



DEA  
INTELLIGENCE  
REPORT

# The Drug Situation in the Chicago Field Division

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# Executive Summary

The Drug Enforcement Administration (DEA) Chicago Field Division (CFD) is comprised of the states of Illinois (Northern and Central Federal Judicial Districts of Illinois), Indiana, and Wisconsin. The City of Chicago serves as the primary drug trafficking hub for most other major cities in the CFD and surrounding states. The vast majority of drugs entering Chicago and the surrounding area, including fentanyl and fentanyl-related substances (FRS), heroin, cocaine, and methamphetamine, continue to be smuggled across the United States–Mexico border. Availability and abuse of these drugs is high, with opioids being the most prevalent in major cities and methamphetamine in rural areas. The primary organizational threats within the CFD are Mexican drug trafficking organizations (DTOs)—often referred to as cartels—that distribute illicit drugs through trusted intermediaries to local street gangs for retail sale.

The Chicago area's large volume of legitimate trade and vast infrastructure, including extensive highway, train, and air transportation networks, along with hundreds of warehouses and storage facilities, make it one of the country's most significant drug trafficking hubs. Drugs are transshipped from Mexico to the United States via a wide range of conveyances, most notably tractor trailers, commercial buses, and personal vehicles. Chicago also serves as a significant collection and consolidation point for drug proceeds, which are typically either smuggled back to the Southwest Border (SWB), to Mexico in bulk, or laundered by money laundering organizations operating in the region.

The city's large population and demographics also make it an attractive base of operations for Mexican cartels and other DTOs. According to the 2010 U.S. census, Chicago is the third largest city in the United States behind New York, New York, and Los Angeles, California with an estimated population of nearly 2.7 million. The Chicago metropolitan area is also home to the second largest population of Mexican-born immigrants in the United States behind Los Angeles. Moreover, Mexican cartels often seek to exploit ethnic and familial connections.

## DETAILS

### Drug Trafficking Organizations

The CFD's most significant organizational threat is posed by Mexican cartels, which dominate the wholesale supply of illegal drugs to the region. The primary cartels active in the CFD area of responsibility (AOR) include the Cartel de Jalisco Nueva Generacion (CJNG), the Sinaloa Cartel, the Guerreros Unidos, the Beltran-Leyva Cartel, and the Gulf Cartel. CFD investigative links to CJNG have increased considerably over the last two years as the group has increased its power and influence in Mexico and the United States.

Mexican cartels often employ a series of intermediaries to oversee the shipment of drugs across the SWB and facilitate sales to wholesale and mid-level customers in major distribution hubs located throughout the United States. These key intermediaries are generally based in the United States but maintain close relationships with family members or criminal associates in Mexico. These individuals are critical to cartel operations, both for their ability to broker drug deals and coordinate smuggling operations and to help insulate high-level cartel members in Mexico by assuming much of the risk, and thwarting law enforcement's efforts to directly trace the sources of supply in Mexico.

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Street gangs are the primary retail-level drug distributors within the CFD. Chicago-based street gangs, in particular, pose a significant local and regional threat, with an estimated membership of over 100,000 gang members in the Chicago metropolitan area alone. The street gangs serve as mid-level and retail-level distributors within the city of Chicago, and also maintain a network of associated gang members and independent dealers in other states. The most prominent street gangs in the region include the Gangster Disciples, Black P-Stones, Black Disciples, Vice Lords, and Latin Kings. There are also a large number of smaller factions that operate under the “umbrella” of these major gangs. These groups are generally much smaller and operate largely independent of the larger street gangs. They are primarily concerned with controlling their specific territory, which in some cases may be limited to a single block. Street gangs pose a multi-faceted threat to law enforcement in the region, as the gangs most heavily involved in drug distribution are also responsible for a significant portion of violent crime. CFD investigations support this observation, as most drug arrests result in the seizure of weapons and more than one drug: strong evidence of the poly-drug and violent nature of drug trafficking in general, and retail drug sales in particular.

### Drug Threats

The overall drug situation in the CFD is poly-drug in nature. Reflecting a nationwide trend, DEA offices throughout the CFD continue to report opioids, specifically heroin, fentanyl, and FRS as the greatest drug threats, primarily due to lives lost as a result of overdose deaths from use of these substances. Trafficking and abuse of methamphetamine is increasing throughout the CFD, likely due to the availability of vast quantities of methamphetamine smuggled from Mexico. Cocaine continues to be widely available, but at levels lower than anticipated given the dramatic increase in cocaine cultivation and production in South America. Marijuana is also widely available, with high-grade marijuana from states such as Colorado and California being encountered more frequently. Finally, illicit diversion and abuse of prescription drugs, especially opioids, continues to be a concern throughout the CFD. The following section contains summaries of each of these major drug threats.

**FIGURE 1: CHICAGO FIELD DIVISION DRUG AVAILABILITY ASSESSMENT**

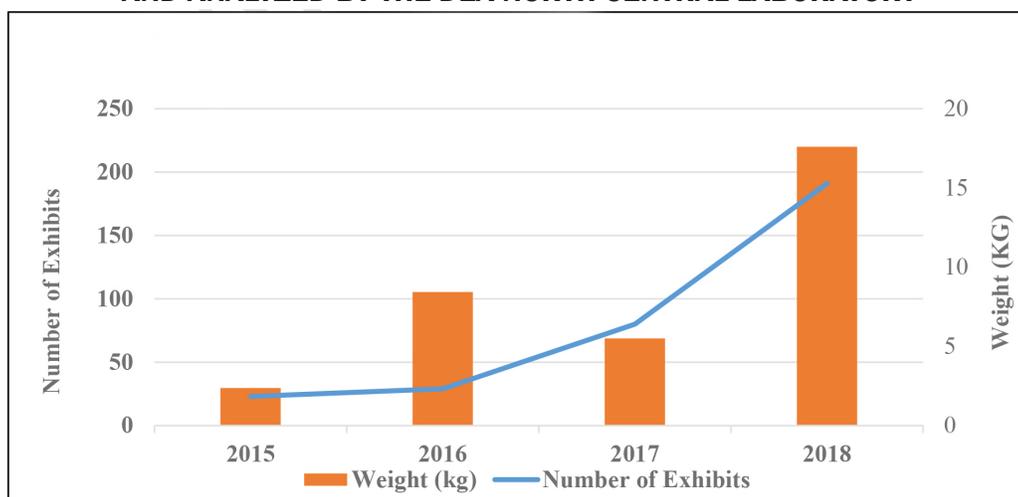
Drug Threat (in Rank Order)	Level of Availability FY 2019	Availability Compared to FY 2018
Fentanyl	High	More
Heroin	High	Stable
Methamphetamine	Moderate	More
Cocaine	Moderate	Stable
Diverted Pharmaceuticals	High	Stable
Cannabis	High	Stable
Other Synthetic Drugs	Moderate	Stable

Source: DEA

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**(U)Fentanyl/FRS:** The trafficking and abuse of fentanyl and FRS continues to pose the most serious drug threat throughout the CFD. The availability of fentanyl and FRS has increased significantly in recent years – as indicated by various measures, including seizures, overdoses, hospital admissions, naloxone administrations, and deaths. Substances such as fentanyl and FRS continue to be the leading causes of drug-related overdose deaths in the region. Fentanyl and FRS are most commonly encountered in powder form, often in combination with heroin. They have also been used as ingredients in counterfeit pharmaceutical pills. Users and even distributors are often unaware of the contents and purity of drugs purchased on the street, which greatly enhances the risk of overdose. While recent data suggests fentanyl and FRS overdose deaths may be leveling off, the threat posed by these drugs continues to grow and evolve with greater volumes and different types entering the retail drug market. Mexico and China are primary sources for fentanyl and FRS available in the region, although limited reporting suggests some may originate in India. Mexican cartels smuggle clandestinely-produced fentanyl in the same manner as other illicit drugs, while fentanyl and FRS from China are often purchased over the internet or Darkweb and shipped through the postal system. Fentanyl and FRS from China tend to arrive in smaller quantities but with higher purity, while the reverse is true of fentanyl and FRS originating in Mexico. In most cases, fentanyl from Mexico exhibits a purity of less than 10 percent.

**FIGURE 2: FENTANYL EXHIBITS ACQUIRED BY THE CHICAGO FIELD DIVISION AND ANALYZED BY THE DEA NORTH CENTRAL LABORATORY**



Source: DEA

**Heroin:** Heroin remains one of the most significant drug threats in the CFD. Nonetheless, fentanyl and FRS are key drivers of the opioid epidemic in the region. Heroin trafficking and abuse has long been a concern within the CFD, and continues to occur at alarming levels. The vast majority of heroin in the CFD originates in Mexico, and is transported to the region in multi-kilogram quantities and then broken down for street-level distribution. Heroin encountered in the CFD is typically a white or tan powder, and data from the DEA Heroin Signature Program indicates the most common heroin signature is a highly-refined form of Mexican heroin. Heroin prices in the CFD average around \$50,000 U.S. currency (USC) per kilogram, \$1,600 per ounce, and \$80 per gram. A single bag of heroin at the retail-level typically sells for approximately \$10. In FY 2018, CFD heroin seizures increased 26 percent, with 472.8 kilograms seized, compared to 351.2 kilograms seized in FY 2017<sup>a</sup>. This fell just short of the all-time high of 516.1 kilograms seized in FY 2016. Despite the fluctuation in seizure totals, the amount of heroin seized in the CFD over the past three years far exceeds amounts acquired in previous years.

<sup>a</sup> Totals based on reports of seizures.

### Are Opioid Deaths Beginning to Stabilize?

From 2013 to 2017, overdose deaths involving opioids increased significantly in each state in the CFD (see Figure 3). However, preliminary data for overdose deaths in 2018 suggests opioid-related deaths may be starting to level off, or possibly even decline, in some parts of the CFD. Although this is a positive sign of progress, it's possible that this development is due to the more widespread deployment of naloxone, rather than actual declines in trafficking, availability, and/or abuse.

**FIGURE 3: DRUG OVERDOSE DEATHS IN THE CHICAGO FIELD DIVISION  
(NOTE: FIGURES ARE NOT MUTUALLY EXCLUSIVE)**

	2013	2014	2015	2016	2017	2018 <sup>b</sup>
<b>ILLINOIS</b>						
Any Drug <sup>c</sup>	1,579	1,700	1,836	2,410	2,779	2,656
Any Opioid <sup>d</sup>	1,072	1,203	1,382	1,946	2,202	2,081
Heroin <sup>e</sup>	583	711	844	1,040	1,187	1,018
Opioid Analgesics <sup>f</sup>	364	441	589	1,266	1,655	1,801
<b>INDIANA</b>						
Any Drug	1,049	1,152	1,236	1,518	1,852	N/A
Any Opioid	350	452	529	785	1,176	N/A
Heroin	152	170	239	296	327	N/A
Opioid Analgesics	168	250	274	488	933	N/A
<b>WISCONSIN</b>						
Any Drug	843	843	872	1,031	1,171	N/A
Any Opioid	588	622	614	827	916	N/A
Heroin	226	266	281	371	407	N/A
Opioid Analgesics	80	90	113	275	460	N/A

Source: DEA

<sup>b</sup> Deaths in which drug overdose (poisoning) was reported as the underlying cause of death (ICD-10 codes X40-X44, X60-X64, X85, Y10-Y14).

<sup>c</sup> Data for 2018 are provisional and subject to increase.

<sup>d</sup> Drug overdose deaths in which any opioid drug was reported as a contributing cause of death (ICD-10 codes T40.0, T40.1, T40.2, T40.3, T40.4, T40.6). This category is a subset of the "Any Drug" category.

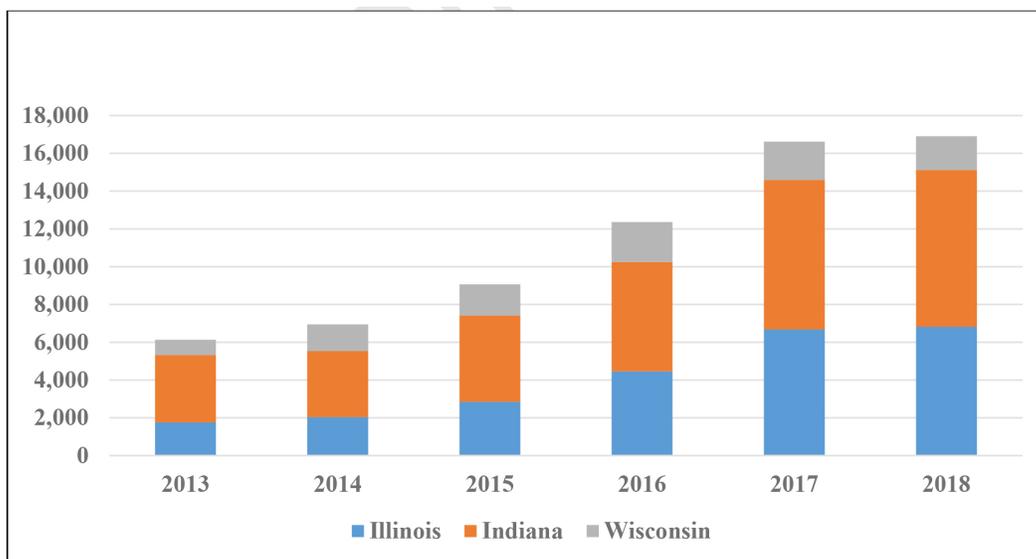
<sup>e</sup> Drug overdose deaths in which heroin was reported as a contributing cause of death (ICD-10 code T40.1). This category is a subset of the "Any Opioid" category. Due to limitations with laboratory testing for heroin, some deaths reported as overdoses involving "morphine" or the generic term "opiates" may actually be heroin overdoses. Therefore, overdose deaths involving heroin may be higher than reported.

<sup>f</sup> Drug overdose deaths in which any opioid analgesic was reported as a contributing cause of death (ICD-10 codes T40.2, T40.3, T40.4). This category is a subset of the Any Opioid category. Opioid analgesics include natural (e.g., morphine, codeine) and semi-synthetic (e.g., oxycodone, hydrocodone, hydromorphone, oxycodone) opioid analgesics, methadone, and synthetic opioid analgesics other than methadone (e.g., fentanyl, tramadol).

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**Methamphetamine:** Methamphetamine availability is increasing in many areas of the CFD, including in urban areas such as Chicago, where demand historically has been low compared to the more rural, outlying areas within the CFD. This increase in availability is likely attributed to the saturation of the U.S. market with high-purity, low-cost methamphetamine originating in Mexico. In FY 2018, methamphetamine seizures increased across the CFD, and submissions of methamphetamine to federal, state, and local laboratories in the region almost doubled, from just over 9,000 exhibits in FY 2015 to nearly 17,000 exhibits in FY 2018 (see Figure 4). While some methamphetamine is still produced within the region, this is just a small proportion of total amount of methamphetamine encountered, and is at far lower levels than observed before the passage of the Combat Methamphetamine Epidemic Act in 2006. Nevertheless, the hazardous chemicals and potentially dangerous reactions associated with these small, toxic laboratories pose a significant threat to the community, first responders, and the environment.

**FIGURE 4: METHAMPHETAMINE SUBMISSIONS TO LOCAL, STATE, AND FEDERAL LABORATORIES IN THE CHICAGO FIELD DIVISION, 2013-2018**



Source: DEA

**Cocaine:** South American coca cultivation and cocaine production has increased significantly in recent years. As a result, cocaine availability within the CFD is expected to rise in the near future, especially in key distribution hubs such as Chicago. To date, however, investigative reporting and key data points related to cocaine availability have been mixed. While overall seizures of cocaine in the CFD are up, in late 2018 multiple sources reported a shortage of cocaine in the Chicago area, which led to a corresponding increase in wholesale prices. The extent of the shortage currently is unknown and it controverts prevailing indicators suggesting an overall increase in cocaine availability internationally and across the United States. Against this backdrop, it seems unlikely this trend will persist. Cocaine shipments typically enter the United States via the SWB and are then transported overland to the CFD. These shipments continue to be relatively small in size (i.e., usually less than 25 kilograms). Large seizures exceeding 100 kilograms, as seen in the previous two decades, are increasingly rare. Nonetheless, the sheer quantity of potential cocaine production in the source zone requires vigilance to detect any rebound in availability.

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**Marijuana:** Most of the marijuana available in the CFD originates in Mexico. However, over the past few years, both the volume and sources of supply have expanded to include Asian DTOs and other independent growers located along the U.S. West Coast and Pacific Northwest. These organizations have actually supplanted Mexican cartels in some areas, and often specialize in high-grade marijuana having significant tetrahydrocannabinol (THC) content. Even though there is limited marijuana production within the CFD, during the summer months, law enforcement officials regularly identify and eradicate outdoor marijuana grow operations often found on public lands. Local indoor marijuana grow operations appear to be expanding. In 2019, Illinois lawmakers approved legislation to legalize the possession and sale of marijuana for recreational purposes, making it the first state to do so via the legislative process rather than a ballot initiative. Under the new legislation, effective January 1, 2020, Illinois residents aged 21 and older may legally possess 30 grams of cannabis, 5 grams of cannabis concentrate, and 500 milligrams of THC contained in a cannabis-infused product. Non-residents aged 21 and older may possess up to 15 grams of cannabis, 2.5 grams of cannabis concentrate, and 250 milligrams of THC contained in a cannabis-infused product. The law also creates a licensed cultivation and dispensary system. Cultivation of homegrown cannabis is limited to Illinois residents aged 21 and older who are registered with the state's medical marijuana program. Personal cultivation will be limited to five plants per authorized household.

**Diverted Pharmaceuticals:** Diverted pharmaceutical drugs, primarily prescription opioids such as oxycodone and hydrocodone, continue to be widely available and abused throughout the CFD. These substances are obtained through a variety of means, including doctor shopping; prescription theft and fraud; pharmacy burglaries and robberies; improper prescribing practices, theft, and mishandling by medical professionals; purchases from dealers either in person or over the internet or Darkweb; and pilfering from the medicine cabinets of friends and relatives. In recent years, Indiana has experienced a high number of pharmacy robberies. However, these incidents are beginning to decline due to increased enforcement activity and vigilance by the affected businesses. Prescription monitoring programs have also proven to be effective tools for identifying and preventing instances of pharmaceutical diversion.

**Synthetic Drugs:** Synthetic drugs and other psychoactive substances, to include MDMA, synthetic cannabinoids, and synthetic cathinones, continue to be available throughout the CFD. Synthetic drugs often present unique dangers because psychoactive effects can be difficult to predict, and products are often highly potent or contaminated with other hazardous substances. For example, in 2018, the distribution of synthetic cannabinoids laced with rat poison (brodifacoum) within the CFD and several other parts of the country resulted in multiple overdoses and deaths. The outbreak was most pronounced in Illinois, where there were at least four deaths and 164 overdose incidents. Authorities ultimately identified the source of supply and made several arrests. MDMA continues to be popular in the club scene and at music festivals. Reporting also indicates MDMA use is increasing among members of Chicago street gangs. Notably, in some instances, pills marketed and sold as MDMA have been found to contain methamphetamine, again highlighting the dangers of illicit drug use.

### Non-Drug Threats

The drug trade poses several other threats to the CFD AOR beyond the immediate impact of drug trafficking and abuse. These include money laundering, violent crime, and weapons trafficking by transnational criminal organizations (TCOs) and street gangs. They are involved in a wide array of criminal activity, often in furtherance of their drug trafficking enterprise. Partnerships with law enforcement and intelligence counterparts at the federal, state, and local level, and coordinated enforcement actions are essential to combat this non-drug criminal activity and to disrupt and dismantle these organizations.

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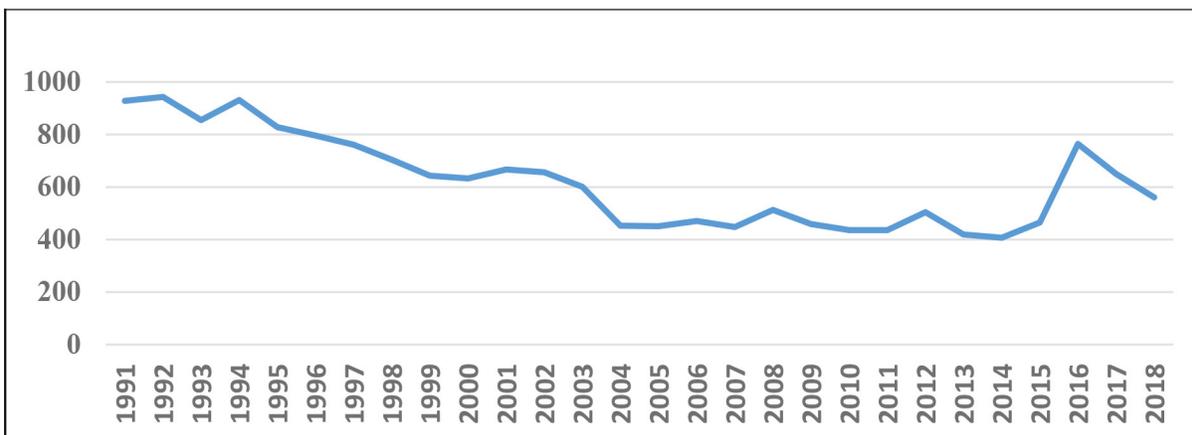
FIGURE 5: DRUG PRICES IN THE CHICAGO FIELD DIVISION AREA OF RESPONSIBILITY

DRUG	TYPE	UNIT	ILLINOIS		INDIANA		WISCONSIN	
			LOW	HIGH	LOW	HIGH	LOW	HIGH
COCAINE	POWDER	GRAM	\$100	\$125	\$100	\$200	\$80	\$100
		OUNCE	\$1,000	\$1,450	\$800	\$1,500	\$800	\$1,500
		KILOGRAM	\$26,000	\$35,000	\$30,000	\$38,000	\$26,000	\$37,000
	CRACK	ROCK	\$5	\$20	\$10	\$20	\$10	\$25
		GRAM	\$100	\$130	\$100	\$120	\$100	\$200
OUNCE		\$800	\$1,500	\$900	\$1,700	\$800	\$1,000	
HEROIN	WHITE/TAN POWDER	GRAM	\$45	\$170	\$65	\$125	\$75	\$150
		OUNCE	\$1,400	\$1,800	\$1,700	\$2,100	\$1,875	\$3,000
		KILOGRAM	\$38,000	\$60,000	\$35,000	\$65,000	\$40,000	\$60,000
CANNABIS	DOMESTIC	POUND	\$1,300	\$1,500	\$3,000	\$4,000	\$3,000	\$4,800
	MEXICAN	POUND	\$1,000	\$1,400	\$750	\$2,500	\$625	\$1,000
METHAMPHETAMINE	ICE	GRAM	\$80	\$115	\$30	\$155	\$110	\$120
		OUNCE	\$200	\$900	\$500	\$2,500	\$700	\$1,350
		POUND	\$5,500	\$8,000	\$6,500	\$8,000	\$5,000	\$10,000
HYDROCODONE	TABLET	10 mg	\$5	\$10	\$5	\$8	\$5	\$10
OXYCODONE / OXYCONTIN	TABLET	10 mg	\$8	\$10	\$5	\$10	\$5	\$10
		30mg	\$18	\$30	\$25	\$30	\$20	\$45
		80 mg	\$60	\$80	\$80	\$80	\$40	\$80
PERCOCET	TABLET	N/A	\$5	\$10	\$3	\$8	\$5	\$20
VICODIN	TABLET	N/A	\$5	\$10	\$3	\$8	\$5	\$7
XANAX	TABLET	N/A	\$4	\$10	\$3	\$8	\$3	\$5

Source: DEA

**Money Laundering:** TCOs operating in the CFD use a wide variety of methods to launder illicit proceeds. The most common method has long been the bulk transportation of cash from the United States to Mexico, often employing the same routes and methods used to smuggle drugs. Money launderers working on behalf of the cartels also exploit the international banking system to wire or deposit illicit proceeds to cartel-owned accounts. Drug proceeds are also laundered through cash-rich businesses such as restaurants and car dealerships, as well as property and real estate. TCOs also employ a variety of trade-based money laundering schemes, where drug proceeds are used to purchase goods and commodities, often electronics and appliances, which are then resold on the open market. Money laundering organizations are also increasingly relying upon so-called mirror transactions (also known as “hawala” or “contra entrega”) to avoid the risk of physically moving drug

FIGURE 6: HOMICIDES IN CHICAGO, 1991-2018



Source: DEA

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proceeds from one locale to another, and to increase the speed in deliveries to traffickers. Over the past few years, the CFD has observed an increase in the number of Asian money laundering organizations (AMLOs) throughout the region. These organizations are highly sought after due to their ability to quickly transfer money from the United States to Mexico through mirror networks and trade-based schemes.

**Violent Crime:** Violent crime remains a significant problem for most major cities in the CFD, especially Chicago. As previously noted, street gangs engaged in retail drug distribution are also heavily involved in violent crime. In Chicago for example, the primary retail drug markets are located on the South and West sides of the city in areas controlled by violent street gangs. These areas experienced a dramatic increase in homicides from 2014 to 2016, reaching a recent peak of 764 homicides in 2016. Since that time, the city has witnessed a decline in homicides and shootings, due in large part to the Chicago Police Department's implementation of data- and technology-driven policing strategies and increased community engagement.

## OUTLOOK

Mexican cartels continue to be the predominant trafficking threat to the CFD, and are responsible for supplying the vast majority of drugs, including fentanyl/FRS, heroin, cocaine, and methamphetamine, to the region. Their control over the wholesale drug trade is unlikely to abate in the near-term, and as a result, these organizations will remain the primary focus of the CFD's enforcement efforts. The CFD is also increasing its awareness and targeting of cyber-enabled drug traffickers, including those operating on the Darkweb, as well as AMLOs. These are expected to be growing areas of attention and concern.

Combatting the opioid epidemic continues to be a top priority for the CFD, particularly the proliferation of fentanyl and FRS. While opioids will likely remain the top drug trafficking threat to the region for the foreseeable future, the resurgence of methamphetamine from Mexico and cocaine from Colombia through Mexico will likely also require additional resources. TCOs may also seek to introduce new synthetic drugs to the U.S. market, given their inherent advantages (i.e., they are often cheaper and easier to produce, transport, and conceal).

In the continuation of a trend seen throughout the United States, TCOs at all levels will likely continue to deploy new tools and technology to facilitate criminal activities and evade law enforcement action. The use of encrypted communications is expected to become even more widespread, and will require law enforcement to adapt new techniques to keep pace with emerging technologies.

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