

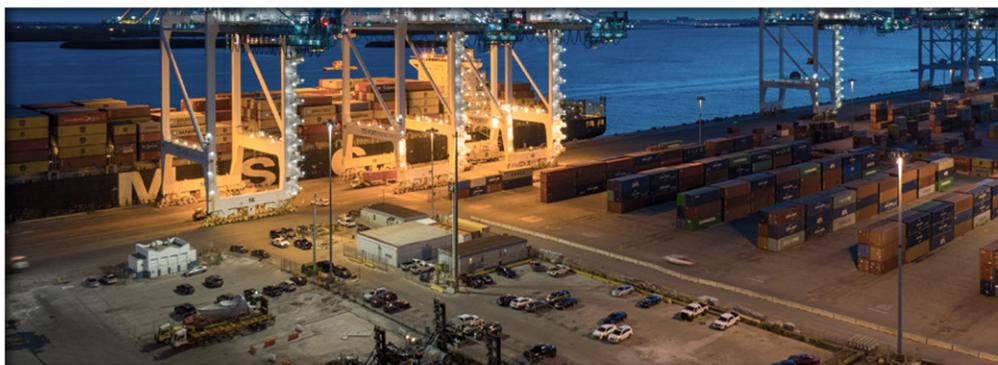


DEA  
INTELLIGENCE  
REPORT

# Fentanyl Flow to the United States

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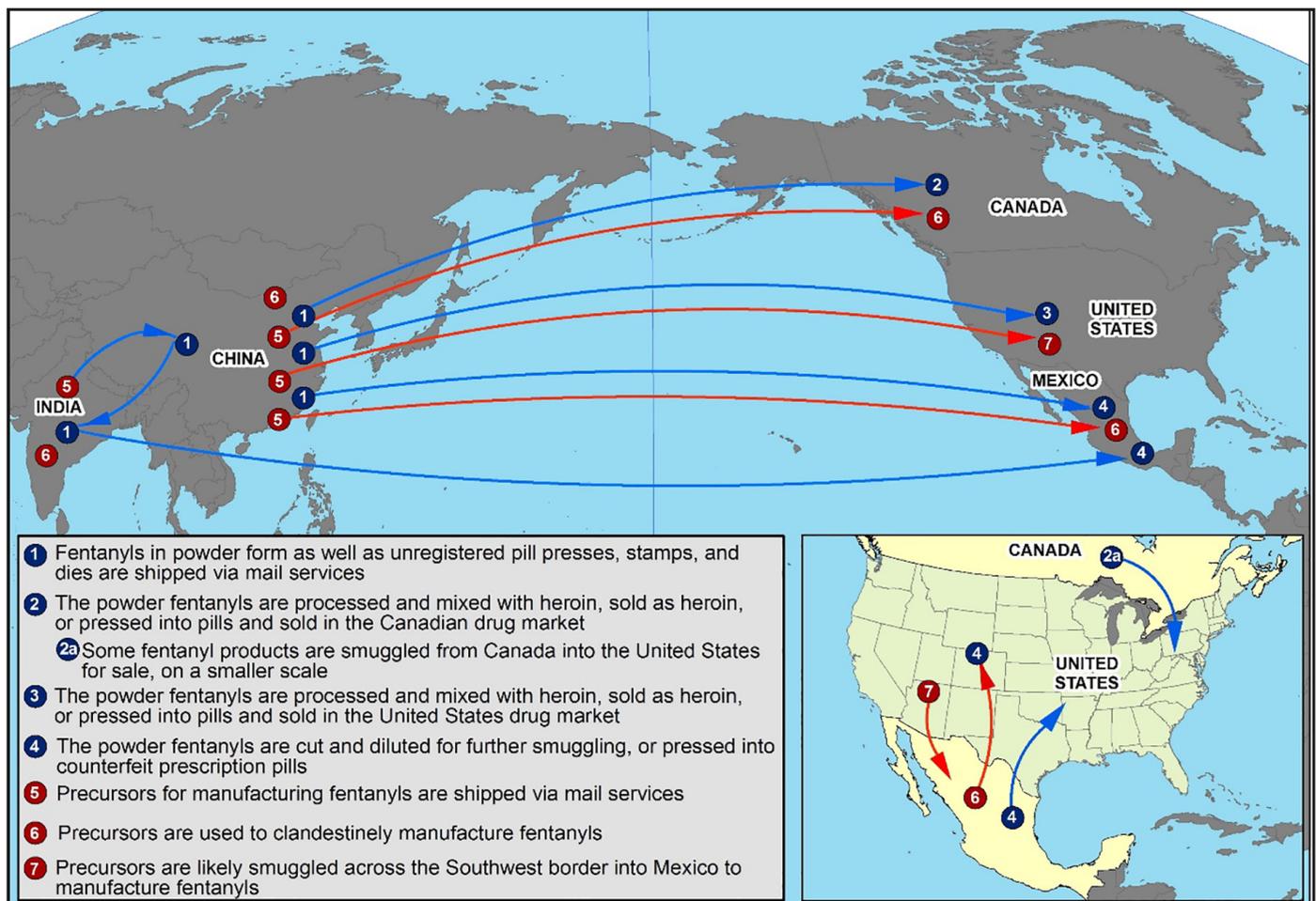


# Executive Summary

The flow of fentanyl into the United States in 2019 is more diverse compared to the start of the fentanyl crisis in 2014, with new source countries and new transit countries emerging as significant trafficking nodes. This is exacerbating the already multi-faceted fentanyl crisis by introducing additional source countries into the global supply chain of fentanyl, fentanyl-related substances, and fentanyl precursors. Further, this complicates law enforcement operations and policy efforts to stem the flow of fentanyl into the United States. While Mexico and China are the primary source countries for fentanyl and fentanyl-related substances trafficked directly into the United States, India is emerging as a source for finished fentanyl powder and fentanyl precursor chemicals.

## DETAILS

(U) FIGURE 1. FENTANYL FLOW TO THE UNITED STATES 2019



Source: DEA

## CHINA

Currently, China remains the primary source of fentanyl and fentanyl-related substances trafficked through international mail and express consignment operations environment, as well as the main source for all fentanyl-related substances trafficked into the United States. Seizures of fentanyl sourced from China average less than one kilogram in weight, and often test above 90 percent concentration of pure fentanyl.

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As Beijing and the Hong Kong Special Autonomous Region (SAR) place restrictions on more precursor chemicals, Mexican transnational criminal organizations (TCOs) are diversifying their sources of supply. This is evidenced by fentanyl shipments from India allegedly destined for Mexico. On May 4, 2018, the Hong Kong SAR updated their drug law to control the fentanyl precursors 4-anilino-N-phenethyl-4-piperidine (ANPP) and N-phenethyl-4-piperidone (NPP) as well as the synthetic opioid U-47700. This matches China's scheduling of ANPP and NPP on July 1, 2017. The move by the Hong Kong SAR is considerable, since synthetic opioids produced and shipped from China may transit the Hong Kong SAR en route to the United States.

Effective May 1, 2019, China officially controlled all forms of fentanyl as a class of drugs. This fulfilled the commitment that President Xi made during the G-20 Summit. The implementation of the new measure includes investigations of known fentanyl manufacturing areas, stricter control of internet sites advertising fentanyl, stricter enforcement of shipping regulations, and the creation of special teams to investigate leads on fentanyl trafficking. These new restrictions have the potential to severely limit fentanyl production and trafficking from China. This could alter China's position as a supplier to both the United States and Mexico.

## MEXICO

Mexican TCOs are producing increased quantities of fentanyl and illicit fentanyl-containing tablets, with some TCOs using increasingly sophisticated clandestine laboratories and processing methods (i.e., laboratory grade glassware, unregulated chemicals, and industrial size tablet presses). DEA, working in conjunction with Mexican officials, has seized and dismantled numerous fentanyl pill pressing operations and fentanyl synthesis laboratories in 2018 and 2019, highlighting the role TCOs play in supplying the US fentanyl market. Fentanyl is smuggled across the U.S.-Mexico border in low concentration, high-volume loads, kilogram seizures often contain less than a 10 percent concentration of fentanyl.

TCOs are also increasingly producing wholesale quantities of illicit fentanyl pills and smuggling them into the United States. In December 2018, Mexican officials in combination with DEA authorities seized an illicit pill mill in Azcapotzalco, Mexico City. Law enforcement officials seized illicit fentanyl-laced oxycodone M-30 pills, suspected fentanyl powder, precursor chemicals and multiple other items related to the production of fentanyl-laced illicit pills. As with the Mexicali, Mexico fentanyl pill mill seized in September 2018, DEA reporting indicated the organization operating the pill mill in Mexico City is linked to the Sinaloa Cartel.

DEA reporting continues to indicate the Sinaloa and the New Generation Jalisco (Cártel de Jalisco Nueva Generación or CJNG) cartels are likely the primary trafficking groups responsible for smuggling fentanyl into the United States from Mexico. To date, the fentanyl synthesis and fentanyl pill production operations dismantled in Mexico have either occurred in territories controlled by these cartels or have had involvement by members/associates of these cartels. In addition, these TCOs are known to control the trafficking corridors in Mexico that connect to California and Arizona, indicating drugs passing through these associated areas would need to be approved by these organizations.

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## INDIA

In 2017, the DEA provided information to India's Directorate of Revenue Intelligence, resulting in the takedown of an illicit fentanyl laboratory in Indore, India in 2018. DEA reporting indicates an Indian national associated with the Sinaloa Cartel initially supplied the organization with fentanyl precursor chemicals, NPP and ANPP, after which a Chinese national also affiliated with the Sinaloa Cartel would synthesize the fentanyl and traffic it from India to Mexico.

Between February and March 2018, the India- and China-based suspects shifted their production from China to India, likely due in part to China's regulation of ANPP and NPP. The organization likely transferred their production to India due to difficulties obtaining precursor chemicals in China and the increasing pressure from Chinese authorities on fentanyl manufacturing operations. This may serve as an important precedent, given China's newly imposed restrictions on fentanyl and fentanyl precursors as a class. Fentanyl and fentanyl precursor trafficking from India to TCOs in Mexico or direct to the United States may be poised to increase if China-based traffickers work with Indian nationals to circumvent China's new controls on fentanyl. In addition, in February 2018, India announced controls on the exportation of ANPP and NPP, similar to previous regulations enacted by China, which will likely result in stricter controls on these precursors.

In December 2018, the Mumbai Anti-Narcotics Cell (ANC) seized approximately 100 kilograms of the fentanyl precursor NPP and arrested four Indian nationals in Mumbai, India. India's Narcotics Control Bureau (NCB) reported to DEA in April 2019 that the seizure was identified as NPP through forensic analysis at a state-run laboratory in India. According to the ANC, the NPP was destined for Mexico and deliberately mislabeled. This was the third seizure of a fentanyl-related substance or fentanyl precursor linked to Mexico in 2018, demonstrating growing links between Mexican TCOs and India-based fentanyl precursor chemical suppliers. Given the behavior of Mexican TCOs who obtain fentanyl precursors and finished fentanyl from China, it is highly likely the precursor chemicals purchased from India were to be used in the synthesis of finished fentanyl destined for sale in the United States.

## OUTLOOK

The flow of fentanyl to the United States in the near future will probably continue to be diversified. The emergence of India as a precursor chemical and fentanyl supplier as well as China's newly implemented regulations have significant ramifications for how TCOs' fentanyl and fentanyl precursor chemical supply chains will operate. Mexican TCOs are likely poised to take a larger role in both the production and the supply of fentanyl and fentanyl-containing illicit pills to the United States, especially if China's proposed regulations and enforcement protocols are implemented effectively. Fentanyl production and precursor chemical sourcing may also expand beyond the currently identified countries as fentanyl lacks the geographic source boundaries of heroin and cocaine as these must be produced from plant-based materials.

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*This product was prepared by the DEA Intelligence Program — Strategic Intelligence Section. Comments and questions may be addressed to the Chief, Indicator Programs Section at [DEA.IntelligenceProducts@usdoj.gov](mailto:DEA.IntelligenceProducts@usdoj.gov). For media/press inquiries call (202) 307-7977.*

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