

CROSSING THE MISSISSIPPI: HOW BLACK TAR HEROIN MOVED INTO THE EASTERN UNITED STATES

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INTRODUCTION

Until January 2003, U.S. federal authorities considered black tar heroin, produced in the Pacific Coast states of Mexico, an illegal drug rarely available in the eastern half of the United States.¹ According to that year's National Drug Threat Assessment, Mexican black tar heroin was uncommon in cities east of the Mississippi river where heroin markets had been dominated by Colombian white heroin for two decades and, to a lesser extent, by heroin produced in Southeast and Southwest Asia.²

Prior to 2003, federal authorities considered Los Angeles as the main market for Mexican black tar heroin in the U.S. From there it was typically transported to other cities such as Denver, Honolulu, Las Vegas, Portland, Salt Lake City, San Francisco, Seattle and St. Louis. Just three years earlier, the U.S. Drug Enforcement Administration (DEA) had concluded its much publicized "Operation Tar Pit," which netted over 200 defendants in more than 26 U.S. cities, including some distribution cells as far East as Atlanta, GA, Columbus, OH and Pittsburgh, PA.³ Nevertheless, U.S. federal officials were still confident in January 2006 that Mexican black tar heroin had no chance of moving into eastern markets:

Significant and prolonged shortages in South American heroin most likely would not result in an increase in distribution of Mexican heroin in Eastern states because Mexico's heroin production capacity appears insufficient to meet total U.S. demand and because users of white heroin have strongly resisted using black tar heroin.⁴

— Department of Justice, "National Drug Threat Assessment," January 2006

¹National Drug Intelligence Center, "National Drug Threat Assessment 2003," January 2003.

²"The color and consistency of black tar heroin result from the crude processing methods used to illicitly manufacture heroin in Mexico. Black tar heroin may be sticky like roofing tar or hard like coal, and its color may vary from dark brown to black... Black tar heroin is often sold in chunks weighing about an ounce. Its purity is generally less than South American heroin and it is most frequently smoked, or dissolved, diluted, and injected." (Drug Enforcement Administration, "Drugs of Abuse," 2005).

³Drug Enforcement Administration, "Nearly 200 Arrested in Multi-Million Dollar Heroin Smuggling Operation," June 15, 2000.

⁴National Drug Intelligence Center, "National Drug Threat Assessment 2006," January 2006.

Yet, in a dramatic reversal of this forecast, U.S. authorities acknowledged seven months later, that the old borders separating the domestic heroin market were blurred and that black tar heroin was readily available in cities like Nashville, TN and Detroit, MI.⁵ Moreover, in December 2008 the U.S. Department of Justice predicted that black tar heroin would not only expand to the Midwest and the Southeast but that it would probably find its way to the traditional heroin markets of the Northeast, from New Jersey to Vermont.⁶ According to one U.S. law enforcement official the “leap” made by Mexican black tar heroin over the Mississippi River was an historic move made by what they refer to as Mexican Drug Trafficking Organizations (or ‘Mexican DTO’s’) seeking to undermine the Colombian share in the large heroin markets of the East Coast: “They literally jumped across the Mississippi and began coming into East Coast cities, Pittsburgh, Columbus and lot of places where they really haven’t been before.”⁷

The expansion of black tar heroin trafficking eastward marked an historic shift in the U.S. heroin market in much the same way the arrival of Colombian white heroin in the U.S. in the late 1980’s, dramatically re-drawing the basic structure of the U.S. heroin market that existed in the prior two decades.⁸ Since the late 1980’s, the U.S. heroin market developed into exclusive regional markets where Colombian and Mexican heroin gained market share at the expense of Asian heroin. Prior to the 1980’s, Mexican heroin (brown powder and black tar) played a secondary role in a market where Asian heroin was dominant.⁹ At the same time that Colombian heroin dominated the Eastern U.S. market, Mexican heroin, mostly black tar, became dominant in the Western states.

Table 1 illustrates the percentage for the Asian, Colombian, and Mexican heroin markets over the course of roughly two decades. As with other illicit drugs, there is no authoritative source that can calculate precisely the size of the U.S. domestic market for heroin. Yet since 1979, DEA developed a “Domestic Monitor Program” which analyzes samples of purchases of different drugs purchased in the street to identify its origins.

⁵“For the past several years, the heroin market in the United States was generally divided along the Mississippi River. To the west of the Mississippi River, black tar heroin and, to a lesser extent, brown powder heroin from Mexico were the primary types available. To the east of the Mississippi, white powder heroin, primarily from Colombia, but also from Southwest and Southeast Asia, was the primary type of heroin available...law enforcement reporting indicates that Mexican heroin is now available in more markets east of the Mississippi than traditionally has been the case” (National Drug Intelligence Center, “National Drug Threat Assessment 2007,” October 2006).

⁶National Drug Intelligence Center, “National Drug Threat Assessment 2009.”

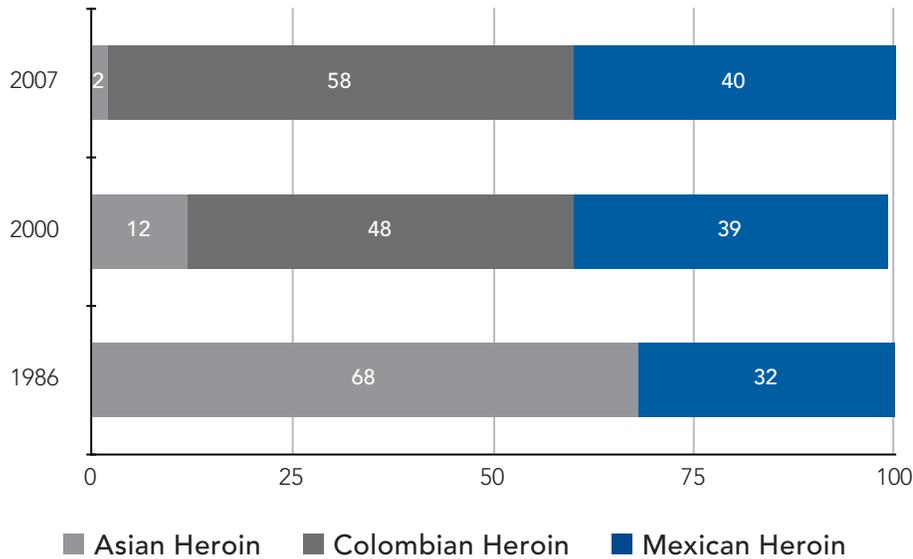
⁷Interview with federal law enforcement official, August 2009.

⁸Daniel Ciccarone, “Heroin in brown, black and white: Structural factors and medical consequences in the U.S. heroin market,” *International Journal of Drug Policy*, 2009.

⁹According to newspaper accounts, authorities have known about “the existence of small isolated poppy plots since 1984” but the first time that Colombian heroin was intercepted in the U.S. was in May 1991 when a young man was carrying the powder inside a guitar while arriving at JFK airport. (“Colombian Heroin May Be Increasing,” *The New York Times*, October 27, 1991 and Joseph B. Treaster, “Colombia’s Drug Lords Add New Product: Heroin for U.S.,” *The New York Times*, January 14, 1992).

CROSSING THE MISSISSIPPI: HOW BLACK TAR HEROIN MOVED INTO THE EASTERN UNITED STATES

TABLE 1: SHARE OF U.S. HEROIN MARKET



Source: Daniel Ciccarone, 2009 using DEA’s “Domestic Monitor Program” data

When compared to other illicit drugs, heroin continues to be at the bottom of the drug abuse problem in the U.S. The latest national drug use survey estimated that past month heroin users were above 200,000.¹⁰ Meanwhile, cocaine users are estimated in 1.6 million and marijuana users reach 16.7 million, as displayed in Table 2.

Since the early 2000’s, however, health officials have alerted that heroin use levels are relatively high especially when compared to the early 1990’s. Moreover, they have stated that the increasing purity of the drug and its decreasing price make it particularly attractive to young people.¹¹ In their most recent assessment, U.S. federal narcotic officials report an increasing availability of heroin in several domestic markets for the year 2009. The evidence of this increased heroin availability is low prices, increased purity, growing abuse, and higher number of overdoses.¹² In 2010, the U.S. reported that 21 of the 26 counties reporting heroin related overdoses in the last two years were located east of the Mississippi River (see Table 3).

¹⁰The initial findings of 2009’s *National Survey on Drug Use and Health*, were released on September 16, 2010. An exact estimate of past month users of heroin was not publicly available. In 2008, the same survey estimated past month users of heroin in the U.S. were 213,000 (Substance Abuse and Mental Health Administration *National Survey on Drug Use and Health 2008*, 2009)

¹¹Nora D. Volkow, “Heroin Abuse and Addiction,” National Institute on Drug Abuse Research Report Series, May 2005.

¹²National Drug Intelligence Center, “National Drug Threat Assessment 2010,” February 2010.

At the same time, there is growing evidence from interdiction data that the Mexican border has become the preferred gateway for most of the heroin entering the U.S. According to the latest interdiction figures, 2008 was the first year on record during which heroin seizures on the U.S.-Mexico border surpassed those occurring in commercial airports, the main gate for Colombia's heroin.¹³ This shift would mean that Mexican DTO's controlling the trafficking routes into the U.S. have become more important players in the heroin trade.

The growing share of Mexican heroin in several markets East of the Mississippi provides a glimpse into a slice of the U.S. domestic drug trade and its connections abroad.¹⁴ This chapter will look at two cities, Columbus, Ohio and Charlotte, North Carolina that have experienced recent heroin problems directly linked to Mexican black tar. The paper will look at three specific areas: (1) the level of involvement of Mexican DTO's in the black tar heroin trade; (2) the organizational structure for distribution networks in these two cities; and (3) law enforcement's response to this phenomenon.¹⁵

COLUMBUS, OHIO

In July 1999, Raúl Villa-Guerra, then 18 years old, was arrested in New Mexico with nine balloons of black tar heroin in his mouth weighing a total of 4.5 grams. Villa-Guerra worked as one of the three "runners" for a Santa Fe heroin (and some cocaine) distribution cell comprised of Mexican nationals who delivered the product to U.S. retailers. Villa-Guerra's largest customer was a so-called "tiendita" (little store) managed by a 52 year-old woman in the small town of Chimayó, just South of the Colorado border.¹⁶ The arrest of Villa-Guerra along with other fellow 'runners' came after a surge in high-grade black tar poisonings in Chimayó that produced 85 deaths between 1995

¹³According to the 2008 figures, heroin seizures at the Southwest border reached 556.1 kilograms meanwhile seizures from commercial airlines (the traditional way for Colombian heroin to arrive in the U.S.) were 398.1 kilograms (*Ibid*)

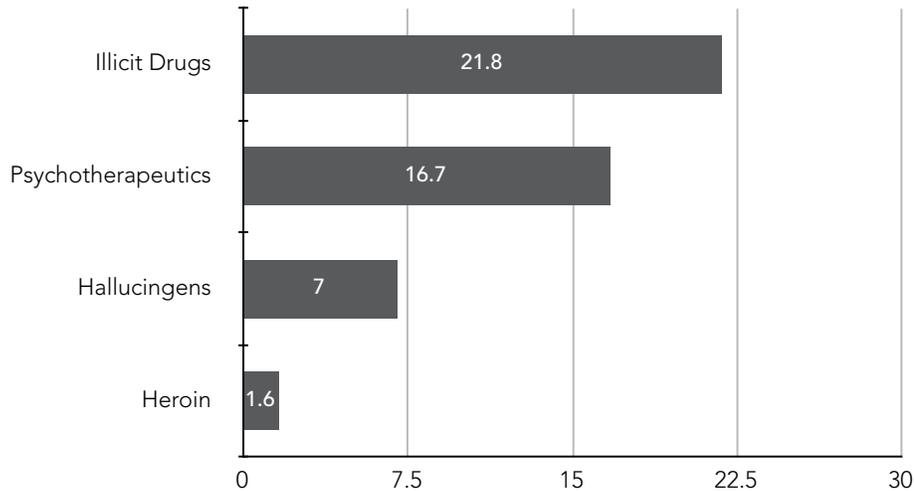
¹⁴This chapter had its origins in a newspaper story by the author published in September 2009. Further research for this chapter started in October, 2009 and included brief visits to Columbus, Ohio, Charlotte, North Carolina and Nashville, Tennessee. (José Díaz Briseño, "Llevan mexicanos nueva droga a EU," *Reforma*, September 1, 2009)

¹⁵At the same time that this chapter was being written, a superb account on Mexican black tar heroin's effect in the U.S. appeared in the *Los Angeles Times*. Published in February 2010 under the title "The Heroin Road," the work is a three series of articles by investigative reporter Sam Quinones. An expert in Mexico, Mr. Quinones was able to travel to the country's Pacific Coast and chronicled the life of a poppy-producing region just in the foothills of the Sierra Madre. Mr. Quinones superb work is the only story encompassing the whole heroin trade. This chapter however will focus on the "leap" made by Mexican traffickers over the Mississippi and how does did move affected the U.S. heroin market.

¹⁶Although press reports at the time said Villa-Guerra had 23 years of age, court records in New Mexico state that his date of birth was May 9, 1981. (Brendan Smith, "Agent Describes Chimayo Drug Ring in Sentencings," *Albuquerque Journal*, June 27, 2000).

CROSSING THE MISSISSIPPI: HOW BLACK TAR HEROIN MOVED INTO THE EASTERN UNITED STATES

TABLE 2: PAST MONTH ILLICIT DRUG USE IN THE U.S., PERSONS AGED 12 OR OLDER: 2009



Source: National Survey on Drug Use and Health, 2009.

and 1998.¹⁷ An undocumented immigrant, Villa-Guerra served 11 months in a U.S. prison and was later deported to Mexico in 2001. U.S. authorities linked the Santa Fe cell to what they called a “major drug trafficking organization” based in the Mexican state of Nayarit and which operated from Phoenix and Los Angeles.¹⁸ With his arrest, U.S. federal officials undertook the first major investigation into how black tar heroin was making its first inroads into new markets in the Midwest and Northeast.¹⁹ Mexican authorities later alleged that at least part of the Nayarit-based network was under the control of one of Mexico’s major DTOs – the Sinaloa Federation.²⁰ According to a later account by Villa-Guerra, just after he was deported he returned to his native Majadas — a small rural hamlet in the mountainous state of Nayarit, along the Mexican Pacific Coast — to work as a farm laborer.

¹⁷Drug Enforcement Administration, “Operation Tar Pit,” March 2000.

¹⁸*Ibid.*

¹⁹According to Joe Keefe, then chief of Special Operations for the DEA, “The Mexicans also have brought the price down to compete with Colombians in areas East of the Mississippi River that they were not in before” (Drug Enforcement Administration, “Nearly 200 arrested in Multi-Million Dollar Heroin Smuggling Operation,” June 15, 2000 and Michael J. Sniffen, “Agents smash Mexican heroin trafficking ring,” *The Associated Press*, June 16, 2000).

²⁰Allegedly, the section based in Los Angeles (not the Phoenix section from which the Santa Fe cell got its product) was under control of José Ramón Lajja Serrano, a major operative in the Sinaloa Federation, who took control of the Nayarit Cartel when Sinaloan kingpin Héctor “El Guero” Palma Salazar was arrested in 1995 (Presidencia de la República, México “Detención de uno de los principales productores de heroína en el estado de Nayarit,” February 18, 2003 and Brendan Smith, “Agent Describes Chimayó Drug Ring in Sentencings,” *Albuquerque Journal*, June 27, 2000).

TABLE 3: U.S. COUNTIES REPORTING INCREASES IN HEROIN-RELATED OVERDOSES, 2008–2009

West	East
Pima County, AZ	Mecklenburg, NC
Bernalillo County, NM	Dane County, WI
Tarrant County, TX	Milwaukee County, WI
Dallas, TX	Racine County, WI
St. Louis City, MO	Lake County, IL
	Lake County, IN
	Porter County, IN
	La Porte County, IN
	Franklin County, IN
	Allegheny County, PA
	Dauphin County, PA
	Washington, DC
	Nassau County, NY
	Suffolk County, NY
	Middlesex County, MA
	Essex, MA
	Chittenden County, VT
	Strafford County, NH,
	Rockingham County, NH
	York County, ME
	Androscoggin County, ME

Source: National Drug Threat Assessment 2010, February 2010

Ten years later, on October 26, 2009, a U.S. immigration officer who visited the Franklin County Jail in Columbus, Ohio found an inmate accused of trafficking black tar heroin and going by the name of Daniel Ortez-Soto. The officer discovered that Ortez-Soto was actually Raúl Villa-Guerra, now a 28 year-old man.²¹ It is unknown exactly when Villa-Guerra returned to the U.S. and when he settled in the Columbus metropolitan area, but his path from the Southwest U.S. into the

²¹Affidavit by Jeremy P. Lake, Immigration Enforcement Agent, Immigration and Customs Enforcement, *United States of America vs. Raúl Villa-Guerra*, November 5, 2009.

CROSSING THE MISSISSIPPI: HOW BLACK TAR HEROIN MOVED INTO THE EASTERN UNITED STATES

industrial Rust Belt seems to exemplify the historic shift of some Mexican-based black tar organizations past the Mississippi River after the year 2000.

In 2006, federal officials launched “Operation Black Gold Rush” against Mexican black tar heroin distribution. In Ohio, police took down two different trafficking cells comprised of Mexican nationals from Nayarit along with U.S. citizens.²² While the Justice Department claims that the Sinaloa Federation is the only major Mexican DTO present in Columbus, black tar heroin cells seem to be operating as independent teams rather than under the structure of a major DTO.

By 2007, the central Ohio heroin market was dominated by Mexican black tar after almost two decades of dominance by Colombian white heroin.²³

Crisscrossed by at least two important inter-state highways, Columbus became not only a favorite market for black tar consumption but it also transformed itself into a major trafficking hub to supplying other U.S. geographical regions: the Northeast, the Great Lakes, the Midwest and Appalachia.²⁴ With a population of 1.7 million people, Columbus is considered a medium size metropolitan area and it ranks 33 in terms of its economic output among all U.S. cities.²⁵

Federal officials in charge of narcotic investigations in Columbus estimate that 80 percent of their cases now originate along the Southwest border.²⁶ In the case of black tar heroin, cells in Columbus obtain their product from cities in Southern Arizona (Phoenix and Tucson) after being transported by operatives across the U.S.-Mexico border all the way from Nayarit.²⁷ Black tar heroin would be transported in private vehicles from Arizona into Columbus trying to make few stops in order to lessen the chance of detection and interdiction. In 2006 an ounce of black tar sold for

²²Drug Enforcement Administration, “28 Central Ohioans Targeted in ‘Operation Black Gold Rush,’ August 15, 2006 and Drug Enforcement Administration, “International Black Tar Heroin Trafficking Group Dismantled,” August 15, 2006.

²³“Law enforcement officials in several areas of northern Ohio (Cleveland, Toledo, and Summit and Stark Counties) report that since 2007, either Mexican black tar heroin or brown powder heroin has become the primary type available in their jurisdictions. In some areas of southern Ohio, such as Columbus and Dayton, Mexican heroin is also the primary type available. Numerous law enforcement officials also report that the quantity of heroin available in their jurisdictions has increased since 2007 and that prices are decreasing. For example, in Columbus, the price of Mexican black tar heroin fell from \$50,000 per kilogram in December 2007 to between \$35,000 and \$50,000 per kilogram in June 2008” (National Drug Intelligence Center, Ohio “High Intensity Drug Trafficking Area Drug Market Analysis,” April 2009).

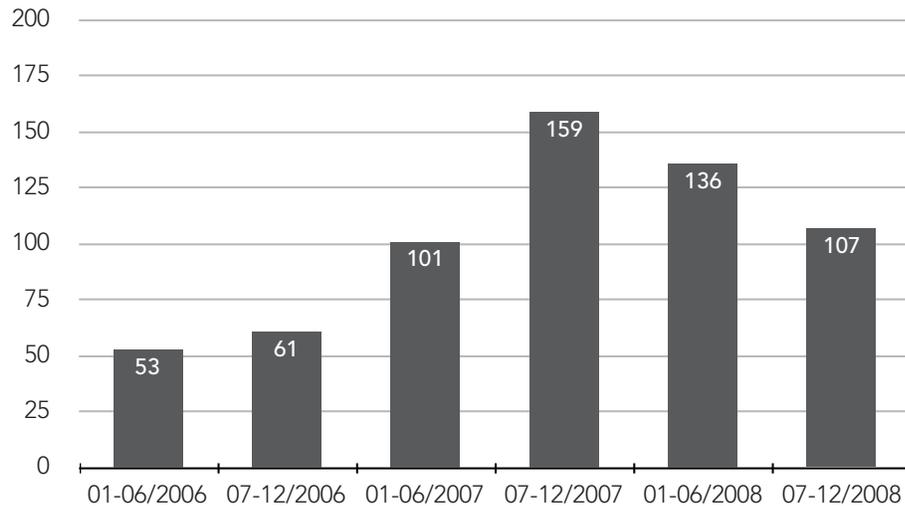
²⁴“We have had cases where Columbus has supplied West Virginia, and Baltimore, Maryland. We have gone up to Indiana, Chicago, and Detroit. So we have unfortunately become a transfer point, too, besides feeding the ‘hunger’ in the city;” (Interview with a federal official, December 2009)

²⁵Columbus GDP in 2008 was \$89–829 billion ranking 33 among U.S. cities. Its population was 1,773,120 people. Columbus has a similar GDP to Guadalajara, Mexico (Bureau of Economic Analysis, September 2009 and U.S. Census Bureau, July 2008).

²⁶Interview with a federal law enforcement official in Columbus, December 2009.

²⁷“What generally they do, is that the heroin will come from Mexico, lets say from Nayarit, goes up in lets say Tucson, Arizona, and then somebody from the organization in Columbus ... will them bring it to Columbus. And then this individual in Columbus will not only sell it there but all his customers will now go to him being from the Columbus area or being from some other location,” (Interview with a federal law enforcement official in Columbus, December 2009)

TABLE 4: HEROIN CASES AT THE COLUMBUS POLICE CRIME LAB



Source: Surveillance of Drug Abuse Trends in the State of Ohio, January 2009.

\$800 to \$850²⁸ in the city of Phoenix. Currently, the price of black tar in Columbus is around \$1000 to \$1200. Evidence suggests that operatives like Villa-Guerra who arrived in the late 1990’s are responsible for turning the central Ohio heroin market into a market for Mexican black tar. As Table 4 demonstrates, the number of heroin cases at the Columbus police crime lab more than doubled from 53 between January and June of 2006 to 107 between July and December of 2008.

Local law enforcement in Columbus believe that there are currently at least 20 different black tar heroin cells in central Ohio working independently and comprised of 4 or 5 individuals and a cell head.²⁹ Most cells work solely on the distribution of black tar heroin, so police only occasionally find other drugs while executing search warrants in safe houses. The very fact that these cells are dealing only with black tar is a feature that distinguishes them from the operations of the major Mexican DTO’s, considered to be poly-drug organizations. Local and federal law enforcement has found that the heroin hitting the streets of Columbus in the past 5 to 6 years comes from the Mexican state of Nayarit. Just as in the case with Villa-Guerra, most of the people arrested working in these cells are from the municipality of Xalisco, a verdant county in the foothills of the Sierra Madre in Nayarit.³⁰

²⁸Office of National Drug Control Policy, “Phoenix, Arizona. Profile of Drug Indicators,” January 2007.

²⁹Interview with a local law enforcement in Columbus, December 2009.

³⁰“In Central Ohio we are dealing with one (black tar) that comes from the area of Nayarit and then from the small town close to Tepic which is at the foothills of the Sierra Madre. So what you have is that this town and the people we are arresting, the common thread is that they come from this area” (Interview with a federal law enforcement official, December 2009).

CROSSING THE MISSISSIPPI: HOW BLACK TAR HEROIN MOVED INTO THE EASTERN UNITED STATES

In contrast to networks controlled by the major Mexican DTO's, mainly known to be wholesale distributors of drugs such as cocaine, the cells from Nayarit developed a business model that reached into retail sales. Formed by independent growers/brokers and traffickers, these networks are less structured and are responsible for the transportation of the drug from areas like Nayarit into various U.S. cities. The Nayarit cells deliver to Columbus a highly addictive product with levels of purity not seen before in this heroin market.³¹

At the heart of its success is the fact that the Nayarit cells in Columbus transformed the heroin business into a suburban sales phenomenon, no longer synonymous with dark alleys in inner cities or rooms filled with mattresses and other similarly sordid scenes like in the movies of the 1970's. Local law enforcement in Columbus has found that the best way to characterize the distribution business model in the city would be somewhat like a fast food drive-thru restaurant, explained in the following table.

TABLE 5: THE 'MCDONALDS DRIVE-THRU' BUSINESS MODEL

1. Trafficking cell formed by one head (dispatcher) and some sellers (runners)
2. Customers place heroin orders via phone to the dispatcher
3. Runner is sent to deliver order; usually in or around suburban parking lots
4. Runner and buyer would make eye contact in the store parking lot
5. Buyer will board the runner's car where transaction occurs, then leave

Source: Affidavits before the Federal District Court of Southern Ohio.³²

Mexican 'black tar' heroin cells have managed to flourish in the Columbus area by mastering this suburban retail system. Operating in direct communication with the source of heroin in Mexico, cell heads and runners also do not live the flashy, drug trafficker lifestyle and try to remain inconspicuous.³³ It is clear from interviews with law enforcement that these heroin trafficking cells do not work with local organized,

³¹Interview with a local law enforcement official, December 2009.

³²"Generally, what we will see is the parking lot. They'll take a WalMart or a Target store, one of those and they'll do it off the parking lot." For a classic example of the mechanics of the parking lot transaction you can look at the case against cell leader José Manuel Cázares Contreras in 2007 where police was able to mount surveillance outside stores like CVS pharmacies and WalMart stores (Interview with a local law enforcement official in Columbus, December 2009 and, "Affidavit by Timothy R. Reagan, DEA Special Agent," *United States of America vs José Manuel Cázares Contreras*, October 17, 2007).

³³"They don't want to be on the radar. A very low profile...I think the traffickers that we deal with here, they want to maintain that low profile. That's the reason they are not driving Mercedes Benz. They are driving non-descript vehicles. No high-end cars." (Interview with a local law enforcement official in Columbus, December 2009).

juvenile gangs and there is little public evidence that they engage in violence. Typically, a team of runners under the direction of a cell head would be provided a nondescript home in upper and middle class neighborhoods along with sleeping bags or mattresses. They would also be given non-descript ‘junkie’ cars for deliveries and be paid around \$500 a week. Law enforcement likes to say that these cells are particularly good in counter-surveillance often talking in code and monitoring streets.³⁴ Runners and the cell head would also have a separate location where they will divide the product and prepare personal doses, wrapping them in plastic balloons.³⁵

According to court documents, each of the cells works independently from each other, and are not dependent on the other for distribution. Yet, cell heads in Columbus speak to each other whenever they are running out of product. Local police report that 3 out of 4 of those arrested for participating in any black tar cell are undocumented immigrants from Nayarit. Much in the mold of Villa-Guerra, runners are mostly youngsters from villages in Xalisco and are paid \$400 to 500 per week³⁶ Many are recruited directly in Nayarit and sent by the leader in Mexico to work in a specific cell. Other than the cell leader, who maintains contact with the source in Mexico, the runners are, in many ways, disposable assets within the organization, according to police agencies. With a growing Mexican population in Central Ohio, members of these cells have found cover among hard-working immigrants in the area. In Franklin County, for example, the Mexican immigrant community doubled in size between 2000 and 2008 from 12,005 to an estimated 26,319 according to the U.S. census.³⁷

Equally important to the development of a very efficient distribution model is a domestic market force that swept Ohio in the early 2000’s. Beginning in 2000, abuse of prescription opioids started an upward trend in the state that continues today. At the same time that the Nayarit cells were rushing to capitalize on their product, they encountered the rising trend in some cities east of the Mississippi of addicts hooked on U.S. prescription opioids such as Oxycontin or Vicodin, with a similar narcotic effect to heroin. Overdoses from artificial opioids were so high in Ohio that in 2008 they became the number one reason for unintended deaths surpassing motor vehicle accidents for the first time in history. Mexican cells identified a huge business opportunity by offering these addicts a less expensive product with the same (or even

³⁴“What they do is they come here, they rent a nice house or a nice apartment, drive nice vehicles, they come and bring their heroin here and then they collect the money and then they take the money and ship it back south to Mexico where is repatriated. And more than three quarters of these people that we are arresting are illegal and unfortunately they are Mexican” (Interview with a federal law enforcement official in Columbus, December 2009)

³⁵Interview with a federal law enforcement official, December 2009.

³⁶Interview with a local law enforcement official, December 2009.

³⁷Franklin County’s Mexican origin population in 2008 was 26,319 (2.4 percent of total) meanwhile in 1990 it was 2,892 (.3 percent of total population). (U.S. Census Bureau, “1990 Census” and “2008 American Community Survey Estimates”).

CROSSING THE MISSISSIPPI: HOW BLACK TAR HEROIN MOVED INTO THE EASTERN UNITED STATES

stronger) narcotic effect. According to state studies, 65 percent of heroin abusers in Ohio between 18 and 30 entered into heroin use from prescription opioids.³⁸ In the words of a federal law enforcement official:

The abuse of pharmaceutical drugs is in direct correlation to the rise of black tar heroin (in Central Ohio) ... The big explosion (in heroin comes from) this explosion of prescription drug (abuse) That's where it starts. That is the overriding thing.

— Federal law enforcement official Columbus, Ohio December 2009

Within Ohio, the abuse of man-made opioids is particularly strong in the state's southern counties near Appalachia that lead to West Virginia and Kentucky but increasingly in Central Ohio counties too.³⁹ Due to its location, Columbus law enforcement is seeing many Caucasian dealers from Southeastern Ohio traveling to the city to purchase black tar heroin for resale in their communities.⁴⁰

Less than 10 years after arriving in Columbus, Mexican black tar heroin has become one of the two main priorities for central Ohio's law enforcement along with cocaine.⁴¹ Just as the black tar heroin abuse started to mature in Central Ohio, sometime around 2005, local and federal law enforcement in the Columbus metropolitan area started to partner to confront the Mexican cells. At the beginning, the changing nature of the heroin trafficking routes coming from the Southwest border presented a challenge for law enforcement agencies used to dealing mostly with heroin coming from Detroit and Chicago. Due to a limited number of personnel, local law enforcement agencies, such as the Franklin County Sheriff's Department, were eager to partner with DEA and state partners like the Ohio State Highway Patrol to confront the black tar traffickers.⁴²

Sometime around 2005, local and federal agencies developed a mechanism called the "Southwest Border Task Force (SBTF)" that targeted criminal organizations coming from Mexico.⁴³ Federal prosecutors started to work closely with the SBTF

³⁸National Drug Intelligence Center, "National Drug Threat Assessment," 2008.

³⁹Holly Zachariah, "Prescription drug abuse expanding," *The Columbus Post Dispatch*, August 21, 2010.

⁴⁰Interview with a local law enforcement official in Lancaster County, December 2009.

⁴¹Interview with a local law enforcement official in Columbus, December 2009.

⁴²One of the key agencies in a regional task force investigating black tar heroin trafficking has been the Franklin County Sheriff's Department. This mechanism is important considering that the Sheriff Department has only 18 officers in its Special Operations Division (Interview with a local law enforcement official)

⁴³"I believe it was (black tar). But it was until we started retooling the way we investigate criminal organizations...Once we retooled and for example, the DEA has a Southwest Border Initiative here in Columbus, Ohio...its a HIDTA group...What DEA did in Columbus, we wrote an initiative that targets Southwest Border drug organizations. Because here in Central Ohio, more than three quarters of our cases that we do, or 80 percent come from the Southwest Border coming out through Mexico" (Interview with a federal law enforcement official in Columbus, December 2009).

in order to build up flagship cases against some of these cells.⁴⁴ At least one of the prosecutions resulted in a manslaughter charge when prosecutors were able to document that heroin provided by a specific cell and runner resulted in an overdose-induced death. Despite the successes of the “Southwest Border Task Force,” federal officials have mandated a Tactical Diversion Squad in Central Ohio to exclusively combat the non-medical use of painkillers⁴⁵ In the end, law enforcement has understood that black tar heroin cells benefit from a large pool of artificial opioids addicts.

CHARLOTTE, NORTH CAROLINA

Just after midday on June 16, 2009, Javier Torres-Gutiérrez received a phone call at his two-story home in a residential neighborhood outside the Charlotte metropolitan area. Located five minutes away from the gleaming campus of the University of North Carolina-Charlotte, Torres-Gutiérrez’ home was modern and quiet, at the end of a suburban cul-de-sac. On the other end of the line was a man only known at the time to law enforcement as “Juancho” and who was based somewhere in Mexico. “Juancho” was asking Torres-Gutiérrez whether another man known as “Costeño” had arrived in Charlotte to work in their shard business. Torres-Gutiérrez told “Juancho” that “Costeño” had arrived safely in Charlotte that morning after being smuggled into the U.S. from Mexico. After being handed the phone, “Costeño” explained that “Juancho” had gone through “Don Juan,” a human smuggler at the U.S.-Mexico border, who made him walk 40 minutes through the desert and later made him take a tractor-trailer along a U.S. highway without incident.⁴⁶ Police investigations later confirmed that “Costeño” was the newest runner of a five-man Mexican black tar heroin distribution cell in the Charlotte metropolitan area, whose leader was Javier Torres-Gutiérrez, a U.S. citizen.

Despite being somewhere in Mexico, “Juancho” seemed to have a tight grip on the Charlotte cell’s daily operations. One week after carefully monitoring “Costeño’s” arrival in the U.S., “Juancho” questioned Torres-Gutiérrez about the whereabouts of another member of the cell, an undocumented immigrant from Mexico known only as “Gallo.” According to Torres-Gutiérrez, Gallo was making some inroads distributing black tar heroin in Winston-Salem, just 90 minutes north of Charlotte.⁴⁷

⁴⁴Among the most relevant cases against black tar cells in Central Ohio is: *United States of America vs. David González Rendón* and *United States of America vs. Victor Delgado-Parra*.

⁴⁵On April 2, 2010 Ohio Governor Ted Strickland signed an executive order establishing the Ohio Prescription Drug Abuse Task Force with artificial opioids as one of its most important drugs of concern (Alan Johnson, “Ohio taking aim at opiates. Strickland task force will fight pill addiction,” *The Columbus Dispatch*, April 3, 2010)

⁴⁶“Affidavit by DEA Special Agent Robert C. Smith,” *United States of America vs. Javier Torres-Gutierrez*, July 1, 2009.

⁴⁷“Affidavit by DEA Special Agent Robert C. Smith,” *United States of America vs. FNU LNU, also known as ‘Gallo,’* July 20, 2009 and *Ibid*)

CROSSING THE MISSISSIPPI: HOW BLACK TAR HEROIN MOVED INTO THE EASTERN UNITED STATES

During the same conversation “Juancho” also asked Torres-Gutiérrez whether there was anyone else from the group helping him with the business that day. Torres-Gutiérrez replied that another undocumented Mexican immigrant known only as “Pelirrojo” was helping him package black tar heroin inside a suburban apartment complex in Rock Hill, a city just across the state border in South Carolina, where they were cutting the product into personal doses.⁴⁸ Considering the level of oversight that he had of the Charlotte cell, law enforcement had reason to believe that “Juancho” was providing the basic knowledge necessary to run a black tar heroin business in the U.S.

Most importantly, however, “Juancho” was not only providing Torres-Gutiérrez with business management knowledge, but was also the main source of his product.⁴⁹ During their conversations in the summer of 2009, both men discussed the whereabouts of other black tar heroin producers in Mexico. Phone conversations intercepted by law enforcement in June 2009 revealed that Torres-Gutiérrez committed himself to buying two ounces of heroin delivered by “Juancho” at a price of \$1,050 per ounce.⁵⁰ “Juancho” arranged for an intermediary to bring the product into Charlotte driving all the way from the well-established heroin market of Columbus, Ohio.⁵¹ During their conversations, “Juancho” assured Torres-Gutiérrez of the high quality of his heroin and offered in consignment three more ounces. It is important to note that from time to time Torres-Gutiérrez and other independent cells in Charlotte bought ounces of heroin from each other.⁵² Judging from the evidence in this case, and other cases like it, Torres-Gutiérrez’ activity can be better described as a franchise-kind of business. Through this arrangement, a trusted brand (“Juancho”) provided Torres-Gutiérrez with seed-money to start his business, operational know-how, and immigrant labor in exchange of the transfer of some percentage of the drug proceeds.⁵³ Despite not being totally clear, wiretaps show that the Charlotte cell was sending some of the proceeds back to Mexico. The following Table 6 outlines the sources, intermediaries, cell heads, runners, and resellers for the Torres-Gutierrez cell.

⁴⁸“Affidavit by DEA Special Agent Robert C. Smith,” *United States of America vs. Javier Torres-Gutierrez*, July 1, 2009.

⁴⁹“Affidavit by DEA Special Agent Robert C. Smith,” *United States of America vs. Candelario González-Rivera*, March 19, 2010.

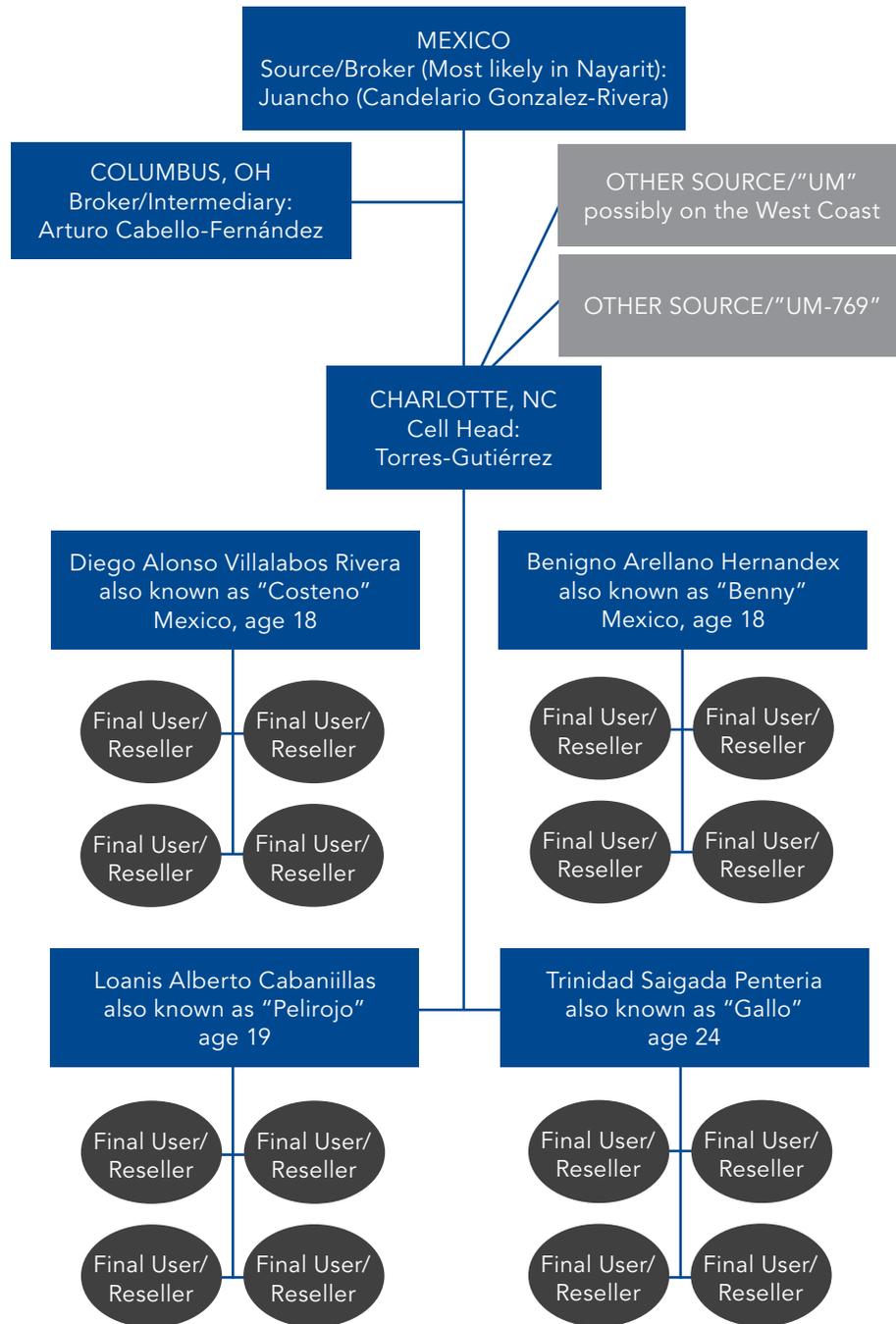
⁵⁰*Ibid.*

⁵¹*Ibid* and Affidavit by DEA Special Agent Robert C. Smith,” *United States of America vs. Javier Torres-Gutierrez*, July 1, 2009).

⁵²*Ibid* and Affidavit by DEA Special Agent Robert C. Smith,” *United States of America vs. FNU LNU, also known as ‘Julio,’* July 20, 2009).

⁵³During the investigation against the Torres-Gutiérrez cell, a runner only know as “Greñas” was heard in a surveillance action saying that he was sending proceeds from drugs to Mexico (Affidavit by DEA Special Agent Robert C. Smith,” *United States of America vs. Javier Torres-Gutierrez*, July 1, 2009).

TABLE 6: TORRES-GUTIÉRREZ HEROIN CELL IN CHARLOTTE



CROSSING THE MISSISSIPPI: HOW BLACK TAR HEROIN MOVED INTO THE EASTERN UNITED STATES

Like some other cities east of the Mississippi, Mexican black tar heroin became prevalent in Charlotte somewhere between 2003 and 2008. Local law enforcement started to see some cases during 2000 and 2001 but still considered it a problem within a small and close-knit community of users.⁵⁴ By 2003, local authorities were still concentrating most of their anti-drug efforts on curtailing cocaine importation from Colombia and had stepped up enforcement at Charlotte's international airport against the smuggling of this drug.⁵⁵ Yet, the discovery of a Charlotte connection in 2005 during "Operation Black Gold Rush" made clear that black tar heroin was a serious problem in the city.⁵⁶ Accordingly, in June 2007, federal officials stated that Mexican black tar heroin had officially landed in North Carolina.⁵⁷ Six months later, in February 2008 the DEA stated that black tar heroin's availability in North Carolina was underrepresented in their estimates.⁵⁸ By February 2009, the agency fully acknowledged the pervasiveness of the black tar heroin problem in North Carolina saying that heroin seizures had increased 77 percent between 2007 and 2008.⁵⁹

⁵⁴"Black tar heroin really started surfacing here in 2000 and 2001; and I think that it was a smaller, closely knit community. The prices were higher per dose, but since the larger police departments and the federal government have done a push towards focusing on opium based prescription painkillers they've made it harder...(so) these same users are now converting to the cheap form of heroin to get that same opiate driven high. And I think what we have seen you just have seen it a shifting of people targeting your pill heads, so to speak, to now they are heroin junkies. So I don't think that you added more people, you only shifted your focus" (Interview with local law enforcement official in Charlotte, August 2009).

⁵⁵Robert F. Moore, "Drug war shifting to points of entrance: Seizures of cocaine at Airport have risen," *The Charlotte Observer*, June 9, 2003 and Mary Elizabeth De Angelis, "Heroin making a comeback, with a vengeance," *The Charlotte Observer*, January 19, 1995.

⁵⁶Drug Enforcement Administration, "International Black Tar Heroin Trafficking Group Dismantled: 'Operation Black Gold Rush' Leads to 138 Arrests in 15 Cities," August 15, 2006.

⁵⁷"Heroin use and availability is reportedly low in North Carolina and is mainly confined to the major Central and Eastern metropolitan centers; however, developing information may suggest heroin trafficking has been underreported. Mexican drug-trafficking organizations transport small consignments of Mexican brown and black tar heroin from the Southwest Border states to North Carolina using private and commercial vehicles and express parcel services" (Drug Enforcement Administration, "State Fact Sheet, North Carolina 2007," June 2007).

⁵⁸"Heroin use and availability is reportedly low but growing in North Carolina. It is mainly confined to the major central and eastern metropolitan centers. Mexican DTO's transport small consignments of Mexican brown and black tar heroin from the Southwest Border states to North Carolina using private and commercial vehicles and express parcel services. Other Hispanic, Asian, and African-American traffickers transport South American, Southeast Asian, and Southwest Asian heroin from Miami, New York/New Jersey, and Philadelphia by private vehicles and networks of commercial bus and airline couriers." (Drug Enforcement Administration, "State Fact Sheet, North Carolina 2008," February 2008).

⁵⁹"Heroin use and availability is growing in North Carolina. It crisscrosses the state and is present in every metropolitan area. Statistics indicate a 77 percent increase in heroin seizures in the last year (2007-2008). Mexican DTO's transport small consignments of Mexican brown and black tar heroin from the Southwest Border states to North Carolina using private and commercial vehicles and express parcel services. Other Hispanic, Asian, and African-American traffickers transport South American, Southeast Asian, and Southwest Asian heroin from Miami, New York, New Jersey, and Philadelphia by private vehicles and networks of commercial bus and airline couriers" (Drug Enforcement Agency, "State Fact Sheet, North Carolina 2009," February 2009).

Yet, it was not until April 2009 that the first major news story labeling Charlotte a “black tar hub” emerged.⁶⁰ Mexican black tar heroin traffickers had by now taken control of Charlotte’s heroin market, making inroads into Raleigh-Durham, the other big North Carolina market.⁶¹

As the case of Torres-Gutiérrez cell shows, the arrival of Mexican black tar can be linked, in part, to the business astuteness of individual producers/brokers and traffickers.⁶² As in Columbus, the relevant question is: where are the big Mexican DTO’s? According to the 2008 NDIC situation report, both the Sinaloa Federation and the Juárez Cartel have footprints in Charlotte.⁶³ Yet, federal law enforcement thinks that the Charlotte black tar heroin cells and their sources in Mexico are a network with only indirect links to the big drug syndicates. A federal law enforcement source in Charlotte summarized his thoughts on this pressing question with the following statement:

Mostly you hear [in the press] about the cartels. And although there is some cartel connection, with black tar heroin it’s more been about individual traffickers that control the whole production... down there in Mexico. And then they get it up here. But they stay underneath the radar screen. So I think that is an advantage to them. And the second advantage is how organized they are.

— Interview with a federal law enforcement official, 2009.⁶⁴

These intrepid entrepreneurs are responsible for Mexican black tar reaching the eastern U.S. and becoming the dominant form of heroin in Charlotte over the past few years.

With very little presence 10 years ago, traffickers from Mexico not only reached into Charlotte but also transformed the city into the regional distribution hub for Mexican black tar heroin. In the Carolinas, evidence suggests that most black tar dealers across the state receive their supplies from the cells in Charlotte’s metro area.⁶⁵ Black tar heroin resellers from smaller cities (Winston-Salem, Asheville, Hickory, Concord, Salisbury, and Statesville, for instance) either come to Charlotte for product or ask for it to be delivered to their cities by the organization retailers.

⁶⁰Franco Ordoñez, “Charlotte emerges as hub for potent heroin Mexican traffickers control market. Arrests, abuse are up,” *The Charlotte Observer*, April 5, 2009.

⁶¹National Drug Intelligence Center, “Atlanta High Intensity Drug Trafficking Area Drug Market Analysis 2009,” April 2009.

⁶²Interview with a federal law enforcement official in Charlotte, January 2010.

⁶³National Drug Intelligence Center, “Situation Report: Cities in Which Mexican DTO’s Operate Within the United States,” April 11, 2008.

⁶⁴Interview with a federal law enforcement official, January 2010.

⁶⁵“Its not profitable for them to go to Monroe. To set up a shop they come to Charlotte and draw those people from the outer areas in” (Interview with a local law enforcement official, August 2009)

CROSSING THE MISSISSIPPI: HOW BLACK TAR HEROIN MOVED INTO THE EASTERN UNITED STATES

These links extend to surrounding cities in South Carolina like Rock Hill and Fort Mill and also to places as far as the Southern border of Virginia, three hours by car.⁶⁶ Located four hours north of Atlanta with highways connecting it the Northeast and Appalachia, it is not a surprise that Charlotte became a regional hub for Mexican black tar. Local law enforcement believes that there are at least 10 black tar heroin trafficking cells working in the Charlotte metro area.

As court records show, the Southwest border is the main source for black tar for all Charlotte black tar cells transporting their product mainly from Southern Arizona and Southern California.⁶⁷ However, many recent cases have seen black tar heroin supplies making stops in places such as Columbus, OH, Memphis, TN and even Portland, OR before arriving in Charlotte.⁶⁸ Mexican black tar heroin traffickers usually use private cars with hidden compartments for transporting the drug via interstate highways. Price per ounce in Charlotte is reported to be somewhere between \$800 and \$1000, similar to the prices in border cities such as Phoenix or Tucson. According to law enforcement, price remains low because producers/brokers in Nayarit and Charlotte cells use very few intermediaries in the process. Table 7 contains a conservative estimate of profits for the Torres-Gutiérrez cell.

Black tar heroin cells arrived during a time of relative prosperity for Charlotte's fast growing metropolitan area. With 1.7 million people, the whole metro area is ranked number 34 in the country.⁶⁹ The growing size of the Mexican immigrant population in Charlotte allows the trafficking cells to blend in among hard-working individuals. Law enforcement acknowledges that the vast majority of those arrested as part of the cells have been Mexican.⁷⁰ Most of the runners operating in Charlotte are undocumented immigrants who, basically, are assigned one specific function like distributing drugs or guarding a house.⁷¹ In 1990, there were only 2,030 persons of Mexican origin in Charlotte-Mecklenburg County while in 2008 the number had grown to 42,691.

⁶⁶"It comes here first and then from here, you will have resellers coming from Asheville, from Hickory, from Winston-Salem, to buy 100 balloons, 200 balloons and go back...I have arrested somebody that come as far as the line between Virginia and North Carolina. They were coming to Charlotte to purchase heroin. It's a regional problem (Interview with a local law enforcement official, August 2009 and Charlotte-Mecklenburg County Detective Paul Brent Foushee, "Local and Regional Heroin Trafficking," Presentation for Dr. Joseph Kuhns, UNC-Charlotte, Fall 2008).

⁶⁷Charlotte-Mecklenburg County Detective Paul Brent Foushee, "Local and Regional Heroin Trafficking," Presentation for Dr. Joseph Kuhns, UNC-Charlotte, Fall 2008.

⁶⁸A typical route for black tar trafficking would be Tijuana, Phoenix, Columbus, OH, Memphis/Nashville and Charlotte (*Ibid*)

⁶⁹Charlotte GDP in 2008 was 118 billion 350 million dollars ranking in number 21 among U.S. cities. Its population was 1,701,799 people. Charlotte has a similar GDP to Monterrey, Mexico (Bureau of Economic Analysis, September 2009 and U.S. Census Bureau, July 2008).

⁷⁰Interview with a local law enforcement official in Charlotte, August 2009.

⁷¹Mecklenburg County's Mexican origin population in 2008 was 42,691 people (4.7 percent of total) meanwhile in 1990 they only reached 2,030 people (.3 percent of total population). (U.S. Census Bureau, "1990 Census" and "2008 American Community Survey Estimates").

TABLE 7: POTENTIAL PROFITS OF TORRES GUTIÉRREZ BLACK TAR HEROIN CELL: A CONSERVATIVE ESTIMATE

Quantity		Price paid to source
1 ounce = .028 kilograms = 28 grams		\$1,000
Quantity		Price paid to source
1 dose = 1 balloon = .08 grams = 80 mg		\$8
1 ounce = 350 balloons = 28 grams = .028 kilograms		\$2,800
Total value of sales for 1 day (5 runners selling 5 oz)		\$14,000
Cost of drugs from source (5 ounces)	\$5,000	
Daily revenue before operating costs:		\$ 9,000
Daily Operating Costs:		
\$500		
(daily salaries 5 runners)		
\$80		
(daily rent for 2 homes)		
\$16	\$630	
(daily cell phone use; 6)		
\$17		
(daily gas 6 cars)		
\$17		
(daily utilities for 2 homes)		
Total net profit per day (Some stays with cell head and the rest goes to Mexico)		\$ 8,370

CROSSING THE MISSISSIPPI: HOW BLACK TAR HEROIN MOVED INTO THE EASTERN UNITED STATES

Whereas in Columbus, Ohio authorities like to compare the Nayarit cell model to the “drive-thru” model, law enforcement in Charlotte prefer to call it the “Domino’s Pizza” model. Nonetheless, the heart of the business is the same; both cells cater to a suburban population, away from the inner city, who is trying to find a cheaper opiate-type of high. Usually, transactions occur after a customer or a final reseller meets a runner in parking lots. Sometimes a customer can develop a level of trust with the runner and could receive the drug directly at his/her home.⁷² As a general rule, local law enforcement says they have seen little violence in the Mexican heroin trade in Charlotte.⁷³ They say they generally do not see a business connection between the runners and gangs. Yet, when incidents of violence occur they usually involve gangs trying to rip off the black tar cells from its proceeds.⁷⁴ Law enforcement in Charlotte says that runners usually have Caucasian final resellers or users, typically suburban white males between 16 and 28 years.⁷⁵

Less than one year ago, in October 2009 the mayor of Charlotte held a press conference “to inform [his constituents] that heroin has now returned to the streets and homes throughout the city of Charlotte: North, South, East and West.”⁷⁶ According to local authorities, heroin overdoses in Charlotte grew exponentially from 4 in 2007 to 30 in 2009. Similar to what is happening in other parts of the U.S., the arrival of Mexican black tar heroin in Charlotte was fed by increasing numbers of people hooked on prescription opioids. North Carolina authorities say that the state has witnessed a steady increase in the rates of unintentional poisoning deaths since 1999 and according to them, “methadone, oxycodone, hydrocodone, and other opioid painkillers are the most common causes of unintentional poisoning.”⁷⁷ Following

⁷²“So, if you are a young white kid, and you go up to a bad neighborhood you probably are either going to get ripped off or you are not going to be served at all. You can’t buy it. And if you do buy it, you are going to buy it for twice as much as you would pay from the Mexican source. So what would you do, would you rather go to a nice neighborhood, buy it for 10 dollars and you are going to get served because you made a phone call and just like, he said, like Domino’s, they arrive with your heroin. And in many cases when you are well known, you are trusted by them, they would even go to your house, or they would go near your house” (Interview with a local law enforcement official in Charlotte, August 2009).

⁷³“We got the question (of violence) from the local media quite a bit. Because when the cartels started to ramp upon the border everybody was wanting to make a connection and a story to be quite honest with you” (*Ibid*).

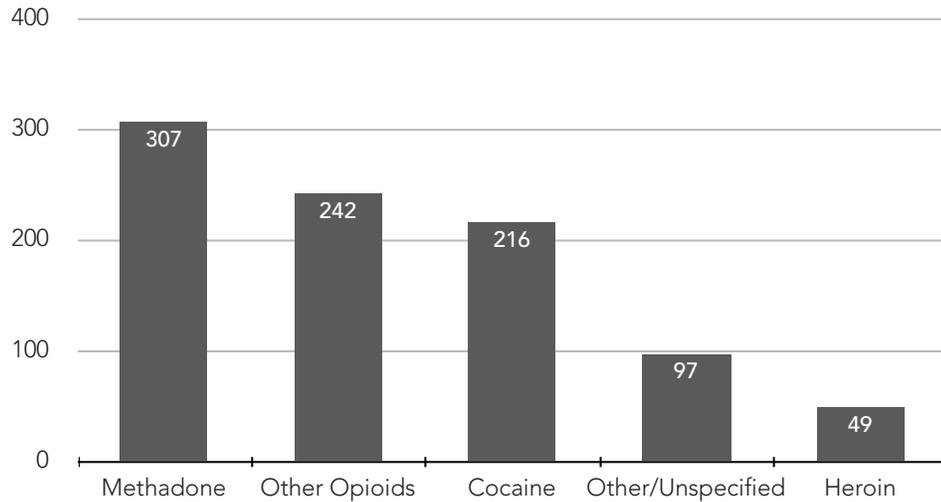
⁷⁴“In fact they are the ones that get preyed upon...They get routinely robbed and ripped off, and things like that. But as far as that’s the violence they are part” (*Ibid*)

⁷⁵“Their target demographic and the other night we made and arrest and we talked to them and this particular person said that ‘your trust fund babies’, that’s exactly the term he used: your ‘wealthy trust fund babies.’ (They)...throw just huge amounts of money at this heroin distributors because they have it. But the target demographic we’ve seen is: white males -and this is obviously not 100 percent but it is the sweet spot- white males, ages 18 to say 27. And we’ve started to be very concerned that we’re starting to see the younger kids. You know the 16 and 15 year-old level, 17 year-old level are now being brought into it. It’s the new (thing), some call it a fad, and some don’t really understand what it is they are really getting into when they start smoking it” (*Ibid*).

⁷⁶Franco Ordoñez, “Heroin deaths on rise in ’09,” *The Charlotte Observer*, October 21, 2009.

⁷⁷North Carolina Division of Health, “The Burden of Unintentional Poisoning in North Carolina,” January 2010.

TABLE 8: TOP FIVE CAUSES OF PRESCRIPTION AND ILLICIT DRUG DEATHS NORTH CAROLINA 2007



Source: N.C. Center for Health Statistics, Vital Statistics, 2007. Analysis by Injury Epidemiology and Surveillance Unit in *The Burden of Unintentional Poisoning in North Carolina*, January 2010.

the pattern of other states, Mexican black tar heroin traffickers are finding in North Carolina a significant pool of addicts craving a cheap opioid. As Table 8 shows, opioids are the second-most prevalent cause of death by prescription drugs.

Still, North Carolina is not the same as Ohio; while in Ohio unintentional poisoning deaths surpassed motor vehicle deaths in 2007, North Carolina authorities predict that even with a growing death rate, the state would not reach that point until about 2017.⁷⁸ The areas in the state with the highest rates of prescription opioid poisoning are those counties in the Appalachian region just west of Charlotte.

For local law enforcement, the arrival of black tar heroin cells in Charlotte was a phenomenon about which they had little knowledge in 2006. According to local investigators, federal authorities provided the insight into this innovative business model. Only a few of Charlotte's 1,685 police officers were dedicated to narcotics investigations so they needed to join forces with other agencies to combat black tar.⁷⁹ By then, however, the local DEA office (part of the Atlanta Field division) had already put in place a Task Force with state and local officers in Charlotte.⁸⁰ Federal prosecutors in the Western District of North Carolina have pursued a very tough

⁷⁸*Ibid.*

⁷⁹Data from Charlotte-Mecklenburg's Police Department

⁸⁰Interview with a federal law enforcement official, January 2010.

CROSSING THE MISSISSIPPI: HOW BLACK TAR HEROIN MOVED INTO THE EASTERN UNITED STATES

policy against many of the black tar cells since 2008. The DEA has publicized some of the cases filed at the U.S. District Court for the Western District of North Carolina, but still many others have not gained the attention of the media. During the summer of 2010, federal officials designated three counties in metro Charlotte (Mecklenburg, Union and Gaston) along with another three counties in Appalachia (Buncombe, Henderson and McDowell) as part of the High Intensity Drug Trafficking Areas program (HIDTA). Following a year of lobbying, the program will help fund joint law enforcement efforts coordinated by the regional HIDTA office in Atlanta. It can be said that public concern surrounding black tar in 2009 helped to put Charlotte on the map for more antidrug resources.⁸¹

CONCLUSIONS

The arrival of Mexican black tar heroin to the eastern half of U.S. during the last decade can be considered a turning point for certain domestic heroin markets. As the cases of Charlotte, NC and Columbus, OH show, the arrival of Mexican black tar broke the nearly 20-year dominance of Colombian white heroin in those cities. The severity of Mexican black tar heroin abuse has become a priority for law enforcement in both cities, but more prominently in Columbus. The history of the two previous heroin epidemics in the U.S. (the first after World War II and the second during the 1970's) shows that both had a direct correlation to the drug's low cost and high purity.⁸² The current low prices and high purity of Mexican black tar in some Eastern markets, such as those of Ohio and of North Carolina, have raised concerns among law enforcement and health officials. Back in the early 1990's when U.S. officials admitted that Colombian syndicates had started producing white heroin for exportation to the U.S., experts raised some concern because of their distribution capabilities.⁸³ At this point, the latest national statistics (2008) show that heroin continued to be at the lowest end of the drug abuse problem in the U.S. However, developments in Charlotte, NC and Columbus, OH show that this story may be shifting in certain heroin markets.

For at least half a century, Mexican black tar heroin found its way to cities in the Western U.S., most notably Los Angeles, CA. Known in Mexico and the American

⁸¹Following the first reports of Charlotte as a black tar heroin hub, Congresswoman Sue Myrick along with local agencies in the Charlotte metro area requested in August 2009 HIDTA designation. Before August 2010, when the Office of National Drug Control Policy (ONDCP) announced the expansion, the only area in North Carolina under HIDTA designation was Raleigh-Durham. (Office of National Drug Control Policy, "Nine Counties Receive Federal Designation to Fight Drug Trafficking," August 24, 2010 and Congresswoman Sue Myrick, "Myrick Announces Possible Program to Combat Drug Trafficking in Charlotte Area," August 19, 2009).

⁸²P.H. Hughes, and O. Rieche, "Heroin Epidemics Revisited," *Epidemiologic Reviews*, 1995, 17 (1), p. 66.

⁸³"These international trafficking groups already had cocaine distribution networks in North America. The fear is that they will introduce large quantities of low-cost, high-purity heroin, and that we could experience another large-scale heroin epidemic" (*Ibid*)

Southwest by the Spanish slang of “Chiva,” black tar heroin’s share of the U.S. market rose to 39% by 1972, in the middle of the country’s second heroin epidemic.⁸⁴ However, it was not until the late 1990’s that federal authorities started to see connections between black tar trafficking networks in the Southwest and locations east of the Mississippi.

At a time when the influence and reach of the large Mexican DTO’s is prominently showcased in the American media (particularly the powerful Sinaloa Federation) the cases of Charlotte, NC and Columbus, OH show a different story. Law enforcement in both cities has found scant evidence to link the arrival of a new cheap, potent version of Mexican black tar to the operations of large, monolithic Mexican DTO’s.⁸⁵ Produced on the Mexican Pacific Coast, notably in Nayarit’s township of Xalisco, the movement of black tar heroin into Columbus, OH and Charlotte, NC the past decade happened due to the work of individual teams (or cells) connected to autonomous poppy growers/brokers. The following are the main forces behind the flourishing of the Mexican black tar trafficking networks in these two cities:

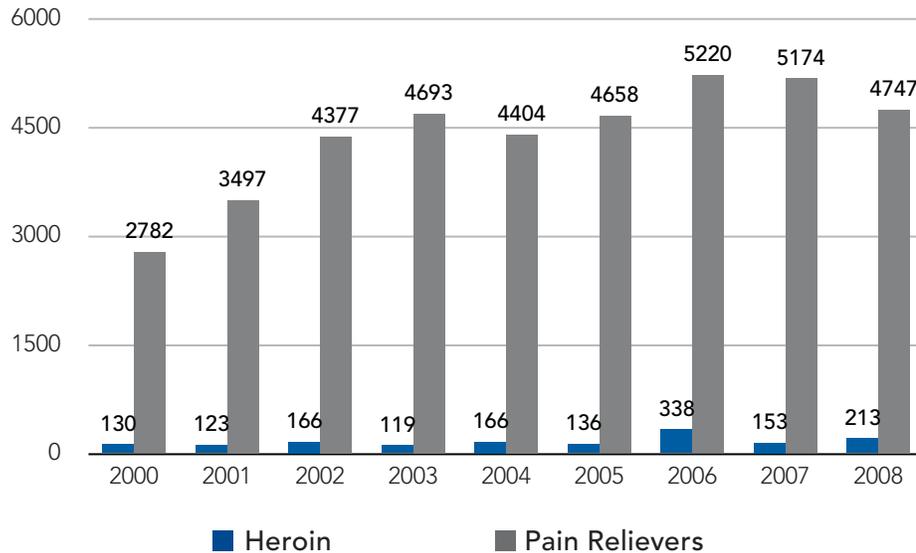
Increased demand for opioids in the U.S: The arrival and consolidation of Mexican black tar heroin east of the Mississippi during the past decade cannot be understood without considering the recent, steady increase in consumption of prescription opioids in the U.S. Without a population already addicted to painkillers, as in the case in Central Ohio or Western North Carolina, it is difficult to imagine how the “Nayarit cells” could have been successful. The large pool of people addicted to relatively expensive artificial opioids in the U.S. created a business opportunity for any creative entrepreneur who was able to bring a cheaper and high purity production opioids. As a result, it can be said that the “Nayarit cells” are reaping profits for the large pool of prescription pain reliever addicts. Indeed, as Table 9 indicates, drug use has risen steadily since 2000. It remains to be seen whether heroin will gain a larger share of the painkiller market or if prevention campaigns will be able to stop a surge over the next few years.

⁸⁴Chellis Glendinning, *Chiva. A Village Takes on the Global Heroin Trade*, New Society Publishers, 2005. p. 46.

⁸⁵This finding is consistent with recent academic literature regarding drug trafficking organizations that can be summarize in the following assessment: “Little evidence supports the idea that upper and mid level dealing is controlled by tightly organized, complex and hierarchical organized crime groups that operate around the world. Even the Medellin and Cali “cartels” seem to be only loose syndicates of independent entrepreneurs, who sometimes collaborate but who also compete with each other and with other, smaller organizations” (Mangai Natarajan, “Understanding the Structure of a Large Heroin Distribution Network: A Quantitative Analysis of Qualitative Data” in *Quantitative Journal of Criminology*, 2006, 22(2), 171–192).

CROSSING THE MISSISSIPPI: HOW BLACK TAR HEROIN MOVED INTO THE EASTERN UNITED STATES

TABLE 9: DRUG USE IN THE PAST MONTH AMONG PERSONS AGE 12 OR OLDER: NUMBERS IN THE THOUSANDS



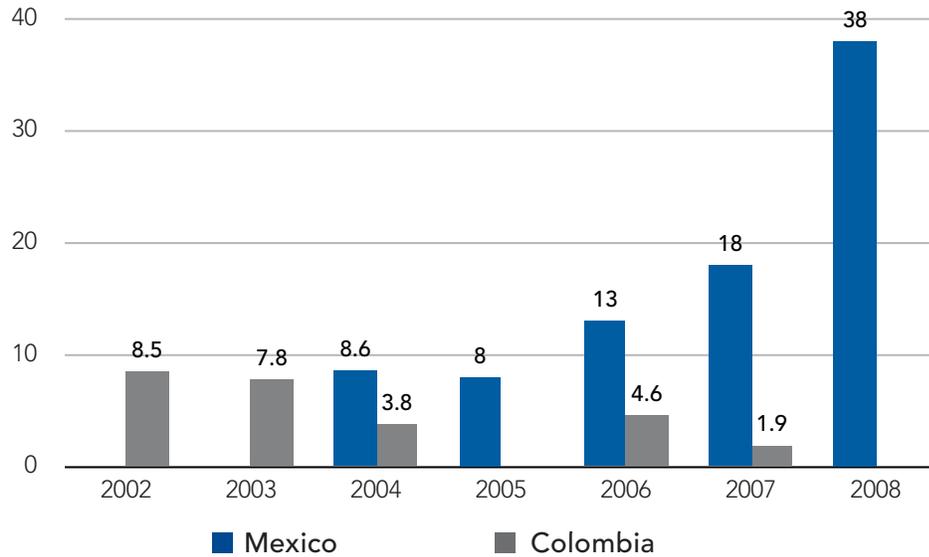
Source: SAMHSA, Office of Applied Studies, National Survey on Drug Use and Health, 2002, 2003, 2004, 2005, 2006, 2007, and 2008.

The control of production in Mexico: The success of the “Nayarit cell model” in Charlotte, NC and Columbus, OH is rooted in the entrepreneurial vision and business model of autonomous producers in Mexico’s Pacific Coast. These producers keep control of their product by providing cells, or franchises, abroad with supplies, know-how, and a labor force, all coming directly from Nayarit. But their success is fundamentally tied to the network’s ability to access a relatively abundant production at home.

It is difficult to assess levels of production in Mexico, but due to the acuteness of the problem in some U.S. markets, the latest American government assessment showed a dramatic increase during the past three years in poppy cultivation across Mexico. U.S. drug analysts think that the current levels of availability, with low prices and high purity in cities like Columbus, OH and Charlotte, NC, is directly linked to the Mexican government’s decision to move many of the Mexican military units from their traditional eradication role of poppies and marijuana towards one of providing public security in urban areas. As a result, Mexican DTO’s are able to produce significantly more heroin:⁸⁶

⁸⁶National Drug Intelligence Center, “National Drug Threat Assessment 2010,” 2010.

TABLE 10: POTENTIAL PURE HEROIN PRODUCTION, IN METRIC TONS (WHEN 0: VALUE IS NOT AVAILABLE)



Source: U.S. Government estimates; National Drug Threat Assessment, 2010.

The franchising of a successful business model: Heroin brokers/producers in Mexico have excelled in replicating in the East their successful business model out West. In contrast to the large Mexican DTO’s –long considered poly-drug organizations– these brokers/producers have developed a cell system dealing only with heroin. Two key factors in the success of these independent brokers/producers is the control of production at the farm and the relatively small quantities of heroin needed for reaching profitability. U.S. agents suspect that heroin brokers in Mexico have arrangements with the major DTO’s. Federal law enforcement officials think that there must be at least some kind of payment for letting heroin brokers export their product through specific “border plazas.”⁸⁷ At the very least, court records show that heroin brokers in Mexico have been able to reduce the number of “middle men” in the chain connecting them to the cells in places like Charlotte, NC and Columbus, OH. Most importantly, brokers and cells have been able to exploit the increasing appeal for artificial opioids in certain regions of the U.S. since the year 2000. Black tar trafficking cells in these cities have adapted by catering directly to the suburban consumer of and opioid dependant population. By deploying an efficient “Domino’s Pizza”-style retail system in middle- and upper-class neighborhoods in the

⁸⁷Interview with a federal law enforcement official, January 2010.

CROSSING THE MISSISSIPPI: HOW BLACK TAR HEROIN MOVED INTO THE EASTERN UNITED STATES

suburbs, these cells were able to reverse heroin's 1970's reputation as an inner-city drug, synonymous of dark alleys.

The trafficking of black tar heroin from Mexico to the U.S. has received a relatively small amount of attention from the news media, even in the midst of heightened coverage regarding Mexico's war on drugs. Relevant prosecutions in federal courts in the U.S. such as North Carolina's Western District (Charlotte) and Ohio's Southern District (Columbus) have been out of the public eye except when federal prosecutors specifically publicize them.

After growing concern in the U.S. regarding heroin independent producers, Mexican authorities made arrests of two individuals that they claim were significant heroin producers: one in Sinaloa and one in Michoacán.⁸⁸ On the U.S. side federal authorities recognize that going after heroin producers is not at the top of their priority list, due to limited resources:

Let's face it: the cartels are the priority. And cocaine is still the number one drug threat in this country. So, we have limited resources and we have to prioritize...

— Interview with a law enforcement official, January 2010

Going after the "corporate-type" structures of the large Mexican DTO's (instead of prosecuting individual brokers and cells with no identifiable leadership that deal only with one drug) may also be occurring because of the challenges that this innovative structure poses to authorities on both sides of the border.⁸⁹

With heroin markets in the Eastern U.S. increasingly open to Mexican black tar, the next few years present challenges for the immediate future of heroin trafficking in the region. For example, the next few years will clarify whether the black tar heroin "cells model" can be introduced to the major heroin markets in the Northeast

⁸⁸In March 2010, the Mexican Government said it had captured José Antonio Medina Arreguín, whom they dubbed as "The King of Heroin" and whose base were the towns of Uruapan and Apatzingán in Michoacán. More importantly in June 2010, Mexican law enforcement captured Carlos Ramón Castro Rocha, a suspect accused to be connected to some Charlotte cells and whose base was Guasave, Sinaloa. (Presidencia de la República, "Capturan a José Antonio Medina Arreguín, "El Rey de la Heroína," March 25, 2010 and Drug Enforcement Administration "High Priority Target Indicted for Heroin Trafficking, Arrested in Mexico," June 10, 2010).

⁸⁹"The view that drug trafficking is primarily conducted by small groups of entrepreneurs who almost randomly come together to conduct particular deals and then disperse, perhaps to reconvene at a later date to conduct a new deal with some other entity, presents law enforcement with a difficult challenge. It is much harder to hit a moving target than static one, such as that presented by a large criminal organization. Furthermore, there are many advantages for law enforcement in portraying themselves as engaged in a fight against a powerful, highly organized enemy. This attracts resources and media attention. Fighting loose networks of opportunist entrepreneurs is not only more difficult, but is less glamorous and somehow less worthwhile" (Mangai Natarajan, "Understanding the Structure of a Large Heroin Distribution Network: A Quantitative Analysis of Qualitative Data" in *Quantitative Journal of Criminology*, 2006, 22(2), 171–192 2006).

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(chiefly, New York and Boston); and also, whether prosecutions will be an effective way to deter cells (in places like Columbus, OH and Charlotte, NC) from expanding their business. But the single most important aspect in the coming years is whether the U.S. will be able to reduce the current market for artificial opioids and stop the bleeding of some of these consumers into the Mexican black tar heroin market.