

**PROTECTING THE U.S. HOMELAND: FIGHTING THE
FLOW OF FENTANYL FROM THE SOUTHWEST
BORDER**

HEARING

BEFORE THE

**SUBCOMMITTEE ON
BORDER SECURITY
AND ENFORCEMENT**

OF THE

COMMITTEE ON HOMELAND SECURITY

HOUSE OF REPRESENTATIVES

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**PROTECTING THE U.S. HOMELAND: FIGHTING
THE FLOW OF FENTANYL FROM THE
SOUTHWEST BORDER**

Wednesday, July 12, 2023

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
SUBCOMMITTEE ON BORDER SECURITY AND ENFORCEMENT,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:21 p.m., in room 310, Cannon House Office Building, Hon. Clay Higgins (Chairman of the subcommittee) presiding.

Present: Representatives Higgins, Gonzales, Luttrell, Brecheen, Correa, Jackson Lee, Thanedar, Garcia, and Ramirez.

Also present: Representatives D'Esposito, Ivey, and Goldman.

Mr. HIGGINS. The Committee on Homeland Security Subcommittee on Border Security and Enforcement will come to order.

Without objection, the subcommittee may recess at any point.

The purpose of this hearing is to receive testimony from Government experts on the elaborate drug operations conducted by the transnational criminal organizations along the United States-Mexico border which threaten the safety and security of American communities.

From the importation of precursor chemicals for production from China to the distribution of fentanyl in the United States, transnational criminal organizations are wreaking havoc on American communities, and the Committee on Homeland Security seeks answers.

I now recognize myself for an opening statement.

Good afternoon, gentlemen. Thank you for being here, and welcome to the Subcommittee on Border Security and Enforcement hearing on fighting the flow of fentanyl from the Southwest Border.

The purpose of today's hearing is to examine the Biden administration's failures and perhaps to examine some areas of shared success with previous administrations.

We welcome our witnesses from the Office of the National Drug Control Policy, the Department of Homeland Security, the Drug Enforcement Administration, and I thank you all for being here today.

I'd like to begin by thanking our Customs and Border Protection front-line agents and officers who work tirelessly every day to protect our country despite the negligent policies that they're subject to and the lack of support that they have reported from the Biden administration.

Every day, transnational criminal organizations use America's complex highway systems to smuggle illicit drugs, such as deadly fentanyl, and human beings into our country. These criminal organizations pose an enormous threat to the United States, as they undermine our public safety and flood our streets with drugs.

The Centers for Disease Control and Prevention, the CDC, cites drug poisoning as the leading cause of mortality due to injury in the United States. Over 150 people die in our Nation every day from overdoses related to synthetic opioids like fentanyl.

Fentanyl has poured across our borders and into the streets of America while the Biden administration continues to implement policies that have, in fact, emboldened and enriched these transnational criminal organizations.

It would be impossible to discuss the free flow of fentanyl at our borders without mentioning China's significant role in the shipping of precursor chemicals to the Mexican cartels. The cartels and China have a complicated money- and drug-laundering operation. This operation kills Americans every day. In fact, according to the CDC, fentanyl is the leading cause of death of Americans age 18 to 45.

As the flow of illegal immigrants continues to overwhelm Customs and Border Protection, it's inevitable that more and more drugs will slip through our defenses and into our country. As long as the Biden administration continues to fail enforcement of our immigration laws, the cartels will continue to reap the benefits.

Secretary Mayorkas has been derelict in his duties and has failed this country. He's continuously refused to enforce immigration law. He refused to prosecute illegal entries and refused to utilize previous immigration tools that had been proven effective. These actions have increased the flow of illegal aliens into this country, enriched the Mexican cartels, and overwhelmed our front-line agents and officers, which has led, of course, to more and more drugs flowing into the United States.

There's quantifiable impact of this destruction on our country. As drugs have poured into the United States, overdose deaths have increased every year, from 92,000 in 2020 to 109,680 in 2022. These are our brothers, our sisters, our family, our friends and neighbors. The Biden administration must reconcile with this devastation, and it's our job in Congress to hold the administration accountable.

The cartels have quickly learned to outmaneuver the system we had in place. With the help of the Chinese Communist Party and the Biden administration's ineffectiveness, they've smuggled an unprecedented amount of fentanyl and trafficked these dangerous and deadly drugs into our country, have taken a record number of American lives, and brought in regular billion-dollar profits. They've torn countless scores of thousands of American families apart.

This subcommittee will not allow the Biden administration, nor Secretary Mayorkas, to sweep their failures under the rug.

Today, this hearing will expose the arterial bleed at our Southern Border and the ensuing fight against synthetic opioids that has made its way to the forefront of all of our lives.

I yield back the balance of my time, and I look forward to hearing from our witnesses.

[The statement of Chairman Higgins follows:]

STATEMENT OF CHAIRMAN CLAY HIGGINS

JULY 12, 2023

Good afternoon and welcome to the Subcommittee on Border Security and Enforcement hearing on fighting the flow of fentanyl from the Southwest Border. The purpose of today's hearing is to examine the Biden administration's haphazard fight to disrupt the flow of fentanyl into the United States. I would like to welcome our witnesses from the Office of National Drug Control Policy, Department of Homeland Security, and the Drug Enforcement Administration for being here today.

Most recently, I was appointed by Speaker McCarthy to serve on the Task Force to Combat Mexican Drug Cartels. The purpose of the task force is to examine cartel operations, educate the American people on the impacts of cartel violence, provide legislative recommendations, and most importantly help save lives. I look forward to working with my colleagues in this crucial endeavor.

Every day, Transnational Criminal Organizations uses America's complex highway systems to smuggle illicit drugs, such as deadly fentanyl, and humans into our country. These criminal organizations pose an enormous threat to the United States as they undermine our public safety and flood our streets with drugs.

The Centers for Disease Control and Prevention (CDC) cites drug poisoning as the leading cause of mortality due to injury in the United States. Of the more than 105,000 drug poisoning overdose deaths in 2022, more than 75 percent involved opioids including fentanyl.

Under the Biden administration, America has been suffering from wave upon wave of misery flooding across our Southwest Border. Fentanyl has poured across our borders and into the streets of America while the Biden administration continues to implement policies that embolden and enrich these Transnational Criminal Organizations.

Mexican cartels rely on China for the precursor chemicals used to make synthetic opioids. The Sinaloa and Cártel de Jalisco Nueva Generación (CJNG) are the two biggest importers of synthetic opioids into the United States, and both rely on a complex system with partners in China to import fentanyl precursors. The precursors are then processed in labs in Mexico and then smuggled into the United States.

We would be mistaken not to mention China's significant role in the shipping of precursors and laundering of money. It is vital that the Biden administration recognize China's role in providing the vital ingredients used in illicit products that are killing United States youth. In fact, according to the CDC, fentanyl is the leading cause of death of Americans ages 18–45.

As the flow of illegal immigrants continues to overwhelm Customs and Border Protection, it is inevitable that more and more drugs will slip through our defenses and into our country.

Secretary Mayorkas has been derelict in his duties to this country and has continuously refused to enforce immigration law, refused to prosecute illegal entries, and refused to utilize previous immigration tools at his disposal. These actions have increased the flow of illegal aliens into this country, enriched Mexican cartels, and overwhelmed our front-line agents and officers, which has led to more and more drugs flowing into the United States.

The reckless open-border policies set by President Biden and Mayorkas have greatly benefited the Mexican cartels. The cartels quickly learned to outmaneuver the system, and with the help of the Chinese Communist Party, they have smuggled an unprecedented amount of fentanyl, taken a record number of American lives, brought in billion-dollar profits, and have torn families apart.

Secretary Mayorkas' blatant disregard for the security and sanctity of the American people has wounded our great nation deeply. This subcommittee intends to hold Secretary Mayorkas and the Biden administration accountable for their actions.

With that, I yield back the balance of my time and look forward to hearing from our witnesses.

Mr. HIGGINS. Without objection, I'd like to waive on the gentleman from New York, Mr. D'Esposito.

Mr. D'Esposito will be permitted to sit on the dais for this subcommittee hearing and ask questions of the witnesses.

I recognize the Ranking Member.

Mr. CORREA. Thank you, Mr. Chairman.

Again, thank you very much for holding this most important hearing on transnational criminal organizations and, of course, fentanyl.

Mr. Chairman, I want to ask also unanimous consent that Mr. Ivey and Mr. Goldman be permitted to sit with the subcommittee and question today's witnesses.

Mr. HIGGINS. Without objection.

Mr. CORREA. Again, Mr. Chairman, thank you for holding this most important hearing.

We also need to dismantle fentanyl supply lines. The surging resources to conduct inbound inspections are badly needed. We need to work collaboratively to make sure that these seizures lead to arrests and prosecutions of those engaged in these illegal, dangerous businesses.

That's why I'm glad to hear about the Department's recent successes in operations like Blue Lotus, the Four Horsemen—both of these that have seized nearly 10,000 pounds of fentanyl that were destined to go to our communities. Of course, these operations also resulted in almost 300 arrests. I understand the Department has used the intel from these successes to move to the next phase, which is to target and prevent other fentanyl from entering the United States.

I hope our witnesses today will share about—a little bit of information about the two new operations being moved ahead, which are Operation Artemis and Operation Rolling Wave.

For today's witnesses from the White House, DEA, CBP, and Homeland Security Investigations, or HSI, I want to hear in your testimony about how the administration has been working to mitigate these threats to our country as well as to Main Street.

We know transnational criminal organizations and the illicit supply of fentanyl are not new challenges. In fact, the number of fentanyl seizures began to increase in the summer of 2020 under the previous administration. As you know, the threat of fentanyl does not begin or end at our Southern Border.

We need to also improve our public health care response to this crisis and address the addiction plaguing our communities, while providing support for those that are trying to recover from drug addiction.

Of course, to tackle transnational criminal organizations and fentanyl, we can't just focus on seizures alone. We also need to go after their profits and supply chains. Again, let me repeat: We also need to go after their profits and supply chains.

I'm glad to hear that, under this administration, Homeland Security Investigation has continued Operation Pelican Bones, which seeks to disrupt the financial tools used by transnational criminal organizations to launder money; as well as Operation Hydra that goes after the precursors needed to create fentanyl; and, of course, Operation Chain Breaker that targets the equipment needed to manufacture pills.

Initiatives like these, gentlemen, to dismantle illicit networks and limit TCOs' financial accesses are needed. Yet we also need to recognize that this is a global threat, a world-wide threat. Strong and collaborative partnerships with international partners are critical to dismantling transnational criminal organizations.

That's why this morning the Chairman and I introduced the bipartisan Cooperation on Combating Human Smuggling and Trafficking Act, which would direct Homeland Security Investigations to expand its Transnational Criminal Investigative Units. These vetted and trained units of foreign law enforcement work with HSI to investigate transnational criminal organizations. They need to stop human smuggling and the flow of dangerous drugs before they reach our borders.

I hope my colleagues across the aisle will continue to join me in calling for responsible action, like expanding these transnational criminal investigative units and putting more resources toward our ports of entry, instead of throwing around harmful rhetoric about invading Mexico, our second-largest trading partner and, of course, a critical partner in fighting transnational crime.

While I have focused primarily on the law enforcement action we can take to dismantle transnational criminal organizations, we must also recognize that this isn't the only border issue. It's also a public health care challenge. These criminals across the world seek to make record profits at the cost of lives—American lives on Main Street. There is wide-spread, untreated drug addiction in our streets, leading some individuals to consume dangerous substances that may be laced with fentanyl.

Hope our witnesses today from the Office of National Drug Control Policy can speak also to the administration's strategy to reduce the demand for illicit drugs on our streets.

Again, I want to thank the witnesses for taking time from your very busy schedules to talk to us today. I welcome your suggestions how we in Congress can help you better accomplish your job.

Thank you very much, and I now turn it back to Chairman Higgins for today's proceedings.

[The statement of Ranking Member Correa follows:]

STATEMENT OF RANKING MEMBER J. LUIS CORREA

JULY 12, 2023

I would like to start by thanking Chairman Higgins for holding today's hearing on transnational criminal organizations and fentanyl. For today's witnesses from the White House, DEA, CBP, and Homeland Security Investigations (HSI), I look forward to hearing your testimony about the administration's actions to mitigate these threats.

We know transnational criminal organizations and the illicit supply of fentanyl are not new challenges. In fact, the number of fentanyl seizures began to increase in the summer of 2020 under the previous administration. But the threat of fentanyl does not begin or end at the Southern Border.

We need to improve our public health response to this crisis and address the addiction plaguing our communities while providing support to those recovering. We also need to dismantle fentanyl supply chains, surging resources to conduct inbound inspections, and working to indict, arrest, and prosecute those engaged in this illegal business. That's why I was glad to hear about the Department's recent successes in Operations Blue Lotus and Four Horsemen, which seized nearly 10,000 pounds of fentanyl headed for our communities and resulted in 284 arrests.

I understand that the Department has used the insights gained from these two operations to launch the next phase of its campaign to target and prevent fentanyl from entering the United States. I hope our witnesses will share more about the two new operations, Operation Artemis and Operation Rolling Wave. To tackle transnational criminal organizations and fentanyl, we can't just focus on seizures. We also need to go after their profits and supply chains.

I am glad that, under this administration, Homeland Security Investigations has continued Operation Pelican Bones—which seeks to disrupt the financial tools used

by transnational criminal organizations to launder money—as well as Operation Hydra, which goes after the precursor chemicals needed to create fentanyl, and Operation Chain Breaker, which targets the equipment needed to manufacture pills. Initiatives like these are critical to dismantle illicit networks and limit TCOs’ financial access. But we also need to recognize that this is a global threat, and strong, collaborative partnerships with international partners are critical to dismantling transnational criminal organizations.

That’s why this morning the Chairman and I introduced the bipartisan Cooperation on Combatting Human Smuggling and Trafficking Act, which would direct Homeland Security Investigations to expand its Transnational Criminal Investigative Units. These vetted and trained units of foreign law enforcement work with HSI to investigate transnational criminal organizations, aiming to stop human smuggling and the flow of dangerous drugs before they reach our borders.

I hope my colleagues across the aisle will continue to join me in calling for responsible action, like expanding these transnational criminal investigative units and putting more resources toward our ports of entry, instead of throwing around harmful rhetoric about invading Mexico—one of our closest trading partners and a critical partner in the fight against transnational crime.

While I have focused primarily on the law enforcement actions we can take to dismantle transnational criminal organizations, we must recognize that this isn’t only a border security challenge or law enforcement challenge. It’s a public health challenge, as transnational criminal organizations seek to make record profits at the cost of American lives. There is wide-spread untreated addiction for drugs, leading some individuals to consume dangerous substances that may be laced with fentanyl. I hope our witness from the Office of National Drug Control Policy can speak to the administration’s strategy to reduce the demand for illicit drugs in our communities.

Again, I appreciate all of witnesses’ willingness to appear today to discuss how we can increase our efforts to combat this serious threat. I welcome any suggestions about how Congress can help you accomplish your missions.

Mr. HIGGINS. I thank Ranking Member Correa.

All the Members of the committee are reminded that opening statements may be submitted for the record.

[The statements of Ranking Member Thompson and Hon. Jackson Lee follow:]

STATEMENT OF RANKING MEMBER BENNIE G. THOMPSON

JULY 12, 2023

Let me start by saying that tackling the drug crisis is one of our most pressing national security, law enforcement, and public health challenges, and we must do more to protect American lives. Fentanyl presents the newest iteration of a drug problem that America has had for decades.

One way Congress can help protect Americans is to allocate resources to aggressively target the source of drug trafficking—Transnational Criminal Organizations or TCOs. We must understand that these organizations, including cartels south of our border, operate as a business. They are profit-driven. They are violent and criminal. But they are not political or ideological. Transnational criminal organizations profit from the demand for illicit drugs and at the expense of American lives.

The Biden administration, through the agencies testifying today among others, are working tirelessly to combat the TCOs and drug traffickers. Rather than waste resources building a wall or using migrants as scapegoats, the Biden administration has made historic investments in border security and in fighting the scourge of fentanyl. The administration has directed resources to the places where the drugs are actually entering this country.

We know that about 90 percent of fentanyl is trafficked in cars and trucks through ports of entry, not between them. Even the fentanyl caught between ports of entry is mostly seized in vehicles at checkpoints or out at sea—not on the backs of migrants. In addition, it’s important to recognize that U.S. citizens, not undocumented migrants, represent more than 85 percent of convictions for fentanyl trafficking.

The Biden administration has invested in technology at the ports of entry to scan travelers, vehicles, and cargo entering the United States with the intent to distribute illicit drugs. With these investments, seizures are now at a record high. Unfortunately, CBP is only able to scan about 2 percent of passenger vehicles and just 15 percent of commercial vehicles. Imagine the amount of drugs we could stop from

coming into the country if we invested as much in non-intrusive inspection technology as Republicans want to spend on more border wall.

This whole-of-Government approach led to the administration to establish Operations Blue Lotus and Four Horsemen this spring. Under these initiatives, CBP, HSI and State and local partners stopped nearly 10,000 pounds of fentanyl from entering our communities and conducted 284 arrests for fentanyl-related charges in just 2 months. These operations are just a couple measures in the Biden administration's multi-pronged strategy to combat TCOs and curtail the flow of illicit fentanyl.

I want to commend Customs and Border Protection and other agencies for their coordinated efforts to increase the number of seizures and related investigations. I can't help but note that just a few years ago my Republican colleagues touted drug seizures as a measure of success under the Trump administration.

Now that the Biden administration has record seizures due to its investments and its commitment to detection and interdiction efforts, my Republican colleagues are criticizing the administration. This is the height of hypocrisy.

While I appreciate the administration's efforts to stop fentanyl and other drugs from entering our communities, it's important to recognize that this is just one part of the solution. Law enforcement and border security alone will never be enough. We must also tackle this crisis with treatment and recovery options to restore people's health and break the devastating cycle of addiction.

I urge my Republican colleagues to work together to provide the necessary resources to Federal agencies to combat TCOs and prevent fentanyl trafficking.

STATEMENT OF HONORABLE SHEILA JACKSON LEE

JULY 12, 2023

Thank you, Chairman Higgins and Ranking Member Correa, for the opportunity to speak today and thank you to the witnesses who are here.

My thanks to our hearing witnesses:

- Mr. Kemp Chester, senior advisor of National Drug Control Policy
- Mr. Steven Cagen, assistant director of Homeland Security Investigations
- Mr. James Mandryck, deputy assistant commissioner, Office of Intelligence, CBP
- Mr. George Papadopoulos, acting chief of operations, DEA
- Mr. Tyrone Durham, director, Nation-State Threat Center.

As a member of the House Judiciary and Homeland Security Committees I have a unique view on the threat that fentanyl poses to our children, families, communities, and our Nation.

As the Ranking Member of the Judiciary Committee's Subcommittee on Crime and Federal Government Surveillance I introduced The Stop Fentanyl Now Act of 2023.

The Stop Fentanyl Now Act, a is important bill that will protect children and youth from fentanyl, fentanyl-related synthetics, and fentanyl-laced substances.

As illicit fentanyl floods our communities, fentanyl-related deaths continue to increase at a devastating rate—claiming nearly 200 lives each day in every corner of the country.

No community is safe from this public health crisis.

As illicit fentanyl floods our communities, fentanyl-related deaths continue to increase at a devastating rate—claiming nearly 200 lives each day in every corner of the country.

TEXAS STATISTICS

In my home State of Texas, fentanyl was linked to more than 1,600 fatal overdoses in 2021 while the CDC reports that there were more than 70,000 fentanyl-related deaths in the United States in that same year, including roughly 1,500 individuals under the age of 20.

In 2022, more than 2,000 people died from fentanyl in Texas, killing more than 5 Texans aged 18–45 per day.

I want to again reiterate unintentional fentanyl use, given that 97 percent of the 870 unintentional synthetic opioid deaths in Texas in 2022 were fentanyl-related.

NATIONAL STATISTICS

Fentanyl is now the leading cause of accidental death for young Americans, killing more people than suicide, car accidents, or gun violence.

No community is safe from this public health crisis.

It is found in every part of the United States.

Every drug purchased on the internet, on the street, or from people can contain fentanyl regardless of the form (powders, capsules, pills, and more).

The U.S. Drug Enforcement Administration found that 1 in 3 counterfeit pills on the market contained a potentially lethal dose of fentanyl.

Kids of color have been the hardest hit by the fentanyl crisis, with the highest increase in deaths among Native American, Latinx, and Black youth.

More than 5,000 children and teens have died from overdoses involving fentanyl in the past two decades, according to data published in the *Journal of American Medical Association (JAMA) Pediatrics* (on May 8, 2023).

More than half of those deaths occurred in the first 2 years of the COVID-19 pandemic.

Fentanyl was involved in 1,557 adolescent deaths in 2021, a thirty-fold increase since 2013; when the wave of overdose deaths involving synthetic opioids started in the United States.

A surge that began in 2018 led to a nearly three-fold increase in deaths among older adolescents and a nearly six-fold increase among children younger than 5.

In 2021, 40 infants and 93 children ages 1 to 4 died from a fentanyl overdose. Specifically, fentanyl has been mistaken by children as candy and chalk.

According to the DEA, bright-colored fentanyl pills designed to hook children have been spotted in nearly two dozen States.

The DEA also suggested cartels are coloring blocks of the drug so that it resembles sidewalk chalk.

These fatal pediatric overdoses involving fentanyl mirror trends seen in adults.

In 2021, nearly 70,000 U.S. adults fatally overdosed on fentanyl, the biggest spike in overdose deaths in the country's history.

Since 1999, however, the vast majority of pediatric deaths from fentanyl have been among older teens ages 15 to 19 (89.6 percent).

Teen deaths from fentanyl have surged over the past few years—tripling overall and increasing 5 times for Black teens—according to provisional data from the Centers for Disease Control.

In 2021, 77 percent of all teen overdose deaths involved fentanyl.

The FDA also recently warned of “rainbow fentanyl” manufactured to look like candy to appeal to children.

Experts agree the surge of fentanyl deaths is overwhelmingly traceable to social media, where children can easily buy prescription and other drugs, many of which are counterfeit and contain lethal doses of fentanyl.

For all ages, 43.8 percent of deaths occurred at home, and 87.5 percent were unintentional.

And the drug is now the primary agent noted in the pediatric opioid crisis.

In particular, accidental exposures to fentanyl patches continue to be deadly to children.

According to the FDA, children can overdose on new and used fentanyl patches by putting them in their mouth or sticking the patches on their skin.

This can cause death by slowing the child's breathing and decreasing the levels of oxygen in their blood.

H.R. 4272, THE STOP FENTANYL NOW ACT OF 2023

The *Stop Fentanyl Now Act of 2023* is a necessary response to the recent surge in overdoses and death that is claiming thousands of young lives each year.

My bill would:

- Provide training and resources to ensure schools and teachers can administer opioid overdose reversal drugs or devices;
- Stop the on-line sale of little pink pills and other brightly-colored pills that have been used to target and drive addiction among youth—and have contributed to the recent surge in fentanyl-related overdoses and deaths;
- Require HHS and DOJ to develop and implement a national strategy to educate the public about fentanyl, fentanyl-related synthetics, and fentanyl-laced substances;
- Provide grants to States to develop and implement treatment programs for individuals addicted to these substances;
- Decriminalize fentanyl test strips and provide grants to States that adopt similar legislation;
- Encourage DOJ to increase resources available to law enforcement agencies to combat the trafficking of these substances;
- Require DOJ to establish an interagency task force to coordinate Federal, State, and local efforts to combat the trafficking of these substances;

- Require HHS to conduct research to better understand the effects of these substances, develop new treatments for individuals addicted to them, and determine best practices for prevention; and
- Enhance penalties for offenses involving the distribution or manufacture of adulterated or misbranded drugs, doing so with the intent to defraud or mislead, as well as promotion or sale of adulterated or misbranded drugs on-line.

The *Stop Fentanyl Now Act of 2023* is comprehensive legislation that broadly covers distribution of fentanyl-related synthetics and fentanyl-laced substances by seeking to break the supply chain that is now on-line and more available to our youth while punishing those who are criminally engaged in such activity that is aimed at destroying young Americans.

The bill also addresses demand for these drugs by educating the public, including parents, teachers, and teens, and providing treatment to those who suffer from substance use disorders.

The *Stop Fentanyl Now Act of 2023* rejects the urge to criminalize drug usage in order to address the problems caused by fentanyl and recognizes that non-illicit fentanyl has medical uses.

And while we must stop the criminal production and distribution of fentanyl and fentanyl-related synthetics, we must also recognize that mass criminalization and incarceration will never solve the problems associated with drugs of any kind.

We cannot incarcerate our way out of the country's latest epidemic of drug abuse, especially when they involve mandatory minimum sentencing schemes that fall hardest on low-level offenders and do nothing to promote public safety or get drugs off the street.

While we must be committed to securing our border, if we want to protect our children and stop the senseless loss of life caused by fentanyl, fentanyl-related substances, and fentanyl-laced substances, the Federal response must focus on prevention and education, treatment, interdiction, and enforcement.

We must pass this legislation to truly protect Americans from the scourge of fentanyl-related deaths.

This multi-disciplinary, whole-of-Government approach is doable and should be done.

Failure to do so could be the cost of saving more lives.

Thank you, I yield back the remainder of my time.

ATTACHMENT.—DEA TRAFFICKER-QUANTITIES OF “RAINBOW FENTANYL” ARRIVE IN
NEW YORK

October 04, 2022

<https://www.dea.gov/press-releases/2022/10/04/trafficker-quantities-rainbow-fentanyl-arrive-new-york>

One person was arrested and approximately 15,000 fentanyl pills were seized as part of an ongoing investigation into a fentanyl trafficking organization. The fentanyl pills, in various colors, were destined for distribution throughout New York City and had been concealed in a LEGO box to deter law enforcement attention. The fentanyl pills were also imprinted with “M” and “30” to resemble “30 M”, Oxycodone Hydrochloride 30 mg pills.

This significant seizure, the largest to date in New York City, signals more widespread distribution of these dangerous colorful pills. The case highlights Mexican cartels' most recent tactics to attract the public while deceiving them about the lethal drugs. The Sinaloa Cartel and Jalisco New Generation Cartel are mass-producing fentanyl pills in rainbow colors to not only brand their products, but use colors and dyes to mimic candy and/or legitimate prescription drugs.

Frank A. Tarentino III, Special Agent in Charge of the U.S. Drug Enforcement Administration's New York Division, Bridget G. Brennan, New York City's Special Narcotics Prosecutor, New York City Police Commissioner Keechant L. Sewell and New York State Police Superintendent Kevin P. Bruen announced the seizure and arrest following the arraignment of Latesha Bush.

“Rainbow fentanyl is a clear and present danger, and it is here in New York City,” said DEA Special Agent in Charge Frank Tarentino. “Approximately forty percent of the pills we analyze in our lab contain a lethal dose; and in a recent 15-week enforcement operation, DEA New York seized half a million lethal pills. These staggering statistics underscore the importance of reminding the public that just one pill can kill; and this operation alone removed the equivalent of 500,000 lethal doses of fentanyl from circulation in the Empire State. In the same reporting period, DEA seized the equivalent of over 36 million lethal doses nationally.”

NYC Special Narcotics Prosecutor Bridget G. Brennan said, “Using happy colors to make a deadly drug seem fun and harmless is a new low, even for the Mexican cartels. Fentanyl is already involved in more than 80 percent of overdose deaths in the city. If you take any drug sold on the street or through the internet, regardless of its medicinal markings or festive appearance, you risk your life. My office and our partners are committed to intercepting lethal fentanyl and ensuring that these rainbow-colored pills don’t lead more people down a sad path of substance use and overdose death.”

“Disguising fentanyl as candy—and concealing it in children’s toys—will never hide the fact that fentanyl is a deadly poison that harms our communities, our families, and our city,” said Police Commissioner Keechant L. Sewell. “The criminal complaint unsealed today is another example of the NYPD’s relentless commitment to never stop working to rid New York city of illegal drugs and I want to thank the Special Narcotics Prosecutor for the city of New York, the DEA New York Division, the New York State Police, and everyone else involved in this case for their exceptional work.”

New York State Police Superintendent Kevin P. Bruen said, “I want to thank our members and law enforcement partners for their unwavering work in stopping the flow of illegal drugs throughout our State. The arrest of Latesha Bush and the seizure of these lethal drugs are the direct result of a commitment to aggressively target and pursue criminals who perpetuate the distribution of these narcotics. Together, we will continue to eliminate these operations and those who seek to destroy the quality of life within our communities.”

A criminal complaint filed by the Office of the Special Narcotics Prosecutor (SNP) charges Bush, of Trenton, N.J., with Criminal Possession of a Controlled Substance in the First and Third Degrees.

Bush was arraigned in Manhattan Criminal Court on Friday, September 30, 2022. Bail was set at \$25,000 cash/\$150,000 insurance company bond/\$100,000 partially secured surety bond.

The investigation was conducted by DEA’s New York Drug Enforcement Task Force (NYDETF) Group T–12, which is comprised of agents and officers with DEA New York Division and the New York City Police Department. SNP’s Investigators Unit assisted in the investigation.

On Wednesday, September 28, 2022, at approximately 7:11 p.m., members of NYDETF Group T–12 were conducting surveillance as part of an ongoing investigation into narcotics trafficking when they allegedly observed Bush carrying what appeared to be a black tote bag wrapped around a large object as she entered a vehicle in front of 475 10th Avenue in Manhattan.

Upon stopping the vehicle, agents and officers allegedly found Bush in the rear seat, with two black tote bags and a yellow LEGO container also in the rear seat. Inside the LEGO container were several brick-shaped packages covered in black tape lying next to LEGO blocks. The black tape covering one of the packages had been partially opened, exposing multi-colored pills inside. A subsequent examination of the packages revealed they contained approximately 15,000 pills.

During the investigation, agents and officers learned that just prior to the arrest, Bush had travelled from New Jersey to the vicinity of 475 10th Avenue in a rental car. Agents and officers also learned that the multi-colored fentanyl pills allegedly originated in Mexico.

DEA laboratory analysis of the narcotics seized in New York is pending. Preliminary testing indicated the presence of fentanyl.

Last week the DEA announced the results of the third phase of the One Pill Can Kill initiative focused on combatting the fake pill threat which led to the seizure of more than 10.2 million fentanyl pills and approximately 980 pounds of fentanyl powder during the period of May 23 through Sept. 8, 2022. The amount of fentanyl taken off the streets during this surge is equivalent to more than 36 million lethal doses removed from the illegal drug supply. Additionally, 338 weapons were seized, including rifles, shotguns, pistols, and hand grenades. There were 390 cases investigated during this period, 51 cases are linked to overdose poisonings and 35 cases link directly to one or both of the primary Mexican cartels responsible for the majority of fentanyl in the United States—the Sinaloa Cartel and the Jalisco New Generation Cartel (CJNG). In addition, 129 investigations are linked to social media platforms, including Snapchat, Facebook Messenger, Instagram, and TikTok.

Special Agent in Charge Frank A. Tarentino thanked the New York City Office of the Special Narcotics Prosecutor, the New York City Police Department, the New York State Police, SNP’s Special Investigations Bureau and Investigators Unit and Group T–12 of the New York Drug Enforcement Task Force.

Mr. HIGGINS. I'm very pleased to have a distinguished panel of witnesses before us today on this very important topic, and I ask that our witnesses please rise and raise your right hands.

[Witnesses sworn.]

Mr. HIGGINS. Let the record reflect that the witnesses have answered in the affirmative.

Thank you, gentlemen. Please be seated.

I'd now like to formally introduce our witnesses.

Mr. Kemp Chester is a senior advisor to the director of National Drug Control Policy. Previously, Mr. Chester served for 27 years as a United States Army officer, serving in a number of command and staff positions within the United States and abroad. In his current role, Mr. Chester directs policy focused on addressing the production and trafficking of illicit drugs, including the United States counternarcotics relationships with China and India.

Our witness seated at the table next to Mr. Chester is Mr. Steven Cagen. He serves as the assistant director of the Countering Transnational Organized Crime Division for Homeland Security Investigations, where he leads a wide array of operations investigating TCOs and narcotics trafficking. Mr. Cagen comes with 25 years of Federal law enforcement experience, including combating drugs and arms trafficking in Mexico City and working his way through the ranks of Senior Executive Service.

Thank you for being here, sir.

Mr. James Mandryck is deputy assistant commissioner in the Office of Intelligence at the United States Customs and Border Protection. In his role, Mr. Mandryck supports the day-to-day operations of CBP's intelligence enterprise, including the tactical and operational analysis that drives law enforcement operational activities. Mr. Mandryck previously served as a senior executive overseeing the National Border Security Intelligence Watch.

Thank you for being here, good sir.

Our next witness is Mr. George S. Papadopoulos, who was most recently appointed as United States Drug Enforcement Administration's principal deputy administrator. That's quite a title. Prior to this role, Mr. Papadopoulos served as the agency's acting chief of operations, where he oversaw all operational and enforcement matters for the DEA.

Thank you for being here today, good sir.

Mr. Tyrone Durham is the acting director of the Nation-State Threat Center in the Office of Intelligence and Analysis at the Department of Homeland Security.

I thank you, Mr. Durham, for joining us today.

I thank all the witnesses for joining us.

I now recognize Mr. Chester for 5 minutes to summarize his opening statement.

**STATEMENT OF KEMP L. CHESTER, SENIOR ADVISOR TO THE
DIRECTOR OF NATIONAL DRUG CONTROL POLICY, OFFICE
OF NATIONAL DRUG CONTROL POLICY, EXECUTIVE OFFICE
OF THE PRESIDENT**

Mr. CHESTER. Chairman Higgins, Ranking Member Correa, and Members of the subcommittee, thank you for the opportunity to testify today on the very real challenge we confront from the pro-

duction and trafficking of deadly synthetic opioids across our borders and into our communities.

I know I don't need to remind anyone here that someone in America dies from a drug overdose or poisoning about every 5 minutes of every hour of every day. That is why the President made ending the opioid epidemic a key pillar in his unity agenda, challenging us to change the trajectory of this crisis and save American lives.

Not long ago, the dominant model of drug trafficking involved plant-based drugs like cocaine or heroin or methamphetamine made from crude chemicals, moved through a hierarchical drug-trafficking organization and eventually sold in a face-to-face cash transaction somewhere in the United States. While that structure still exists, it has been joined by a synthetic opioid production and supply chain that operates as a global business and exploits the structure of legitimate commerce to obtain precursor chemicals, move funds, and make internet-based sales of raw materials and finished drugs using both fiat and cryptocurrency.

Today, the ability of an American teenager to find illicit drugs is literally in the palm of their hand and as simple as opening a social media app.

We are in the midst of a strategic transition between two eras, where the cultivation and production of large volumes of plant-based drugs has not ended, but the era of small-volume, high-potency synthetic opioid production has clearly begun.

This problem does not start at our border and it will not end at our border. It is a national security and economic prosperity problem, as much as it is a law enforcement and public health one.

In April of this year, the administration announced its strategic approach to disrupt the global illicit fentanyl supply chain. We call this approach commercial disruption, which focuses and synchronizes all the tools of national power to simultaneously attack four key vulnerabilities in the supply chain: precursor chemicals; the pill presses, dye molds, and encapsulating machines used to create counterfeit pills; the commercial shipping that moves these items around the world; and the flow of financial benefits and operating capital to those involved in the illicit drug industry.

As part of this, we maintain close and mutually-beneficial partnerships with key countries, such as Mexico and India, who play a role in preventing the proliferation of these dangerous synthetic drugs and in advancing our efforts to disrupt their supply chain.

So for an issue in which United States and PRC interests align, we are disappointed that they have chosen not to substantively engage with the United States on counternarcotics for more than a year. But this is a global problem, and the United States leadership is essential.

Under our leadership, the international community has scheduled nearly a dozen precursor chemicals, and we've raised global awareness of the illicit synthetic drug supply chain.

Last week, Director Gupta joined Secretary of State Blinken for the first meeting of the global coalition against synthetic drugs. More than 80 countries convened at the ministerial level to accelerate efforts against synthetic drugs.

Our efforts to reduce the presence of these drugs in our communities must be closely linked with our equally strong efforts to decrease their use. The administration is committing a historic level of resources to lower the demand for these drugs and keep Americans safe from their harms. The simple truth is it cannot be easier to get illicit drugs in America than it is to get treatment.

We are seeing some signs of progress. Just today, the CDC released new data on provisional drug overdose deaths, showing a continued flattening of drug overdose deaths through early 2023, halting a period of rapid increase from 2019 to 2021.

But that is not enough. Now is the time to redouble our efforts, accelerate our work, and move this Nation and the world beyond a crisis that has vexed us for the better part of a decade. People in the throes of addiction are in a fight every day, and they should expect nothing less from us as well.

On behalf of Dr. Gupta and the hard-working people at the Office of National Drug Control Policy, I would like to thank this subcommittee and your Congressional colleagues for your leadership and bipartisanship on this incredibly difficult issue. Ending the opioid and overdose epidemic demands the best efforts of us all, and we look forward to continuing our work with you.

Thank you, and I look forward to your questions.

[The prepared statement of Mr. Chester follows:]

PREPARED STATEMENT OF KEMP L. CHESTER

WEDNESDAY, JULY 12, 2023

Chairman Higgins, Chairman Pfluger, Ranking Member Correa, Ranking Member Magaziner and Members of the Subcommittees, thank you for the opportunity to testify today on the very real challenge we confront from the production and trafficking of deadly synthetic opioids across our borders and into our communities. I am honored to join my colleagues from the Departments of Homeland Security and Justice, who are vital partners in implementing the National Drug Control Strategy, and in keeping our country and our communities safe.

INTRODUCTION

I am sure I do not need to remind anyone in this room that over a 1-year period we have lost more than 109,000 Americans to a drug overdose or poisoning, more than 69 percent of which can be attributed to a synthetic opioid like illicit fentanyl and other substances that are structurally similar to fentanyl. That is someone in America dying from a drug overdose or poisoning about every 5 minutes, every hour, of every day.

Alongside those we have lost are those who have suffered a non-fatal overdose. It is estimated that for every fatal overdose there are 14 non-fatal overdoses—more than 1.5 million in 2022 alone. Additionally, 46 million people in America, almost 14 percent of the population, are currently suffering from substance use disorder. Too many Americans—those we have lost to overdoses, those who have overdosed but did not lose their lives, and those living with a substance use disorder—have either succumbed to drug use or carry the burden of it in some way.

This is why the President made ending the opioid and overdose epidemic a key pillar of his Unity Agenda, challenging us to reduce the number of drug overdose deaths, put quality public health services within reach for people with substance use disorder, and strengthen public safety by disrupting the drug production and trafficking pipeline that profits by harming Americans.

THE ENVIRONMENT OF DRUG PRODUCTION AND TRAFFICKING

There was a time, not very long ago, that drug production was limited to processing poppy, or harvesting coca, or manipulating over-the-counter pharmaceuticals with crude chemicals to make methamphetamine. Those finished drugs were moved through a hierarchical drug trafficking organization to a street-level retailer, and eventually sold in a face-to-face cash transaction on a street corner somewhere in

the United States. That was the dominant model of drug trafficking we saw for decades.

While that drug production and trafficking structure still exists, it has been joined by a synthetic opioid production and supply chain that is, in essence, a global business enterprise that demonstrates access to huge capital resources, conducts routine collaboration among raw material suppliers across international borders, uses advanced technology to fund and conduct business, and possesses the capacity for product innovation and strategies to expand markets.

These synthetic opioid producers and traffickers operate as free-riders on the back of the 21st Century global economy that moves products, ideas, and money across borders with incredible speed, and they exploit that legitimate economic structure to sustain and enhance their illicit business. This includes key activities such as the provision of precursor chemicals, some of which are unregulated, and their finished products that can be shipped in plain sight around the world; physically dislocated payments that include the movement of funds across borders; and the internet-based sales of raw materials and finished drugs using both fiat and cryptocurrency.

And these synthetic opioids—principally fentanyl and its analogues, though there are others—that are killing Americans are manufactured outside of the United States and brought across our borders and into our communities by a variety of means. Today, an American teenager can find illicit drugs in the palm of their hand, and simply by opening a social media app.

We find ourselves in the midst of a strategic transition between two eras, where the cultivation and production of large volumes of plant-based drugs like heroin and cocaine has not ended, but the era of small volume, high-potency, synthetic drug production has clearly begun.

While we need to address the on-going plant-based drug problem that continues to harm our citizens, we must simultaneously develop and implement the means necessary to confront the emerging synthetic opioid production and trafficking environment that is defined by complexity, dynamism, and resiliency. This requires increased effort, a more sophisticated approach, better use of the tools available to us, and the application of new tools we have not traditionally employed against the illicit drug problem. We cannot simply charge into the future by doing the exact same things we have been doing, but just trying to do them better, and we cannot address the most dynamic and complex drug production and trafficking environment in history with the same strategies that may have served us well in the past but are insufficient for the challenges we face today.

While the administration is aggressively pursuing investments in non-intrusive inspection equipment, artificial intelligence, machine learning, and more, to prevent these drugs from crossing our geographic borders, we must bear in mind that this problem does not start at our border and it will not end at our border. It starts with the illicit synthetic opioid production in another country and ends in an emergency department or morgue somewhere in America. For the United States, it is a national security and economic prosperity problem as much as it is a public safety and public health one, and we must face it head-on with the bold, comprehensive, and determined strategic approach it deserves.

Doing so requires strong leadership from the White House providing unity of both purpose and effort across the Federal Government; strong bilateral relationships with key countries that share responsibility to address the problem and must be part of the solution; and perhaps, most importantly, the United States' global leadership.

THE ADMINISTRATION'S STRATEGIC APPROACH

The President has declared “that international drug trafficking, including the illicit production, global sale, and widespread distribution of illegal . . . fentanyl and other synthetic opioids . . . constitutes an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States.” In April of this year, the administration announced its Strengthened Approach to Crack Down on Illicit Fentanyl Supply Chains, a whole-of-Government approach to save lives by disrupting the trafficking of illicit fentanyl and its precursors into American communities. We call this approach Commercial Disruption, and it focuses and synchronizes our national security and public safety capabilities, including innovative approaches, against criminal facilitators and enablers, and attacks four key vulnerabilities in the illicit fentanyl supply chain to maximize our impact across the drug producers' and traffickers' spectrum of capabilities:

- The precursor chemicals, including unregulated chemicals that can be used to create immediate precursors.

- The pill presses, die molds, and encapsulating machines used to create the pills that are killing far too many Americans.
- The drug producers' ability to move raw materials like precursors and manufacturing machinery around the world via commercial shipping.
- The flow of financial benefits and operating capital to individuals and groups directly and indirectly involved in the illicit drug industry.

Targeting those four critical elements will allow us to remove the advantages fentanyl producers and traffickers currently enjoy, disrupt their production and supply chains, and reduce the availability of these dangerous substances in America's communities.

As part of this approach, we are also working much more closely with our private-sector partners. The vast majority of the physical and virtual terrain on which drug traffickers operate such as the dark web, e-commerce sites, mail and express consignment shippers and freight forwarders, banks, cryptocurrency vendors, legitimate chemical suppliers, and pill press and die manufacturers, are private-sector entities. And some of them likely have no idea they are a constituent part of an illicit business enterprise.

We must raise a sophisticated awareness of this environment with the commercial sector around the world, and engage with them in a full partnership, so we can sift out the unwitting from the knowing and intentional actors here in the United States and abroad, and then focus our efforts on the latter in a more precise way.

BILATERAL RELATIONSHIPS WITH KEY COUNTRIES

A second significant aspect of addressing this challenge is maintaining close and mutually beneficial partnerships with key countries who not only play a role in preventing the global proliferation of these dangerous synthetic drugs, but will also play a role in advancing our global efforts to disrupt the global supply chain.

Mexico.—We have redoubled our efforts with the government of Mexico, working alongside it as it does more to address fentanyl production and trafficking. President Biden has stressed the importance he places on this issue with President Lopez Obrador, and our two governments are working more closely than ever on the fentanyl problem to establish tangible goals, assess progress, and follow-through on mutual commitments.

Given the combination of our shared border, our two-hundred-year bilateral relationship, and the negative effects that drug producers and traffickers in Mexico have on both sides of the border, it is vitally important that our bilateral relationship be characterized by mutual respect, and a sense of the shared responsibility we have to address the shared threat of drug trafficking and its associated criminality. Further, we have strengthened all of North America in our work with Mexico and Canada through the trilateral North American Drug Dialogue.

Just as the United States does not have to lose 109,000 people to drug overdoses or poisonings every year, the people of Mexico can have a future free from an expectation of unaccountable criminality and the scourge of drug production that corrupts their towns, victimizes their families, and pollutes their natural spaces.

The People's Republic of China.—As we are leading the global effort to disrupt the production and trafficking of these drugs, we look forward to the People's Republic of China (PRC) joining us in that effort.

However, no one should mistake our willingness to engage for an acceptance of the status quo, especially on an issue felt so acutely in the United States and when so many lives have been impacted. Years of seizure and law enforcement data show that unscrupulous elements within the PRC have been a major source for precursor chemical shipments, pill presses, and die molds entering the Western Hemisphere.

This is also an issue in which the interests of the United States and China align, and our past engagement on the counternarcotics issue has brought some impressive results, including the domestic scheduling of fentanyl as a class, which had an immediate impact on reducing the flow of fentanyl and its analogues directly from the PRC. The United States will work with the PRC whenever possible to fully address the grave and growing problem of illicit synthetic drug production and trafficking at the global level.

Given the gravity of this issue, it is disappointing that the PRC has chosen to not take substantive steps to counter illicit synthetic drug production and trafficking for more than a year. With leadership comes accountability, and while the PRC plays a major role in this global problem, it has thus far declined to play a constructive role in helping to solve it. Last week, as nearly 100 countries and international organizations gathered in a demonstration of deep concern and a desire for tangible solutions to the grave and growing problem of illicit synthetic drug production and trafficking, the PRC declined its invitation to participate in the virtual ministerial

meeting to launch the Global Coalition to Address Synthetic Drugs. We sincerely hope that the PRC can find the political will to address this problem commensurate with its capability to do so.

India.—The United States and India have been growing our counternarcotics relationship since 2020 through a bilateral counternarcotics Working Group, addressing the law enforcement, multilateral, regulatory, and drug demand reduction dimensions of this problem with a focus on tangible results and mutually beneficial outcomes.

During Prime Minister Modi's recent visit to the White House, the two leaders committed to work toward a broader and deeper bilateral Drug Policy Framework for the 21st Century. Under this new framework, we will look to expand cooperation and collaboration to disrupt the illicit production and international trafficking of illicit drugs, including synthetic drugs, such as fentanyl and amphetamine-type stimulants, and the illicit diversion of their precursors within India's chemical industry. They also committed to a holistic public health partnership to prevent and treat illicit drug use, address workforce shortages and skilling requirements across both countries, and showcase a secure, resilient, reliable, and growing pharmaceutical supply chain as a model for the world.

The world's oldest democracy, working in close partnership with the world's largest, cannot only achieve tangible and positive results, but will model for the rest of the world how great nations can work together to counter threats, seize opportunities, and demonstrate sincere partnership in addressing one of the most significant global issues we face.

STRONG UNITED STATES GLOBAL LEADERSHIP

Finally, as important as our bilateral relationships are, this is a global problem, and global problems require global solutions. The United States has learned a great deal from its opioid epidemic, and no other country has the depth of experience, expertise, or political wherewithal to lead on this issue. And that leadership involves not only sharing every single lesson we have learned the hard way over the past several years with our partners, but also serving as an example of how we are navigating this complex problem with care for those suffering from the disease of addiction, while systematically dismantling the global infrastructure of those who continue to reap obscene profits through the suffering and death of Americans.

The international community has successfully scheduled nearly a dozen precursor chemicals with global partners through the United Nations Commission on Narcotic Drugs, including 5 fentanyl precursors at the request of the United States.

We have led in raising global awareness of the nature of the global illicit synthetic drug supply chain, and are working to make common-sense and responsible measures to disrupt the exploitation of legitimate commerce a global norm.

And we have led by example, by committing billions of dollars, more than half our Federal drug control budget, to public health measures to prevent our youth from falling into the cycle of drug use and addiction, reduce the harms caused by these drugs and save lives, extend treatment services to everyone who needs and wants them, and making our communities and workplaces recovery-ready.

It is an unfortunate fact that there are three kinds of countries in the world: those who have a synthetic opioid problem and are dealing with it; those who have the problem but do not yet know it; and those who will have a problem with fentanyl or another synthetic opioid in the coming years. Too much illicit fentanyl production occurs, generating too much money, and absent decisive action this illicit market will expand exponentially around the world. It is important for all nations to put into place, now, the protective measures that will prevent this expansion and protect their people.

On July 7, Director Gupta joined Secretary of State Blinken for the first meeting of the Global Coalition to Address Synthetic Drug Threats. This ministerial-level meeting, hosted by the United States, brought together nearly 100 countries and international organizations to accelerate efforts against illicit synthetic drugs by: (1) Preventing the illicit manufacture and trafficking of synthetic drugs, (2) detecting emerging drug threats and drug use patterns, and (3) promoting public health interventions and services to prevent and reduce drug use, overdose, and other related harms. This first-of-its-kind global coalition will develop concrete solutions, drive national actions, and leverage the collective effort of like-minded countries who agree that countering illicit synthetic drugs must be a global policy priority.

COMPLEMENTING OUR PUBLIC SAFETY EFFORTS WITH A STRONG PUBLIC HEALTH
RESPONSE

Because there is a complex interplay between the availability of drugs in the United States and their use, our public safety efforts to reduce their presence in our communities must be closely linked with our equally strong public health efforts to reduce their use. Traffickers are not going to import products no one wants, and individuals cannot overdose on drugs that are not available for them to purchase.

Therefore, disrupting the flow of drugs into the United States is not only vital to keep drugs from harming our citizens, but is especially important as the means to relieve the pressure of the steady flow of drugs into our communities and to allow our historic investments in public health interventions to take hold. The simple truth is that if it is easier to get illicit drugs in America than it is to get treatment, we will never bend the curve.

The administration has been working to greatly expand access to addiction treatment, harm reduction interventions, youth substance use prevention programs, and recovery support services. Much of this work is being done in partnership with Congress, and I want to thank the Members of this committee and the Congress at large for your support of numerous pieces of legislation in helping to address this crisis. These include the bipartisan omnibus Government funding bill, which included key provisions to help lower barriers to treatment and deliver necessary tools and resources to our communities to address the overdose crisis, such as the bipartisan Mainstreaming Addiction Treatment Act and the Medication Access and Training Expansion Act. Thanks to these provisions, prescribers across the country will be able to treat their patients who have opioid use disorder with buprenorphine, a medication proven to help people achieve recovery, without obtaining additional Federal licensing.

The Office of National Drug Control Policy has also funded the development of a number of model State laws to help local jurisdictions across the country expand access to naloxone, improve treatment in jails and prisons, and deploy settlement funds from the various opioid lawsuits effectively, among others. Similarly, ONDCP has worked with its partners across the Government to make permanent the COVID-19-related flexibilities that expanded access to treatment, and support people in recovery.

We are seeing signs of progress. The latest report on 12-month rolling data shows the number of drug poisoning deaths in the United States flattened in 2022 after a period of sharp increase from 2019 to 2021, and the number of fatal drug overdoses has decreased from its peak of 110,378 projected for the 12-month period ending March 2022.

But that is not enough. Now is the time to redouble our efforts, accelerate our work, and move this Nation, and the world, beyond a crisis that has vexed us for the better part of a decade. People in the throes of addiction are in a fight every day, and they should expect nothing less from us as well.

CONCLUSION

The administration's leadership on this critical issue, the close collaboration among partners within the United States and around the world, and the work of the Members of this committee and your colleagues in Congress have kept this issue at the forefront of our national consciousness and are changing the trajectory of this particularly complex national security, public safety, and public health challenge. We have much work ahead of us, and your partnership will be as critical in the months ahead as it has been thus far.

On behalf of Dr. Gupta and the hard-working people at the Office of National Drug Control Policy, I would like to thank the committee and your Congressional colleagues for your foresight and leadership on this incredibly difficult issue. Ending the opioid and overdose epidemic demands the best efforts of us all: The entirety of the Federal Government; States, Tribes, and local communities; private-sector partners and stakeholders; and the Congress, which has time and again demonstrated a strong spirit of bipartisanship on this issue.

The Office of National Drug Control Policy looks forward to continuing its work with this committee, the Congress, and our other partners to disrupt the production and trafficking of these dangerous drugs, prevent drug overdoses and poisonings, and save American lives.

Mr. HIGGINS. Thank you, Mr. Chester.

I now recognize Mr. Cagen for 5 minutes to summarize his opening statement.

**STATEMENT OF STEVEN W. CAGEN, ASSISTANT DIRECTOR,
HOMELAND SECURITY INVESTIGATIONS, U.S. IMMIGRATION
AND CUSTOMS ENFORCEMENT, U.S. DEPARTMENT OF HOME-
LAND SECURITY**

Mr. CAGEN. Thank you, Chairman.

Chairman Higgins, Ranking Member Correa, and distinguished Members of the committee, thank you for the opportunity to be here today to discuss Homeland Security Investigations' efforts to disrupt and dismantle transnational criminal organizations and combat the flow of illicit fentanyl into the United States.

As a principal investigative component of Department of Homeland Security, HSI combats transnational criminal organizations at every critical location within an illicit supply chain: internationally, where TCOs operate and manufacture illicit narcotics; at our Nation's physical borders, where smugglers attempt to exploit America's legitimate trade, travel, and financial systems; and domestically, where the criminal organizations earn substantial profits from selling this poison to our friends, neighbors, and family members.

The threat posed by TCOs is pervasive. These organizations do not limit themselves to a single criminal enterprise and have evolved beyond narcotics smuggling into poly criminal organizations involved in weapons trafficking, cyber crime, human smuggling, money laundering, and more, all of which HSI investigates.

HSI combats TCOs by using its unique, broad investigative authorities to enforce over 400 Federal laws and target TCOs from multiple investigative angles. Simply put, HSI attacks the entire illicit network.

Mexican cartels have taken over fentanyl production and operate on an industrial scale, where they obtain precursor chemicals from China and synthesize these chemicals in Mexico to produce the deadly poison.

Chinese criminal organizations further facilitate the trafficking and distribution of fentanyl pills through the sale of industrial pill press equipment to Mexican cartels.

The Mexican cartels' ability to traffic deadly fentanyl into the United States is greatly enhanced by Chinese money-laundering organizations. Chinese money-laundering organizations have developed sophisticated networks in the United States, Mexico, China, and throughout Asia to facilitate their money-laundering schemes. These organizations have a vast global infrastructure to clean illicit proceeds for various criminal organizations, mostly including Mexican cartels.

HSI's counter-TCO efforts begin abroad, where we have the largest international investigative presence within DHS, comprised of hundreds of HSI special agents, strategically assigned in 93 offices in 56 countries. This includes offices located in Mexico, where the vast majority of fentanyl is produced; and throughout the Asian-Pacific region, where the precursor chemicals originate.

HSI's international efforts are greatly enhanced by our Transnational Criminal Investigative Units, or TCIUs, comprised of vetted foreign law enforcement officials and prosecutors, who lead some of HSI's most significant and mutually beneficial extraterritorial investigations and prosecutions targeting TCOs.

At our Nation's physical borders, HSI works with our DHS partners to combat TCO movements of illicit goods. HSI's Border Enforcement Security Task Force, or BEST task forces, represent one of the agency's premiere tools for turning border seizures into TCO-topping investigations.

HSI's partnerships, including task force officers from CBP and DEA, are integral to the whole-of-Government approach in countering TCOs that traffic narcotics that threaten public safety of the United States.

There are currently 90 BESTs comprised of law enforcement officers from more than 200 agencies and National Guard units.

HSI is simultaneously attacking the illicit narcotic supply chain through an intelligence-based counternarcotics operation that blends traditional investigative and analytical techniques with interagency collaboration, industry partners, and computer-based tools to disrupt and dismantle the chemical supply chain. The interdiction of precursor shipments plays a key role in disrupting the TCOs' ability to produce a finished product before it even gets to our borders.

HSI's Operation Hydra has seized or disrupted the delivery of more than 3 million pounds of precursor chemicals that were destined for narcotics production in labs in Mexico.

HSI has also launched a targeted enforcement campaign to combat fentanyl. This year, HSI and CBP initiated Operation Blue Lotus, which surge resources to key locations, both domestically and internationally, to target fentanyl and develop criminal cases along the Southwest Border. Operation Blue Lotus resulted in the seizure of more than 8,200 pounds of fentanyl, thereby decreasing the flow of illicit fentanyl smuggled into the United States from Mexico, while simultaneously illuminating TCO networks.

Working alongside our partners here today, HSI remains dedicated to stemming the flow of illicit narcotics at every critical location within the supply chain.

Thank you again for the opportunity to appear before you today and your continued support for HSI in our enduring effort to attack the flow of illicit fentanyl into the United States.

I look forward to your questions today.

[The prepared statement of Mr. Cagen follows:]

PREPARED STATEMENT OF STEVEN W. CAGEN

WEDNESDAY, JULY 12, 2023

Chairman Higgins, Ranking Member Correa, and distinguished Members: Thank you for the opportunity to appear before you today to discuss Homeland Security Investigations' (HSI) efforts to disrupt and dismantle transnational criminal organizations (TCOs) and combat the flow of illicit fentanyl into the United States. With more than 6,800 special agents located in hundreds of offices throughout the United States and the world, HSI investigates, disrupts, and dismantles terrorist, transnational, and other criminal organizations that threaten our Nation's security. My statement today will focus on the broad spectrum of illicit activities perpetrated by TCOs, HSI's collaborative efforts to combat TCOs, and the resources needed to ensure continued success in the disruption and dismantlement of TCOs domestically and internationally.

As the principal investigative component of the Department of Homeland Security (DHS), HSI is responsible for investigating transnational crime. In collaboration with its partners in the United States and abroad, HSI special agents develop evidence to identify and advance criminal cases against TCOs, terrorist networks and facilitators, and other criminal elements that threaten the homeland. HSI works

with prosecutors to arrest and indict violators, execute criminal search warrants, seize criminally-derived money and assets, and take other actions with the goal of disrupting and dismantling TCOs operating throughout the world. These efforts help protect the national security and public safety of the United States.

TCOs flood the United States with deadly drugs, including illicit fentanyl and other opioids. HSI conducts Federal criminal investigations at every phase of the illicit drug supply chain: internationally, where TCOs operate and manufacture illicit drugs; at our Nation's borders and ports of entry (POEs), where smuggling cells attempt to exploit America's legitimate trade, travel, and transportation systems; and in communities throughout the United States. HSI combats TCOs through multiple avenues of criminal enforcement. Not only does HSI target the narcotics smuggling activities of the TCOs, it also targets the financial networks they utilize to fund and profit from their illegal activity. HSI also targets the various other illegal activities the TCOs employ to fuel their criminal organizations, including human smuggling and trafficking, cyber crime, intellectual property rights violations, and fraud.

EVOLUTION OF TRANSNATIONAL CRIMINAL ORGANIZATIONS

Criminal organizations in the 21st Century do not limit themselves to a single criminal enterprise. These criminal organizations have expanded beyond narcotics smuggling and have morphed into poly criminal TCOs involved in the associated crimes of weapons trafficking, human trafficking, human smuggling, money laundering, and other crimes—all of which HSI investigates. Rather than narrowly focusing on a single element of the TCOs, HSI combats TCOs by using its unique and broad investigative authorities to enforce over 400 Federal laws. Investigative efforts must be broad in scope to fully dismantle enterprises that transcend borders.

TCOs have also evolved beyond insular entities and have sought out partnerships with competing TCOs in furtherance of their criminal activities. For example, the illicit collaboration between Chinese TCOs and Mexican cartels has created a complex criminal ecosystem that is fueling money laundering and narcotics trafficking operations, specifically illicit fentanyl, into and within the United States. Chinese money-laundering organizations have developed sophisticated networks in the United States, Mexico, China, and throughout Asia to facilitate money-laundering schemes. These organizations utilize their vast global infrastructure to clean illicit proceeds for various criminal organizations, including Mexican cartels. Moreover, as Mexican cartels have taken over fentanyl production and operate on an industrial scale, they are obtaining precursor chemicals from China and synthesizing these chemicals in Mexico to produce fentanyl. Mexican cartels then smuggle the fentanyl into the United States in either powder or pill form for distribution. HSI is attacking this illicit narcotics supply chain through an intelligence-based counternarcotics operation that blends traditional investigative and analytical techniques with inter-agency collaboration, industry partnerships, and computer-based tools.

Chinese TCOs also facilitate the trafficking and distribution of illicit fentanyl pills by providing the Mexican cartels with the pill press equipment to make the fake oxycodone pills. They are made to look identical to prescription oxycodone but are laced with deadly fentanyl. These fake pills are the most common type of illicit fentanyl pill, and are responsible for thousands of overdose fatalities, as the user believes they are taking a real oxycodone pill. In order to manufacture these pills, Mexican cartels require industrial pill press equipment to turn powdered fentanyl into pill form. The Mexican cartels are purchasing these pill presses directly from Chinese manufacturers that are producing the equipment specifically for illicit activity. HSI is actively disrupting the pill press supply chain, and to date has seized over 1,500 pill presses and parts used to make deadly fentanyl-laced pills.

HSI INTERNATIONAL EFFORTS

HSI's efforts to combat TCOs and illicit fentanyl begin abroad. HSI has the largest international investigative presence within DHS, comprising hundreds of HSI special agents assigned to 93 offices in 56 countries. These include offices in Mexico, where the vast majority of illicit fentanyl is produced, and throughout the Asia-Pacific region, where synthetic drug precursor chemicals often originate.

HSI special agents abroad develop and foster relationships with host Government law enforcement partners to exchange information, coordinate and support investigations, and facilitate enforcement actions and prosecutions to disrupt and dismantle TCOs. HSI and its counterparts in other countries identify and disrupt sources of illicit drugs, transportation and smuggling networks, and money-laundering operations. These efforts by HSI and its partners aim to prevent dangerous

narcotics and other illicit goods from reaching our borders and also stop illicit out-bound flows of illegally derived currency and weapons.

Transnational Criminal Investigative Unit Program

The effectiveness of our international counternarcotics efforts is greatly enhanced by HSI's Transnational Criminal Investigative Unit (TCIU) Program. TCIUs are comprised of vetted foreign law enforcement officials and prosecutors who support some of HSI's most significant extraterritorial investigations and prosecutions targeting TCOs. HSI has established 15 TCIUs around the world. These consist of more than 600 vetted and trained law enforcement officers across North, Central, and South America, the Caribbean, the Middle East, and Asia. In fiscal year 2022, TCIU efforts world-wide resulted in 3,800 criminal arrests and the seizure of nearly \$18.6 million and over 350,000 pounds of narcotics and precursor chemicals.

Targeting the fentanyl precursor chemical supply chain is an integral element of HSI's approach to stopping the production of illicit drugs. HSI blends interagency and foreign collaboration, industry partnerships, financial intelligence, and computer-based tools to identify, target, and interdict precursor chemical shipments destined for Mexican cartels. Disruptions to the procurement phase can have an outsized impact on the narcotics production supply chain. Mexican cartels operate on an industrial scale when procuring precursor chemicals, and many interdiction efforts are led by investigators and prosecutors in the Mexican Attorney General's office who comprise the HSI Mexico City TCIU. In fiscal year 2022, efforts by the TCIU resulted in more than 120 criminal arrests and the seizure of approximately \$1.1 million and 18,200 pounds of precursor chemicals. The TCIU also leads investigations targeting the labs where the chemicals are synthesized into illicit drugs.

National Targeting Center—Investigations

HSI's National Targeting Center—Investigations (NTC-I) was established in 2013 in collaboration with U.S. Customs and Border Protection's (CBP) National Targeting Center to further our shared border security mission. NTC-I supports the entire border security continuum, from CBP interdictions and HSI investigations, to the joint exploitation of intelligence. Through NTC-I, HSI supports all of DHS's domestic and international offices by targeting illicit precursor chemical movements within the commercial air and maritime transportation systems.

The combination of NTC-I targeting and foreign action through HSI's TCIUs is critical to stopping the flow of illicit drugs and dismantling TCOs. Using these resources, HSI targets the supply chains responsible for foreign origin shipments of precursor chemicals destined for Mexico. Thus far, this methodology has resulted in the seizure of approximately 3.3 million pounds of dual-use precursor chemicals intended for making illicit fentanyl and methamphetamine.

HSI DOMESTIC EFFORTS

HSI's ability to conduct complex large-scale investigations represents one of DHS's best weapons for dismantling TCOs. Part of HSI's mandate is to turn individual border seizures and arrests into multi-jurisdictional, multi-defendant investigations to disrupt, dismantle, and prosecute high-level members of TCOs. HSI special agents work every day with CBP officers and in coordination with other Federal, State, local, and Tribal law enforcement partners to identify and investigate drug-smuggling organizations attempting to introduce illicit contraband into the United States.

CBP's expansion of non-intrusive inspection (NII) scanning at Southwest Border POEs is poised to increase the number of CBP-origin seizures, which HSI special agents are required to investigate. To keep pace, HSI will require additional staffing to support the investigation and prosecution of individuals associated with POE seizures. Recent HSI Congressional appropriations tied to NII expansion represent an important initial step. HSI is moving quickly to deploy these new resources to Southwest Border POEs receiving NII augmentation. Given the required NII expansion to all land border POEs, additional staffing will be essential to ensure HSI retains adequate personnel to respond to these seizures and to conduct the complex investigations intended to degrade and remove TCO threats to the homeland.

Border Enforcement Security Task Forces

The Jaime Zapata Border Enforcement Security Task Force (BEST) Act was signed into law in December 2012. The Act was named in honor of Jaime Zapata, an HSI special agent who, while working to combat violent drug cartels, was killed in the line of duty in Mexico. This law amended the Homeland Security Act of 2002 to formally establish the BEST program, with the primary mission of combating emerging and existing transnational organized crime by employing a threat-based/risk mitigation investigative task force model that recognizes the unique resources

and capabilities of all participating law enforcement partners. In June 2022, the Bipartisan Safer Communities Act provided HSI with statutory authority to reimburse the salaries for State and local law enforcement task force officers who participate in BESTs.

BESTs eliminate the barriers between Federal and local investigations, close the gap with international partners in multinational criminal investigations, and create an environment that minimizes the vulnerabilities in our operations that TCOs have traditionally capitalized on to exploit our Nation's borders. There are currently 90 BESTs located across the United States, including Puerto Rico and the U.S. Virgin Islands, comprising approximately 1,000 law enforcement officers and personnel representing Federal, State, local, Tribal, and international law enforcement agencies, as well as National Guard units. In fiscal year 2022, BESTs initiated more than 5,300 investigations resulting in more than 6,000 criminal arrests and seizures of more than 317,000 pounds of narcotics, more than 480,000 pounds of precursor chemicals, and more than \$206 million of illicit proceeds and assets.

Operation Blue Lotus

HSI has also launched targeted enforcement campaigns to combat illicit narcotics, particularly fentanyl. Between March 13, 2023 and May 10, 2023, CBP and HSI launched Operation Blue Lotus to facilitate and increase fentanyl interdictions at and between the POEs and develop criminal cases along the Southwest Border. Focusing operations at the ports of San Ysidro and Otay Mesa, California, and Nogales, Arizona, Operation Blue Lotus aimed to curtail the flow of illicit fentanyl smuggled into the United States from Mexico, while simultaneously illuminating TCOs networks. Operation Blue Lotus successfully resulted in the combined seizures of over 8,200 pounds of fentanyl.

Building upon the success of Operation Blue Lotus, on June 12, 2023, HSI launched Operation Blue Lotus 2.0 to strategically leverage its administrative, civil, and criminal law enforcement authorities to attack fentanyl distribution. Operation Blue Lotus 2.0 focuses operations along the border and interior facilities, including express consignment and international mail locations, to combat fentanyl trafficking nodes and target the smuggling of fentanyl and other illicit narcotics in the United States.

CYBER-RELATED EFFORTS

TCOs have become increasingly tech-savvy. For example, many have adopted anonymous cryptocurrency transactions through darknet marketplaces. These transactions may involve foreign vendors, but the result is the shipment of illicit drugs to or within our country.

Cyber Crimes Center

To keep pace with rapidly-evolving criminal techniques, HSI created the Cyber Crimes Center (C3) to provide investigative assistance, training, and equipment to support domestic and international investigations of cyber-related crimes for DHS. C3 supports HSI's mission through the programmatic oversight and coordination of investigations of cyber-related criminal activity and provides a range of forensic, intelligence, and investigative support services across all HSI programmatic areas.

C3's cyber investigators and analysts support HSI on-line undercover investigations targeting market site operators, vendors, and prolific buyers of opioids and other contraband on the darknet. C3 also supports tracing and identifying illicit proceeds derived from criminal activity on the dark web and investigating the subsequent money-laundering activities. Digital forensics play an ever-increasing role in investigating complex multinational narcotics organizations, and C3's Computer Forensics Unit and the HSI Computer Forensic Program are critical tools in combating the flow of drugs into the United States. C3's Computer Forensics Unit also provides forensic training and support to our Federal, State, local, Tribal, and international law enforcement partners.

A top priority for HSI is to improve collective law enforcement capabilities by providing training to partner law enforcement agencies. For example, C3 developed a cyber-training curriculum with a focus on darknet investigations and illicit payment networks associated with opioid smuggling and distribution. Since 2017, HSI has delivered this training course to more than 12,000 Federal, State, local, and international law enforcement personnel in over 70 locations world-wide.

ILLICIT FINANCE—FOLLOWING THE MONEY

One of the most effective methods for dismantling TCOs engaged in narcotics trafficking is to attack the criminal financial networks that are the lifeblood of their operations. HSI special agents work to identify and seize the illicit proceeds and in-

strumentalities of crime and target financial networks that transport, launder, and hide such proceeds. As a customs agency with significant access to financial and trade data, HSI is uniquely positioned to identify TCO schemes to hide illicit drug proceeds within legitimate commerce. HSI's financial efforts in fiscal year 2022 resulted in 2,607 arrests, 1,600 criminal indictments, 1,028 convictions, and the seizure of more than \$4.2 billion in illicit currency and other assets (as valued at the time of seizure).

National Bulk Cash Smuggling Center

Despite the rise of alternative stores of value, such as virtual assets, bulk cash smuggling remains a key mechanism for TCO repatriation of drug proceeds. Criminal actors often avoid traditional financial institutions, which must comply with Bank Secrecy Act reporting requirements—instead repatriating their illicit proceeds through conveyances such as commercial and private aircraft, passenger and commercial vehicles, and maritime vessels, as well as via pedestrian crossings at our land borders.

Established in 2009, HSI's National Bulk Cash Smuggling Center (BCSC) is a critical component of the agency's and overall U.S. Government's efforts to combat bulk cash smuggling by TCOs. The BCSC operates strategic programs that leverage advanced data analytics, interagency partnerships, and law enforcement technology systems to identify complex money-laundering networks and provide support for HSI financial investigations. The criminal intelligence functions of the BCSC provide operational analysis in support of HSI-led interdiction efforts, including port profiles highlighting cash-flow activity at targeted POEs and corridor analyses to assist in planning the timing, location, and strategy for interdiction operations. The BCSC also administers a targeted, investigation-focused license plate reader program to identify larger criminal networks and a warrant-based GPS tracking program that provides valuable intelligence on the behaviors of criminal groups engaged in bulk cash smuggling. Since its inception through fiscal year 2022, the BCSC has initiated or substantially contributed to the seizure of bulk cash totaling over \$1.73 billion.

TCOs are increasingly augmenting bulk currency smuggling with use of alternate value platforms in response to financial regulations and law enforcement efforts to identify money-laundering networks. A single movement of TCO proceeds may involve bulk cash, stored value cards, money orders, cryptocurrency, wire transfers, funnel accounts, and trade-based money laundering (TBML). HSI adapts to evolving criminal methodologies by leveraging new law enforcement technologies to identify money-laundering activity through these emerging alternate value platforms and seize criminal assets.

Trade-Based Money Laundering

TBML is the process of disguising criminal proceeds through international trade to hide their illicit origins. As the U.S. Government's primary law enforcement agency that investigates TBML, HSI utilizes data resources—maintained by DHS encompassing trade, travel, and financial information—to identify TBML schemes. HSI has established several national initiatives that target specific TBML schemes and provides subject-matter expertise, analytical support, and enforcement-related support to HSI special agents. Specifically, HSI has the ability to intercept and interdict trade and individuals associated with TBML that have a nexus to the borders of the United States and provide the necessary information to initiate criminal investigations targeting this activity.

Integral to these efforts are HSI-established Trade Transparency Units (TTUs), which combat the growing threat of international money laundering by TCOs via trade-based money laundering. The TTUs accomplish this mission using partner country data-sharing programs and the Data Analysis & Research for Trade Transparency Systems program. Through established partnerships, the TTUs have access to foreign trade, travel, and financial information used to support on-going criminal investigations and to address TBML on a global scale. These partnerships are based on bilateral agreements between the United States and 19 partner countries for the sharing of trade and financial information. Through the TTUs, HSI field offices can request information pertaining to companies and individuals that would otherwise be unavailable without the bilateral agreements.

Cryptocurrency

Cryptocurrencies are increasingly used to facilitate domestic and cross-border crime. They can be exploited by any criminal organization, and this is especially true as it pertains to on-line distribution of fentanyl, methamphetamine, and other illicit drugs.

Cryptocurrencies are attractive to TCOs because they offer a relatively fast, inexpensive, and pseudonymous system of transactions. HSI investigations related to cryptocurrency have risen from one criminal investigation in 2011 to over 530 criminal investigations in fiscal year 2023 to date. In fiscal year 2022, HSI seized nearly \$4 billion (valued at the time of seizure) in cryptocurrency. This substantial increase signifies growing confidence in cryptocurrency use by criminals and criminal networks.

CONCLUSION

Thank you again for the opportunity to appear before you today and for your continued support of HSI and our efforts to use our unique authorities and global footprint to dismantle TCOs and combat the flow of illicit fentanyl into the United States. I look forward to your questions.

Mr. HIGGINS. Thank you, Mr. Cagen.

I now recognize Mr. Mandryck for 5 minutes to summarize his opening statements.

STATEMENT OF JAMES MANDRYCK, DEPUTY ASSISTANT COMMISSIONER, OFFICE OF INTELLIGENCE, U.S. CUSTOMS AND BORDER PROTECTION, U.S. DEPARTMENT OF HOMELAND SECURITY

Mr. MANDRYCK. Chairman Higgins, Ranking Member Correa, and distinguished Members of the subcommittee, thank you for the opportunity to testify here today about the fentanyl threat and CBP's intelligence and data-driven response and approach to combating this proliferation of this dangerous drug.

CBP uses multifaceted approaches to counter fentanyl. Our approach includes advanced detection capabilities, such as specialized canines and nonintrusive inspection equipment; intelligence collection; research and analysis; laboratory testing and scientific analysis; domestic and foreign partnerships; and most importantly, the experience, expertise, and dedication of the CBP work force.

This enforcement posture has led to record-level seizures, including over 22,000 pounds of fentanyl so far this fiscal year, the equivalent of over 90 million doses and over a billion dollars in cartel profits.

Today I'd like to provide a little more information about the composition of the fentanyl seized by CBP, current production and smuggling trends, and the significance of our enforcement efforts within this threat landscape.

When it comes to composition, this fiscal year, 88 percent of the fentanyl seized by CBP has been in pill form, continuing the trending shift away from powder. The concerning shift indicates an increased sophistication of the transnational criminal organizations to control production and mimic legitimate pharmaceuticals that ultimately target unsuspecting end-users.

Another growing trend we've witnessed is the expanded use of xylazine as an adulterant in fentanyl to extend the user's high. Xylazine, a central nervous system depressant, is not an opioid, so naloxone does not reverse its effects, making this dangerous synthetic combination even more deadly.

The production of illicit fentanyl entering the United States shifted back in 2020. At that time, fentanyl was produced as a finished product in China, then smuggled into Mexico, and then onward to the United States. Over the past 3 years, production has shifted to Mexico-based TCOs that infiltrate supply chains to import pre-

cursor and pre-precursor chemicals, primarily from China, and then recruit or coerce scientists to produce metric tons of finished fentanyl.

Through intelligence-led operations such as Operation Artemis, CBP has identified previously unknown logistical supply chains, some of whom that transship to the United States before arriving in Mexico, discoveries that have led to changes in cargo inspections and processing and resulted in significant seizures of precursors, pill presses, and dye molds, as well as the identification of unknown criminal actors.

Within Mexico, we continue to see elevated levels of violence between cartels along lucrative smuggling corridors, especially in Mexico's northern border states.

TCOs involved in trafficking synthetics have begun to expand from historic strongholds in western Mexico to access additional smuggling corridors in eastern Mexico through newfound alliances. These types of alliances have always been driven by monetary gain. What has changed is how profits from these illicit activities are transferred and distributed.

Historically, CBP saw a major portion of illicit proceeds depart the United States as bulk cash currency. However, TCOs are increasingly taking advantage of technologies like cryptocurrency and informal value transfer systems, such as the Chinese underground banking system, to reduce their risk of cross-border interdiction.

Exploitation of these systems allows for immediate transfers of illicit profits into the—from the United States to the TCO hierarchy in Mexico. In many cases, these money transfers are done cheaper than historic laundering options and, in most cases, with guaranteed success for the customer.

Furthermore, TCOs continue to seek opportunities to move their illicit profits from the United States without currency or monetary instruments, including trade-based money laundering and the acquisition of firearms in the United States that are smuggled into Mexico to help control those corridors.

The complex challenges require strong and deliberate partnerships across the Government at all levels, as well as with our international partners.

Exemplified by the success of recent intelligence and data-driven operations such as Operation Blue Lotus, Four Horsemen, Rolling Wave, and Operation Artemis are CBP's hand-in-hand work with our investigative partners becoming critical disrupting and dismantling the networks behind fentanyl synthesis. In just 2 months, Operation Blue Lotus and Operation Four Horsemen resulted in the seizure of nearly 10,000 pounds of fentanyl and almost 300 arrests.

CBP is currently executing Operation Artemis and Operation Rolling Wave, which target the illicit procurement, manufacturing, and trafficking of fentanyl and precursor chemicals by leveraging investigative, prosecutorial, and regulatory resources, and enhancing law enforcement information sharing and coordination.

In addition to our close work with U.S. partners, CBP has strong relationships with foreign and industry partners across the globe to further detect, disrupt, and dismantle criminal organizations. The consistent evolution of technology and the adaptability of

transnational criminal groups requires us to become more adaptable and combat these challenges.

I thank you for your continued support for CBP and the opportunity to testify in this important topic today. I look forward to your questions.

[The prepared statement of Mr. Mandryck follows:]

PREPARED STATEMENT OF JAMES MANDRYCK

JULY 12, 2023

INTRODUCTION

Chairman Higgins, Ranking Member Correa, and distinguished Members of the subcommittee, thank you for the opportunity to discuss U.S. Customs and Border Protection's (CBP) efforts to combat the dynamic threat of transnational criminal organizations (TCOs) and prevent the entry of dangerous illicit drugs, including fentanyl, into the United States.

The reach and influence of TCOs continues to expand across and beyond the Southwest and Northern Borders. These criminal organizations are sophisticated and operate with immense capability, capacity, and nearly unlimited resources. TCOs increasingly demonstrate the intent and ability to produce and modify synthetic drugs, making detection and identification difficult. They also continually adjust their tactics, techniques, and operational procedures to circumvent detection and interdiction by law enforcement, including transporting smaller quantities of drugs and improving concealment techniques.

As others have testified,¹ synthetic opioids like fentanyl—a synthetic opioid that is 80–100 times stronger than morphine—and its analogues are produced using precursor chemicals made available by criminal elements, often in the People's Republic of China. The precursor chemicals are shipped to Mexico where TCOs use these precursors to finish production. This fentanyl is either sold in powder form or pressed into pills. These drugs are then smuggled across the Southwest Border, most often through ports of entry (POEs).²

Because there is no single tool or capability that can detect all suspected threats in all situations and environments, CBP uses a multifaceted, intelligence-driven approach that combines advance targeting, sophisticated detection capabilities, specialized canines, non-intrusive inspection technology (NII), laboratory testing, scientific analysis, domestic and foreign partnerships, and information sharing. Most importantly, we also have dedicated, highly-trained officers, agents, and intelligence research specialists whose experience and expertise are essential components of all CBP's efforts to combat transnational threats and prevent the entry of illegal drugs into U.S. communities.

Our enforcement approach enables the agency to nimbly shift resources and swiftly respond to emerging threats, such as the deadly threat posed by illicit fentanyl, fentanyl analogues, other synthetic opioids, and methamphetamine, as well as the precursors and other chemicals used in illicit drug production.

DRUG TRENDS AND INTERDICTIONS

As noted above, most illicit drugs, including fentanyl, enter the United States through our Southwest Border POEs, hidden in passenger vehicles or belongings, concealed in commercial trucks, and carried by pedestrians. In fiscal year 2022, for example, nearly 66 percent of illicit drugs seized by weight by CBP at the Southwest Border were seized at POEs.³

¹ See, e.g., Written testimony, Kemp Chester, Senior Advisor, International Relations and Supply Reduction, Office of National Drug Control Policy, for a February 1, 2023, House Energy and Commerce Committee Hearing. https://d1dth6e84htgma.cloudfront.net/Witness_Testimony_Chester_HE_02_01_2023_487130aade.pdf?updated_at=2023-02-01T14:37:29.433Z.

² <https://www.cbp.gov/newsroom/stats/drug-seizure-statistics>.

³ Of the 288,287 pounds of drugs CBP seized at the Southwest Border in fiscal year 2022, 189,682 pounds were seized at POEs. Excluding marijuana, CBP seized 202,631 pounds of illicit drugs at the Southwest Border, of which 179,317 pounds (88.5 percent) were seized at POEs. <https://www.cbp.gov/newsroom/stats/drug-seizure-statistics>. CBP Air and Marine Operations also contributed to drug seizure events with other agencies. These operations resulted in the seizure of approximately 270,000 pounds of drugs in fiscal year 2022. <https://www.cbp.gov/newsroom/stats/cbp-enforcement-statistics/air-and-marine-operations-statistics>.

CBP seizures of fentanyl have been escalating for several years.⁴ In fiscal year 2022, CBP seized nearly 15,000 pounds of fentanyl Nation-wide, with the majority—12,500 pounds—seized at POEs. We have already exceeded that amount this fiscal year. At our POEs alone, fentanyl seizures increased more than 200 percent in fiscal year 2022 compared to fiscal year 2019 and fiscal year 2020 totals combined. In fiscal year 2023 to date, CBP seizures at POEs already exceed more than 17,600 pounds of fentanyl.⁵ These seizures permanently removed these drugs from the illicit supply chain, kept them out of our communities, and denied drug trafficking organizations profits and operating capital.

Marijuana, methamphetamine, heroin, and cocaine remain the top-seized drugs by weight but shifting trends over recent years produced significant increases in synthetic drugs like fentanyl. Fentanyl is the most frequently seized illicit synthetic opioid, but CBP has also encountered 31 substances that are chemically similar to fentanyl, as well as 44 unique synthetic opioids that are not from the fentanyl class.⁶

Although our statistics measure drug seizures by weight, CBP estimates it interdicted 1.1 billion potential doses of illicit fentanyl in fiscal year 2022. By the measure of potential doses, CBP fentanyl seizures were only second to methamphetamine, of which an estimated 16 billion doses in fiscal year 2022 were seized.⁷ For reference, Earth's population is approximately 8 billion people.

CBP's enforcement efforts focus on detecting and interdicting suspected illicit drugs; quickly anticipating and adapting to changing tactics and techniques used by cartels, traffickers, smugglers, and their networks; enhancing collaboration among key partners; producing actionable intelligence to target the illicit opioid supply chain; and protecting our personnel from exposure to opioids.

DETECTION AND INSPECTION

CBP, with the support of Congress, continues to make significant investments and improvements in our drug detection capabilities and interdiction technology. Our highly-trained officers use narcotic detection canines and a variety of technologies to detect the presence of illicit drugs, including illicit opioids, in all operating environments.

CBP's canine program continues to demonstrate its significant contribution to our efforts to intercept dangerous illicit drugs and disrupt TCO activity. In fiscal year 2022, CBP canine teams assigned to the Office of Field Operations and U.S. Border Patrol assisted in the seizure of more than \$19 million in undeclared or illicit drug-related currency, more than 400 firearms, and nearly 290,000 pounds of drugs, including nearly 13,000 pounds of fentanyl—approximately 87 percent of CBP's fentanyl seizures—valued at more than \$2.5 billion. The effectiveness of our canine teams is demonstrated daily. For example, in a single event on April 18, 2023, a canine team in Otay Mesa, California, aided in the seizure of 776 pounds of fentanyl pills valued at more than \$21 million.⁸

CBP canine teams often work alongside officers conducting other inspection activities. CBP has deployed more than 350 large-scale and 4,500 small-scale NII X-ray and gamma-ray imaging systems to detect the presence of illicit substances, including synthetic drugs such as fentanyl. This technology enables detection of these illicit substances hidden within passenger belongings, cargo containers, commercial trucks, rail cars, and privately-owned vehicles, as well as express consignment carrier and international mail parcels. In fiscal year 2022, CBP officers used large-scale NII systems to scan more than 7.6 million conveyances, which resulted in the interdiction of more than 100,000 pounds of narcotics and approximately \$2 million of undeclared U.S. currency.

Canine teams and NII technology are complementary detection and inspection capabilities that are critical to the continued success of CBP's interdiction operations at the POEs. At the core of these efforts are specially-trained officers and specialists using their expertise and experience to maximize technological capabilities and resources. Every seizure we make at the border is important. It stops the flow of drugs into our communities, contributes to investigations, and increases our awareness of emerging trends and illicit networks.

⁴<https://www.cbp.gov/newsroom/stats/drug-seizure-statistics>.

⁵As of May 31, 2023.

⁶A complete list can be made available by CBP Laboratories and Scientific Services.

⁷CBP would be happy to brief the subcommittee on its illicit drug dose estimation tool and how it derived these estimates.

⁸<https://www.cbp.gov/newsroom/local-media-release/we-re-spilling-beans-211-million-worth-fentanyl-pills-concealed-within>.

ADVANCE INFORMATION AND TARGETING

CBP's interdiction efforts begin well before a conveyance or shipment arrives at a POE. Advance electronic shipping information,⁹ actionable intelligence, and information-sharing partnerships are critical components of CBP's ability to quickly identify, target, and deter the entry of dangerous illicit drugs in all operational environments.

All advance shipment information is automatically fed into the National Targeting Center's (NTC) Automated Targeting System (ATS), an enforcement and decision support system. At CBP's NTC, advance data converges with law enforcement and intelligence records to facilitate the targeting of persons, conveyances, and items of cargo that pose the highest risk to our security in all modes of transportation. Advance information is a critical and effective component of CBP's targeting and interdiction efforts. We continue to pursue solutions to expand advance information opportunities to the land POEs, where—unlike travel processes over air and sea—CBP often receives no advance traveler information, limiting traveler vetting conducted before an individual arrives at a land POE.

In addition to targeting illicit substances directly, CBP and Homeland Security Investigations (HSI) target precursor chemicals shipped through the United States to destinations in Mexico and other countries. While many of the precursor chemicals used to synthesize methamphetamines and synthetic illicit opioids such as fentanyl have legitimate uses, CBP and HSI coordinate with the Drug Enforcement Administration (DEA) to intercept and seize precursors if they can be identified as having been brought into the United States in violation of U.S. law, such as Title 21 of the U.S. Code. CBP also targets production-related equipment such as pill presses and tableting machines. The DEA regulates pill press/tableting machines, and the HSI diversion coordinator works on behalf of DHS to coordinate the investigations of pill press/tableting machine imports being diverted for illicit uses. The HSI diversion coordinator works closely with the NTC to identify and target individuals importing and diverting pill press/tableting machines to produce illicit fentanyl and other synthetic drugs.

The increasing ability of TCOs to produce sophisticated forms of synthetic drugs and develop new ways to smuggle is a challenge to CBP's counter-narcotic efforts. In addition to CBP's advance detection and targeting efforts, CBP's laboratory testing and analysis capabilities are invaluable to the timely identification of suspect substances and the disruption of drug-trafficking networks. These capabilities not only contribute to our targeting and interdiction success, but also aid our intelligence and investigative partners in their criminal prosecution efforts.

ANALYSIS AND INTELLIGENCE

Just as TCOs rapidly evolve their illicit production and smuggling operations, CBP must advance its capabilities to quickly and reliably identify the dangerous substances it encounters and provide analysis for targeting and other enforcement and investigative actions.

Sound analytical methodology centers on providing timely and actionable intelligence to our front-line officers and agents, decision makers, and partners. To strengthen our intelligence posture in responding to this complex threat environment, CBP's Intelligence Enterprise (IE) was established in 2017 as a cohesive, threat-based, data-driven, and operationally-focused effort to leverage the collective intelligence capabilities and expertise across CBP's operational components.

To enhance its intelligence capacity, CBP IE established investment priorities that support a whole-of-agency approach to countering various border threats, such as the use of a common reporting platform to timely share and disseminate threat information to disparate offices. CBP's IE was also responsible for launching the CBP Watch, a situational awareness facility that provides trend analysis and real-time feedback to better support the agency's operational front line 24 hours a day, 7 days a week.

Laboratory Testing

CBP's ability to swiftly and accurately identify suspect substances is a critical part of our ability to determine new production trends and seize illicit drugs, but also a critical tool for partner investigative agencies, such as HSI, to make law enforcement-controlled deliveries that could lead to arrests and the shutting down of criminal networks. CBP officers use various field-testing devices and leverage CBP's

⁹See section 343 of the Trade Act of 2002 (Pub. L. 107-210), as amended; the Security and Accountability for Every Port Act or SAFE Port Act of 2006 (Pub. L. 109-347); and the Synthetics Trafficking and Overdose Prevention (STOP) Act (Pub. L. 107-210) of 2018.

24/7 Narcotic Reachback program to obtain a swift, presumptive identification of a suspect substance from a CBP Laboratories and Scientific Services (LSS) scientist. CBP has also positioned Forward Operating Labs (FOL) at strategic locations where new or emerging substances enter the United States. At the FOLs, LSS can triage quickly if a potentially new analogue of an illicit substance or designer drug is encountered and send it to the LSS INTERDICT Science Center for comprehensive testing. These newly-encountered substances, particularly synthetic opioids or other significant chemicals of interest, are added to the user libraries of the handheld field-testing devices used by CBP officers and agents to rapidly screen suspected substances. Since January 2022, 170 new spectra have been added to the equipment's factory library. Since the start of the designer drug wave in 2009, LSS has identified over 550 new substances.

CBP scientists participate in weekly operational roundtable discussions with intelligence personnel and law enforcement partners from Federal, State, and local agencies to share information on the latest analysis on encountered substances. Based on pollen analysis and suspected controlled substance analysis results, CBP develops intelligence products to share with CBP officers and agents, intelligence analysts, policy makers, and relevant external partners at Federal, State, local, and international organizations to maintain a consistent understanding of the fentanyl threat picture nationally, not just at the borders.¹⁰

COLLABORATION AND INFORMATION SHARING

Shifting trends and sophisticated TCO tactics mean that now, more than ever, efforts to counter TCO activity require coordination and cooperation across the law enforcement community. CBP leverages collaboration with our Federal, State, local, Tribal, and international partners to address drug trafficking and other transnational threats across all our operational environments. This includes working closely with the Office of National Drug Control Policy's High-Intensity Drug Trafficking Area program and continuous work with other laboratories and the medical community, including coroners and medical examiners, to identify emerging drug threats.

CBP works closely with key partners, including HSI, DEA, the United States Postal Inspection Service, the Federal Bureau of Investigation, and other Federal, State, local, Tribal, and international partners, to share information, coordinate enforcement actions, and facilitate investigations regarding intelligence and seizures. For seizures that do not meet a Federal threshold, intelligence and information derived from these seizures are provided to local, State, and regional task forces for situational awareness and further investigative and prosecutorial actions.

CBP regularly hosts briefings with Federal, State, local, territorial, and Tribal partners regarding the current State of the border, providing a cross-component, multi-agency venue for discussing trends and threats. Engagements focus on interdictions and arrests at both the border and interior areas within the United States. These briefings also include participants from the governments of Canada and Mexico.

Strong international partnerships are a critical part of CBP's ability to respond to the global challenges that affect our border operations. CBP works closely with our foreign partners and contributes to multilateral forums by sharing information and leveraging partner capabilities to combat transnational threats and advance our national security.

CBP also participates in joint operations and multi-agency enforcement teams composed of representatives from international and Federal law enforcement agencies. Working together with State, local, and Tribal agencies, these operations target drug and transnational criminal activity, and often contribute to investigations involving national security and organized crime.

Our partnerships are also invaluable to our enforcement efforts. For example, CBP and HSI recently concluded Operation Blue Lotus, a 2-month, multi-agency effort led by CBP and HSI focused on narcotics smuggling attempts at POEs in Arizona and California. Through targeted inspections at border crossings, cross-border investigations, and the leveraging of advanced analytics and intelligence capabilities, approximately 8,000 pounds of fentanyl, more than 4,600 pounds of methamphetamine, more than 1,050 pounds of cocaine, and more than 72 pounds of heroin were seized—leading to more than 250 arrests by CBP and HSI. U.S. Border Patrol ran a complementary operation between POEs and at checkpoints near the border, leading to additional seizures of approximately 2,500 pounds of fentanyl,

¹⁰ <https://www.cbp.gov/document/fact-sheets/cbp-fentanyl-factsheet>.

6,500 pounds of methamphetamine, 330 pounds of marijuana, 620 pounds of cocaine, and 60 pounds of heroin.

Following the success of these enforcement efforts, DHS recently announced the next special operations of its surge campaign to target and prevent fentanyl from entering the United States.¹¹ Operation Artemis, led by CBP and supported by HSI, will leverage intelligence and investigative information derived from Operation Blue Lotus to focus on critical junctures in the illicit production and international trafficking of fentanyl and other synthetic drugs by targeting precursor chemicals, pill presses and parts, movement of finished substances, and illicit proceeds. Concurrently, Operation Rolling Wave will surge inspections at U.S. Border Patrol checkpoints along the Southwest Border, covering every sector and leveraging predictive analysis and intelligence sharing. CBP will run a parallel intelligence and analysis operation, Operation Argus, to provide trade-focused analysis in support of Artemis.

In collaboration with multiple Department of Justice components, in particular the Bureau of Alcohol, Tobacco, Firearms, and Explosives, CBP and HSI also lead Operation Without a Trace, a joint platform for our personnel to target and investigate smuggling networks to disrupt and dismantle their illegal gun trafficking operations. Since the initiative's inception in fiscal year 2020, Operation Without a Trace has achieved significant success preventing Mexico-bound gun trafficking, resulting in the initiation of 803 investigations, the execution of 555 arrests, and the seizure of 1,213 firearms, more than 723,203 rounds of ammunition, and \$16.5 million in illicit currency.¹²

Finally, CBP established the Southern Border Intelligence Center in April 2023. The Southern Border Intelligence Center, located in Tucson, Arizona, will integrate CBP's Southwest Border Intelligence Enterprise through collaboration within CBP and with the interagency into a single intelligence focal point. The Southern Border Intelligence Center will build and maintain a trans-regional intelligence understanding of the entire Southern Border by integrating CBP's intelligence efforts and collaborating with the interagency.

CONCLUSION

With continued support from Congress, CBP, in coordination with our partners, will continue to deploy critical resources to our Nation's borders to refine the effectiveness of our detection, interdiction, and identification capabilities and combat transnational threats and the entry of illegal drugs into the United States.

CBP will continue investing in our front-line and intelligence capabilities, which are vital to all our law enforcement efforts. CBP will also pursue new partnerships and innovative technology to aid in our layered enforcement strategy to support our fight against this ever-evolving threat.

Thank you for the opportunity to testify today. I look forward to your questions.

Mr. HIGGINS. Thank you, Mr. Mandryck.

I now recognize Mr. Papadopoulos for 5 minutes to summarize his opening statement.

STATEMENT OF GEORGE PAPADOPOULOS, ACTING CHIEF OF OPERATIONS, DRUG ENFORCEMENT ADMINISTRATION, U.S. DEPARTMENT OF JUSTICE

Mr. PAPADOPOULOS. Good afternoon, Chairman Higgins, Ranking Member Correa, and distinguished Members of the subcommittee.

On behalf of the Department of Justice and, in particular, the more than 9,000 employees of the Drug Enforcement Administration, it's my honor to appear before you today.

Today's hearing comes at a critical moment in our country's history, and I thank the committee for bringing attention to this important topic.

Our Nation is in the midst of a devastating drug poisoning epidemic that claimed the lives of nearly 110,000 people in 2022. That's about one death every 5 minutes, or more than 300 mothers

¹¹ <https://www.dhs.gov/news/2023/06/22/next-phase-dhs-campaign-stop-fentanyl-will-focus-interdiction-and-supply-chain>.

¹² As of March 28, 2023.

and fathers, sisters, and brothers, and most tragically, children dying every day, with countless more nonfatal drug poisonings.

I've had the privilege of being a DEA special agent for 27 years, and have served in locations as diverse as Detroit, Michigan and Athens, Greece. I worked at the DEA Special Operations Division and, most recently, was deputy chief for operations, responsible for all foreign offices. I can assure you that the drug poisoning epidemic that our country is facing today is unprecedented.

In 2022, DEA seized more than 58 million fentanyl-laced pills and 13,000 pounds of fentanyl powder. That's nearly 400 million deadly doses that didn't reach American streets and more than enough to kill everyone in the United States.

The men and women of the DEA are relentlessly focused day in and day out on saving lives by combating the deadly drug poisoning epidemic and bringing those responsible to justice.

As the primary U.S. Government agency responsible for investigating drug trafficking, the DEA leads and coordinates the whole-of-Government law enforcement response to defeat the two cartels responsible for flooding the United States with fentanyl: the Sinaloa and Jalisco cartels.

This is our top operational priority, because these cartels pose the greatest criminal drug threat that the United States has ever faced. They are ruthless and violent global criminal enterprises with members, associates, facilitators, and brokers in all 50 States and in at least 100 countries throughout the world.

The cartels use treachery and deceit to drive addiction and deaths in our country. They mix fentanyl with other drugs, like cocaine, heroin, and methamphetamine, and press it into pills that look like legitimate prescription medication. But the pills that look safe and familiar do not contain any prescription medication. Instead, they contain deadly fentanyl. Many people that died didn't even know they were taking fentanyl. Instead, they believed they were taking a different drug or a real prescription pill.

To save lives and defeat these cartels, the DEA created two counterthreat teams, one for the Sinaloa Cartel and one for the Jalisco Cartel. These teams synthesized DEA intelligence for a data-driven approach to mapping and strategically targeting the cartels' entire network and infrastructure, and to identify key nodes that can be exploited. Our counter-threat teams regularly send target packages to DEA offices across the country and around the world that are used to initiate or enhance investigations.

Along with our interagency partners, we've had some recent success against the cartels. In April, we announced the results of an 18-month undercover investigation, Operation Royal Flush, which resulted in the indictment of 28 members of Sinaloa Cartel, including Chapo Guzman's sons.

The indictment describes the cartel's entire network and supply chain from China to Mexico to Main Street. During this investigation, which included 32 DEA offices around the world and operational activities in 10 countries, we seized more than 22 million potentially deadly doses of fentanyl.

In May, we announced the results of Operation Last Mile, which focused on the cartel's U.S. distributors. During this year-long effort, we arrested more than 3,300 people in the United States,

seized more than \$104 million in cash and assets, and took nearly 8,500 guns off the street. Most importantly, we stopped more than 193 million potentially deadly doses of fentanyl before they reached U.S. communities.

Just last month, we announced the results of Operation Killer Chemicals, which focused on the precursor chemicals needed to manufacture fentanyl. We charged 8 Chinese nationals and, for the first time, 4 Chinese companies with conspiracy to manufacture and import fentanyl into the United States. These individuals and companies sold enough precursor chemicals to produce millions of potentially deadly doses of fentanyl.

While we've had some success, there is clearly more work to do. The men and women of the DEA are committed to saving lives and defeating the Sinaloa and Jalisco cartels and will relentlessly pursue cartel leaders, members, associates, and facilitators to ensure that they face justice for their crimes.

Thank you for the opportunity to testify before you today on this important topic. I look forward to your questions.

[The prepared statement of Mr. Papadopoulos follows:]

PREPARED STATEMENT OF GEORGE PAPADOPOULOS

JULY 12, 2023

Chair Higgins, Ranking Member Correa, and distinguished Members of the committee: On behalf of the Department of Justice (Department), and in particular the over 9,000 employees working at the Drug Enforcement Administration (DEA), thank you for the opportunity to appear before you today to discuss DEA's work to save lives and to combat the deadly drug poisoning epidemic in our country.

Americans today are experiencing the most devastating drug crisis in our Nation's history. This is because one drug—fentanyl—has transformed the criminal landscape. Fentanyl is exceptionally cheap to make, exceptionally easy to disguise, and exceptionally deadly to those who take it. It is the leading cause of death for Americans between the ages of 18 to 45, and it kills Americans from all walks of life, in every State and community in this country. The criminal organizations responsible for bringing fentanyl into this country are modern, sophisticated, and extremely violent enterprises that rely on a global supply chain to manufacture, transport, and sell fentanyl, and rely on a global illicit financial network to pocket the billions of dollars in revenue from those sales.

DEA has been hard at work to undertake a transformation of its own to meet this moment. DEA has acted with urgency to set a new vision, target the global criminal networks most responsible for the influx of fentanyl into the United States, and raise public awareness about how just one pill can kill. We have transformed our vision by focusing on fentanyl—the drug killing the most Americans—and the criminal organizations responsible for flooding fentanyl into our communities—the Sinaloa Cartel and the Jalisco New Generation (Jalisco) Cartel. We have transformed our plan by building an entirely new strategic layer—our counter-threat teams for the Sinaloa Cartel and the Jalisco Cartel—that map the cartels, analyze their networks, and develop targeting information on the members of those networks wherever they operate around the globe. We have transformed our execution by providing that targeting information to our 334 offices world-wide, drawing from our global intelligence and law enforcement teams here and abroad, and working as One DEA to take the networks down. And we are seeing results—as demonstrated earlier this year with the indictment of 28 members and associates of the Chapitos network of the Sinaloa Cartel; the arrest of 3,337 associates of the Sinaloa and Jalisco Cartels in the United States who were responsible for the last mile of fentanyl and methamphetamine distribution on our streets and through social media; and the indictment of 4 chemical companies and 8 individuals in the People's Republic of China (PRC) for providing criminal actors in the United States and Mexico with the precursor chemicals and scientific know-how necessary to make fentanyl.

THE DRUG POISONING EPIDEMIC

In 2022, nearly 110,000 people in the United States lost their lives to drug poisonings. Countless more people are poisoned and survive. These drug poisonings are a national crisis.

A majority of the drug poisoning deaths in the United States involve synthetic opioids, such as fentanyl, that are being distributed in new forms. Fentanyl is being hidden in and being mixed with other illicit drugs such as cocaine, heroin, and methamphetamine. Drug traffickers are also flooding our communities with fentanyl disguised in the form of fake prescription pills. These fake pills often are made to appear legitimate using pill presses and marketed by drug traffickers to deceive Americans into thinking that they are real, diverted prescription medications. In reality, these pills are not made by pharmaceutical companies, but drug trafficking organizations; they are highly addictive and are often deadly. DEA lab testing reveals that 6 out of 10 of these fentanyl-laced fake prescription pills contain a potentially lethal dose.

The availability of fentanyl throughout the United States has reached unprecedented heights. In 2022, DEA seized more than 58 million fake pills containing fentanyl, and 13,000 pounds of fentanyl powder, equating to nearly 400 million deadly doses of fentanyl. This is enough fentanyl to supply a potentially lethal dose to every member of the U.S. population. These seizures occurred in every State in the country.

THE DRUG ENFORCEMENT ADMINISTRATION

As the single mission agency tasked with enforcing our Nation's drug laws, DEA's top operational priority is to relentlessly pursue and defeat the two Mexican drug cartels—the Sinaloa Cartel and the Jalisco Cartel—that are primarily responsible for driving the current fentanyl and drug poisoning epidemic in the United States.

In April of this year, the administration announced its Strengthened Approach to Crack Down on Illicit Fentanyl Supply Chains, a whole-of-Government approach to save lives by disrupting the trafficking of illicit fentanyl and its precursors into American communities. This approach synchronizes all the tools of national power to use more effectively against criminal facilitators and enablers. The administration has also increased its collaboration with key international partners to address security concerns that impact North America. For example, under the Bicentennial Framework for Security, Public Health, and Safe Communities between the United States and Mexico, the administration established a cooperative, comprehensive, and long-term approach with specific actions to promote the safety and security of our societies.

DEA is the lead agency on the law enforcement elements in the administration's whole-of-Government response to defeat the cartels and combat the drug poisoning epidemic in our communities. DEA's role in leading the law enforcement response to the fentanyl epidemic protects the safety of agents, officers, and sources. Importantly, a unified response to the fentanyl epidemic ensures that the whole-of-Government is moving in one direction that protects the safety and health of Americans.

DEA operates 30 field divisions with 241 domestic offices, 93 foreign offices in 69 countries, and 9 forensic labs. DEA's robust domestic and international presence allows it to map and target the entire Sinaloa Cartel and Jalisco Cartel networks.

In addition, DEA has launched two cross-agency, counter-threat teams to execute a network-focused operational strategy to defeat the Sinaloa and Jalisco Cartels. The two teams are mapping, analyzing, and targeting the cartels' entire criminal networks. The teams are composed of special agents, intelligence analysts, targeters, program analysts, data scientists, and digital specialists. This network-focused strategy is critical to defeating the Sinaloa and Jalisco Cartels.

We already are starting to see results from our new strategy. As part of the network-focused strategy, DEA investigations recently resulted in charges against 28 members and associates of the Sinaloa Cartel, including leaders, suppliers, brokers, smugglers, and money launderers in multiple countries, for operating the global criminal enterprise that manufactures and traffics most of the fentanyl that comes into the United States.

DEA is simultaneously focused on American communities. We are targeting the drug trafficking organizations and violent gangs located in the United States that are responsible for the greatest number of drug-related deaths and violence. DEA's Operation Overdrive uses a data-driven, intelligence-led approach to identify and dismantle criminal drug networks operating in areas with the highest rates of violence and drug poisoning deaths. In each of these locations, DEA is working with local and State law enforcement officials to conduct threat assessments identifying the criminal networks and individuals that are causing the most harm. DEA works

with State, local, Tribal, and Federal law enforcement and prosecutorial partners to pursue investigations and prosecutions that will reduce drug-related violence and drug poisonings. Phase one of Operation Overdrive took place in 34 locations across the United States, and phase two is currently occurring in 57 locations. So far in Operation Overdrive, DEA and its partners have made over 1,700 arrests, seized over 1,300 firearms, and seized over 13 million potentially deadly doses of fentanyl.

In 2021, DEA launched the “One Pill Can Kill” enforcement effort and public awareness campaign. Through that, DEA and our law enforcement partners have seized millions of fake fentanyl-laced prescription pills and hundreds of pounds of fentanyl powder—equating to millions of potentially lethal doses of fentanyl, which could have entered our communities. Hundreds of these cases were linked to social media platforms, including Snapchat, Facebook, Instagram, and TikTok.

DEA is combating the sale of fentanyl on social media. Drug traffickers are using social media platforms to recruit associates, find customers, and sell fentanyl and other deadly drugs. In particular, drug traffickers use social media to deceptively advertise fake prescription pills—pills that look like Xanax, Percocet, or Oxycodone but actually contain fentanyl—directly to young people and teenagers. DEA has investigated more than 150 cases directly linked to the sale of fake pills containing fentanyl on social media.

DEA also works closely with families who have lost loved ones to drug poisonings. These families are often brave advocates for change, and help ensure that people in their communities are aware of the dangers of fentanyl and fake pills.

DEA is working closely with our local, State, Tribal, territorial, Federal, and international counterparts to target every part of the illegal drug supply chain and every level of the drug trafficking organizations that threaten the health and safety of our communities. To succeed, we must use every tool to combat this substantial threat that is being driven by the Sinaloa and Jalisco Cartels, as well as the Chinese-sourced precursor chemicals and global money-laundering operations that facilitate the cartels’ operations.

MEXICAN CARTELS AND DRUG TRAFFICKING

The Sinaloa and Jalisco Cartels pose the greatest criminal drug threat the United States has ever faced. These ruthless, violent, criminal organizations have associates, facilitators, and brokers in all 50 States in the United States, as well as in more than 100 countries around the world.

The Sinaloa Cartel and the Jalisco Cartel and their affiliates control the vast majority of the fentanyl global supply chain, from manufacture to distribution. The cartels are buying precursor chemicals in the PRC; transporting the precursor chemicals from the PRC to Mexico; using the precursor chemicals to mass produce fentanyl; using pill presses to process the fentanyl into fake prescription pills; and using cars, trucks, and other routes to transport the drugs from Mexico into the United States for distribution. It costs the cartels as little as 10 cents to produce a fentanyl-laced fake prescription pill that is sold in the United States for as much as \$10 to \$30 per pill. As a result, the cartels make billions of dollars from trafficking fentanyl into the United States.

The business model used by the Sinaloa and Jalisco Cartels is to grow at all costs, no matter how many people die in the process. The cartels are engaging in deliberate, calculated treachery to deceive Americans and drive addiction to achieve higher profits.

The Sinaloa Cartel

The Sinaloa Cartel, based in the Mexican state of Sinaloa, is one of the oldest drug-trafficking organizations in Mexico. The Sinaloa Cartel controls drug-trafficking activity in various regions in Mexico, particularly along the Pacific Coast. Additionally, it maintains the most expansive international footprint of the Mexican cartels. The Sinaloa Cartel exports and distributes wholesale amounts of fentanyl, methamphetamine, heroin, and cocaine in the United States by maintaining distribution hubs in cities that include Phoenix, Los Angeles, Denver, and Chicago. Illicit drugs distributed by the Sinaloa Cartel are primarily smuggled into the United States through crossing points located along Mexico’s border with California, Arizona, New Mexico, and Texas. The Sinaloa Cartel reportedly has a presence in 19 of the 32 Mexican states. It has been identified that there are currently more than 26,000 members, associates, facilitators, and brokers affiliated with the Cartel in more than 100 countries.

The Jalisco Cartel

The Jalisco Cartel is based in the city of Guadalajara in the Mexican state of Jalisco, and was originally formed as a spin off from the Milenio Cartel, a subordi-

nate to the Sinaloa Cartel. The Jalisco Cartel maintains illicit drug distribution hubs in Los Angeles, Seattle, Charlotte, Chicago, and Atlanta. Internationally, the Jalisco Cartel has a presence and influence through associates, facilitators, and brokers on every continent except Antarctica. The Jalisco Cartel smuggles illicit drugs such as fentanyl, methamphetamine, heroin, and cocaine into the United States by accessing various trafficking corridors along the Southwest Border that include Tijuana, Mexicali, Ciudad Juárez, Matamoros, and Nuevo Laredo. The Jalisco Cartel's rapid expansion of its drug-trafficking activities is characterized by the organization's willingness to engage in violent confrontations with Mexican government security forces and rival cartels. The Jalisco Cartel reportedly has a presence in 21 of the 32 Mexican states. It has been identified that there are currently more than 18,800 members, associates, facilitators, and brokers affiliated with the Cartel in more than 100 countries.

PEOPLE'S REPUBLIC OF CHINA AND PRECURSOR CHEMICALS

Chemical companies within the PRC produce and sell the majority of precursor chemicals that are used today by the Sinaloa and Jalisco Cartels to manufacture fentanyl and methamphetamine. These precursor chemicals from companies within the PRC are the foundation of the fentanyl and methamphetamine that are manufactured and transported from Mexico into the United States and that are causing tens of thousands of drug-related deaths in our country.

According to the State Department's 2023 International Narcotics Control Strategy Report, there are at least 160,000 chemical companies in the PRC. Chemical companies within the PRC distribute and sell precursor chemicals that are used in fentanyl and methamphetamine production around the world. Some companies within the PRC, for example, engage in false cargo labeling and ship chemicals to Mexico without tracking the customers purchasing the chemicals from the PRC and elsewhere.

In recent weeks, DEA has had productive engagements with Chinese counterparts in Beijing and Washington, DC focused on increasing cooperation between our countries. DEA remains ready to work with the PRC and all willing partners to reduce the flow of precursor chemicals and the deadly synthetic drugs they produce.

CHINESE MONEY-LAUNDERING OPERATIONS AND THE CARTELS

The Sinaloa and Jalisco Cartels utilize Chinese Money-Laundering Organizations (CMLOs) in the United States and around the world to facilitate laundering drug proceeds. CMLOs use mirror transfers, trade-based money laundering, and bulk cash movement to facilitate the exchange of foreign currency. The use of CMLOs by the cartels simplifies the money-laundering process and streamlines the purchase of precursor chemicals utilized in manufacturing drugs.

These money-laundering schemes are designed to remedy two separate issues: (1) the desire of Mexican cartels to repatriate drug proceeds into the Mexican banking system, and (2) wealthy Chinese nationals who are restricted by the PRC's capital flight laws from transferring large sums of money held in Chinese bank accounts for use abroad. To address these issues, CMLOs acquire U.S. dollars held by Mexican cartels as a means to supply their customers in the PRC.

RECENT ENFORCEMENT ACTIONS AGAINST THE SINALOA AND JALISCO CARTELS AND PRC-BASED CHEMICAL SUPPLIERS

The Chapitos Network of the Sinaloa Cartel

On April 14, 2023, DEA announced indictments against the Chapitos—the leaders of the Sinaloa Cartel—and their criminal network.

The Sinaloa Cartel supplies the majority of the fentanyl trafficked into the United States, which has resulted in the United States' unprecedented fentanyl epidemic. The Chapitos, the sons of the cartel's notorious former leader Joaquin "El Chapo" Guzman, currently lead the most violent faction of the Sinaloa Cartel. El Chapo was once the world's most dangerous and prolific drug trafficker. Now his sons have stepped in to fill their father's void by flooding the United States with deadly fentanyl and leaving a wake of destruction across families and communities throughout the United States.

Following their father's arrest and subsequent extradition and conviction, we allege that the Chapitos expanded their enterprise with sophisticated fentanyl laboratories in Culiacan, Mexico. We allege that the Chapitos now run the largest, most violent, and most prolific fentanyl trafficking operation in the world. The cartel is highly organized and sophisticated, employing military-grade weapons and vehicles and hundreds of people who protect the cartel and its leadership at all costs. In ad-

dition, we allege that the Chapitos use extreme violence and intimidation, including murder, torture, and kidnapping, to ensure dominance and expand their territory.

The Chapitos pioneered the manufacture and trafficking of fentanyl, and are responsible for the massive influx of fentanyl into the United States over the past 8 years. The Chapitos oversee and control every step in their fentanyl trafficking process and will stop at nothing to ensure the expansion of their operations and the flow of fentanyl into the United States. From procuring fentanyl precursors from illicit sources of supply in the PRC; to distribution in the United States, and, ultimately, reaching the hands of Americans; to the surreptitious repatriation of massive proceeds through money launderers to avoid detection, the cartel has direct involvement—and culpability. Investigations found that even when test subjects died as a result of high-potency fentanyl, the cartel sent the deadly batch to the United States anyway—knowingly poisoning Americans for their own profit.

The indictments charged 28 members of the Chapitos network. These include suppliers of fentanyl precursor chemicals based in the PRC, a broker based in Guatemala assisting with the transport of those chemicals from the PRC to Mexico, managers of clandestine fentanyl laboratories based in Mexico converting the precursor chemicals into fentanyl pills and powder, weapons traffickers and assassins perpetuating extreme violence in Mexico to protect and expand the fentanyl production operation, smugglers transporting the fentanyl from Mexico into the United States, and illicit financiers laundering the proceeds of fentanyl sales from the United States back to Mexico through bulk cash smuggling, trade-based money laundering, and cryptocurrency.

These indictments reflect the work of 32 DEA offices in the United States and abroad, as well as our law enforcement partners and other Department of Justice components, such as the U.S. Attorney's Office. As part of the investigation, the DEA conducted operations in ten countries and seized staggering amounts of illicit materials, including 2,557,000 fentanyl-laced pills, 105 kilograms of fentanyl powder, and 37 kilograms of fentanyl precursor chemicals, amounting to 22,747,441 potentially lethal doses of fentanyl.

Seven of the charged defendants were arrested pursuant to the investigation—in Colombia, Greece, Guatemala, and the United States—with the assistance of DEA's law enforcement partners in the United States and abroad. Ovidio Guzman-Lopez was arrested earlier this year by military officials in Mexico.

Simultaneously with the announcement of these indictments, the Department of State has announced up to nearly \$50 million in monetary rewards for information leading to the capture of the defendants who remain at large, and the Department of the Treasury Office of Foreign Assets Control announced sanctions against 2 chemical companies that operate in the PRC, and 5 individuals associated with those companies, for supplying precursor chemicals to drug cartels in Mexico for the production of illicit fentanyl intended for U.S. markets.

Operation Last Mile

On May 5, 2023, DEA announced the results of Operation Last Mile, a year-long national operation targeting operatives, associates, and distributors affiliated with the Sinaloa and Jalisco Cartels who were located in the United States and responsible for the last mile of fentanyl and methamphetamine distribution on our streets and on social media.

In Operation Last Mile, DEA tracked down distribution networks across the United States that are connected to the Sinaloa and Jalisco Cartels. The Operation shows that the Sinaloa and Jalisco Cartels use violent local street gangs and criminal groups and individuals across the United States to flood American communities with huge amounts of fentanyl and methamphetamine, which drives addiction and violence and kills Americans. It also shows that the Cartels, their members, and their associates use social media applications—like Facebook, Instagram, TikTok, and Snapchat—and encrypted platforms—like WhatsApp, Telegram, Signal, Wire, and Wickr—to coordinate logistics and reach out to victims.

Operation Last Mile comprised 1,436 investigations conducted from May 1, 2022 through May 1, 2023, in collaboration with Federal, State and local law enforcement partners, and resulted in 3,337 arrests and the seizure of nearly 44 million fentanyl pills, more than 6,500 pounds of fentanyl powder, more than 91,000 pounds of methamphetamine, 8,497 firearms, and more than \$100 million. The fentanyl powder and pill seizures equate to nearly 193 million deadly doses of fentanyl removed from communities across the United States, which have prevented countless potential drug poisoning deaths. Among these investigations, more than 1,100 cases involved social media applications and encrypted communications platforms, including Facebook, Instagram, TikTok, Snapchat, WhatsApp, Telegram, Signal, Wire, and Wickr.

Operation Killer Chemicals

On June 23, 2023, DEA announced Operation Killer Chemicals and the indictments of 4 chemical companies and 8 individuals—all based in the PRC—for knowingly providing customers in the United States and Mexico with the precursor chemicals and scientific know-how to manufacture fentanyl. These indictments are the first-ever charges against fentanyl precursor chemical companies. Two PRC nationals were taken into custody pursuant to the investigation. DEA also seized more than 200 kilograms of precursors in these investigations alone, enough to make millions of deadly doses of fentanyl.

As alleged, these Chinese chemical companies, and the individuals working for them, not only provided customers with the ingredients for fentanyl, they also gave advice on how to mix and substitute ingredients to more efficiently make fentanyl, and employed chemists to troubleshoot and provide expert advice when customers had questions. The individuals also spoke freely about having clients in the United States and Mexico and, specifically, in Sinaloa, Mexico, where the Sinaloa Cartel is based.

The companies went to great lengths to conceal the chemicals during transport. They falsified shipping labels and customs paperwork, claiming the shipments were “dog food” or “raw cosmetic materials” rather than fentanyl precursors. They even disguised the chemicals at a molecular level—adding a molecule to “mask” the precursors so they would not be detected as banned substances during transport, and teaching their customers how to remove that molecule after receipt.

Operation Killer Chemicals made clear that fentanyl precursors are exceptionally cheap. Fentanyl precursors cost less than one cent per deadly dose of fentanyl. In just one example, a defendant sold two kilograms of fentanyl precursors for approximately \$1,000, which can make 1.75 million lethal doses of fentanyl. The amount of fentanyl that can be made depends only on the amount of chemicals that can be purchased.

The Operation also showed that fentanyl precursors are easily bought on-line. Although based in the PRC, the chemical companies and individuals reached customers across the world because they advertised fentanyl precursors on social media (on Facebook and LinkedIn), used encrypted applications like WhatsApp to speak with customers and coordinate shipments, and took payment in Bitcoin and other cryptocurrencies.

CONCLUSION

DEA will continue our relentless pursuit of the Sinaloa and Jalisco Cartels—the criminal networks most responsible for fentanyl-related deaths in our country—and we will continue to work tirelessly to defeat these cartels and dismantle every part of their global supply chain, in order to protect the American people. Thank you again for the opportunity to appear before the committee today. I look forward to answering your questions.

Mr. HIGGINS. Thank you, Mr. Papadopoulos.

I now recognize Mr. Durham for 5 minutes to summarize his opening statement.

STATEMENT OF TYRONE DURHAM, DIRECTOR, NATION-STATE THREATS CENTER, OFFICE OF INTELLIGENCE AND ANALYSIS, U.S. DEPARTMENT OF HOMELAND SECURITY

Mr. DURHAM. Good afternoon. Chairman Higgins, Ranking Member Correa, and distinguished Members of the subcommittee, thank you for the opportunity to appear before you today.

I’m honored to be here representing the Department of Homeland Security’s Office of Intelligence and Analysis and the dedicated intelligence professionals working diligently to keep the homeland safe, secure, and resilient.

As previously stated, the fentanyl drug overdose crisis in the United States, which is fueled by Mexican transnational criminal organizations and their Chinese suppliers of precursor chemicals, continues at epidemic proportions.

As you know, the drug overdose deaths rose from 2019 to 2021, with more than 100,000-plus deaths reported in 2021. Those deaths

specifically involving synthetic opioids, primarily fentanyl, continued to rise during the same time period with more than 70,000 overdose deaths reported at that same time period.

So let's talk about who's responsible. You previously heard about the two Mexican cartels responsible for the activity, the Sinaloa Cartel and the Jalisco New Generation Cartel. These cartels supply U.S.-based affiliates with fentanyl for further distribution and retail-level sale. U.S.-based traffickers then sell fentanyl to users seeking the synthetic opioid. They mix fentanyl with other controlled substances, and they distribute it in the form of counterfeit prescription pills to drive addiction.

China's role in the global fentanyl trade is also a serious concern. China is the source of most of the precursor chemicals required for fentanyl production. A cartel associate brokers the sale and shipment of fentanyl precursor chemicals from China to clandestine labs in Mexico, where the fentanyl is manufactured.

Moreover, as law enforcement scrutiny or legal restrictions increase, suppliers adapt by modifying or changing chemical compounds of precursors, subsequently falling outside the purview of existing controls, to mimic the desired effect. Some Chinese chemists have focused on precursors to precursors, many of which have legitimate uses and are therefore hard to regulate.

There are several reasons why China is such a major source of fentanyl production. First, China has a large and sophisticated chemical and pharmaceutical industry that can produce its precursor chemicals at will and at scale. Second, China has a lax regulatory environment for chemicals, making it easy for traffickers to acquire the precursors they need for fentanyl manufacturing. Third, China's borders are porous, making it easy for fentanyl precursors to be smuggled out of the country, ultimately making their way to Mexico.

The Office of Intelligence and Analysis is producing finished intelligence on drug trafficking and other transborder threats to strengthen engagement between U.S. officials and foreign partners. Specific to drug trafficking threats, our analysis is aimed at identifying key transnational criminal organized crime leadership figures, organizational networks, logistical supply chains, smuggling routes, and the efforts of corruption that stand in the way of dismantling these organized crime groups.

Intelligence products draw upon national-level reporting from the intelligence community fused with DHS-unique data from components, as well as information from our law enforcement partners across all levels of government. This finished intelligence product related to TCOs are written at the widest possible dissemination level for distribution to our Federal, State, local, Tribal, and territorial partners and, when appropriate, shared with our foreign partners in Mexico.

I&A has deployed intelligence personnel, worked closely with DHS components, State and major urban area fusion centers, and other law enforcement agencies to gather, analyze, and report information that is uniquely available from these partners.

Thank you again for the opportunity to appear before you today to discuss this critical threat and for your continued support of the Office of Intelligence and Analysis.

We remain committed to keeping the homeland safe, secure, and resilient, and will continue our efforts at home and abroad to uphold the national security and public safety of the United States. I look forward to your questions.

Mr. HIGGINS. Thank you, Mr. Durham.

Members will be recognized by order of seniority for their 5 minutes of questioning. An additional round of questioning may be called after all Members have been recognized.

I now recognize myself for 5 minutes of questioning.

Mr. Papadopoulos, I'd like to ask you: In your opening statement, you cited that you've identified major distribution hubs in cities, including Phoenix, Los Angeles, Denver, and Chicago. Is that in your opening statement?

Mr. PAPANDOPOULOS. Yes, sir.

Mr. HIGGINS. OK. So a general question would be: Obviously without revealing on-going law enforcement investigations and operations, if you've identified the major hubs of narcotics distributions in these cities—Phoenix, Los Angeles, Denver, and Chicago—can we look forward to major arrests in Phoenix, Los Angeles, Denver, and Chicago?

Mr. PAPANDOPOULOS. Yes, sir. As you know, the DEA is constantly working these investigations. I mentioned Operation Last Mile, which was announced in May, which is a year-long effort focusing on the U.S. distributors of these cartels, where we arrested over 3,300 people, seized \$104 million in cash and assets, and took about 8,500 guns across—off the street. That was across the entire United States.

Mr. HIGGINS. Understood. The American citizenry asked common-sense questions, and we're sworn by our oath to convey those questions, and it's a good question. If you've identified a narcotics hub and you—that means you're watching it. So we expect those people to be arrested.

The volume of drugs seized and the arrests made is reflective of the realities of effective law enforcement, but also the overwhelming amount of trafficking that we're dealing with and the criminal activity. It's at a level we've not seen in America, and we expect—we expect large numbers of arrests. If we identify these guys, we've got to break their back, make them hate each other. It's just fine with me.

Director Cagen, last Congress, I introduced the Homeland Security Fentanyl Enforcement Act. You're familiar, sir, this bill is written to expand Homeland Security Investigations' authority to investigate narcotics cases under Title 21. Can you explain why HSI is currently unable to conduct independent narcotics investigations?

This gets into some jurisdictional authority that Congress should be involved in, so I—I ask you to clarify.

Mr. CAGEN. Mr. Higgins, thank you for the support on this topic.

HSI enjoys a great, long history and long relationship with the DEA, 25 years-plus, and we look forward to the next 25 years.

Right now, our authority is derived from DEA's designation, which allows us to work together, us to focus on our foreign counterparts, our foreign customs authorities, working with our TCIUs overseas, and to continue to work—actually, Mr. Papadopoulos and

I worked in the same fusion center building together here in the District of Columbia a long time ago and had a great relationship. So we'd just look forward to having that continued relationship moving forward.

Mr. HIGGINS. We—we understand and we appreciate the fact that long-standing relationships have been developed between the law enforcement agencies and working on the ground. But we must ensure that you have the legal pathway—statutory pathway to conduct your investigations, sometimes in cooperation with other agencies but with an independent capability that we must ensure.

So I look forward to speaking with my colleagues more about the Homeland Security Fentanyl Enforcement Act.

Mr. Chester, China is the main country of origin for precursor chemicals for synthetic opioids. These chemicals are then taken by the cartels, who make drugs like fentanyl. We all understand that. You've made that clear.

Can you characterize the coordinated effort between the cartels and China to create and distribute illicit drugs like fentanyl, and how is that changing as we speak?

Mr. CHESTER. Thank you for the question, Congressman. So the first major change happened in 2019, when China scheduled—at the United States' request, scheduled fentanyl as a class. What that did was it had the effect of reducing finished fentanyl from China to the United States to almost zero, and the traffickers got into the precursor business selling those to Mexican cartels for production.

The coordination happens on a couple of different levels. The first one is there's—there is a broker, usually located in Mexico, that works with a broker in the PRC in order to order the chemicals, often from a legitimate chemical company, who fills the bill. Those chemicals are transported and shipped, usually on an unwitting carrier, to one of the ports in Mexico or via air where at the port of entry it is delivered—diverted and then delivered to the drug manufacturers. That's the raw materials.

Then the payment for that is usually done through—through illicit finance enablers and brokers located in the PRC and in Mexico. It is this network of brokers between the drug producers and the raw material suppliers that gives this entire global illicit supply chain its life.

Mr. HIGGINS. Thank you, Mr. Chester. It's a massive network. We intend to break it.

My time has expired.

I recognize the Ranking Member, my friend and colleague, Mr. Correa, the gentleman from California.

Mr. CORREA. Thank you, Mr. Chairman.

I wanted to follow up on the Chairman's last comment on China, their role.

Their cooperation, has it been better in the past? Two-thousand-nineteen, they helped us, classified fentanyl, stopped it. Now you've got the issue of precursors, precursors to precursors, harder to regulate.

Has China helped us over the last year or two? Have you seen that level of cooperation maybe not as good as it's been in the past?

Mr. CHESTER. Thank you for your question. Your question is very prescient, and the answer is cooperation in the past actually has brought results. In fact, in the—in the words of Chinese diplomats, counternarcotics cooperation between the United States and the PRC has been a bright spot.

We were able to do—there was routine law enforcement cooperation. We were able to get fentanyl scheduled as a class. As of late, over more than a year, for a variety of reasons, the PRC has decided not to engage with the United States on—on counternarcotics and a number of other issues.

The United States would like that level of cooperation again, and we have made it clear to the PRC a few things. The first one is we're not blaming the PRC government for this. There are criminal elements within China and Mexico and the United States who keep this global illicit supply chain alive. That's the first thing.

The second thing is our cooperation is absolutely essential in order to help us with that, and we have made some very specific asks of the Chinese government that they could implement very easily in order to be able to help us to do that.

Mr. CORREA. Gentlemen, I just want to say thank you for your good work. You've done a stellar job of doing what you're paid to do.

We talk about commercial disruption, precursors, pills, shipping. It's as though every time you stop one place, something else explodes. I've heard lately that—there is intel now a lot of the precursors are coming in through our ports of entry, pill presses coming into the United States. So every time you bottle something up, another source, another supply seems to emerge.

The one issue that I think probably holds everything together is the finances, the laundering of this money. What can we do to better enable you to stop the flow of these profits?

HSI, you talked about—you know, the Chairman asked you about maybe some other tools you may need. But I would ask all of you: What else can we do as Members of Congress to strengthen your hand to stop the flow of the profits? Because, you know, you dry up the money and the whole machine comes to a stop.

You know, right now, what we are witnessing in this country is a massive transfer of wealth from American pocketbooks to somewhere around the country—excuse me—around the world.

Please, open it up for comments.

Mr. CAGEN. Since you mentioned HSI, I'll—I'll take that.

You know, money is moved in multiple ways, and they're ever-evolving. You just mentioned the fact that—you know, that we stop one thing that the Chinese are doing, and they move in a different way. The same thing happens with money laundering. It's bulk cash, it's trade-based money laundering, it's cryptocurrency movement of money right now.

One thing—and I come back to, you know, begin and end in China. China has taken over. Chinese money-laundering organizations have taken over the network, the money movement network, which we're all focused on as—you know, everybody sitting up here is focused on that. They're able to charge much lower percentages than other people have in the past because of their vast network around the world.

But we are—HSI is—that’s what we do. We like to go after their money. We like to go after their toys. Because when you take their money away, then they can’t flourish. So we’re continuing to—

Mr. CORREA. I asked you directly—I called you out because I’ve seen you work, and I’ve seen some of your results. When I’ve been down to San Isidro, I’ve taken a tour of your operations.

Mr. CAGEN. Yes, sir.

Mr. CORREA. All of you are doing a stellar job. In the half minute that I have left, I would just ask you all as a challenge to let us know what we can do as Congress to strengthen your hand when it comes to money laundering. It’s not an easy solution.

You’ve got 20 seconds. You’re not going to give me the answer. But I’d love all of you to go back and give us some, you know, wish lists, legislatively what tools and what resources you need to stop the flow of drug money.

In my opinion, that’s the best punch you can give these folks when it comes to fentanyl.

Thank you, Mr. Chairman. Time is up. I turn it over back to you.

Mr. HIGGINS. The gentleman yields.

The gentleman from Oklahoma, Mr. Brecheen, is recognized for 5 minutes for questioning.

Mr. BRECHEEN. Thank you, Mr. Chairman.

I appreciate you all being here today. There is no doubt this is a crisis. Just in Oklahoma alone, the State that I’m a Representative for, we’ve seen a 735 percent increase in fentanyl deaths, and that has occurred from 2018 to 2022: 326 deaths in 2022 in Oklahoma. In 2018, it was 39.

I think probably every Member of this committee has some personal point of contact with somebody that they know of who has lost their life or has a direct connection. It’s really sad.

I guess what I want to zero in on—and I’ll open this up to anyone—if you—if 6 out of the 10 pills that you all are looking at—one of your testimonies a minute ago—are containing lethal overdose elements to the point that you take it unsuspectingly, it can kill you, why are they doing that?

There’s an addictive element, right. You’re trying to use the addictive element, 10 cents to make, and \$30—10 to \$30 sold, massive increase in profit.

So can you—I’d be interested in some comments if you—if you can help bring about why they are enabling such a lethal concoction in their pills?

Mr. CHESTER. Congressman, I can start, and then I can turn it over to my colleagues.

I think—I think the first thing is that—that our image of these drug producers and traffickers, I think, traditionally has been that they’re evildoers who are out to hurt people when in reality they are disinterested businesspeople who really only want a few things. They want to lower their production costs. They want to lower their risk of detection and interdiction. They want to increase their customer base and increase their profits.

By—and—and a mechanism to do that is to provide the drug user an experience that they did not expect. This is what we saw back in 2015 when we started to see synthetic opioids like fentanyl introduced into the heroin supply chain. This is—this was the door

that opened this up for the United States. What it did, it provided the individual a qualitative effect that they did not expect, and it was used as kind-of a branding.

Because these things are so potent and because they are so potentially lethal, a milligram in the wrong direction will take you from having a qualitative experience that you didn't expect to an overdose death. In a lot of cases, these things are not uniformly mixed, and they're not done well, and it's a lot of cross-contamination that actually leads to the overdose deaths.

The last thing I'll tell you is, in a lot of cases, the unwitting user who may not have an active substance use disorder or does not intend to take fentanyl gets it in another counterfeit pill that they did not expect, like Xanax or Adderall or something like that. This is done in the interest of making money with a casual disinterest as to whether people are harmed or not.

Mr. BRECHEEN. So I want to pivot, because I think somebody else maybe on the panel can answer this. Are you seeing it utilized as a revenge element to—so you're saying, you know, that there's nothing that's in this more than profit margin, but there's a—an evil intent that can lead to murder purposefully.

In your investigations, are you seeing that?

Mr. PAPADOPOULOS. Sir, I can jump in.

So the answer is yes. We have evidence in some of the char—previous cases I mentioned where the cartels knew that there was deadly fentanyl. The amount of fentanyl that they were sending to United States was deadly, because they tested it on human beings in Mexico, and they still sent it anyway.

As Mr. Chester was saying, these are not mixed in labs. They're not sterile situations. We've seen pills with less than a milligram of fentanyl all the way up to 8 milligrams of fentanyl. The average dose is 2.4 milligrams, and 1 milligrams is considered a potentially deadly dose.

Mr. BRECHEEN. In regards to human trafficking, "Sound of Freedom" is a movie that's, you know, getting a lot of attention right now nationally, and you can sell a drug one time, common—commonly being discussed is—as the human trafficking element, that you can sell an individual multiple times.

What are you seeing with the human traffic—in all of your investigations, where are you seeing the overlap with those that are engaged in human trafficking, prostitution, also alongside the fentanyl trade?

Mr. MANDRYCK. Thank you for the question, sir. So, historically, we had seen the transnational criminal groups focus on narcotics, were solely focused on narcotics. They would charge a piso, or a tax, for migrants to cross.

At the beginning of COVID, where we started to see some of the closures at the ports of entry for nonessential travel, we started to see those criminal groups become more involved in the process holistically. So it wasn't just a couple-hundred-dollar tax; it was a multi-thousand-dollar program to move them throughout the whole chain.

That's what we've continued to see, is that control of the plazas along the border and that full-scale facilitation from start to finish.

Mr. BRECHEEN. Mr. Chairman, would you allow—would you allow if anybody else has any—I know my time has expired. Does anybody else have any—any comments on that?

Mr. CAGEN. I can draw a distinction a little bit between the human smuggling and human trafficking aspect, which I think is where your question was going.

We don't see a direct link between your large-scale criminal organizations that are operating and moving people trafficking-wise, human trafficking-wise, across the border like the transnational criminal organizations. A lot of those folks are already here. People are smuggled into the United States. Then, once in the United States, transnational—or organizations prey on vulnerable populations, and that's when they're turned into trafficking victims.

Mr. BRECHEEN. Thank you.

Mr. HIGGINS. The gentleman yields.

Mr. Thanedar is recognized for 5 minutes for questioning.

Mr. THANEDAR. Thank you, Chairman Higgins. Thank you, gentlemen, for your testimony.

I have heard from both sides of the aisle that transnational criminal organizations and the smuggling of illicit drugs like fentanyl is not just a U.S. problem; it is a global issue. There are bad actors all over the world looking to profit from these deadly drugs. That's why it is important to foster relationships with law enforcement partners and international governments to disrupt and dismantle transnational criminal organizations.

Mr. Cagen, you mentioned this point in your testimony. So my question is for you, Mr. Cagen, and also for Mr. Papadopoulos. Can you—and, in fact, I have three questions. Let me just state those and allow you, either of you, to comment on.

Can you discuss how HSI and the DEA are working and sharing information across the Federal Government, as well as State and local law enforcement partners, to investigate and prosecute these criminal organizations?

No. 2, can you discuss how HSI and DEA are fostering relationships internationally to prevent these deadly drugs from reaching our borders?

No. 3, in April 2023, the Justice Department announced charges against Federal leaders of the Sinaloa Cartel. What role did this partnership play in these critical investigations?

Mr. CAGEN. Thank you very much for the question. I think it's a fantastic question.

I've mentioned it in my opening statement and in a statement already before, HSI and DEA have a long history of working together. I mentioned that we both worked together in the same building, which is actually a fusion center, where we bring in information, intelligence, and 30-plus Federal agencies sit in this building where we share information and ensure that we're taking a whole-of-Government approach toward attacking the cartels and the transnational criminal organizations.

We both have very similar tactics as well when we're working with our international partners. Both have investigative units. Ours is called a Transnational Criminal Investigative Unit. Very different but the same structure. Ours, we've got the ability to work with the Mexican Customs, where we can stop things that are

coming over the ports, like precursor chemicals that are shipped from China over the sea, things like that.

I think that we have a very good international relationship with Mexico and other countries on the working level, which is how we all get our job done to go after transnational criminal organizations.

Mr. THANEDAR. Thank you.

Mr. PAPADOPOULOS. Thank you for the question, sir. So as far as information sharing, we are in, as I mentioned, unprecedented times right now, which I think calls for unprecedented collaboration across the Federal, State, and local governments. We are committed to that. We are using every tool that we have available, including sanctions and rewards for justice, to get the word out.

As far as our international relationships, we have a big international presence also, and that's because we want to be proactive. Most drugs are manufactured outside of the United States, and then they need to be transported here through other countries. So when we're outside of the United States working with our international counterparts, we are being proactive, instead of reactive, waiting for the drugs to get here.

As far as the case that you mentioned, we did work closely on that investigation with other districts and other agencies to put that case together.

Mr. THANEDAR. Thank you so much.

Mr. Chairman, my time is up, so I yield back.

Mr. HIGGINS. The gentleman yields.

My colleague from Texas, Mr. Gonzales, is recognized for 5 minutes for questioning.

Mr. GONZALES. Thank you, Chairman, and thank you for holding this hearing.

I want to talk—I want to use my time to talk about fentanyl as it relates to drones. I think this is an area that the landscape is changing.

If you're watching the war in Ukraine, you're seeing that drones are the future of conflict, and that's no different from fentanyl. What I'm seeing is I'm seeing on a regular basis cartels are using drones to penetrate the United States air space, and they're dropping off packages of fentanyl. Remember, you don't need large quantities in order to make a lot of money off of this. Then they're taking that and they're moving it around.

Well, let me just set the tone. Imagine if you're in a soccer field and all of a sudden there's a drone that flies over with fentanyl and it doesn't drop it to get picked up and get sold somewhere, it just drops it in the stadium. Could we live in that world? Well, guess what? We already live in that world.

So I'm very concerned with the drones that are happening, in particular in the cartels and how it's all related to fentanyl.

My first question is for Mr. Mandyck. Can you speak to any trends or observations you have seen with the recent rise in the use of drones to smuggle drugs across the border?

Mr. MANDRYCK. Thank you, sir. Historically, we have seen drones almost entirely used for surveillance along the border, whether that's at a port of entry or between ports of entry, where

scouts located on the Mexican side would monitor the movements and then facilitate cross-border movement from there.

We have started to see an increased number of sUAS incursions crossing the border, some of which are for surveillance purposes, but we have seen increased use of smuggling of some narcotics, primarily hard narcotics, those that, as you mentioned, don't require larger quantities for movement. We have in place a very strong counter-UAS program with our U.S. Border Patrol and our Air and Marine Operations Center that we would love to give you a more in-depth briefing on the specific capabilities of that.

Mr. GONZALES. Great. Thank you.

I was just in El Paso a few weeks ago, and I visited two areas. One, I visited the Clint Station, Border Patrol station. This is an area in the El Paso Sector, but it's not the main one. It's not what you see on TV. It's one of the sectors that is in the Lower Valley, and it is historically known that this is the area that is most trafficked.

So I was asking the agents there, I was like, How many agents do you have on duty at one time? The answer was two agents. OK.

My next question was, How much contraband have you apprehended this year? Guess what the answer was? Zero. OK.

So the most trafficked area in El Paso County, you only have two agents on duty, and they've apprehended nothing. OK.

Go a little further. You know, outside the city limits of El Paso is a brand-new soft-sided facility. It's like going to the Dallas Cowboys Stadium. OK. It's like Disneyland: 360,000 square feet, larger than six football fields. It's costing taxpayers \$400 million a year. Guess how many agents were in that facility? Two hundred eight.

What I'm getting at is we're putting all our resources into the humanitarian piece of it, and there's nobody on the field to actually stop some of the traffic that's happening.

One of the agents told me, Hey, look, I see drones—Tony, I see drones coming back and forth all the time, and I feel powerless. There is nothing I can do as a field agent down on the ground.

What I'm also seeing too is all these procedures—you have to go through all these procedural to be able to go all the way up the chain in order to get a response back.

Once again, we are living in a different environment where things are tactical. You've got to be able to give the agent the tools that they need to succeed in a real-time environment if we're going to save lives.

I've got 1 minute left. Let me ask one more question. Once again for you, Mr. Mandryck. What can the committee do to ensure that CBP and other appropriate agencies have what they need to combat drones that are illegally crossing our border?

Mr. MANDRYCK. Sir, what a lot of it comes down to is just the adaptability of where we are with the technology, the speed at which that grows. They're very cheap to collect, to produce, so it's kind of a twofold effort. So it's actually attacking logistical supply chains behind those to prevent those being moved into the hands of TCOs to use for facilitation, but also support in the technology to, not just detect, but also safely bring down those pieces of aircraft, and then the exploitation after that significant investment from a technology and an expertise standpoint.

Mr. GONZALES. Well, I'd love to take you up on your offer and sit down and walk through this, in particular to these UAS vehicles that we can defeat, and talk about it, not only in regards to the Homeland Security Committee, but I also sit on the Appropriations Committee. How can we give real money to real programs that work? I'm very interested in that. Would love to follow up with you.

Mr. Chairman, I'm out of time. I yield back.

Mr. HIGGINS. The gentleman yields.

The gentlewoman, Mrs. Ramirez, is recognized for 5 minutes for questioning.

Mrs. RAMIREZ. Thank you, Chairman Higgins and Ranking Member Correa, of the Border Subcommittee for convening today's hearing.

However, I do wish that we could be focused on addressing the root causes of migration rather than having to debunk myths and respond to Republican fearmongering. I sincerely hope we can look beyond the politics and work together to achieve comprehensive immigration reform and address the causes and the concerns we have around this opioid crisis.

We know that nearly 90 percent of hard drugs, such as fentanyl, heroin, and methamphetamines, are seized by CBP at our ports of entry rather than between them. Even when hard drugs are seized between ports of entry, the vast majority are seized at vehicle checkpoints.

Mr. Mandryck, can you confirm that nearly 90 percent of hard drugs seized are at ports of entry? Is that a yes or no?

Mr. MANDRYCK. Yes, ma'am.

Mrs. RAMIREZ. Thank you. Mr. Mandryck, is it true that the vast majority of opioids seized between ports of entry are seized at vehicular checkpoints?

Mr. MANDRYCK. That's correct, ma'am.

Mrs. RAMIREZ. Thank you.

Mr. Mandryck and Mr.—I'm going to do my best because pronunciation is important to me—Mr. Papadopoulos—Papadopoulos. Did I get it right? My understanding is that more than 85 percent of the people convicted for smuggling fentanyl are U.S. citizens. Is that accurate?

Mr. MANDRYCK. So, ma'am, I can talk about the seizures and the turnover for the actual prosecutions. When we look at those encounters at the ports of entry, so Office of Field Operations, there's two ways to look at that. That's by weight and by number of events. If we look at it from events, so individual encounters, this fiscal year we're at 73.1 percent are U.S. citizens, the balance being Mexican nationals. If we look at that by weight, we're looking at about 56 percent U.S. citizens. The delta between those two is a lot of the U.S. citizens we see are very small quantity personal use.

Mrs. RAMIREZ. What about convicted for smuggling fentanyl? Is it U.S. citizens, the majority?

Mr. PAPADOPOULOS. Ma'am, I'm going to have to get back to you on that. I don't know the answer to that, but I'll be happy to get back with you.

Mrs. RAMIREZ. Yes, I appreciate it. Thank you.

So, Mr. Mandryck, would it be fair to say that the majority of seizures in between ports of entry, because even with the percent-

ages you gave me, are also from U.S. citizens and U.S. persons more so than from Mexican nationals?

Mr. MANDRYCK. It's a fairly close breakdown. We will have to get back with you on specifics.

Mrs. RAMIREZ. Thank you. Mr. Mandryck, can you also share the percentage of opioids CPB seized on migrants not in vehicles during the fiscal year? Do you have that information?

Mr. MANDRYCK. It's a very small percentage of those who were actually on migrants for opioids. We don't have the firm percentage. We can get back to you.

Mrs. RAMIREZ. So a very small percentage, correct?

Mr. MANDRYCK. Yes, ma'am.

Mrs. RAMIREZ. That's what I thought.

So just to clarify, Mr. Mandryck, would you agree that undocumented persons traveling on foot between ports of entry represent a very small fraction of the people trafficking opioids across our borders?

Mr. MANDRYCK. Yes, ma'am. There's a variety of reasons behind that: the ability to exploit illegal travel with, you know, millions of people each day back and forth, easy concealment techniques, operational security with a countersurveillance of individuals.

Mrs. RAMIREZ. Thank you. Thank you.

We know the alarming number of fentanyl overdoses is emblematic of a larger drug abuse public health crisis that our country is experiencing and has been for decades. I deeply sympathize with the losses that many families, including in the Third Illinois District, are facing. But this issue is broader than one of border security. In the words of Mr. Chester, and I quote, you said that the—hold on 1 second. I want to get it right. Ending the opioid crisis doesn't start at the border and it won't end in the border.

We need—and so I think we need to treat the demand driving this epidemic, and we need comprehensive health care and access to education, treatment for everyone.

Mr. Chester, knowing that, what initiatives is this administration pursuing to prevent substance abuse in our communities and support these in recovery?

Mr. CHESTER. Thank you very much. You stated it correctly, right, the efforts that we take to keep these drugs out of our country have got to be complemented by strong public health efforts in order to be able to reduce their demand. It really starts with prevention, particularly youth prevention. We out of ONDCP manage the drug-free communities program, which is enormously successful, more than 700 coalitions funded around the country, focused at the local level in order to prevent drug use.

The second thing is reducing barriers to treatment, whether those barriers are monetary or regulatory, ensuring that everyone who needs treatment is able to get it. Sadly, about 8 out of 10 Americans who need treatment don't have access to it.

Then the final thing is to create communities and workplaces that are recovery ready, so that individuals in recovery can continue their sustained recovery, stay with their families, get a good job, and not tragically enter back into the population of those using drugs.

Mrs. RAMIREZ. Thank you for your time.

I yield back.

Mr. HIGGINS. The gentlewoman's time has expired.

Mr. D'Esposito, my colleague from New York, is recognized for 5 minutes.

Mr. D'ESPOSITO. Well, thank you, Mr. Chairman, and thank you for allowing me to waive on to the subcommittee this afternoon.

To all of you, thank you for being here.

Prior to serving as a Member of Congress, I was even prouder, I think, to be a Member of the New York City Police Department, retiring there as a detective. I know that just working in the five boroughs of New York City you get to see different district attorneys and what their priorities are, their prosecutorial priorities.

So I guess this is really a question for Mr. Papadopoulos, but it's really open to all of you. Do you see that the people that you're arresting and hopefully eventually prosecuted, are you dealing with different prosecutors with different priorities, and is that hindering your ability to take illegal narcotics?

Mr. PAPADOPOULOS. Sir, thank you for the question. As you know as former law enforcement, you know, we collect the evidence, we gather the evidence, and present it to a grand jury or to a prosecutor's office, and they decide the most appropriate charges. So we don't factor into that, other than collecting the evidence.

Mr. D'ESPOSITO. Right. But what I'm asking is, have you seen it become more difficult with different prosecutors, the effective—really the prosecution of drug arrests? Has it become more difficult as we see different prosecutors having different priorities?

I mean, we see it throughout the United States of America, whether it's in cities like New York or places like California where, you know, crime is rampant, because we see over and over again repeat offenders, people that are—they're being arrested, they're being sometimes prosecuted, and then they are let out to commit more crimes. One of the biggest things that we've seen is repeat offenders.

So have we seen—and the issues on our Southwest Border when we're dealing with, specifically in this hearing, the trafficking of narcotics and fentanyl, have we seen repeat offenders, and has the ability of prosecutors and perhaps their priorities had an effect on the way that you guys are able to really take criminals off the street, and I think most important, keep them off the street?

Mr. PAPADOPOULOS. Yes, sir. So for the border, I'll defer to DHS on what they're seeing there. I will say that, you know, DEA strives to prosecute Federally, not at the local level.

Mr. D'ESPOSITO. Of course.

Mr. PAPADOPOULOS. What we see when we do that is that—more of an impact in terms of crime reduction and sentencing.

Mr. D'ESPOSITO. Right. But even Federal prosecutors, different offices have different priorities, and sometimes we see things headed in a different direction.

So I guess for the border, I'll hand it over to you guys.

Mr. CAGEN. I don't oversee our domestic operations branch, but I will tell you that I don't believe that we have seen much of a change. There's a consistent cadre who works day in and day out on the law enforcement, either CBP or HSI side, that works continuously with U.S. attorneys to take cases to the Federal level.

I can take that as a get-back. If there's something different, I can let you know.

Mr. D'ESPOSITO. OK. Perfect.

Mr. MANDRYCK. Sir, I'd have to go with our DEA and HSI colleagues. When we get seizures, they're turned over to them for the prosecution.

Mr. D'ESPOSITO. Great.

I yield back. Thank you, Chairman.

Mr. HIGGINS. The gentleman yields.

My colleague, Mr. Ivey, is recognized for 5 minutes for questions.

Mr. IVEY. Thank you, Mr. Chairman.

Before I start asking questions, I'd like to commend the Chair for putting this hearing together. I waived in to the committee today and had just come over from another hearing, so I just picked up the witness testimony. I came in and asked—I looked at the list, and I asked staff, Well, who are their witnesses and who are our witnesses? They said, Well, this looks like it's pretty much straight down the middle.

I must agree. I appreciate the fact that you put together a balanced hearing that's been very informative. It's the first one I've had like this since I got to Congress.

Mr. HIGGINS. You're always welcome.

Mr. IVEY. Thank you, sir.

I did want to follow up on Mr. Gonzales' questions about the drones issue. Because when we went down to—I guess it was in Brownsville, and we were talking with some of the Border Patrol agents, they were echoing what he said. They said there's a lot of drones, that it's increased a lot, that more of them are being used to now ship the drugs, and that they were outnumbered. The ratio of 17:1 sticks out in my mind for some reason.

I think, Mr. Correa, we were trying to get some—and I don't know if it happened or not—but some language in the bill that we passed to try and see if we could get additional funding to increase your capability to get drones to try and respond to the amount that they're using. I know they're very well-funded, they're keeping up with technology, and we have to hustle to keep up with them.

But I did want to make sure that that's something that would be helpful to you. We—you know, resources are short, but if you need additional help with the drone counter push on our part, you know, I would like to hear what your position is on that.

Mr. MANDRYCK. Absolutely, sir. Drones are something that's not going away. We're going to continue to see those, whether it's surveillance or narcotics movement.

We also support the vast majority of seer activities that take place, so Super Bowl, large-scale events with the counter-UAS approach. So it's a holistically beneficial program.

Mr. IVEY. Yes. I think there's legislation that's coming through the House, but it's got multiple committees because there's multiple types of jurisdiction. So that means it's got a hard path to travel, but hopefully we can get there. With your push, it might help to move it forward. So thank you for that.

I wanted to ask you too about China and some of their activities. I think one of you said that they have porous borders, and so it's easy for, you know, bad actors to ship precursors and the drugs

out. Then I believe it was Mr. Chester who mentioned that, to the extent China is being cooperative, it can really enhance our efforts to reduce the drug flow.

What kinds of additional steps can we take, in your view? I know this is ticklish. You're not State Department necessarily. But what can we do to help to address that? Because if we can help to cut it off at the source, that would really help our issues here.

Mr. CHESTER. You know, thanks very much. I work with my State Department colleagues on this literally every day, and they do a remarkable job, help managing this relationship.

I think the first thing is we need dialog with the PRC government, routine collaboration like we've had in the past. That's the first thing.

The second thing that we've specifically asked them to do is we've presented them with what we call the three asks. The first one is implement quality know-your-customer standards, so that the shippers of precursors, pill presses, dye molds, encapsulating machines know that they're going to go to a legitimate business and they're just not filling every single order. The second one is to properly label those items in accordance with World Trade Organization standards, so that pill press parts are labeled as pill press parts, so that they can be inspected, and motorcycle parts are labeled as motorcycle parts. The third thing is to agree with the United States and other countries on the—and it's a finite list, of legitimate uncontrollable chemicals because they have so many legitimate uses that can be combined and turned into precursor chemicals for making synthetic opioids or other synthetic drugs.

Three things that are really just due diligence on the part of any responsible country that not only the PRC but all countries—and we've talked to all countries about doing this—in order to be able to help dry up this permissive environment in which these items can move around in plain sight.

The last thing is the PRC needs to join with us in partnership at the global level, and this is particularly true in light of the establishment of this global coalition. They hold a major role in this problem, and they should, as any great nation, hold a major role in its solution as well. We look forward to them engaging with us and doing that.

Mr. IVEY. I thank you for that.

I yield back the balance of my time. Thank you again, Mr. Chairman.

Mr. HIGGINS. The gentleman yields.

My colleague from Texas, Ms. Jackson Lee, is recognized for 5 minutes for questioning.

Ms. JACKSON LEE. Let me thank the Chairman and Ranking Member. I was just in Judiciary, so I'm somewhat delayed and may be asking questions that have already been asked.

But let me start with the principal deputy administrator of the DEA, Mr. Papadopoulos, and really hone in on the DEA's work with respect to opioids and the fact that fentanyl, which is synthetic, is found in drugs for medical use, and it is sometimes used to lace other drugs, and as well sold on-line, come in pink pills, multicolored pills.

How difficult is the fight for fentanyl, and what are the elements the DEA uses? I know there's some on the criminal side. You deal with scheduling of drugs, not yet scheduled fentanyl. But how difficult is this fight?

Mr. PAPADOPOULOS. Yes. Thank you, ma'am. So we are using all the tools that we have available and the authorities that we have been given to battle this unprecedented epidemic that we're facing right now. As you mentioned, we are having millions of pills come into the United States. Six out of 10 have a potentially lethal dose. That's up from 4 out of 10 last year. So we are committed to doing everything we can to prevent the overdose deaths that are happening throughout the country.

Ms. JACKSON LEE. Well, what is your—let me get you to be more extensive. Everything you can. But what are the—are you targeting certain areas? How do you incorporate the fact that there's medical uses? You know, are you seeing a criminal element that is separate and apart from the cartels? Because fentanyl is everywhere. Can you comment on that, please?

Mr. PAPADOPOULOS. Yes. So we are—domestically, I mentioned Operation Last Mile, which resulted in the distributors—cartel distributors arrests in the United States. Also, we have Operation Overdrive, which is data-driven, and it focuses on areas of the country that have high number of overdose deaths and drug-related violence. We're working with our State and local partners to identify those areas.

Most recently, we are in 57 cities in 36 States. Phase 1, which ended last year, resulted in significant decreases in fatal shootings and homicides in Philadelphia in the Kensington area. Phase 2 is on-going, and phase 3 is coming soon. So we're doing that.

We also have Operation Overdose Justice, which focuses on deaths resulting from fentanyl, where we partner with local counter—State and local counterparts to bring the most appropriate charges when somebody does die either through a fake prescription pill or if it's fentanyl that's mixed with another drug.

Ms. JACKSON LEE. Let me thank you very much. I am in the business of stopping fentanyl and particularly the impact that it's had on our children. I want to ask Mr. Chester what is being done as relates to research or treatments on opioid addiction, but particularly the impact on school children.

At this time, Mr. Chairman, I'd like to introduce into the legislation—my legislation, which is Stop Fentanyl Now Act of 2023. I hope that there will be an opportunity for this legislation to be reviewed in this committee, Judiciary, and I know that there's an Energy and Commerce component. But included in here is the ability for more institutions to use the strips. Some States outlawed them as being a criminal element.

So, Mr. Chester, you want to comment particularly focused on school children and the crisis we have?

Mr. CHESTER. Yes, Congresswoman. Thank you very much. The first thing is our strong emphasis, and particularly in the National Drug Control Strategy, on youth prevention. This is not only preventing at the individual level but looking at the environmental factors that may lead to eventual substance use. That's the first thing.

The second thing, as you mentioned, fentanyl test strips. I would also like to mention naloxone and increasing the availability of naloxone to get it in the hands of everyone who needs it so that anyone who suffers an opioid overdose, who doesn't need to die, that overdose can be reversed with the use of naloxone. Those are two important components of harm reduction. In the National Drug Control Strategy, this is the first time that harm reduction has been mentioned in a National Drug Control Strategy.

The last thing, when you talk about treatment, we have wonderful professionals at the National Institutes of Drug Addiction, at NIDA, who do research on this. I think the most important thing that we can do now is reduce barriers to treatment, particularly medication treatment for opioid use disorder, to ensure that everyone who needs treatment has access to it. That's probably the most critical important thing that we can do in order to take the oxygen out of this illicit supply that's being pulled across our borders.

Ms. JACKSON LEE. Mr. Chester, thank you. But I wanted to end on your testimony, because if we can cut the desire, then the supply has nowhere to go. It is in our schools. My legislation, Stop Fentanyl Now Act, does naloxone, does the strips, and you have indicated it is a holistic approach.

I just want to end, Mr. Chairman, by—I'm not sure if I did get a answer, but I'm asking unanimous consent to introduce in the record the Stop Fentanyl Now Act.

Mr. HIGGINS. Without objection.

[The information follows:]

(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. 4272

To provide public awareness and outreach regarding the dangers of fentanyl, to expand the grants authorized under the Comprehensive Opioid Abuse Grant Program, to expand treatment and recovery services for people with opioid addictions, and to increase and to provide enhanced penalties for certain offenses involving counterfeit pills.

IN THE HOUSE OF REPRESENTATIVES

Ms. JACKSON LEE introduced the following bill; which was referred to the Committee on _____

A BILL

To provide public awareness and outreach regarding the dangers of fentanyl, to expand the grants authorized under the Comprehensive Opioid Abuse Grant Program, to expand treatment and recovery services for people with opioid addictions, and to increase and to provide enhanced penalties for certain offenses involving counterfeit pills.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Stop Fentanyl Now
3 Act of 2023”.

4 **SEC. 2. FINDINGS.**

5 Congress finds the following:

6 (1) The United States is in the midst of the
7 worst opioid epidemic in history.

8 (2) Illicit fentanyl is typically mixed into heroin
9 or pressed into counterfeit pills made to look like
10 controlled prescription drugs such as oxycodone,
11 hydrocodone, and Xanax.

12 (3) From September 29 through December 15,
13 2021, the DEA seized more than 1,500 pounds of
14 substances containing fentanyl and 8.4 million
15 fentanyl-laced, fake prescription pills. The seizures
16 were directly linked to at least 39 overdose deaths
17 and included at least 76 cases that involved buying
18 and selling drugs on social media apps. Over the
19 course of that year, the DEA seized over 15,000
20 pounds of substances containing fentanyl and 20.4
21 million fake pills, with roughly four out of every 10
22 pills containing lethal doses of fentanyl.

23 (4) The widespread availability of illicit
24 fentanyl, the proliferation of counterfeit pills resem-
25 bling prescription drugs but containing illicit
26 fentanyl or other illicit drugs, and the ease of pur-

1 chasing pills through social media have increased
2 fatal overdose risk among adolescents.

3 (5) According to the Centers for Disease Con-
4 trol, overdose deaths reached a historic high of more
5 than 90,000 drug overdose deaths in 2020, a 31
6 percent increase compared with the previous year
7 and in 2021, there were more than 106,000 reported
8 drug overdose deaths in the U.S., with deaths involv-
9 ing synthetic opioids (primarily fentanyl) numbering
10 70,601.

11 (6) Between 2019 and 2021, more than 2,200
12 adolescents overdosed, 96 percent of whom were be-
13 tween the ages of 15 and 19. Fentanyl was involved
14 in 84 percent of the deaths. While counterfeit pill
15 evidence was present in 25 percent of adolescent
16 overdose deaths, this is likely an underestimate be-
17 cause pills present at the scenes of the overdose
18 deaths were not always tested.

19 (7) Many overdose deaths are preventable with
20 public health interventions such as education, harm
21 reduction, and treatment access.

22 (8) Public education campaigns can teach teen-
23 agers, parents, and others on the dangers of
24 fentanyl and counterfeit pills and educating individ-
25 uals on mitigating practices can be beneficial, in-

1 cluding emphasis on not initiating drug use, not
2 using drugs while alone, using fentanyl test strips,
3 and having overdose reversal drugs readily available.

4 (9) Opioid antagonists, such as naloxone, can
5 be used during emergencies to reverse opioid
6 overdoses and are effective at preventing fatal drug
7 overdoses.

8 (10) The Centers for Disease Control and Pre-
9 vention reported that despite an increase in prescrip-
10 tions for emergency opioid antagonists, not enough
11 of the medication is getting into the hands of those
12 who need it most.

13 (11) Expanding access to emergency opioid an-
14 tagonists and encouraging people to obtain emer-
15 gency opioid antagonists are in the best interest of
16 the health and safety of the public.

17 (12) Increasing access to medications like meth-
18 adone and buprenorphine that effectively treat opioid
19 use disorder can save lives.

20 (13) Greater access to drug detection tools such
21 as fentanyl strips are a low-cost method of helping
22 prevent drug overdoses and reducing harm.

1 **SEC. 3. COMPREHENSIVE OPIOID ABUSE GRANT PROGRAM.**

2 Section 3021 of title I of the Omnibus Crime Control
3 and Safe Streets Act of 1968 (34 U.S.C. 10701(a)) is
4 amended—

5 (1) in subsection (a), by adding at the end the
6 following:

7 “(11) Developing, implementing, or expanding a
8 program that provides training and resources for
9 teachers and other school officials in public or pri-
10 vate middle schools, high schools, institutions of
11 higher education (as such term is defined in section
12 101 of the Higher Education Act of 1965), or area
13 career and technical education schools (as such term
14 is defined in section 3 of the Carl D. Perkins Career
15 and Technical Education Act of 2006) on—

16 “(A) carrying and administering an opioid
17 overdose reversal drug or device approved or
18 cleared by the Food and Drug Administration;
19 or

20 “(B) acquiring such a drug or device for
21 teachers and other school officials who have re-
22 ceived such training to so carry and administer
23 such a drug or device.”; and

24 (2) by adding at the end the following:

25 “(g) PREFERENTIAL CONSIDERATION.—In awarding
26 grants under this part, the Attorney General may give

1 preferential consideration to an application from an appli-
2 cant in a State that—

3 “(1) has in effect a law that exempts from
4 criminal and civil liability teachers and other school
5 officials who carry or administer in good faith an
6 opioid overdose reversal drug or device approved or
7 cleared by the Food and Drug Administration if
8 trained to carry or administer such drug or device;
9 or

10 “(2) has in effect a law that exempts from
11 criminal or civil liability the possession, sale, or pur-
12 chase of fentanyl drug testing equipment, including
13 fentanyl test strips.”

14 **SEC. 4. PREVENTION AND TREATMENT OF FENTANYL-**
15 **LACED SUBSTANCE USE.**

16 (a) PREVENTION.—The Secretary of Health and
17 Human Services, in consultation with the Attorney Gen-
18 eral, shall develop and implement a national strategy to
19 prevent the use of fentanyl, fentanyl-related substances,
20 and fentanyl-laced substances. The strategy shall include
21 the following elements:

22 (1) Education and outreach to the public about
23 the dangers of fentanyl, fentanyl-related substances,
24 and fentanyl-laced substances.

1 (2) Development of treatment programs for in-
2 dividuals who are addicted to fentanyl and fentanyl-
3 related substances.

4 (b) TREATMENT.—The Secretary of Health and
5 Human Services shall provide grants to States and local-
6 ities to support the development and implementation of
7 treatment programs for individuals who are addicted to
8 fentanyl and fentanyl-related substances.

9 **SEC. 5. ENHANCED LAW ENFORCEMENT EFFORTS.**

10 (a) INCREASED RESOURCES.—The Attorney General
11 shall increase the resources available to law enforcement
12 agencies to combat the trafficking of fentanyl, fentanyl-
13 related substances, and fentanyl-laced substances. The At-
14 torney General shall prioritize the following activities:

15 (1) Investigation and prosecution of individuals
16 who traffic fentanyl, fentanyl-related substances, and
17 fentanyl-laced substances.

18 (2) Disruption of the supply chain for fentanyl,
19 fentanyl-related substances, and fentanyl-laced sub-
20 stances.

21 (3) Prevention of the importation of fentanyl,
22 fentanyl-related substances, and fentanyl-laced sub-
23 stances into the United States.

24 (b) INTERAGENCY COORDINATION.—The Attorney
25 General shall establish an interagency task force to coordi-

1 nate the efforts of Federal, State, and local law enforce-
2 ment agencies to combat the trafficking of fentanyl,
3 fentanyl-related substances, and fentanyl-laced sub-
4 stances.

5 **SEC. 6. RESEARCH.**

6 The Secretary of Health and Human Services shall
7 conduct research on the following topics:

8 (1) The effects of fentanyl, fentanyl-related
9 substances, and fentanyl-laced substances on human
10 health.

11 (2) The development of new treatments for in-
12 dividuals who are addicted to fentanyl and fentanyl-
13 related substances.

14 (3) The best practices for preventing the use of
15 fentanyl, fentanyl-related substances, and fentanyl-
16 laced substances.

17 **SEC. 7. INCREASE IN PUNISHMENT.**

18 Section 303(b) of the Federal Food, Drug, and Cos-
19 metic Act (21 U.S.C. 333(a)) is amended by adding at
20 the end the following:

21 “(9)(A) Notwithstanding subsection (a)(1), any
22 person who violates subsection (a), (b), (c), or (g) of
23 section 301 with respect to any drug, if such viola-
24 tion results in—

1 “(i) serious bodily injury, shall be impris-
2 oned not more than 10 years, fined not more
3 than \$1,000,000, or both; or

4 “(ii) death, shall be imprisoned for any
5 term of years or for life, fined not more than
6 \$5,000,000, or both.

7 “(B) Notwithstanding subsection (a)(2), any
8 person who violates subsection (a), (b), (c), or (g) of
9 section 301 with respect to any drug with the intent
10 to defraud or mislead, if such violation results in—

11 “(i) serious bodily injury, shall be impris-
12 oned not more than 20 years, fined not more
13 than \$5,000,000, or both; or

14 “(ii) death, shall be imprisoned for any
15 term of years or for life, fined not more than
16 \$10,000,000, or both.

17 “(C) Any person who violates subsection (a),
18 (b), (c), or (g) of section 301 with respect to any
19 drug promoted or sold online shall, in addition to the
20 punishment provided for such violation, be sentenced
21 to a term of imprisonment of not more than 5
22 years.”.

1 **SEC. 8. EXCLUSION OF FENTANYL DRUG TESTING EQUIP-**
2 **MENT FROM TREATMENT AS “DRUG PARA-**
3 **PHERNALIA”.**

4 Section 422(f) of the Controlled Substances Act (21
5 U.S.C. 863(f)) is amended—

6 (1) in paragraph (1), by striking “or” at the
7 end;

8 (2) in paragraph (2), by striking the period at
9 the end and inserting “; or”; and

10 (3) by adding at the end the following:

11 “(3) the possession, sale, or purchase of
12 fentanyl drug testing equipment, including fentanyl
13 test strips.”.

14 **SEC. 9. SENSE OF CONGRESS.**

15 It is the sense of Congress that fentanyl deaths
16 should be addressed by—

17 (1) increasing funding for prevention and treat-
18 ment programs, including—

19 (A) programs that provide education and
20 treatment for people who are at risk of opioid
21 addiction or overdose; and

22 (B) school-based programs, community
23 outreach programs, and treatment centers;

24 (2) expanding access to naloxone (a medication
25 that can reverse the effects of an opioid overdose)

1 such as by making naloxone available over-the-
2 counter or by providing subsidies for its purchase;

3 (3) cracking down on the trafficking of
4 fentanyl, including—

5 (A) increased efforts both domestically and
6 internationally;

7 (B) increased funding for law enforcement
8 agencies;

9 (C) increased penalties for fentanyl traf-
10 ficking; and

11 (D) working with other countries to stop
12 the flow of fentanyl across borders;

13 (4) improving data collection and analysis, in-
14 cluding the improvement of Federal data collection
15 and analysis on fentanyl deaths, to better under-
16 stand the scope of the problem and identify effective
17 prevention and treatment strategies; and

18 (5) supporting research on new treatment op-
19 tions, including—

20 (A) support for research on new treatment
21 options for opioid addiction and overdose; and

22 (B) funding for research on new medica-
23 tions, new delivery methods, and new ap-
24 proaches to treatment.

Ms. JACKSON LEE. Additionally, I want to introduce into the record, “Fentanyl is dominating headlines, but there’s a more comprehensive drug problem happening in Texas.” It goes on to talk about the broader crisis, synthetic opioids are not taken alone, and so health care and law enforcement officials are dealing with multiple deadly drugs at once. That means we must cut into the desire. I use that term because it’s desire because you’re addicted.

[The information follows:]

SUBMITTED FOR THE RECORD BY HONORABLE JACKSON LEE

FENTANYL IS DOMINATING HEADLINES, BUT THERE'S A MORE COMPREHENSIVE DRUG PROBLEM HAPPENING IN TEXAS

Lawmakers are passing laws in an attempt to slow the rise in fentanyl overdoses, but drug advocates warn the opioid is mostly a booster for other illegal drugs.

by Stephen Simpson

June 19, 2023, 5 AM Central

Fentanyl has been in the headlines across Texas, grabbing the attention of State leaders worried about the drug crossing over the State's border with Mexico and overdose deaths among young people.

But often left out of the discussion is that the drug is one part of a broader addiction crisis in the State. The synthetic opioid is rarely taken alone, and health care and law enforcement officials are dealing with multiple deadly drugs at once.

The illicit use of fentanyl began increasing in Texas around 2015, quickly sparking a crisis. Obtained with a doctor's prescription, the synthetic opioid can be an effective pain reliever. But there's been a rise both in the illegal use of the drug and now the manufacture of counterfeit prescription drugs that contain fentanyl but are packaged to look like something else, in an effort to cause addiction and generate repeat buyers.

"It's certainly, at this moment, the drug and the drug supply that is the most dangerous," said Katharine Neill Harris, a drug policy fellow at Rice University's Baker Institute for Public Policy.

Opioids, including heroin, prescription pills, and fentanyl, have caused the most overdose deaths in Texas, according to a Texas Health and Human Services report that studied death certificate data from 2010 to 2019.

And because opioids are often mixed with other drugs, there's been a rise in deaths known as polysubstance overdoses. The most recent state data shows those deaths reaching a rate of four per 100,000 people in 2019.

The most prevalent drug combinations were commonly prescribed pills, like hydrocodone and oxycodone, mixed with depressants like benzodiazepines and psychostimulants that include amphetamine and methamphetamine.

"That is the reason I caution very much against focusing on one drug," Neill Harris said. "Fentanyl is certainly a big problem. But I don't think it's necessarily the last drug crime crisis that we are going to face."

The role of methamphetamine in the illegal drug market has been pushed aside in headlines as images of drug use in the South turned from exploding meth labs to potentially deadly fentanyl pills. But drug experts say meth has made an unwanted comeback as meth manufacturers have begun making a stronger product.

"Meth is eating everybody's lunch and nobody's talking about it. Meth is crawling up on everybody," said Peter Stout, president and chief executive officer of the Houston Forensic Science Center. "Meth fatalities are way up even if you look at the Texas numbers."

Experts say if Texas wants to solve the overdose problem, officials here must fully realize the state has an overall drug issue that goes beyond fentanyl. Here's a look at the broader drug situation across Texas.

WHAT ARE THE DRUG TRENDS?

When the University of Texas at Austin's Addiction Research Institute studied calls made to poison control centers, admissions to drug treatment programs and drug seizures in 2021, researchers found the most common drugs flowing across the State's southern border from Mexico were methamphetamine, heroin, cocaine, marijuana, fentanyl, benzodiazepines like Xanax, and synthetic cannabinoids more commonly known as "spice" or K2.

While marijuana is still popular in Texas, its role in the illegal drug market has diminished greatly as 25 states across the country so far have passed laws to legalize it. When Texas legalized hemp in 2019, the prosecution of low-level pot cases declined due to the costly testing needed to determine if a vape pen liquid or a gummy contains marijuana or hemp because both come from the same plant species.

But hemp contains less than 0.3 percent of tetrahydrocannabinol, or THC, the ingredient in marijuana that gets you high. Anything with less THC is hemp.

Synthetic narcotics like fentanyl, meanwhile, have shot up the ranks of causes of overdose deaths. In the past 5 years, deaths from synthetics have surpassed deaths from other opioids, heroin and depressants.

WHAT IS FENTANYL?

Illegally manufactured fentanyl is a perilous chemical experiment, a stew of synthetic opioids.

Opium derived from poppies has long been used as a painkiller and recreational drug. Opioids like fentanyl or oxycodone are chemical concoctions that duplicate those effects.

Fentanyl was created in 1960 and approved for use in America in 1968. It's most commonly used as a sedative and pain reliever for patients. Legally obtained fentanyl is usually administered to patients through pills, intravenous therapy, skin patches or nasal spray.

But it can also be distilled and blended to produce a fine powder that can be easily added to other drugs.

Its potent molecules scurry straight to the brain, where thousands of receptors, similar to tiny satellite dishes, pull in signals from cells in the body. They have different jobs, some gathering information to control organ functions, others emotions or moods.

Fentanyl latches on to the receptors that signal pain and shuts them down. And when those receptors are turned off, the human body reacts in ways that can be fatal, including shutting down lungs and other vital organs.

The drug is considered 100 times more potent than morphine and 50 times more potent than heroin.

Fentanyl isn't the only drug mixture that has the Federal Drug Enforcement Administration concerned as the growing threat of xylazine is starting to make its way into Texas.

XYLAZINE: A NEW THREAT

Xylazine is a tranquilizer, as opposed to a painkiller, doing its work by numbing nerves rather than switching off receptors in the brain. It targets the central nervous system, the nerve highways running in and out of the spinal column that carries messages to the rest of the body.

Developed in 1962, it's used by veterinarians to keep elephants and horses calm enough to be examined or have their teeth cleaned. It mostly comes in liquid form and is sold in vials or preloaded syringes.

When tranquilizers are used, the spinal column sends messages to the brain to slow down a bit. This produces a sense of calm and elation, which is why tranquilizers are also used to treat anxiety, panic attacks and sleep disorders.

The Drug Enforcement Administration reported the first instances of this tranquilizer being used in illegal drug activity in the early 2000's by drug dealers in Puerto Rico when they began mixing it with other substances. The practice has now spread across the United States and has been found recently in Texas mixed with fentanyl.

Xylazine has been found in a growing number of overdose deaths across the country and is commonly encountered in combination with fentanyl, cocaine, heroin and a variety of other drugs.

METH

Methamphetamine is a white, odorless, crystalline powder that was developed early in the 20th century from its parent, amphetamine, and was originally used in nasal decongestants and inhalers. It can come in liquid form, which is easily made into a crystal form by drug traffickers. The highly addictive stimulant outpaced all others in the 2021 UT study of Texas drug trends.

The drug targets the brain and the spinal cord to create a sense of well-being or euphoria. Symptoms can include talkativeness, decreased appetite and a pleasurable sense of well-being. Meth also speeds up the body's systems to sometimes lethal levels by increasing blood pressure and heart and respiratory rates.

Texas drug labs have recently started seeing meth being placed in counterfeit Adderall pills, meaning a segment of meth users might be unaware they are even addicted to the drug.

HEROIN

Heroin is made from morphine, a natural substance taken from the seed pod of an opium poppy plant typically grown in Asia, Mexico and Colombia. It's often portrayed in film and television as a needle drug, but the substance can also be snorted or smoked. In the past, heroin was often mixed with crack cocaine, but fentanyl has become the primary substance being added to poppy plant extract. Dealers will often "cut" heroin with other substances to allow them to sell more of it at a higher price.

The 2021 UT study of drug trends showed that Texas has avoided the heroin overdose crisis seen in other states because Mexican black tar heroin is the most common version of the drug found in the state. Black tar heroin tends to have an average purity of 28 percent and cannot be easily mixed with fentanyl.

“Tar” heroin is usually sold in small balloons from which the user extracts the sticky substance from the balloon by mixing it with water over heat.

COCAINE/CRACK

Cocaine, the highly addictive stimulant made from coca leaves, was used more than a century ago to treat a wide variety of illnesses and was often used by early surgeons to block pain before local anesthetics were developed. Frequent use can alter brain structure and function. Users can inject or snort the powdered version of cocaine. “Crack” is the term often given to cocaine after it has been refined into a smokable substance.

WHAT CAN BE DONE?

Lawmakers in Texas have recently tried to tackle the state’s overdose problem by aggressively attacking fentanyl distribution and use by means of enforcement and awareness.

Last week, Gov. Greg Abbott signed four bills to combat the growing fentanyl crisis, including House Bill 6, which classifies overdoses from the synthetic opioid as “poisonings,” triggering murder charges for those convicted of giving someone a fatal dose of the synthetic opioid.

“These four laws will forever change Texas through new protections that will help save lives,” he said in a press release. “In 2022, more than 2,000 people died from fentanyl in Texas—more than five a day. It is the No. 1 killer of Americans ages 18–45.”

Other measures signed by Abbott will establish a Fentanyl Poisoning Awareness Month in October and require public schools to provide students with staff to assist with fentanyl abuse prevention and drug poisoning awareness. A fourth law will allow the distribution of Narcan or other opioid antagonists to Texas colleges and universities.

However, bold substance abuse measures like legalizing test strips were once again rejected by lawmakers.

Neill Harris, the drug policy fellow at Rice University’s Baker Institute for Public Policy, said to combat fentanyl and the next impending drug crisis, the state must increase access to medical substance abuse treatments over enforcement measures.

“Until we have policies that address the demand, we’re going to continue to have a problem with drug use,” she said. “Law enforcement has always had problems with reducing the drug supply. We look back over decades and it has never been effective at slowing down the supply. Because there’s always a demand. It’s just simple economics.”

Michele Steeb, a senior fellow at the Texas Public Policy Foundation, a conservative think tank, said their organization views addiction as a complex brain disorder disease.

“Well-supported scientific evidence shows that brain disruptions reduce brain function which inhibits the ability to make decisions and regulate one’s actions, emotions, and impulses,” she said. “. . . Diseases require treatment.”

If the State can’t control the supply, Neill Harris said, it’s time to focus on reducing the harm of drug use by legalizing testing strips, making substitute drug treatment like methadone more available and giving more substance use options to the uninsured.

Ms. JACKSON LEE. So I thank you, Mr. Chairman. I hope you will consider—and the Ranking Member, your courtesies—but I hope you will consider the legislation because we have to find a multiple level of dealing this.

To the other witnesses, my time is gone, so I just want to express my recognition of your presence here, Mr. Cagen, Mr. Mandryck, Mr. Durham. I did not get a chance, but I’m well aware of the work that you’re doing and the challenges that we all have.

I yield back.

Mr. HIGGINS. Yes, ma’am. The gentlewoman yields.

The Ranking Member and I and perhaps our colleague, Ms. Lee, have other questions. So I'm going to open for a second round of questioning and recognize myself.

Mr. Papadopoulos, some things are law and some percentages and statistics are law enforcement-sensitive, so I recognize that. But I'm going to ask you to share with America, to the extent that you can, so that the citizenry can comprehend just what an overwhelming challenge we face regarding the fentanyl that's already in our country.

As we consider the volume seized, which is an unprecedented amount. You guys are pretty much seizing everything you have operational capability to seize, and it's an incredible job that you're doing. But regarding the volumes seized, regardless of at ports of entry or between ports of entry, can you share with America what you would consider to be a number that the public could consume and would not interfere with the operations—what's the percentage of seizures versus the totality of volume that has come into our country?

Mr. PAPADOPOULOS. Sir, thanks for the question. I don't—I think DEA strives to seize as much—as many drugs as possible. We don't find any acceptable amount of drugs entering the United States.

Mr. HIGGINS. Of course.

Mr. PAPADOPOULOS. So we continue to do whatever we can.

Mr. HIGGINS. Of course. You're seizing all you—I would imagine if you had twice the staff, you'd be seizing twice the volume that you have right now. There's so much out there.

A drug dealer told me last year, he said, Cap, we have so much fentanyl, we're giving it away. It's why people are dying. They want their product to be more popular on the streets, so they're making it heavier. This is a guy who's been in the game for quite some time, is incarcerated. He said that they essentially are giving volumes away, and when people start dying, they reel it back. He said that they abandoned volumes of fentanyl if they're going to cross State lines, if they're moving an operation to another State, because it's so much cheaper to replace the fentanyl than it is to risk the inter-State trafficking.

So you're seizing unbelievable volumes of fentanyl. But how does that volume compare with what, in your estimation, would be the total? Are you seizing 25 percent, 50 percent, 15?

Mr. PAPADOPOULOS. Sir, I'd like to consult our intelligence division on that. I don't know that—I would want to give you a more precise answer.

Mr. HIGGINS. Right next to you.

Mr. PAPADOPOULOS. This is DHS, but yes.

Mr. MANDRYCK. Sir, so a little explanation first. The challenge with something like fentanyl is being synthetic, there's no agriculture-based place to get an initial estimate. So unlike cocaine or marijuana where we can kind of do an oversight to see general cultivation estimates, we can't do that with synthetics like fentanyl or methamphetamine.

When we look at it holistically from an intelligence perspective, it's probably within that 25 percent mark based off demand.

Mr. HIGGINS. Thank you. I think that's an honest answer. That's an honest answer, and this will paint the picture for America of the challenge that we face.

I yield the balance of my time and recognize the Ranking Member for additional questions.

Mr. CORREA. Thank you, Mr. Chairman.

I'm going to follow up on your question from a different perspective. Ports of entry, Mr. Mandryck—and correct me if I'm wrong here—but only 2 or 3 percent of our passenger cars are actually inspected right now with nonintrusive technology. Fifteen to 17 percent of our commercial vehicles are inspected, and you have these record volumes of seizures. It's—the Biden administration now is talking about going to 40 percent inspection of vehicles coming through and maybe 70 percent of commercial vehicles by 2026.

I'm going to ask you to straight line and speculate. What's it going to do to the seizures at the border?

Mr. MANDRYCK. Sir, as part of the layered approach, the non-intrusive inspection has become a key part of it. With that, you know, 2 percent in the passenger vehicles, that's yielded a significant volume of overall seizures. So that extrapolation from that 2 percent to 40 percent, we'll have significant increase in seizures. Once you layer in things like the officer intuition, the canine capabilities, those seizure volumes are going to continue to increase.

Mr. CORREA. Again, if I heard you earlier, all of you, your testimony, you're looking at drones now being a way, by the way, of actually bringing in fentanyl into the United States. Is that correct?

Mr. MANDRYCK. There certainly is that potential, yes, sir.

Mr. CORREA. I mean, I don't know what a drone costs, and I don't know what the value of a payload would be. But if we do a cost-benefit analysis, I'd imagine you can just flood any part of our border or borders to come up with a very profitable situation.

Mr. MANDRYCK. Yes, sir. The majority of the drones we've seen commercially available, things like the DJI, a couple hundred dollars to a thousand dollars of payload capacity is, you know, 5-ish kilograms, plus or minus, depending on what you're willing to pay.

Mr. CORREA. How much would that be in terms of value of fentanyl?

Mr. MANDRYCK. Depending on if it's—

Mr. CORREA. You've got a \$200 drone. What's the value of the payload?

Mr. MANDRYCK. You could easily have, you know, a million dollars' worth per flight and continuous flights throughout the day.

Mr. CORREA. How much?

Mr. MANDRYCK. Easily have a million dollars per—

Mr. CORREA. A million dollars. So that's a pretty good return on your investment.

I know, this last week I was in my district, and I took a tour of a contractor that's about to put out a manu—manufacturing really a system, not only of radar, but radar to interfere with the controls of drones as they move forward. I would imagine that's also in your horizon in terms of investing for our national defense and border defense? Yes? No?

Mr. MANDRYCK. Yes, sir.

Mr. CORREA. Again, gentlemen, I would just come back to my earlier statement and challenge that I made, which is, let us know what we, the Members of Congress, need to look at to help you do a better job of defending our country against fentanyl and other negative things that come in. You're the experts. You know, we look at little patterns, little tidbits of what's going on, but you're the experts, and you need to let us know what it is that you need.

So thank you, Mr. Chairman. I yield the rest of my time to you.

Mr. HIGGINS. The gentleman yields.

The gentlewoman, Ms. Lee, is recognized for additional questions.

Ms. JACKSON LEE. I thank the Chairman.

I want to just follow the line of questioning that I did not get a chance, and it might be redundant, redundant, redundant, but maybe asked in a different way.

Whether it's the DEA or whether it's CBP and others, can I get—was it said—total amount in dollar value that's coming into the United States? Second, is most of it coming through the ports of entry, legal ports of entry?

Mr. MANDRYCK. Ma'am, I can begin to answer that question for you. So, so far in fiscal year 2023, we're at just about 20,000 pounds of fentanyl seized by CBP along the border, 18,000 pounds of that with our Office of Field Operations at our ports of entry, and a little over 2,000 pounds with the U.S. Border Patrol.

Ms. JACKSON LEE. Would you be able to capture what that might be in street value or any value?

Mr. MANDRYCK. It's a little bit tougher, depending on the purity levels, powder versus pill format. With Operation Blue Lotus, as I had mentioned, alongside Four Horsemen, we've seized about 10,000 pounds that had a street value of about \$90 million.

Ms. JACKSON LEE. DEA, do you have a different number of what you've been able to deal with?

Thank you. Thank you very much.

Mr. PAPADOPOULOS. Ma'am, we've seized, this fiscal year, approximately 57 million pills, which is about the same amount that we seized last year, and about 13,000 pounds of fentanyl powder. Again, the amounts vary. Pills can run anywhere from a few dollars if you're buying wholesale, all the way up, you know, if you're just buying a single pill, \$10 to \$20 a pill. So it's hard to estimate.

Ms. JACKSON LEE. What have you found—how difficult is the—first of all, to say what you've seen, if you're working with collaborative agencies of on-line sales and how difficult it is to catch the on-line sales. I give the example that is so tragic and so difficult, loving parents, great athlete, middle schooler, high schooler, A student, or average student, loved by all. One moment they're going upstairs to go to bed, and the next moment, in the morning hours, they are not with us. Pink pills, the on-line sales, the sale to children.

Mr. PAPADOPOULOS. Yes, ma'am. Social media and on-line sales are an increasing problem that we are keeping a very close eye on. The cartels are advertising and selling on social media. In Operation Last Mile, which I mentioned earlier, which was the U.S. distributors, it was over 1,400 cases. About 40 percent of them in-

volved social media. So it is a certain issue that we are keeping an eye on.

As you mentioned, all these deaths are tragedies, of course. I would point out that we had family members last summer come into DEA headquarters and tell us their stories, and they shared stories similar to what you just mentioned. We started the Faces of Fentanyl, which is in our lobby. It started with a couple of hundred pictures. It is now up to 5,000 pictures. It covers 8 walls in the DEA headquarters lobby that every DEA employee has to walk past to get to work that works at headquarters. The youngest person on that wall is 17 months old and the oldest person is 70 years old. A lot of them did buy the pills that ended up killing them over social media.

Ms. JACKSON LEE. This—our approach to getting that—again, my legislation deals with enhanced penalties that's on the back side of it for those utilization on social media to sell pills. So it's on the criminal end, it has the treatment end, as Mr. Chester emphasized. But, anyhow, you know how do we do an eagle eye on that, those sales on that phone or that iPad or when you're alone and you order them and they come in whatever package or you send it to somebody else and you have pink pills and you take them?

Mr. PAPADOPOULOS. Yes, ma'am. That goes back to getting the word out. Public awareness is a big part of this, in addition to enforcement. The social media companies, frankly, have to do more.

When I was growing up, if you wanted to buy drugs, you needed to know somebody that had them or where to go to get them. Right now, everybody with a smartphone knows a drug dealer, unfortunately, and that includes our kids. So getting the word out is going to help with that.

I mentioned earlier, we're in an unprecedented crisis which requires unprecedented collaboration, including with social media companies, because with that collaboration we will save lives.

Ms. JACKSON LEE. Thank you very much. I think you're absolutely right. I am a rabid supporter of the First Amendment, but we have a crisis of—you've got 5,000 and growing. We have a crisis around children, and there is a level of responsibility that we must demand. I thank you for these numbers.

Thank you. I yield back.

Mr. HIGGINS. The gentlewoman yields.

I thank the witnesses for their valuable testimony and Members for their questioning.

Members of the subcommittee may have some additional questions for the witnesses and we would ask that the witnesses respond to these in writing. Pursuant to committee rule VII(D), the hearing record will be held open for 10 days.

Without objection, the subcommittee stands adjourned.

[Whereupon, at 4:04 p.m., the subcommittee was adjourned.]