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AAG Ronald Susswein

CONFIDENTIAL

# MEMORANDUM

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**To:** Paul Zoubek, First Assistant Attorney General  
Office of the Attorney General  
**From:** George N. Rover, Special Assistant  
**Subject:** State Police/DEA Publication  
**Date:** April 15, 1999

I attach a 1995 narcotics threat assessment published by The New Jersey Field Division of DEA (I have the original). This report is of particular interest because on page 4 it speaks of a "profile system" used by NJSP but with the knowledge and approval of DEA. More specifically, the paragraph states:

The NJSP is actively involved in the DEA initiative "Operation Pipeline" which utilizes uniformed highway officers to identify and arrest large-scale drug traffickers using the interstate highway system. In addition, the NJSP also participates in the DEA initiative "Operation Convoy" which targets shipments of drugs in tractor/trailers by utilizing a profile system. Operations Pipeline and Convoy interdictions are usually coordinated with a NJFD enforcement group, as a collateral duty assignment.

In a non-confrontational manner, you may want to bring this to the "attention" of DEA.

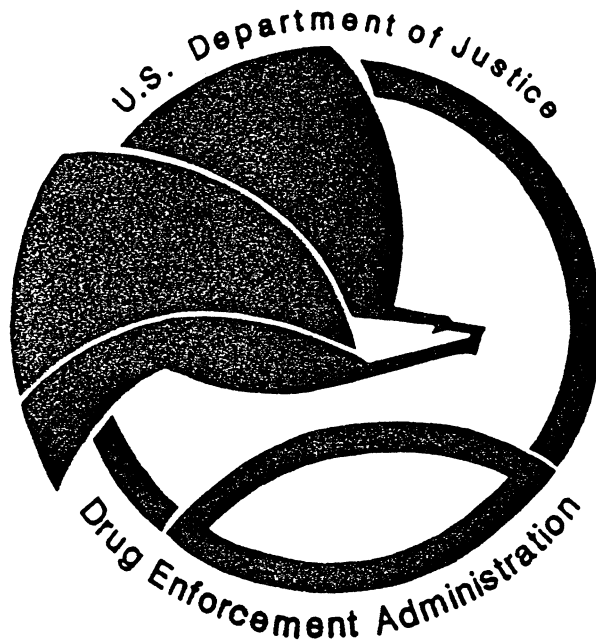
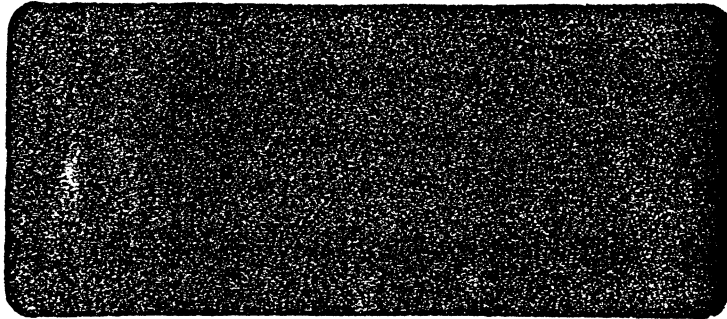
  
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Enclosure

SP58077

OAG 001926

**DRUG ENFORCEMENT ADMINISTRATION**



**NEW JERSEY FIELD DIVISION**

**SP58078**

OAG 001927

NEW JERSEY FIELD DIVISION

THREAT ASSESSMENT

1995

**SP58079**

OAG 001928

**DRUG ENFORCEMENT ADMINISTRATION  
NEW JERSEY FIELD DIVISION**

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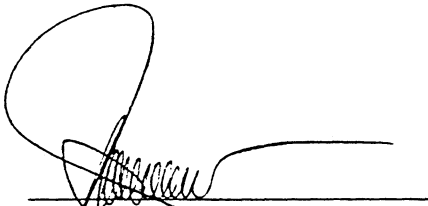
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## MESSAGE FROM THE SPECIAL AGENT IN CHARGE

This document represents an amalgam of the most up to date intelligence and demographic data available relative to the drug situation in New Jersey. Drug intelligence data and statistics from the Drug Enforcement Administration, New Jersey County Prosecutors' offices, United States Customs Service and New Jersey State Police were utilized for the analysis and drug trends in this threat assessment.

This report is DEA-Sensitive (DS) and is intended for use within the Law Enforcement Community. It is not to be distributed outside of law enforcement agencies. This threat assessment contains information that does not qualify for classification as National Security Information. It nevertheless requires special protection against unauthorized disclosure to protect sources and methods of investigative activity, evidence and integrity of pre-trial case reports.

All inquires related to this report should be directed to the New Jersey DEA Intelligence Unit at (201) 645-6412.



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John J. Coleman  
Special Agent in Charge

SP58081

OAG 001930

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## Threat Assessment

This threat assessment concentrates on the trafficking of heroin, cocaine and other illicit drugs to include all jurisdictions within the DEA New Jersey Field Division (NJFD). Many aspects of New Jersey's economy, geography, and locale present a unique situation conducive to the importation, transportation and distribution of illicit drugs.

The following represents the current table of organization of agent personnel that are assigned to the NJFD. There are 59 agents assigned to Newark, 8 assigned to Camden and 7 assigned to Atlantic City. 47 of the above are street agents.

The smuggling of drugs and currency via aircraft poses a significant threat to New Jersey. New Jersey, currently has 77 FAA regulated airports, two of which are international airports in Newark and Atlantic City. In New Jersey, 75 of the 77 airports are scattered throughout the state with many located in rural areas. There are approximately 28 grass strips that are classified as private airports which can be utilized by the owner or his or her designee. Access to New Jersey for the purpose of smuggling drugs via aircraft is virtually unlimited.

Newark International Airport (NIA), the ninth busiest airport in the United States, is host to nineteen foreign flag carriers. Although these carriers utilize NIA on a regular basis, there are also several foreign flag carriers that utilize NIA as the need develops.

Subsequently, the total number of international carriers that are serviced by NIA varies. Illegal drugs are seized on a daily basis at NIA from body carriers, baggage searches and cargo searches. In addition, drugs have been discovered secreted on sections of aircraft which are only accessible to crew and or employees. These seizures have occurred on both domestic and international flights.



As mentioned above, NIA is the ninth busiest airport in the United States. The eight airports that rank before NIA all have full time DEA airport interdiction groups assigned. Currently, airport enforcement at NIA is assigned as a collateral duty to a NJFD enforcement group. Due to man power constraints, DEA enforcement is usually limited to the screening of domestic flights when personnel are available to do so or when a request to have a flight or passenger checked is initiated by another DEA office. The Port Authority Police Department of NY/NJ has four full time detectives assigned to airport interdiction and coordinate efforts with NJFD. International flights are monitored by the United States Customs Service (USCS).

Limited enforcement at NIA will continue to pose a threat with regard to the smuggling of drugs and other contraband into the State of New Jersey.

The use of maritime containerized cargo to smuggle bulk quantities of cocaine continues to challenge law enforcement and poses the greatest smuggling threat to the United States.

Ports Newark and Elizabeth rank as the second busiest ports in the United States handling more cargo shipped via container than anywhere else in the United States and houses the largest complex of warehouses and marine terminals on the Eastern Seaboard.

More containerized cargo leaves from Ports Newark and Elizabeth for foreign destinations than from any other port in the United States. There are approximately 1.2 million containers per year that enter the United States at Ports Newark and Elizabeth. Due to the vast number of containers that transit the ports, only a small portion are subject to examination by the USCS.

Also, the Port of Philadelphia located across from Camden County, and the Port of Salem located in southern New Jersey are major shipping centers that service southern New Jersey.

With regard to the ports, enforcement falls under the authority of the United States Customs Service. The NJFD provides assistance to the USCS as requested, but is usually limited due to manpower constraints. This assistance also falls within the realm of a collateral duty assignment to a NJFD enforcement group.

Ocean coastline and inland waterways also provide unlimited access to traffickers and are frequently utilized in the importation, transportation, and distribution of large shipments of drugs.

With regard to maritime enforcement, the NJFD has no capabilities for unilateral marine interdiction. Enforcement assistance to the NJFD is furnished by the New Jersey State Police (NJSP) Marine Bureau and the United States Coast Guard (USCG).

New Jersey is situated between the major metropolitan areas of New York City and Philadelphia and often referred to as the "crossroads of the east." New Jersey is described as the "corridor state", for its capability to accommodate a large volume of interstate traffic from both the eastern and western parts of the United States.

New Jersey presents itself as a convenient land route for cargo entering the state as well as the metropolitan area from all points throughout the United States.

Overland trucking, via tractor/trailer, of containerized cargo, both perishable and nonperishable continues to pose a major threat. The NJFD has been actively involved in

controlled deliveries and seizures involving multi-hundred kilogram quantities of cocaine transported via tractor/trailer.

New Jersey has more miles of paved road per capita than any other state in the nation. The New Jersey Turnpike, which runs north and south within the state, is approximately 142 miles long and is a major link in the transportation network that spans the east coast.

The New Jersey Turnpike and other major roadways such as the Garden State Parkway, Interstate Routes 80, 295, 287 and 280 have been targeted by the NJSP for drug interdiction under the national initiative, Operations Pipeline and Convoy.

The NJSP is actively involved in the DEA initiative "Operation Pipeline" which utilizes uniformed highway officers to identify and arrest large-scale drug traffickers using the interstate highway system. In addition, the NJSP also participates in the DEA initiative "Operation Convoy" which targets shipments of drugs in tractor/trailers by utilizing a profile system. Operations Pipeline and Convoy interdictions are usually coordinated with a NJFD enforcement group, as a collateral duty assignment.

New Jersey has the largest number of pharmaceutical/chemical companies in the nation. There are currently over 300 companies that are DEA registrants. The vast number of chemical companies in New Jersey provide for an active import/export market in chemical commodities. The active import/export market of chemical products is directly related to the close proximity of Ports Newark and Elizabeth and the relatively easy access to these ports via overland trucking (containers) and rail access. As a result of the passage of the Chemical Diversion and Trafficking Act of 1988, the NJFD has been monitoring the sale of chemical and precursor chemicals that are utilized in the manufacture of illicit drugs. The NJFD provides, on a regular basis intelligence

information regarding suspicious chemical sales to the appropriate DEA offices.

Drug traffickers commonly utilize public facilities to conduct their drug trafficking. Easy access to hotels and motels in and around major cities and roadways provides the trafficker with a relatively secure atmosphere to conduct their illegal activities. The NJSP Hotel/Motel Interdiction Unit targets high profile hotels and motels throughout the state but concentrates on the hotels within close proximity to the cities of Newark and Elizabeth, and Newark International Airport.

Tractor trailers are still the preferred mode of transporting large quantity drug shipments particularly cocaine). New Jersey, being a "corridor" state, is often utilized by traffickers as an off-loading point, stash site or a place to drop a container before the shipment is routed to its final destination. Operation Convoy has been very successful in New Jersey. Although enforcement efforts in New Jersey have been positive, cocaine traffickers, utilizing tractor-trailers continue to secrete cocaine in hidden compartments and in legitimate loads of produce and cargo.

The gambling industry in Atlantic City also has had a major impact on drug trafficking within the state. Drug dealing, associated money laundering, loan sharking, prostitution and organized criminal activity, to include traditional and non-traditional organized groups, are all evident. Recent intelligence developed by the NJFD, FBI, and NJSP reveals that documented Russian Organized Crime factions are utilizing the Atlantic City casinos, specifically the Taj Mahal, as a place to meet and conduct business in relative obscurity.

The population density and police presence in southern New Jersey are light. Southern New Jersey is surrounded by hundreds of miles of coastline and salty marshes. This vast

shoreline area serves as an inviting locale for drug smugglers and traffickers who utilize low profile maritime vessels such as pleasure craft and fishing vessels. In addition, Atlantic City is serviced by an international airport as well as several uncontrolled private airfields.

Drug trafficking and violent crime are closely related. Gang related violence and drug trafficking, which are more prevalent in the major urban centers is now reaching their tentacles into the suburban and more rural communities. With regard to the State of New Jersey, two specific reports are devoted to street gangs. The first report was authored by the New Jersey State Commission of Investigation (NJSCI), titled "New Jersey Street Gangs", and the second was authored by the NJSP titled " Strategic Assessment Criminal Street Gangs in New Jersey". In addition to the reports that were authored by New Jersey state law enforcement agencies, the NJFD Intelligence Unit (DIU) published the New Jersey Gang/Violent Crime Report.

It is clear that, based on the intelligence reports mentioned, estimates for a specific number of criminal street gangs operating within the State of New Jersey differ. The reports, as well as NJFD investigations do, however, confirm that a large number of criminal street gangs are active within the state and are also involved in the organized trafficking of illegal drugs and related violent crime.

The NJFD has responded to this epidemic by identifying violent drug trafficking gangs and their areas of operation. Accordingly, the NJFD DIU has identified several areas where neighborhoods are plagued by violent drug trafficking gangs. These depressed areas are being targeted for deployment by the NJFD Mobile Enforcement Team (MET). The goals of MET are to assist local law enforcement by:

- (1) Identifying and targeting violent drug trafficking gangs.

- (2) Dismantling violent drug gangs utilizing state prosecutions and federal prosecutions when appropriate.
- (3) Utilizing asset forfeiture when appropriate.
- (4) Disrupting the flow of drugs to the community.

A combined federal and state approach to combating drug trafficking and related violent crime will enhance the quality of life in the targeted areas.

The DIU is continuing to gather intelligence on the active criminal street gangs operating in New Jersey. See Appendix I.

Although the NJFD is applying resources to "street level" and "quality of life" investigations, middle and upper echelon targets are also being addressed. These targets include, but are not limited to Colombian based cocaine and heroin trafficking organizations. Heroin trafficking organizations are being targeted by the DEA New Jersey High Intensity Drug Trafficking Area (HIDTA) Task Force. This task force is comprised of personnel from the several federal, state, county and local law enforcement agencies.

In addition to the traditional law enforcement approach to combating drug trafficking, the NJFD also takes an active roll in prevention aspects. The NJFD is actively involved in the Demand Reduction Program and the Weed and Seed program based in Trenton, NJ. The NJFD founded a school based drug prevention program, Network 3, which was initiated in Camden, New Jersey, and has since been extended to several urban centers through out the state. This successful program targets the youth in many of the depressed

and violent urban centers within the state and attempts to provide a healthy alternative via after school activities. The proven success of this program has extended to Washington, D.C. where it has been adopted and integrated into the school curriculum.

Trends in trafficking as they relate to specific drug categories within the jurisdiction of the NJFD are addressed in this assessment.

## HEROIN TRAFFICKING

Opium production in source countries has doubled and tripled in the past few years, and the heroin threat is increasing in the United States. Major Southeast Asian (SEA) trafficking organizations, often under the control of Thai and Chinese criminal groups, oversee the smuggling of SEA heroin into the United States and are primarily responsible for smuggling the largest bulk shipments, generally in the multi-hundred kilogram range. The largest shipments are secreted in containerized freight aboard commercial maritime vessels and air freight cargo. Smaller shipments are smuggled in the luggage of airline passengers, strapped to the body, or swallowed.

In addition to Thai and Chinese traffickers, Nigerians remain deeply entrenched in the smuggling of SEA heroin. Nigerian traffickers rely primarily on dispatching large numbers of internal body carriers traveling aboard airlines bound for the United States. The growing West African presence in the United States has permitted Nigerian organized crime groups to rapidly expand its heroin distribution activity in the New York/New Jersey metropolitan area as the primary entry point and distribution center. Nigerian traffickers continue to recruit other ethnic groups, including West Africans, Europeans, and American citizens, as heroin couriers. Drug law enforcement agencies throughout the world have identified Nigerian nationals as the most dominant air smugglers in the heroin trade.

Importation of Southwest Asian Heroin (SWA) is much less centralized than that of SEA heroin, both geographically and with regard to trafficking groups. Most SWA heroin groups in the New York/New Jersey Metropolitan area are highly cohesive and difficult to penetrate because they are based on ethnic, family and tribal relationships. SWA trafficking and distribution are generally more prevalent in cities having large populations



with ethnic backgrounds from Afghanistan, Greece, Lebanon, Pakistan, India and Turkey. Northern New Jersey has substantial Pakistani and Indian populations, who are involved in heroin trafficking as well as money laundering. Intelligence information reveals that multi-kilogram amounts of heroin are being transported to Ports Newark and Elizabeth. The NJFD is currently investigating several Pakistani and Indian organizations that are responsible for importing large quantities of heroin into the New Jersey area for distribution and use.

Southern New Jersey counties continue to report the availability of heroin which is usually trafficked in bag, bundle or brick packages. In addition to the traditional method of packaging heroin, intelligence reveals that nickel bags of heroin which sell for \$5.00, each and are one half the quantity of a traditional bag of heroin, are becoming more popular among juvenile addicts and dealers.

Colombian traffickers are actively involved in the distribution of relatively uncut Colombian processed heroin in New Jersey. Intelligence trends reveal that Colombian groups that were inherently involved in the distribution of multi-kilogram quantities of cocaine are now distributing heroin in the same manner. As for Colombian traffickers, smuggling, transportation and distribution networks established for cocaine trafficking are also applied to the heroin trade and pose a potentially serious threat. Analysis of seized South American (SA) heroin, has shown a high purity, and on several occasions, a SWA signature.

**PRICE/PACKAGING**

**HEROIN PRICES**

QUANTITY	WHOLESALE	RETAIL
Kilogram (SEA)	\$100,000-\$200,000	-----
Kilogram (SWA)	\$ 80,000-\$180,000	-----
Unit	\$ 60,000-\$140,000	-----
Pound	\$ 40,000-\$ 80,000	-----
Ounce	\$ 2,500-\$ 7,500	-----
Brick (50 bags/5 bundles)	\$ 350	\$750
Bundle (10 bags)	\$ 75	\$200
Bag/Deck (.10 gram)	\$ 10	\$ 20

**PURITY**

Domestic monitor purchases (DMP) by the NJFD showed purity levels between 21.0% and 91.5%. Many local police departments reported purity levels of seized heroin in the 97% range. Street level purity continues to rise throughout the state of New Jersey with average purities in the 60% range. This is well above the national average. See Appendix II.

During the FY95 reporting period, many county prosecutor's offices reported increases in heroin seizures and heroin arrests since last year.

## COCAINE TRAFFICKING

The New Jersey/New York metropolitan area continues to be one of the nation's top cocaine retail and wholesale markets. Cocaine is the drug of choice in New Jersey and is available in unlimited quantities. Intelligence reveals that cocaine use is inherent throughout all ethnic groups in New Jersey. Colombians continue to dominate the supply side but distribution transcends all ethnic groups. The groups associated with cocaine trafficking have become very sophisticated in establishing transportation routes, distribution networks and money laundering cells in order to "wash" cocaine trafficking proceeds.

New Jersey is a major link in the corridor for the movement of cocaine. Historically, New Jersey has been utilized by trafficking organizations to transit, off-load, stash and redistribute multi-kilogram quantities of cocaine. New Jersey has increasingly become the focal point of sophisticated money laundering cells that are utilized to disburse the millions of dollars that are generated by the trafficking of cocaine. The majority of these cell members reside and conduct their business in Bergen and Hudson counties.

Colombian traffickers are the most dominant among the Latin American community. Jamaican, Dominican, Puerto Rican, and Cuban trafficking organizations are also heavily involved in the trafficking of multi-kilogram quantities of cocaine. The counties of Hudson, Passaic, Essex, Union, Middlesex, and Bergen continue to be utilized by Cali Cartel associates.

The Cali Cartel continues to dominate cocaine trafficking in the New Jersey/New York area. The Cali Cartel divides its drug distribution network into cells which operate in designated geographic areas. It is common to have several cells operating in the same

geographic area yet independent of each other. Each cell is comprised of 10 or more employees. Within each cell, smaller units specialize in different facets of the drug trade to include cocaine transportation, storage, wholesale distribution, communications, and money laundering.

Each unit has minimal contact with other units within the cell and is directed by a manager who reports directly to the cell manager. The cell manager receives his or her direction directly from a regional manager who has control of several cells. This regional director reports directly to a high level cartel member. Strict adherence to this compartmentalization insulates the leaders and other cells from drug law enforcement operations.

This cellular structure requires frequent contact between the cell manager in the United States and the top-level directors in Colombia. They avail themselves of the latest technology, such as computers, pagers, and facsimile machines in their daily operations. Through the use of unique strategies and a combined law enforcement effort, the NJFD has dismantled many cells over the last several years. Court authorized intercepts of pagers, telephones (cellular and hard-line) and facsimile machines are integral investigative techniques that need full development.

**PRICE/PACKAGING**

Cocaine Prices

QUANTITY	WHOLESALE	RETAIL
Kilogram	\$15,000-\$30,000	-----
Pound	\$ 8,000-\$15,000	-----
Ounce	\$ 400-\$ 1,500	-----
*Eightball (1/8 ounce)	\$ 80	\$ 220
*Gram	\$ 40	\$ 90
**Eightball	\$ 200-\$280	-----
**Gram	\$ 60-\$100	-----

\* - Northern and Central New Jersey

\*\* - Southern New Jersey

Packaging includes but is not limited to clear plastic baggies, "corners" secured by a knot or twist tie, clear plastic or glass vials commonly referred to as "caps" or "specials". For ounce and multi ounce quantities, clear plastic baggies is the preferred container.

Kilogram or double kilogram bricks are generally wrapped in layers of rubberized sheathing, duct tape or plastic wrap. Kilogram quantities usually have markings that are indicative of a particular cartel group.

**PURITY**

Overall the cocaine prices in New Jersey have remained stable over the last three years; purity at the kilogram level ranges from 80% to 95%; supply is in excess of demand.

## CRACK COCAINE

"Crack" cocaine, also referred to as "rock", continues to be readily available in virtually every major urban city, and, to a somewhat lesser extent, many smaller locales within the State of New Jersey. Crack is sold in individual units or "rocks". "Rocks" are commonly packaged in small glassine bags, vials and film canisters that sell for \$5 to \$20 each.

Although crack sellers and users are present in almost every ethnic community and economic group, the majority are from low-income, urban neighborhoods. Currently there are no estimates available on the amount of cocaine that is converted into crack and sold in the United States. Domestically, the most serious problem resulting from the cocaine trade is crack related violence. The typical crack market place is defined by spontaneous, random acts of violence, punctuated by turf wars, rip-offs, drive-by-shootings and arson. A chilling by-product of crack related violence is the greatly increased risk of victimizing innocent bystanders by violent interactions between rival groups.

A new distribution pattern is taking place in the major urban centers. Law enforcement agencies have reported that crack cocaine dealers are starting to add a free bag of heroin to crack cocaine purchases to increase the sales of both.

### PRICE/PACKAGING

#### Crack Cocaine Prices

QUANTITY	WHOLESALE
Pound	\$ 600-\$1,600
Vial	\$ 5-\$ 20

## CANNABIS

Marijuana is readily available throughout New Jersey and is prevalent across all ethnic and social groups. Marijuana is among the most widely abused drugs in New Jersey. Jamaican posses or gangs are the predominant group controlling the marijuana trade in several New Jersey counties. Hash and hash oil availability is limited. Marijuana sources are both domestic and international in origin.

### Cannabis Prices

QUANTITY	WHOLESALE	RETAIL
Kilogram	\$2,000-\$4,000	\$2,500-\$4,500
Pound	\$ 600-\$3,000	\$1,000-\$3,000
Ounce	\$ 100-\$ 300	\$ 200-\$ 300
1/4 Ounce	\$ 65	\$ 70-\$ 80
Gram	\$ 5-\$ 10	\$ 15-\$ 20
Bags	\$ 5-\$ 10	\$ 10-\$ 20
Blunts		\$ 2

### Packaging

Packaging ranges from clear plastic zip lock baggies; to "blunts" which are rolled in hollowed out cigar leafs; larger quantities are sold in plastic wrappings, plastic garbage bags and wrapped in duct tape.

## **Dangerous Drugs**

Methamphetamine continues to be a popular drug of abuse in central and southern counties of New Jersey.

The Atlantic City Resident Office (ACRO) reports that availability of methamphetamine and seizures of the drug have declined. Intelligence indicates that methamphetamine is available in the Philadelphia metropolitan area which is distributed in the Atlantic City area.

The Camden Resident Office (CRO) reports that the demand for methamphetamine has increased in all areas of responsibility of the CRO and that the drug is available from ounce to pound quantities. Methamphetamine distributed within the CRO's jurisdiction also originates from the Philadelphia metropolitan area.

PCP continues to be available throughout New Jersey, particularly in the Trenton/Mercer county area. The NJFD Intelligence Unit has developed a confidential informant that has identified a major PCP trafficking organization that operates in the Trenton area. This organization, whose upper echelon members are Los Angeles based "Crips", utilize couriers to transport liquid PCP. These couriers utilize commercial travel via air, bus and train to deliver the drug.

There have been several drug seizures in the dangerous drug category that are unusual for the NJFD.

Ketamine or "Special K" as it is known on the street was seized in Bergen County.



Ketamine, which is normally found in a liquid form can also be produced in a powder form during a conversion which involves a microwave process. Ketamine is a drug that is normally used in animal euthanasia and produces the same symptoms of PCP use. The aforementioned seizure of Ketamine which was in powder form, was an isolated incident.

Cathinone or "Khat" as it is known on the street was seized in Essex county. Khat, a plant that is chewed, produces the same effect as amphetamine use. The follow-up investigation revealed a smuggling organization that existed in New Jersey for several months which smuggled Khat from the United Kingdom to New Jersey via United Parcel Post.

Ecstasy, which is trafficked in pill form is becoming more popular in Central New Jersey. Intelligence reveals that Ecstasy is being sold for \$ 40.00 per pill and \$20.00 for one half a pill.

During FY 95, the NJFD seized a fully operational clandestine methamphetamine laboratory that was also capable of producing crystallized methamphetamine referred to as "Ice". A NJFD initiated investigation resulted in the seizure of two clandestine laboratories; one in New Brunswick, N.J. and the other in a suburb of Philadelphia Pennsylvania.

**PRICE/PACKAGING**

**Methamphetamine Prices**

QUANTITY	WHOLESALE	RETAIL
Kilogram	\$18,000-\$21,000	-----
Pound	\$ 9,000-\$12,000	\$10,000-\$16,000
Ounce	\$ 800-\$1,500	\$ 900-\$ 2,000
Eightball	-----	\$ 80-\$ 200
Gram	-----	\$ 50-\$ 150

LSD PRICES: \$3.00-\$5.00 per dosage unit  
\$ 200-\$300 per 100 dosage unit sheet

PCP PRICES: \$200-\$300 per liquid ounce

**PRECURSORS AND ESSENTIAL CHEMICALS/  
DIVERSION OF LEGITIMATE DRUGS**

The success of the enforcement of the Chemical Diversion and Trafficking Act of 1988 (CDTA) is exemplified in the decrease in the number of clandestine laboratories operating in the United States from 1991 to 1994.

The CTDA is directly related to law enforcement results by causing a diversion of chemicals to be more difficult. With the passage of the CDTA, reporting requirements are mandated for chemical firms. New Jersey has the highest concentration of pharmaceutical and chemical industries in the United States. The act requires, among other things, the reporting of suspicious chemical/pharmaceutical orders to DEA.

In regard to pharmaceutical and chemical companies in New Jersey, scheduled inspections have indicated an increase in positive accounting and inventory practices; thereby, reducing the potential of diverted drugs and chemicals. NJFD Diversion Groups rely heavily on pharmaceutical companies and chemical distributors submitting accurate, monthly excessive purchase reports that identify suspect transactions. NJFD Diversion Groups often coordinate enforcement efforts with state and local law enforcement agencies when targeting those in the pharmaceutical and health industries, to include doctors and patients who are diverting perscription drugs for illegitimate purposes.

Positive liaison and coordination has been developed between the NJFD and the pharmaceutical/chemical industry within the State of New Jersey. This coordination has directly led to the identification of rogue chemical companies operating outside the State of New Jersey. These rogue companies have been targated by DEA and law enforcement in their respective jurisdictions. This combined effort has led to successful, nationwide

**criminal prosecutions and the dismantling of numerous clandestine laboratories.**

**The primary pharmaceutical drugs of choice through out the State of New Jersey continues to be Percodan, Percocet, Vicodin, Ativan, Valium and Dilaudid.**

## **MONEY LAUNDERING**

Various methods are used to launder illicit currency proceeds in New Jersey. The most common money laundering and currency violation methods involve the physical transportation of currency (including stash sites), the structuring of financial transactions (CTR violations), and the utilization of currency transmitter businesses or remittance corporations ( currency remitters).

Currency Transaction Reports do not reflect the huge volume of money which flows through the Atlantic City casinos and banks.

Documented Asian heroin trafficking groups from New York, the West Coast and Canada routinely utilize the casino industry to launder illicit currency. Outside the casino industry, recent increases in the number of pawn shops, travel agencies, check cashing businesses and Colombian money transmitters operating in the Atlantic City area are directly related to money laundering.

Intelligence information also indicates the presence of Russian Organized Crime figures who are involved in money laundering in the casinos.

The Colombian cartels dominate the money laundering activity in northern New Jersey. In addition to Colombian traffickers, Nigerian and West African trafficking groups are becoming more involved in money laundering. A favored method utilized by Nigerian money launderers is to purchase both legitimate and stolen luxury automobiles which are then shipped to Nigeria for resale at a premium. The vehicles being shipped often contain hidden compartments which are utilized to conceal illicit proceeds.

The previously established nexus between Traditional Italian Organized Crime factions and Colombian cocaine trafficking groups is no longer strong. However, traditional organized crime groups continue to pose a substantial threat in New Jersey with the increase of heroin trafficking.

## **ANTICIPATED TRAFFICKING TRENDS IN NEW JERSEY**

The New Jersey/New York metropolitan area will continue as a gateway region for the importation of multi-kilogram shipments of cocaine and heroin.

Heroin smuggling and availability will continue to rise with the advent of Colombian trafficking organizations in this market.

Private aircraft both larger and with longer range will be utilized to expand smuggling capabilities.

Coastal waterways will continue to pose a major threat for maritime smuggling via commercial and private vessels.

As enforcement activity becomes more effective, concealment and smuggling methods will become more sophisticated.

Overland tractor/trailers and containerized cargo will continue to pose the greatest smuggling threat to New Jersey.

Trafficking of high grade South American heroin will continue to rise.

Nigerian, Pakistani and East Indian organizations will continue to traffic heroin utilizing all modes of smuggling.

Although the Colombian Cartel will continue to dominate the cocaine trade, the Cartel will become more increasingly involved in the smuggling/distribution of South American heroin.

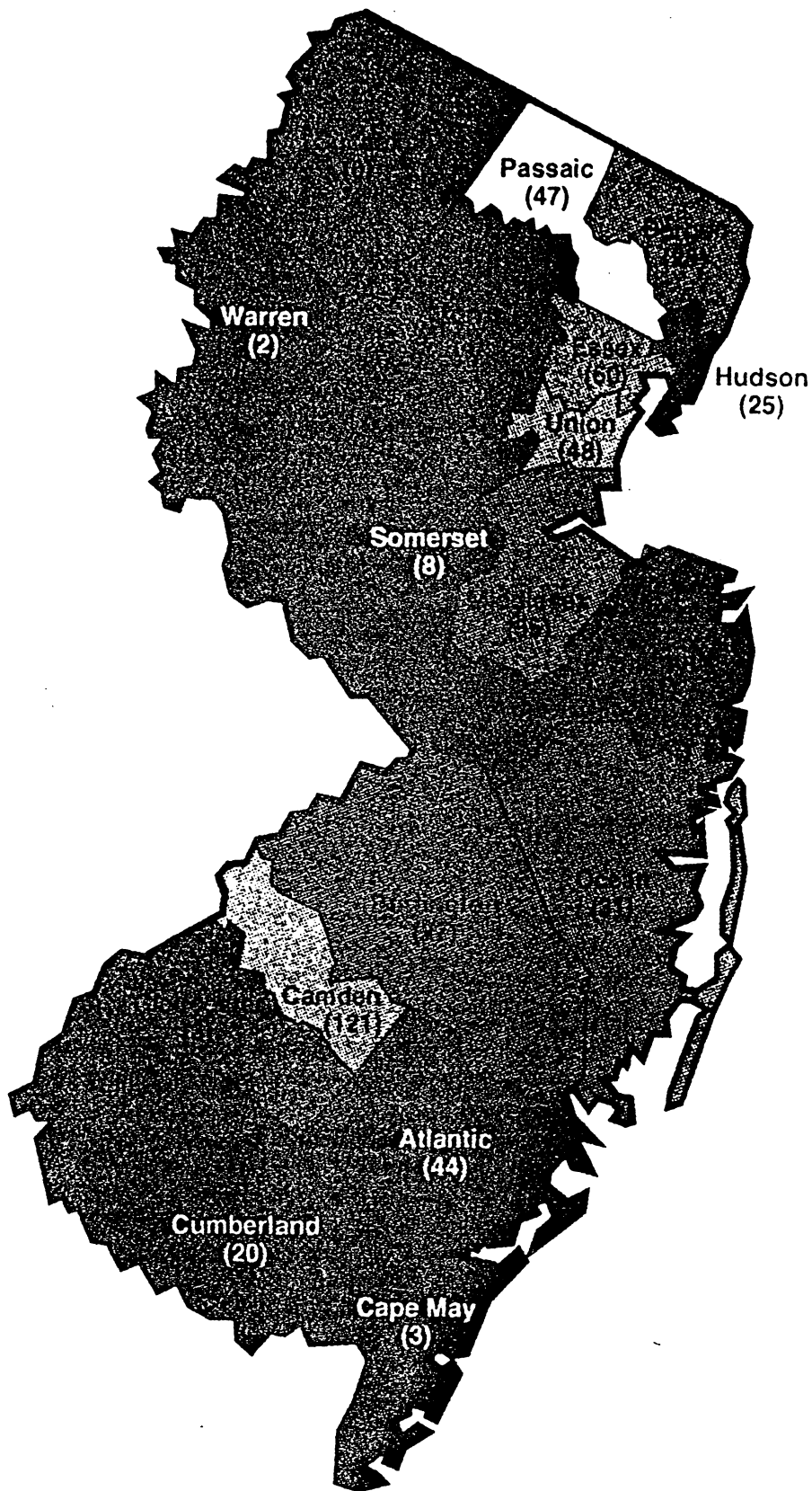
Dominican, Jamaican and Puerto Rican organizations will continue to become more involved with cocaine trafficking.

With cocaine trafficking organizations entrenched in New Jersey and the expansion of heroin trafficking, money laundering activity will increase.

Gang related violence associated with drug trafficking will increase.



# CRIMINAL STREET GANGS BY COUNTY



Source: Strategic Assessment Criminal Street Gangs in New Jersey, NJSP 1994

APPENDIX II

<b>DMP CITY SUMMARY DATA</b>		
<b>City</b>	<b>Average Purity (Percent)</b>	<b>Average Cost (dollar/milligram)</b>
Atlanta	54.1	1.85
Boston	64.0	0.98
Chicago	17.4	1.90
Dallas	9.7	1.60
Denver	30.0	2.34
Detroit <sup>1</sup>	29.1	1.15
Fort Lauderdale <sup>1</sup>	38.8	0.93
Houston	16.0	1.72
Los Angeles <sup>1</sup>	33.7	0.32
Miami <sup>1</sup>	9.9	1.53
Newark	56.8	0.51
New Orleans <sup>1</sup>	17.8	8.03
New York	63.9	0.50
Philadelphia	64.3	0.66
Phoenix	43.5	1.26
San Diego	48.3	0.42
San Francisco	28.5	0.95
San Juan	50.8	0.57
Seattle	21.8	1.05
St. Louis	8.6	2.77
Washington D.C.	19.3	1.48
<b>DMP Average</b>	<b>40.0</b>	<b>1.27</b>

<sup>1</sup>These cities did not participate in the DMP during all four quarters.

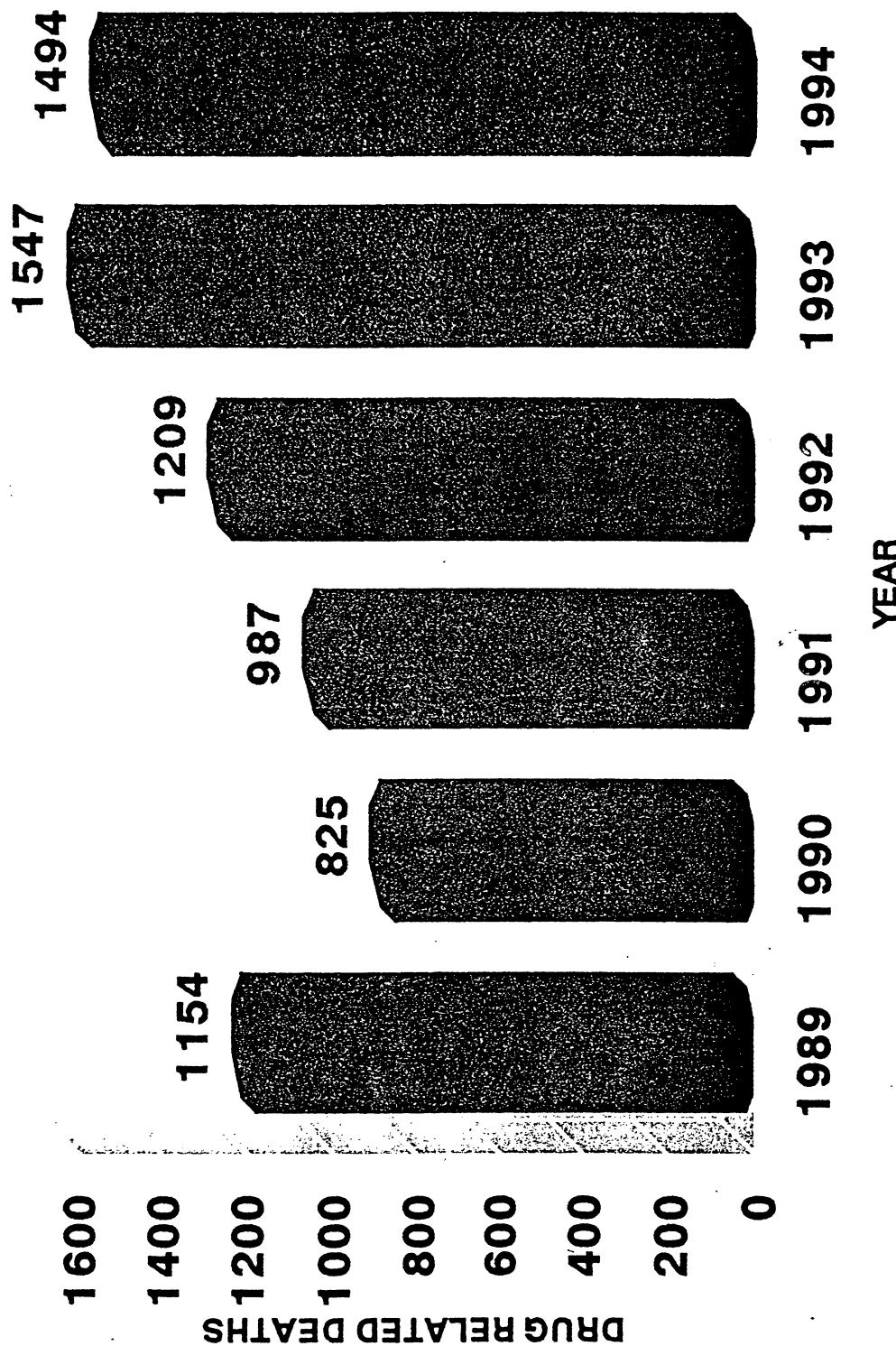
SOURCE: DRUG ENFORCEMENT ADMINISTRATION, WASHINGTON, D.C.

**DRUG RELATED DEATHS BY COUNTY - 1993/1994**

<b>COUNTY</b>	<b>HEROIN 1993/1994</b>	<b>COCAINE 1993/1994</b>	<b>OTHER 1993/1994</b>	<b>TOTAL 1993/1994</b>
ATLANTIC	38/48	40/30	4/9	82/87
BERGEN	44/47	30/34	9/9	87/90
BURLINGTON	22/22	19/17	7/7	45/46
CAMDEN	62/61	61/63	19/25	148/149
CAPE MAY	8/8	7/6	3/3	17/17
CUMBERLAND	9/11	11/15	4/2	24/28
ESSEX	152/58	150/176	23/27	325/361
GLOUCHESTER	19/17	18/12	10/7	47/36
HUDSON	63/86	52/59	12/16	127/161
HUNTERDON	2/6	0/4	1/3	4/13
MERCER	43/20	32/22	20/8	74/50
MIDDLESEX	58/52	39/25	20/9	95/86
MONMOUTH	40/27	39/30	6/5	49/62
MORRIS	4/24	11/12	0/1	25/37
OCEAN	25/21	20/13	13/6	58/40
PASSAIC	47/58	41/42	10/8	98/108
SALEM	3/2	5/1	2/0	10/3
SOMERSET	12/20	9/13	13/2	22/35
SUSSEX	6/3	1/2	2/2	9/7
UNION	47/42	55/42	5/7	107/91
WARREN	7/4	4/2	0/0	11/6
<b>TOTAL</b>	<b>731/729</b>	<b>627/612</b>	<b>189/153</b>	<b>1547/1494</b>

SOURCE: CRIME IN NEW JERSEY, 1994 UNIFORM CRIME REPORT

# YEARLY COMPARISON OF TOTAL DRUG RELATED DEATHS STATEWIDE



SOURCE: NEW JERSEY MEDICAL EXAMINER'S OFFICE