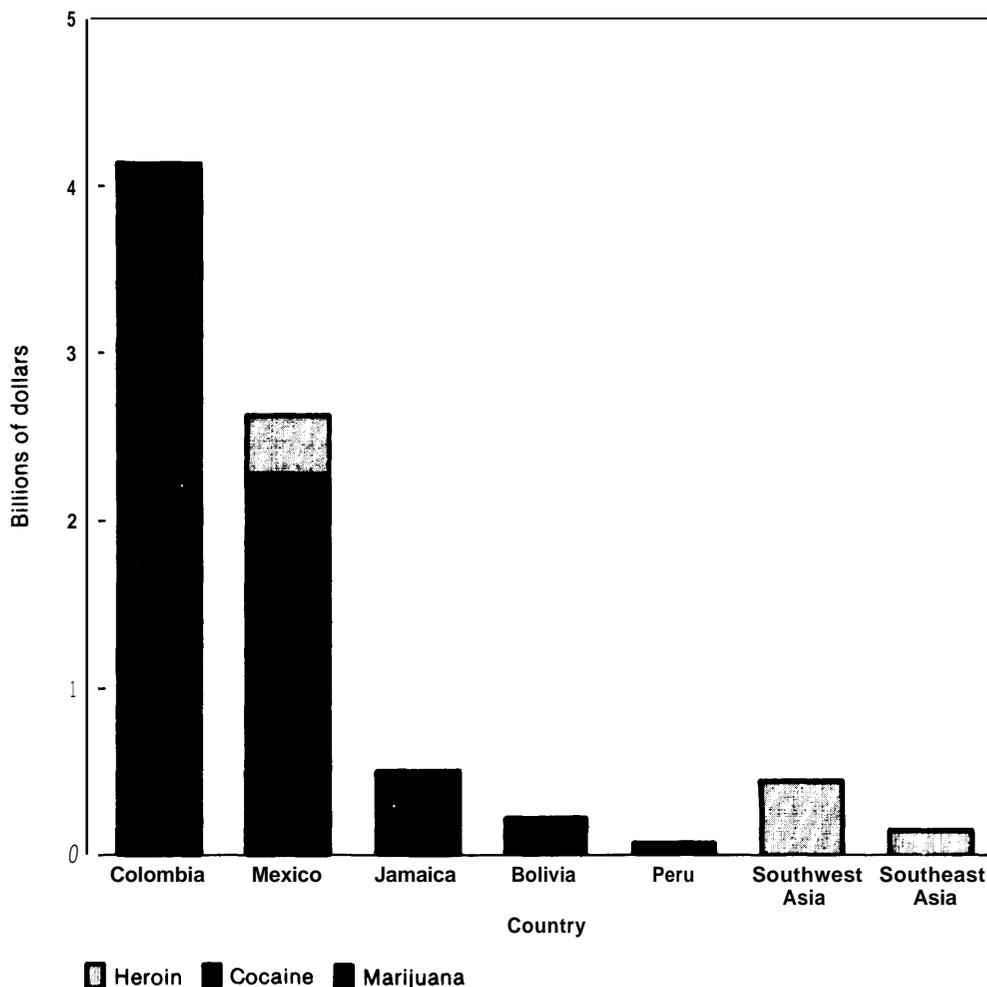
The organization converts the opium to heroin in its own crude laboratories. Transport to the United States is normally by individual courier traveling on commercial airlines via Europe. The head of the trafficking organization usually makes courier arrangements through representatives; however, in some instances he will make these arrangements himself. A typical shipment involves several couriers who take different routes but end up at a common U.S. location. The couriers may be professionals who regularly carry heroin, or individuals who make only one trip. The nonprofessionals are normally individuals who desire to enter the United States for personal reasons and are willing to act as couriers for the price of an airline ticket plus a predetermined fee.

Couriers normally deliver their heroin to a member of the drug trafficking family. Frequently the individual who receives the heroin in the United States is the same individual who has made the arrangements for the couriers in the exporting country. This individual normally does not carry heroin on his trip.

The recipient of the heroin then distributes it to other members of the drug family at geographically dispersed locations within the United States. These members of the family then sell the heroin to domestic wholesalers.

Southwest Asian drug organizations are sometimes the creations of and are managed by a single individual. They are highly personal organizations. The trafficking organizations are normally made up of individuals who are blood relatives, members of the extended family, and/or childhood friends

Figure 10.-Estimated Illegal Drug Gross Income to the Smuggler by Country or Region, Calendar Year 1985^a



^aThe average of the difference between United States domestic and foreign wholesale prices was used to estimate these incomes

SOURCES: Office of Technology Assessment calculations based on data from: Average quantities smuggled: Drug Enforcement Administration, *Worldwide Drug Threat Assessment, 1985*. Prices: Drug Enforcement Administration, Intelligence Division,

of the head of the organization. Thus, it is literally accurate to characterize these heroin criminal organizations as families. For this reason, it is extremely difficult for drug law enforcement agents or informers to infiltrate these organizations.

OTA did not investigate how the revenues from heroin are recycled to the country of origin or who transports the funds. It is generally believed that the majority of the monies are transported back in American currency.

Cocaine

The vast majority of the cocaine smuggled into the United States comes from Colombia and is under the control of some 10 to 12 cocaine cartels run and staffed by Colombians. The coca leaves from which the cocaine is made come primarily from two sources, Bolivia and Peru, where the highest quality coca leaves are produced in the Andes Mountains. Coca is grown as a cash crop and has been used for centuries by the indigenous population for

various purposes. Colombian cartels purchase the coca leaves from the farmers. In the late 1970s, the Colombian cartels initiated coca leaf cultivation in Colombia.

The coca leaves are processed into cocaine in laboratories controlled by the cartels. The cocaine is transported by various modes from those laboratories to the United States. A most frequent pattern is for the cartels to charter aircraft for purposes of transport to the United States. These aircraft may be rented by a pilot in the United States for a single round trip, or they may be chartered from individuals who own a fleet of airplanes and whose primary business is cocaine smuggling. The cartels sometimes use stolen aircraft, and on other occasions buy the airplanes that are used for smuggling.

However the cocaine is transported, it is normally delivered to members of the cartel located in the United States. Recent evidence suggests that the cartels are extending their control of wholesale cocaine distribution within this country. This extended supply system appears to include members of the cartel who are geographically dispersed throughout the United States. The Colombian crime organizations, then, appear to be more vertically integrated than is the case for those organizations which traffic in heroin and marijuana. Increasing vertical integration allows the cartels to enjoy the profits from a larger number of the steps in the supply system for cocaine.

The typical Colombian cocaine cartel is headed by an individual. A number of leaders of the cartels are well-known to the drug law enforcement community. The cocaine trafficking organizations are among the largest and most complex of the drug trafficking organized crime groups. Many of the cartels are believed to have financial resources that amount to several billion dollars. Although the Colombian criminal organizations include many members who are blood relatives of their leaders, their size appears to require the inclusion of members who are not literally family members. Where members are recruited outside the family they tend to be recruited from friendship groups. A common pattern is for cartel members to be people who have been life-long friends of the leaders, frequently people who have grown up in the same village or the same area as the leader.

Like the heroin organizations, the cocaine cartels maintain secrecy, loyalty, and discipline by using friendship bonds, financial rewards, and the threat of death for those who compromise the cartel. The latter point deserves special emphasis with regard to the Colombian drug organizations. Most drug law enforcement officials believe that the cocaine traffickers are the most violent of the drug traffickers. Cocaine-related killings tend to be particularly violent.

The cartels maintain communication systems which provide them with the ability to communicate with the aircraft and vessels used for smuggling. Finally, the Colombians use portions of their large cocaine-generated revenues to pay for protection and assistance in the source, processing, and transit countries and in certain areas of the United States where the cocaine is landed.

The cartels appear to be a dominant force in some portions of Colombia. Cartel leaders have used some of their revenues to provide health care and education facilities for people in the surrounding villages. There appears to be broad public support for the drug traffickers in some areas where they operate.

Many of those involved in drug law enforcement believe that the vast majority of the revenues generated by the sale of cocaine are cycled back to Colombia. A portion of these revenues are laundered through U.S. financial institutions. Recent evidence suggests that a growing portion of the revenues are being shipped out of the United States in \$100 bills. This change is thought to be the result of two factors: 1) a growing focus by U.S. drug law enforcement authorities on recycling through financial institutions, and 2) the high rates of inflation in some South American countries have caused the drug traffickers to want to keep their revenues in relatively inflation-free U.S. currency. Some areas of South America are said to be operating on what is substantially a dollar economy.

Marijuana

A typical example of a marijuana trafficking organization is more difficult to sketch because of the diversity of sources of supply and the much larger number of marijuana traffickers. What fol-

lows is a sketch of typical organizations involved in the illegal importation of marijuana into the United States from Colombia.

The larger, better-organized marijuana trafficking organizations in Colombia purchase the marijuana from individual farmers and package the leaves into bales. Shipments to the United States normally involve several tons. The preferred form of transport is in coastal freighters or fishing vessels called mother ships. These vessels depart from the Colombian coast and make contact about 50 miles off the U.S. coast with smaller vessels that transport the marijuana to shore.

The larger, better-organized marijuana traffickers own or have under contract a number of mother ships. Marijuana trafficking organizations frequently use small aircraft for surveillance to determine where Coast Guard cutters are located and use communication systems to direct the mother ships along what are believed to be the safest routes. Criminal organizations that traffic in marijuana are essentially ocean transportation companies. They buy the marijuana in Colombia or other places and transport it to the United States where the marijuana is sold to domestic distribution and marketing organizations.

Like the criminal organizations involved in heroin and cocaine trafficking, those involved in smuggling marijuana tend to be creations of and managed by a single individual. They are generally composed of people who have either family or friendship bonds. The logistics of smuggling tons of marijuana require a large number of people to man the mother ships as well as the vessels that shuttle marijuana from the mother ships to shore. Marijuana organizations, nonetheless, appear to be just as tightly disciplined as those involved in heroin and cocaine smuggling.

It appears that in source countries those organizations handling marijuana and cocaine smuggling are separate and distinct. There have been a few instances where cocaine and marijuana have been transported on the same vessel, but this is the exception.

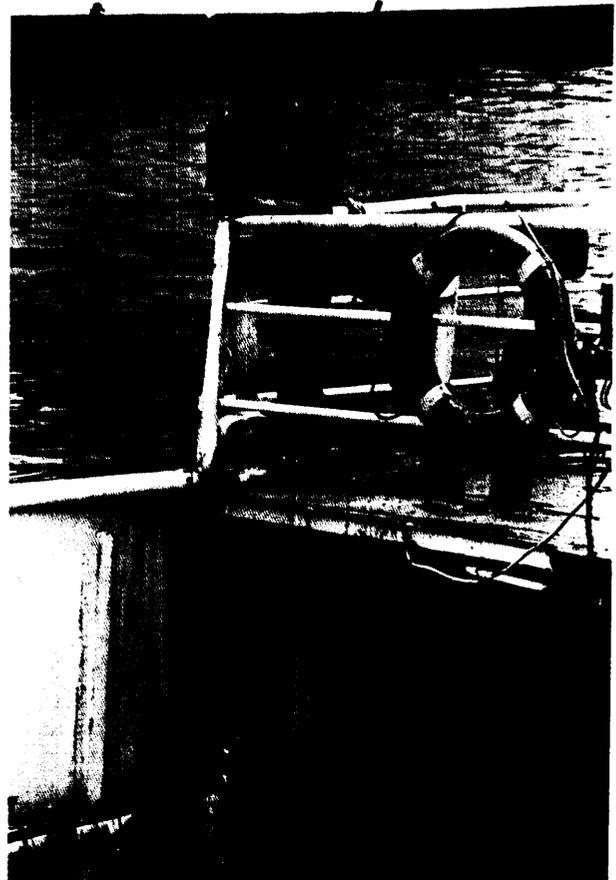




Photo credit: U.S. Customs Service

The criminal organizations involved in smuggling heroin, cocaine, and marijuana have demonstrated a capacity for responding flexibly to U.S. drug interdiction efforts. Although there have been many large drug busts by law enforcement officials, the criminal organizations involved in drug smuggling have demonstrated an ability to use other means to rapidly fill the supply gap resulting from major seizures. The large resources and highly disciplined character of the crime families and cartels suggest that the only way they are likely to be seriously disrupted is if the leaders and primary managers of these organizations can be arrested and incarcerated, and their assets seized and forfeited. Since many of the leaders are usually insulated from law enforcement and have their primary residences in the source countries, such arrests can only occur with the vigorous support of the governments of those countries.