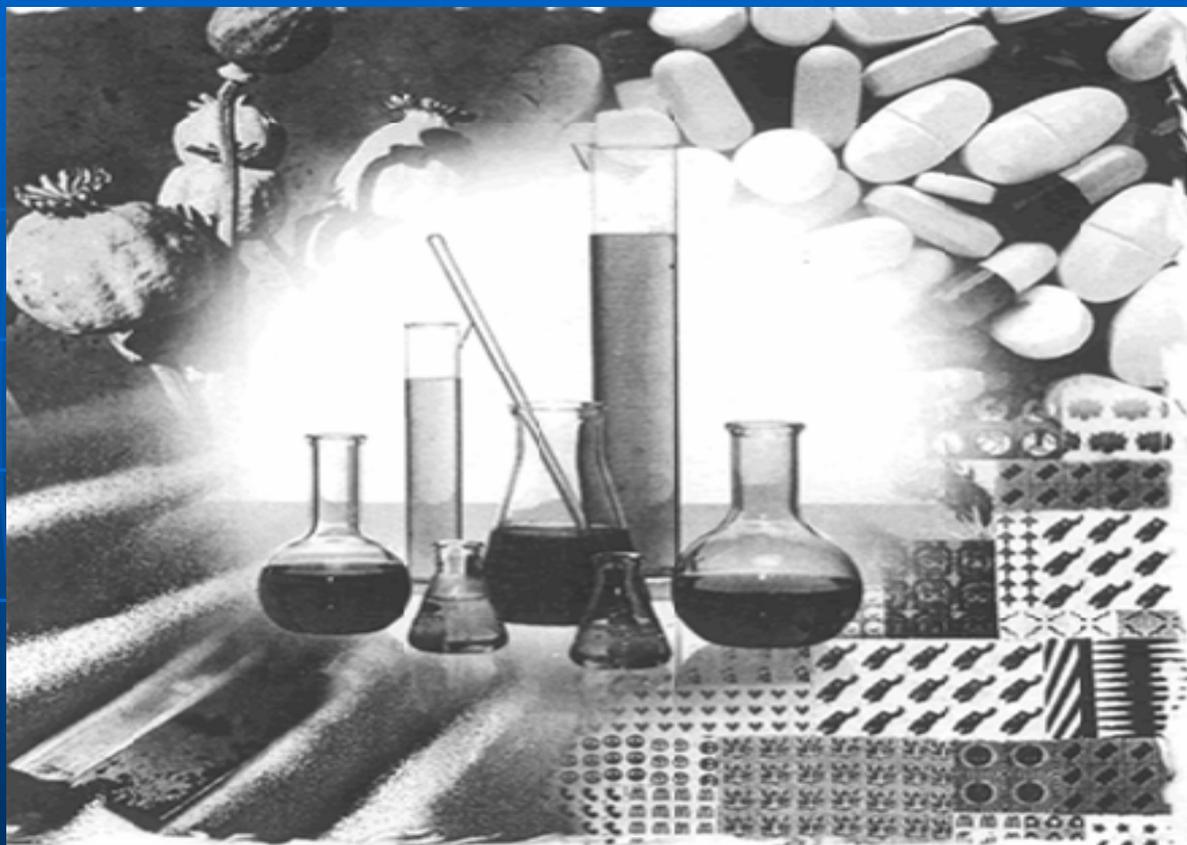


DEA CHEMICAL INDUSTRY CONFERENCE



Louisville, Kentucky
October 31 – November 1, 2006

DANGEROUS DRUGS & CHEMICALS (OED)

MISSION

**TO REDUCE SUPPLY OF ILLICIT DRUGS
AND DIVERTED CHEMICALS BY
DISRUPTING AND DISMANTALING THE
OPERATIONS AND FINANCIAL
INFRASTRUCTURES OF MAJOR
TRAFFICKING ORGANIZATIONS**

**OUR AUTHORITY:
THE CHEMICAL DIVERSION AND TRAFFICKING
ACT OF 1988 (CDTA)**

AS OF TODAY...

- **CONTROLS 38 LISTED CHEMICALS**
- **REGISTRATION OF LIST I CHEMICAL COMPANIES**
- **RECORD KEEPING REQUIREMENTS**
 - **TWO YEARS**
- **REPORTING REQUIREMENTS**
 - **SUSPICIOUS ORDERS, LOSSES, THEFTS**
 - **IMPORTS, EXPORTS, BROKER, TRANSSHIPMENT**
 - **MAIL ORDER REPORTING**

LISTED CHEMICALS UNDER CSA

Listed Chemicals regulated under the Controlled Substances Act See 21 C.F.R. §§ 1309, 1310 and 1313 for details		CONTROLLED SUBSTANCE PRODUCED														THRESHOLDS		
		Amphetamine	Cocaine	N,N-Dimethylamphetamine	Ethylamphetamine	Phenethyl & analogues	Heroin	LSD	MDA	MDA	MDA	Mephedrone	Mephedrone	Mephedrone	4-Methylaminorex	Phencyclidine (PCP)	Phenyl-2-propanone	DOMESTIC
LIST I	1. N-Acetylanthranilic acid ²																40	40
	2. Anthranilic acid ²																30	30
	3. Benzaldehyde	▲															4	4
	4. Benzyl cyanide																1	1
	5. Ephedrine ^{3,5,7}																0	0
	6. Ergonovine ¹																0.010	0.010
	7. Ergotamine ¹																0.020	0.020
	8. Ethylamine ¹																1	1
	9. gamma-Butyrolactone (GBL)																0	0
	10. Hydriodic acid																1.7	1.7
	11. Hypophosphorous acid ¹	■															0	0
	12. Isosafrole																4	4
	13. Methylamine ¹																1	1
	14. 3,4-Methylenedioxyphenyl-2-propanone																4	4
	15. N-Methylephedrine ³																1	1
	16. N-Methylpseudoephedrine ³																1	1
	17. Nitroethane	▲															2.5	2.5
	18. Norpseudoephedrine ³	▲															2.5	2.5
	19. Phenylacetic acid ²																1	1
	20. Phenylpropanolamine ^{3,5,7}	▲															2.5	2.5
	21. Phosphorus (Red)	■															0	0
	22. Phosphorus (white or yellow)	■															0	0
	23. Piperidine ¹																0.500	0.500
	24. Piperonal																4	4
	25. Propionic anhydride																0.001	0.001
	26. Pseudoephedrine ^{3,5,7}																1	1
	27. Safrole																4	4
LIST II	28. Acetic anhydride																1,023	1,023
	29. Acetone	●															150	1,500
	30. Benzyl chloride																1	4
	31. Ethyl ether	●	●														135.8	1,364
	32. Hydrochloric acid ^{5,6}	■	■	■	■	■	■	■	■	■	■	■	■	■	■		N/C	222.3
	32a. Hydrogen chloride gas ^{5,6}	■	■	■	■	■	■	■	■	■	■	■	■	■	■		0	27
	33. Iodine	■															0.4	N/C
	34. Methyl ethyl ketone (2-Butanone)	●	●														145	1,455
	35. Methyl isobutyl ketone ⁴	●	●														N/C	1,523
	36. Potassium permanganate	■	■														55	500
	37. Sulfuric acid ^{5,6}	■															N/C	347
38. Toluene	●															159	1,591	

¹ and its salts
² and its salts and esters
³ and its salts, optical isomers, and salts of optical isomers
⁴ Exports only, to all Western Hemisphere except Canada
⁵ Exports to all South American countries & Panama - Domestic for HCl gas
⁶ Threshold for HCl acid and sulfuric acid is 50 gallons, the equivalent weight in kilograms is shown
⁷ For pseudoephedrine, phenylpropanolamine and combination ephedrine drug products, see 21 USC §§ 802(39)(A)(iv), 802(45) and Historical and Statutory Notes following 21 USC § 802 on Public Law 104-237 § 401(f)

N/C = Not Controlled

DOMESTIC
IMPORTS & EXPORTS
KILOGRAMS

HEROIN AND COCAINE



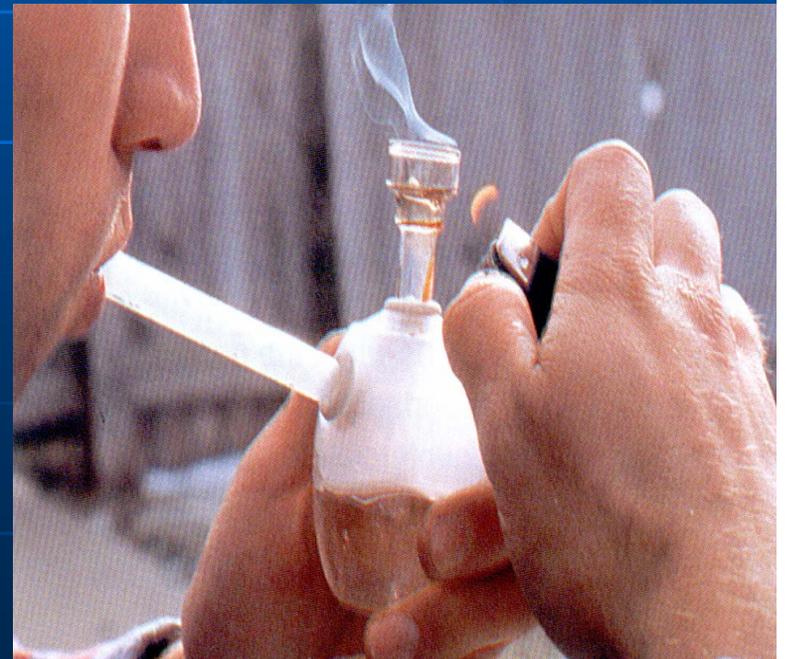
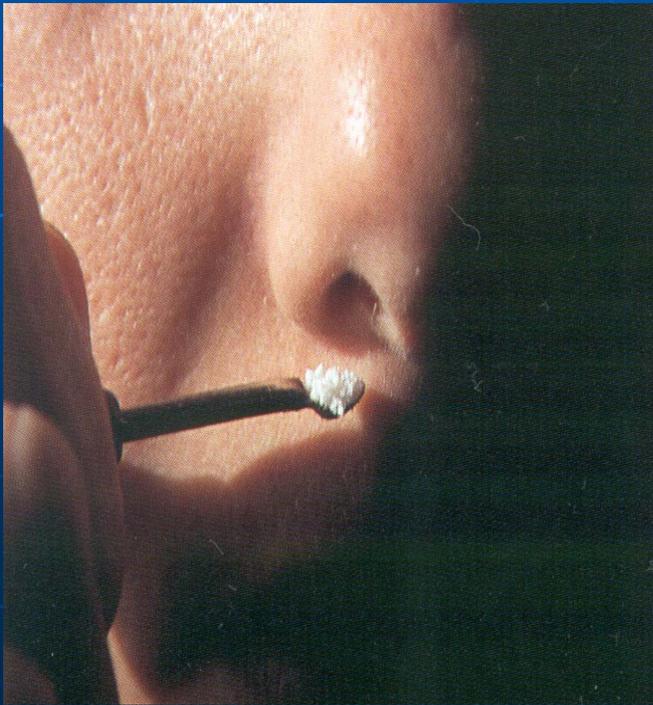
■ **POPPY + OPIUM + ACETONE + AA = HEROIN**



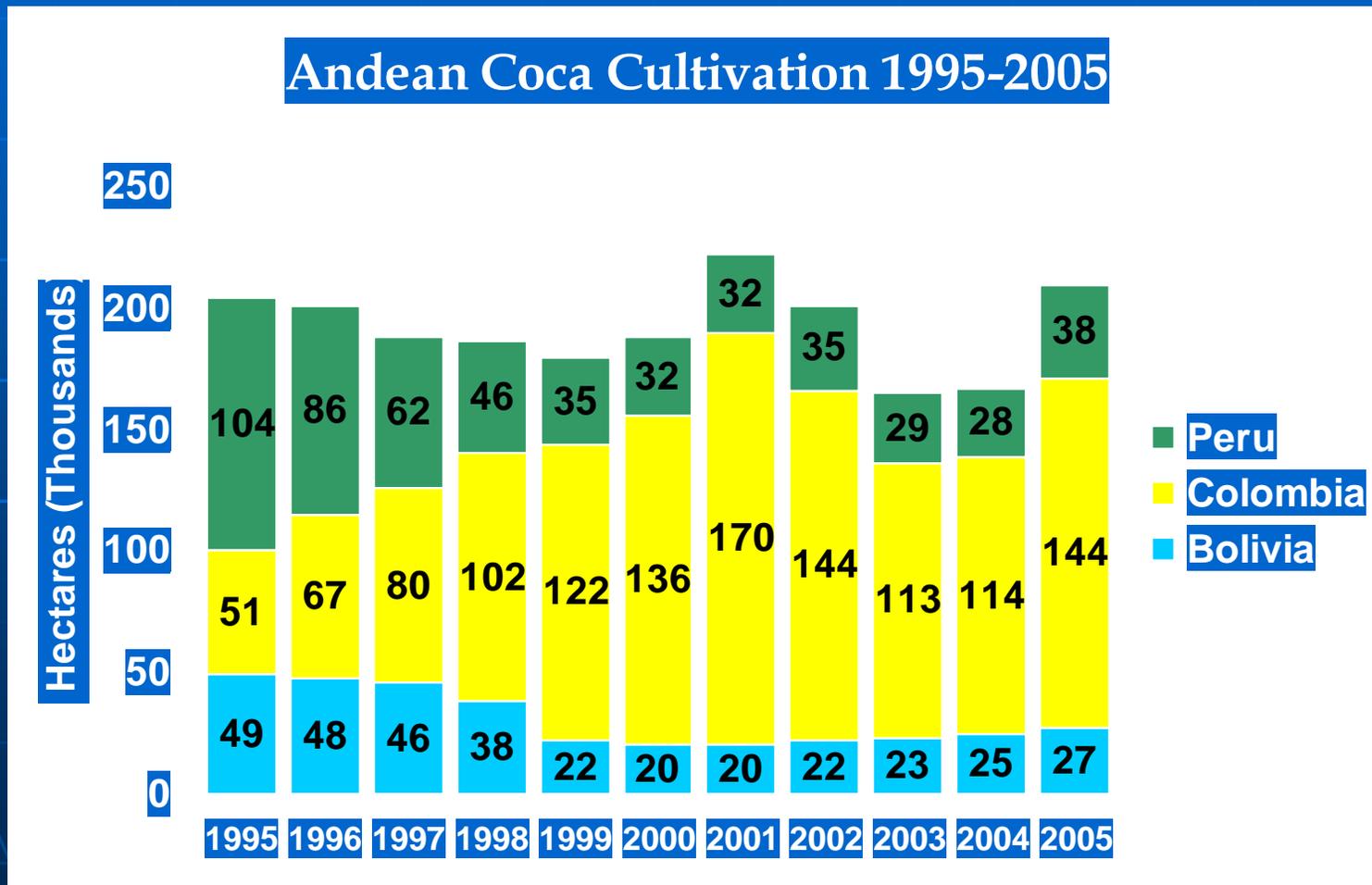
■ **COCA + POTASSIUM PERMANGANATE = COCAINE**



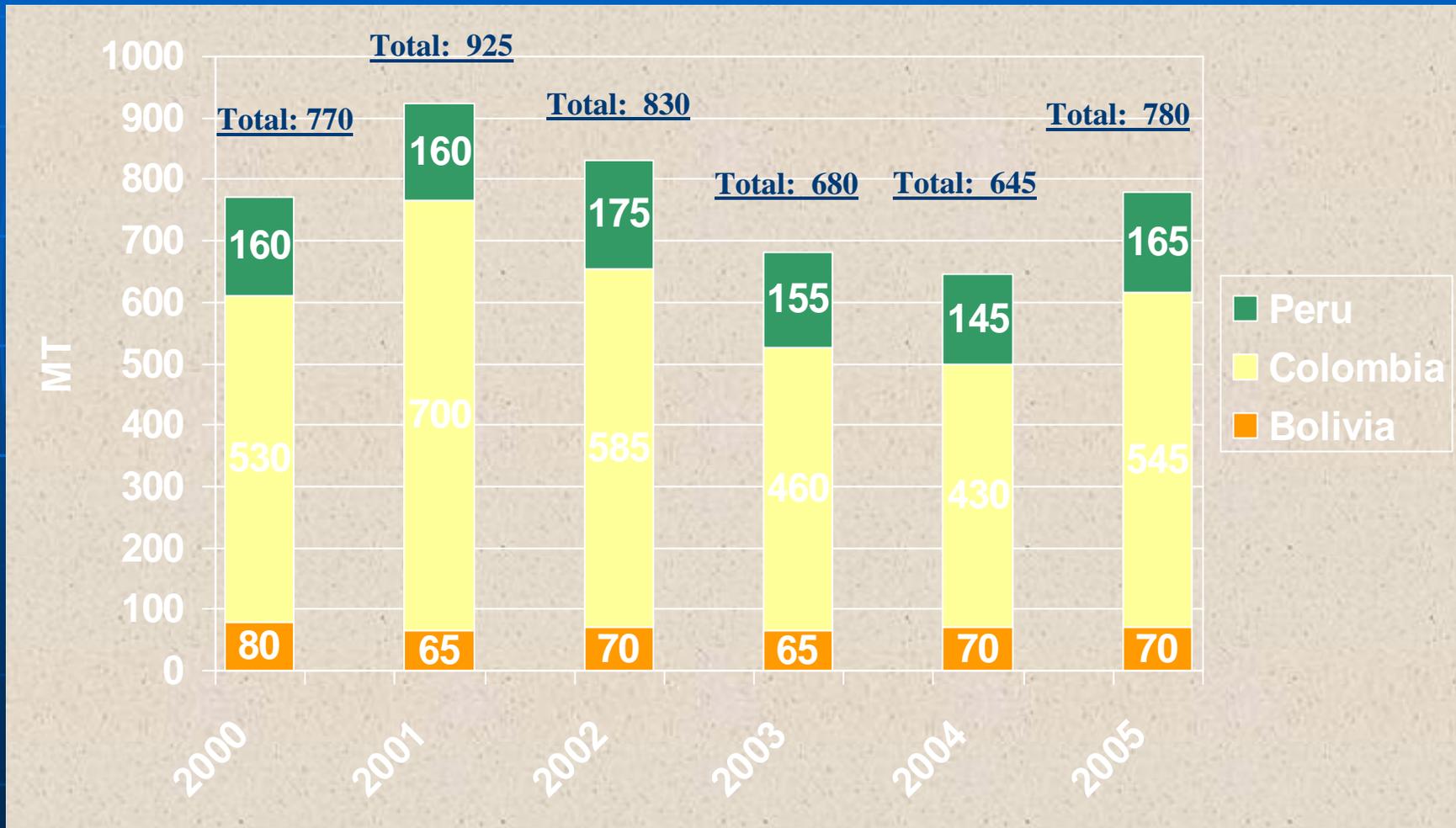
COCAINE



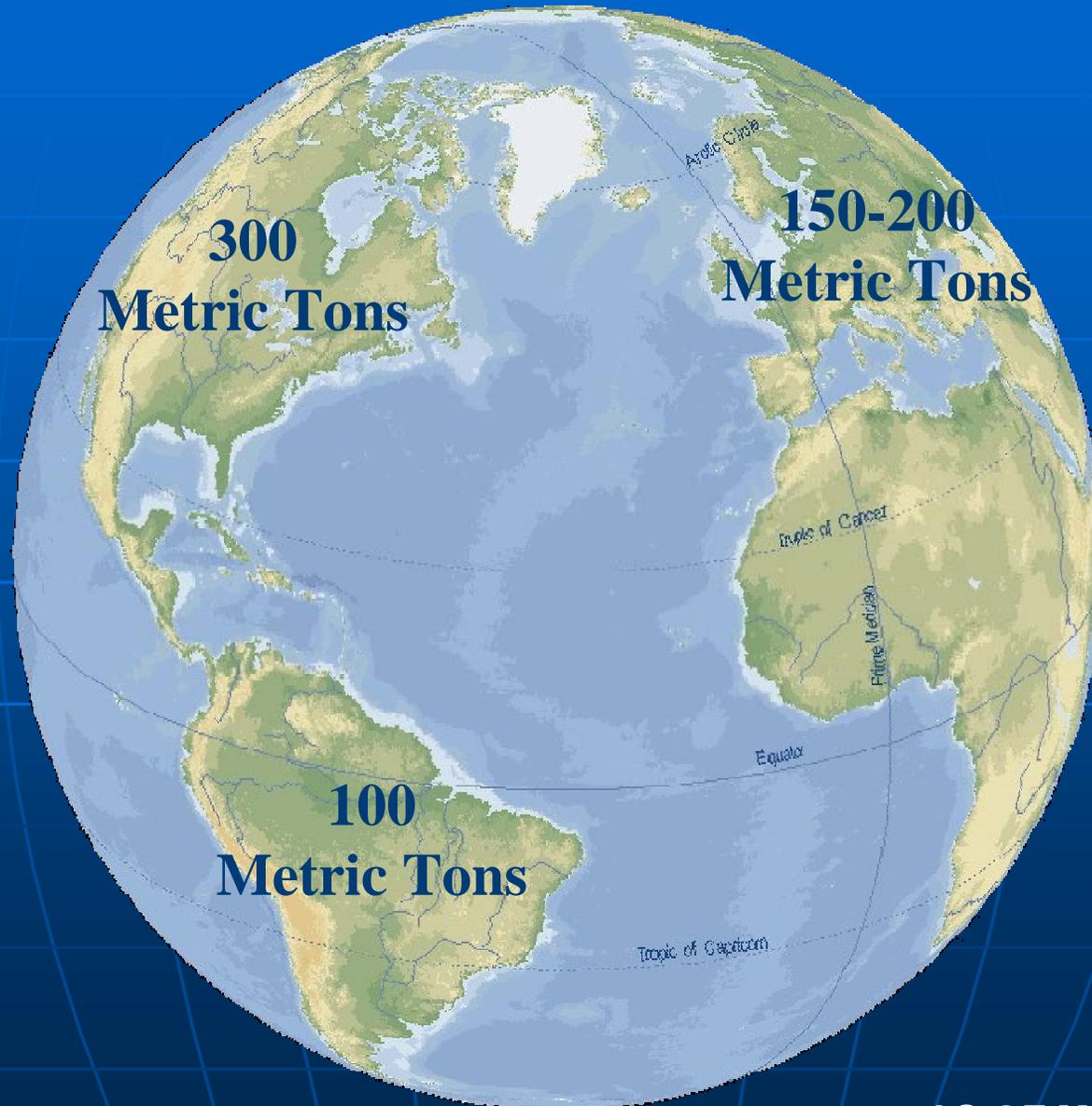
Andean Coca Cultivation 1995-2005



Andean Potential Cocaine Production: 2000-2005 (100% Pure Cocaine)



GLOBAL COCAINE CONSUMPTION



SOURCE: DEA INTELLIGENCE DIVISION

AS OF MARCH 2005

Profile: The Threat from Illegal Drugs

Western Hemisphere Cocaine Trafficking Flows



COCAINE CHEMICALS

OXIDIZER

- POTASSIUM PERMANGANATE

SOLVENTS

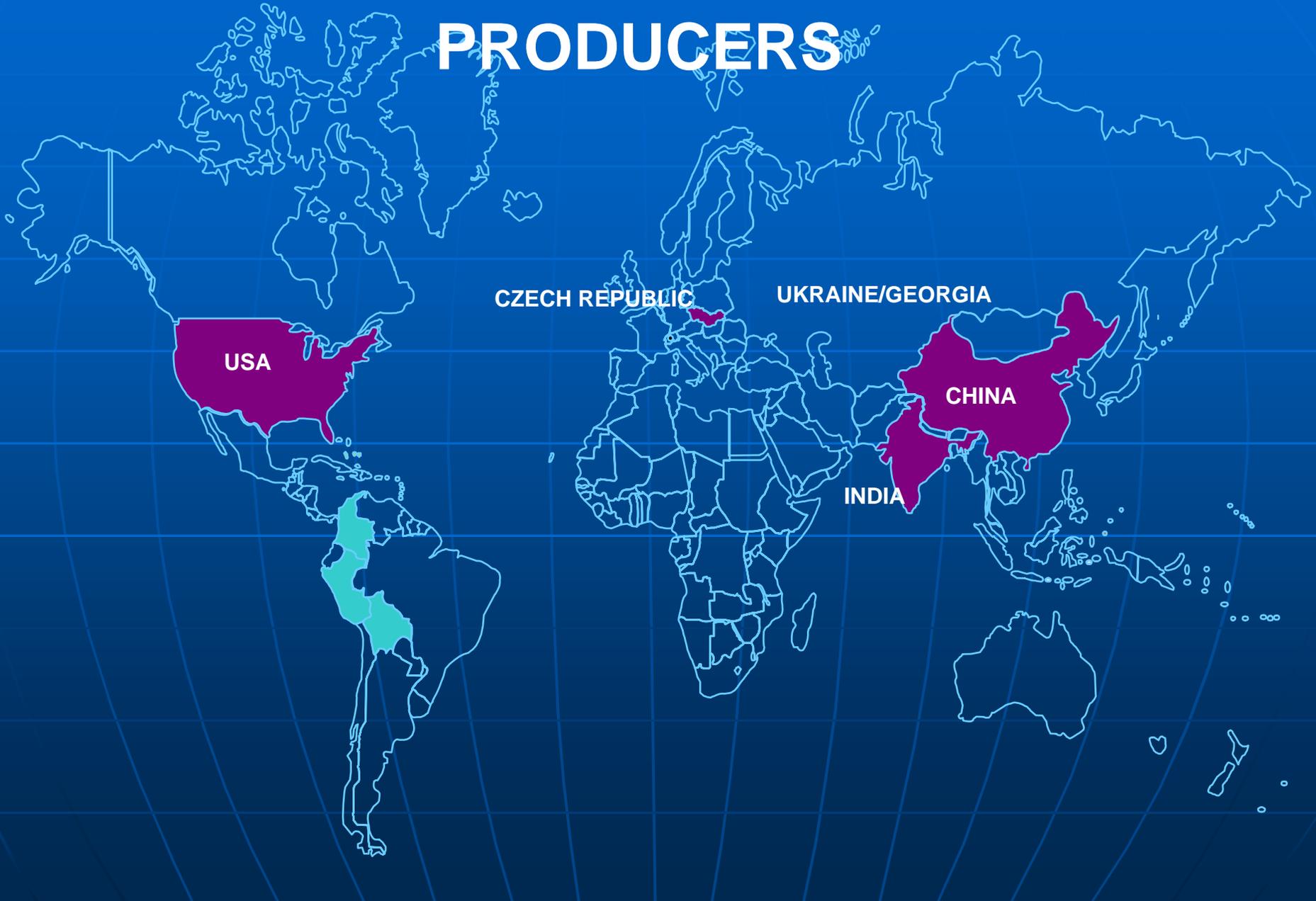
- ACETONE
- ETHYL ETHER
- MEK/MIBK
- TOLUENE



COCAINE - SOURCE COUNTRIES



POTASSIUM PERMANGANATE - PRODUCERS



SOLVENTS - PRODUCERS



OPERATION PURPLE



POTASSIUM PERMANGANATE - KMnO_4



LICIT USES

Leather Industry

Veterinary Medicine

Photography Industry

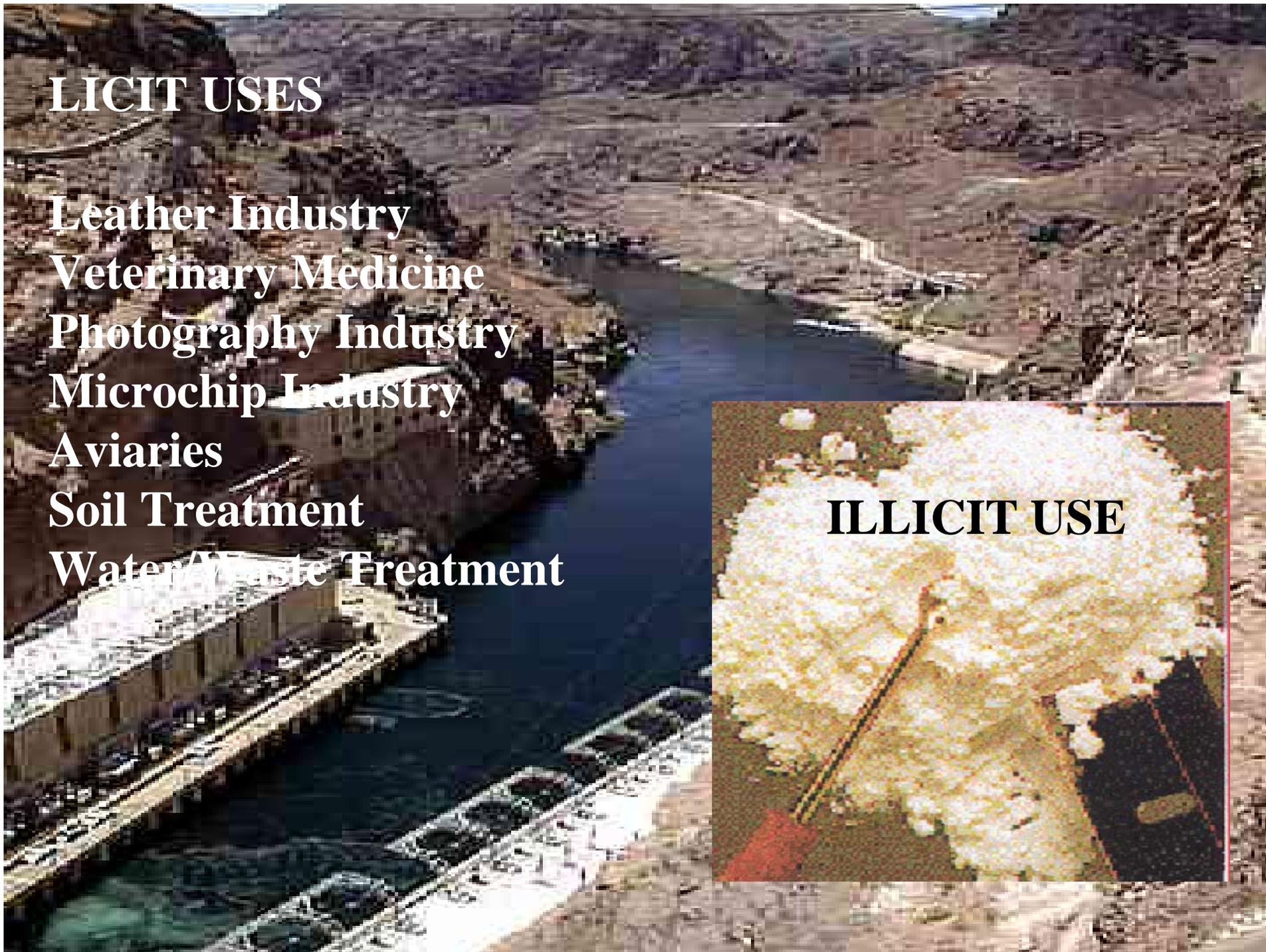
Microchip Industry

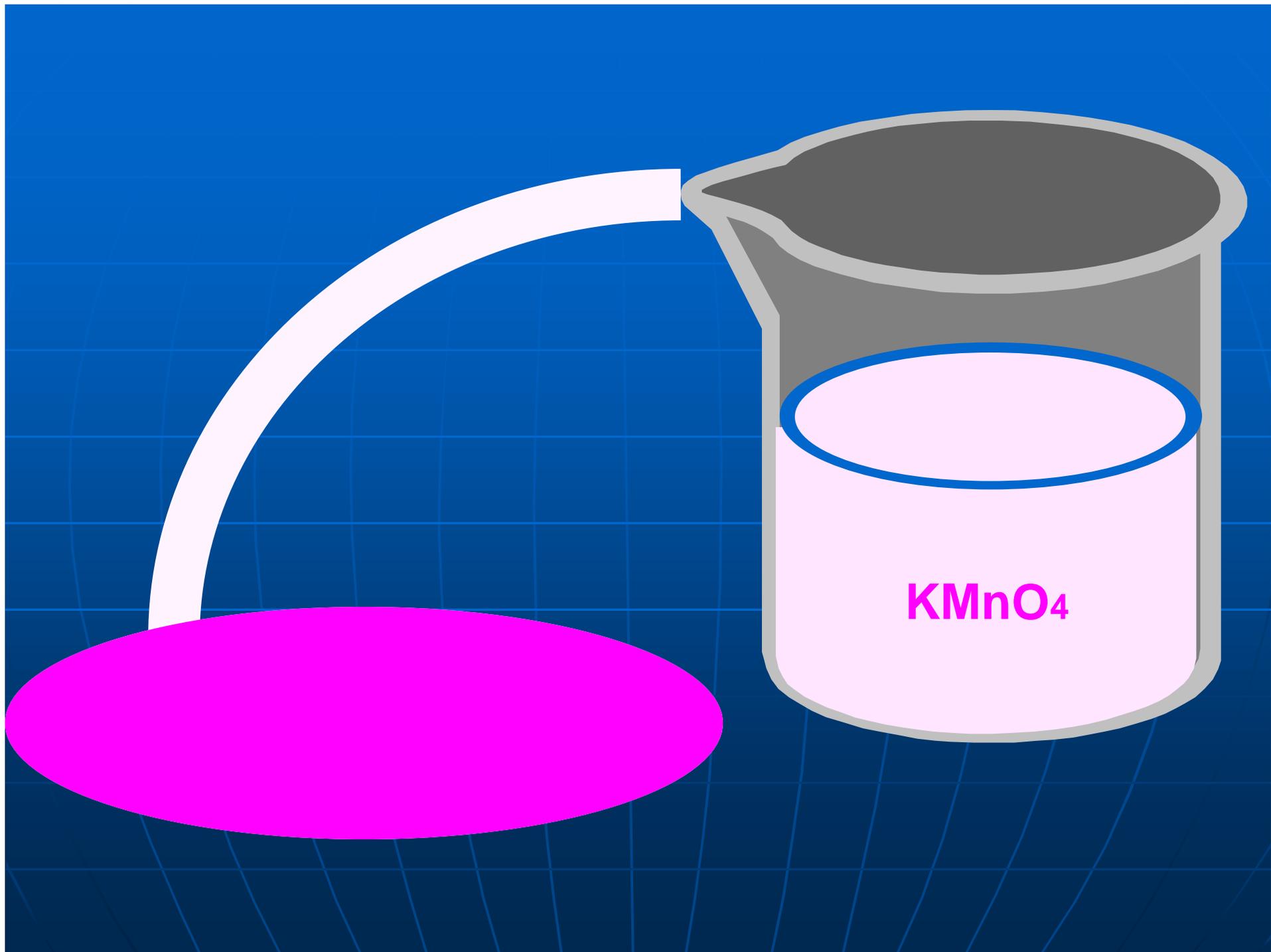
Aviaries

Soil Treatment

Water/Waste Treatment

ILLICIT USE







Powdered cocaine.

INTERNATIONAL OPERATIONAL MEETING ON POTASSIUM PERMANGANATE MADRID, SPAIN - FEBRUARY 1999



OPERATION PURPLE



OPERATION PURPLE

THE GOALS OF THE ACTION PLAN ARE:

- TO INTERCEPT DIVERSION ATTEMPTS, IDENTIFY SUSPICIOUS COMPANIES /INDIVIDUALS**
- TO GATHER INTELLIGENCE ON TRAFFICKERS' DIVERSION METHODS, IDENTIFY NEW TRAFFICKING ROUTES AND PATTERNS**
- TO PROSECUTE ADMINISTRATIVE, CIVIL, CRIMINAL**

OPERATION PURPLE NOTIFICATION FORM

“OPERATION PURPLE”

Reference number:.....

1. ACTION ADDRESSEE:		
2. Additional Addressee:		
3. Additional Addressee:		

4. Sender:	5. Agency:	6. Country:
7. Telephone:	8. Fax:	9. E-Mail:
10. Date of Request:		

11. Does your office have any objections to this shipment? Yes No Further Inquiry Needed

*** If YES, please attach details and reasons***

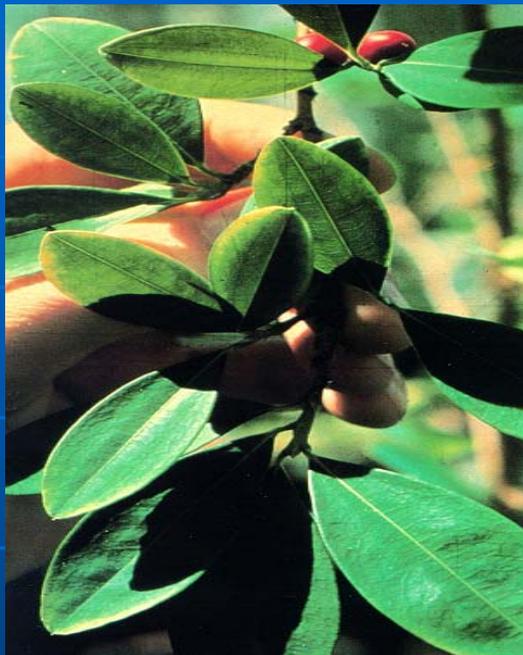
NOTE: Information should be provided to the extent permitted by national legislation.

12. Chemical:	13. Harmonized Code:	14. Quantity:
15. Export Country:	16. Departure Port:	17. Departure Date:
18. Import Country:	19. Entry Port:	20. Est. Arrival Date:
21. Transshipment Route/Free Trade Zones:		22. Transport Mode:
23. Import Authorization No.:	24. Status of Shipments:	
25. Importer/Consignee: <i>Name</i> <i>Address</i>		<i>Telephone:</i> <i>Fax:</i>
26. Other Remarks:		

27. Manufacturer or Exporter: <i>Name</i>	<i>Address:</i>	<i>Tele/Fax:</i>
28. Broker(s): <i>Name</i>	<i>Address:</i>	<i>Tele/Fax:</i>
29. Transit Firm(s): <i>Name</i>	<i>Address:</i>	<i>Tele/Fax:</i>
30. Transportation Details (Flight No./Vessel, etc.):		

OPERATION PURPLE ACCOMPLISHMENTS

APRIL 1999 – DECEMBER 2004



- **3,604 SHIPMENTS MONITORED**
- **77,092,903 KILOGRAMS TRACKED**
- **57 ARRESTS**

AS OF 12/31/04

OPERATION PURPLE SEIZED AND STOPPED SHIPMENTS



120 SHIPMENTS
INVOLVING 6,859,821
KILOGRAMS OF PP

AS OF 12/31/04

EMERGING TRENDS



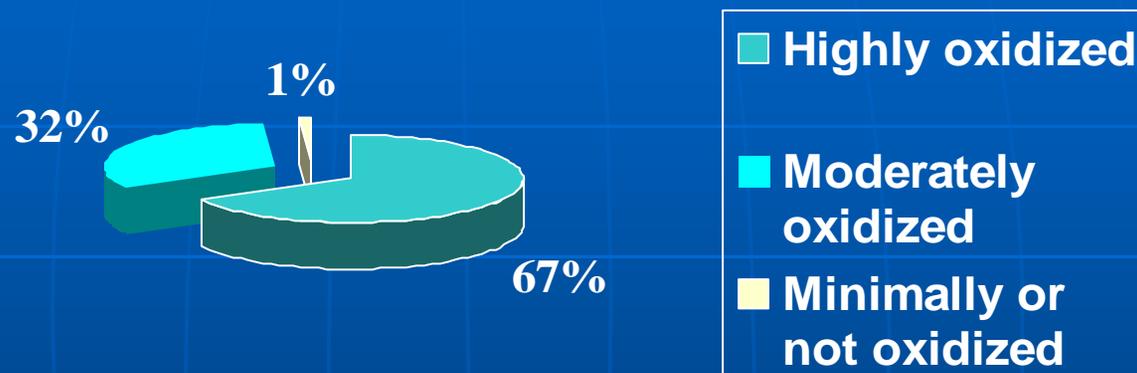
EFFECTS OF THE PP INITIATIVE

- **UNPRECEDENTED ADVANCES IN REGULATORY CONTROLS**
- **LAW ENFORCEMENT OPERATIONS**
- **CHANGES IN POTASSIUM PERMANGANATE INTERNATIONAL TRAFFICKING PATTERNS**



- **There are currently 63 non-participating countries purchasing potassium permanganate**

COCAINE PURIFICATION LEVELS

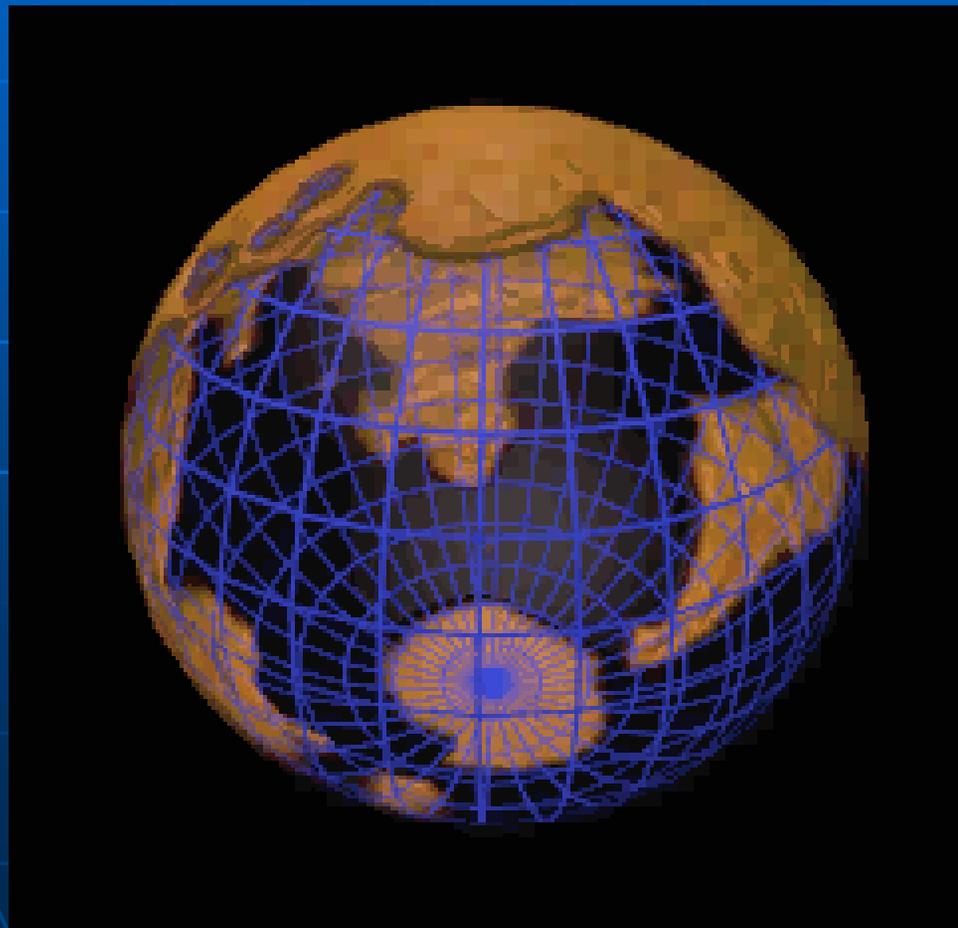


STRL REPORTS THAT THE PERCENTAGE OF HIGHLY OXIDIZED SAMPLES - 67%

MODERATELY OXIDIZED - 32%

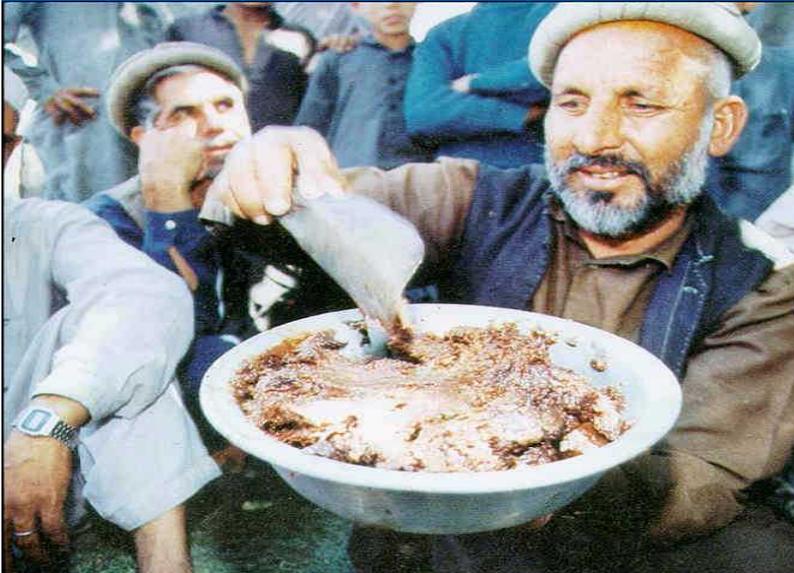
MINIMALLY OR NOT OXIDIZED - 1%

KMnO₄

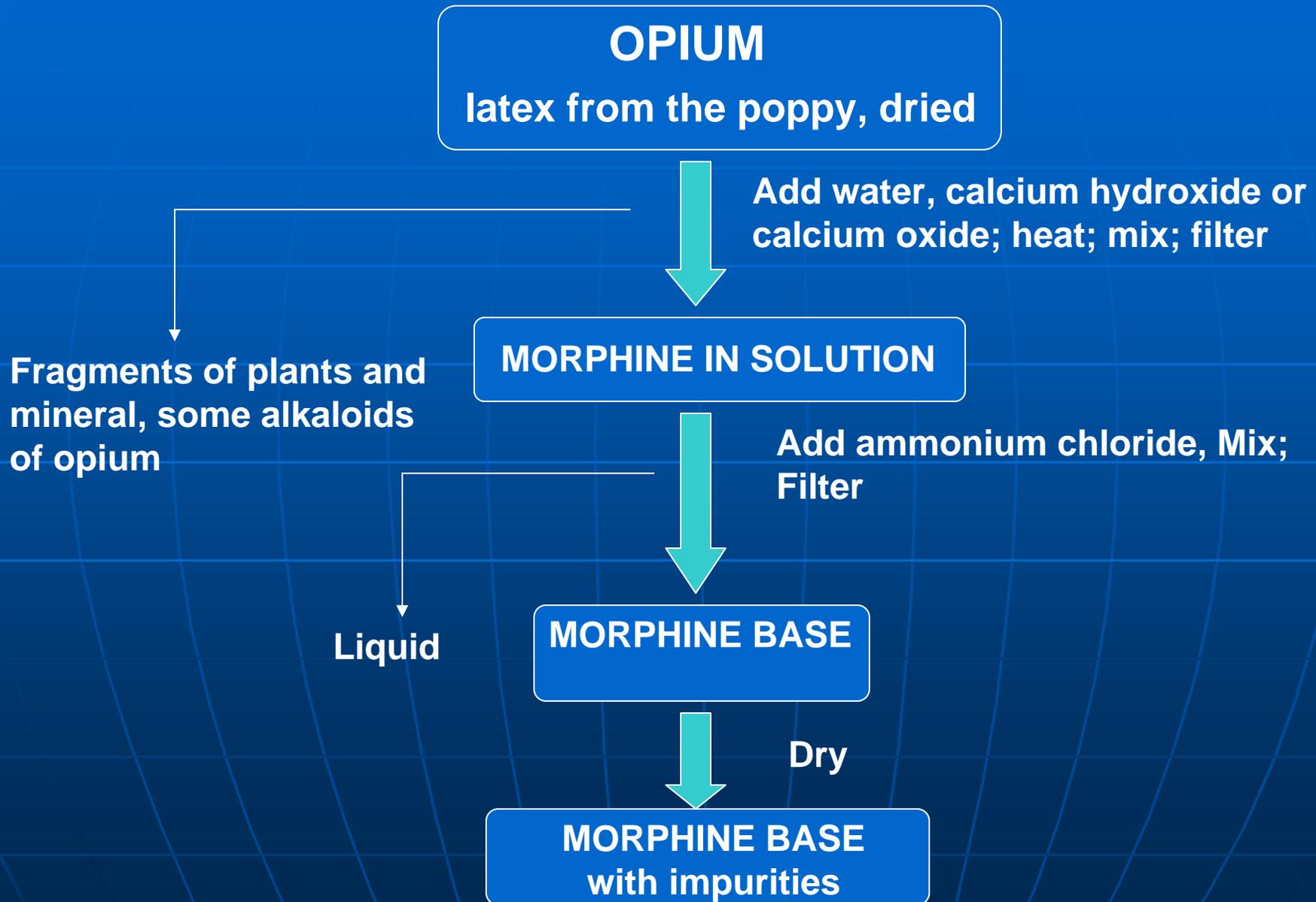




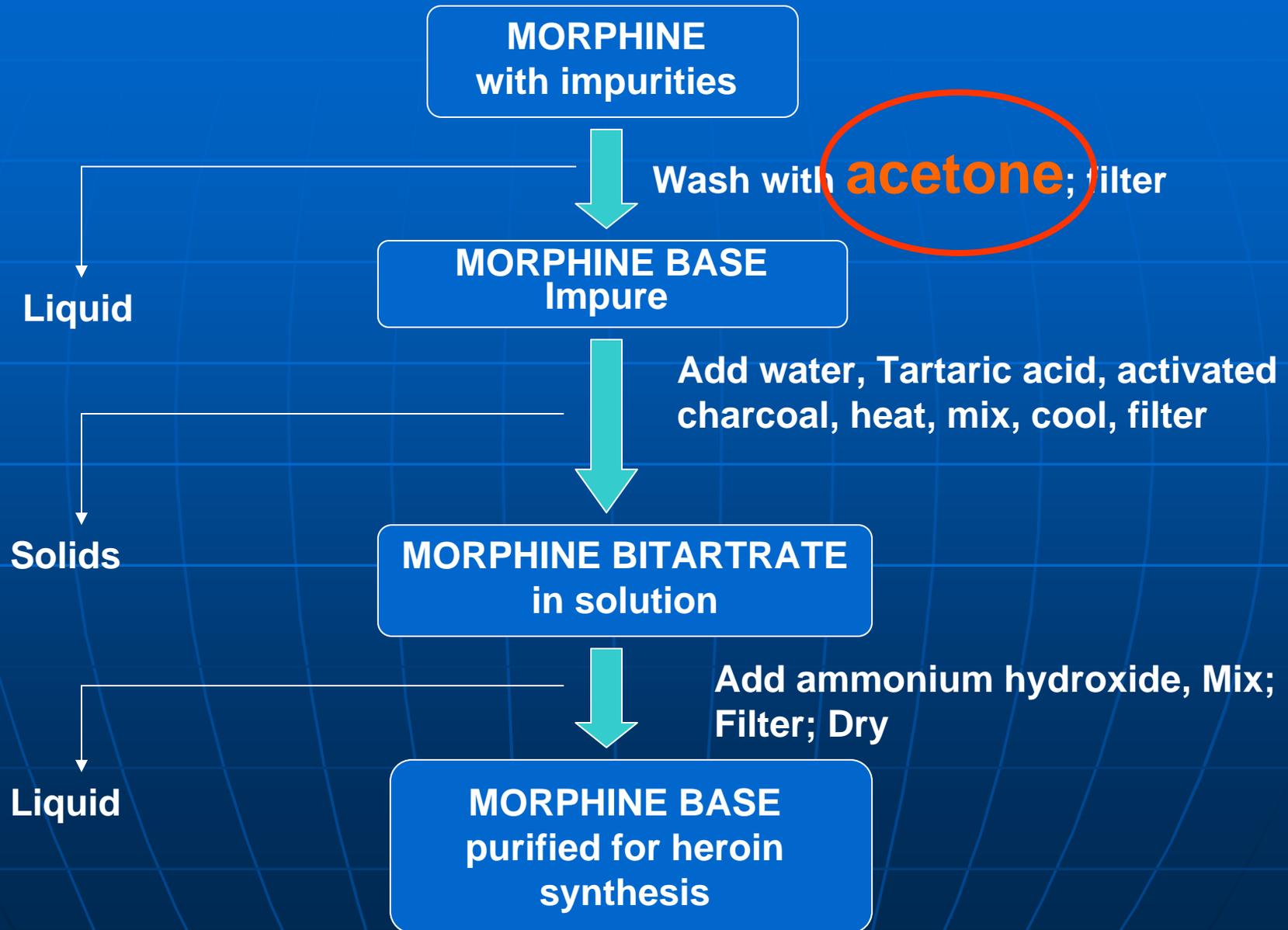
HEROIN



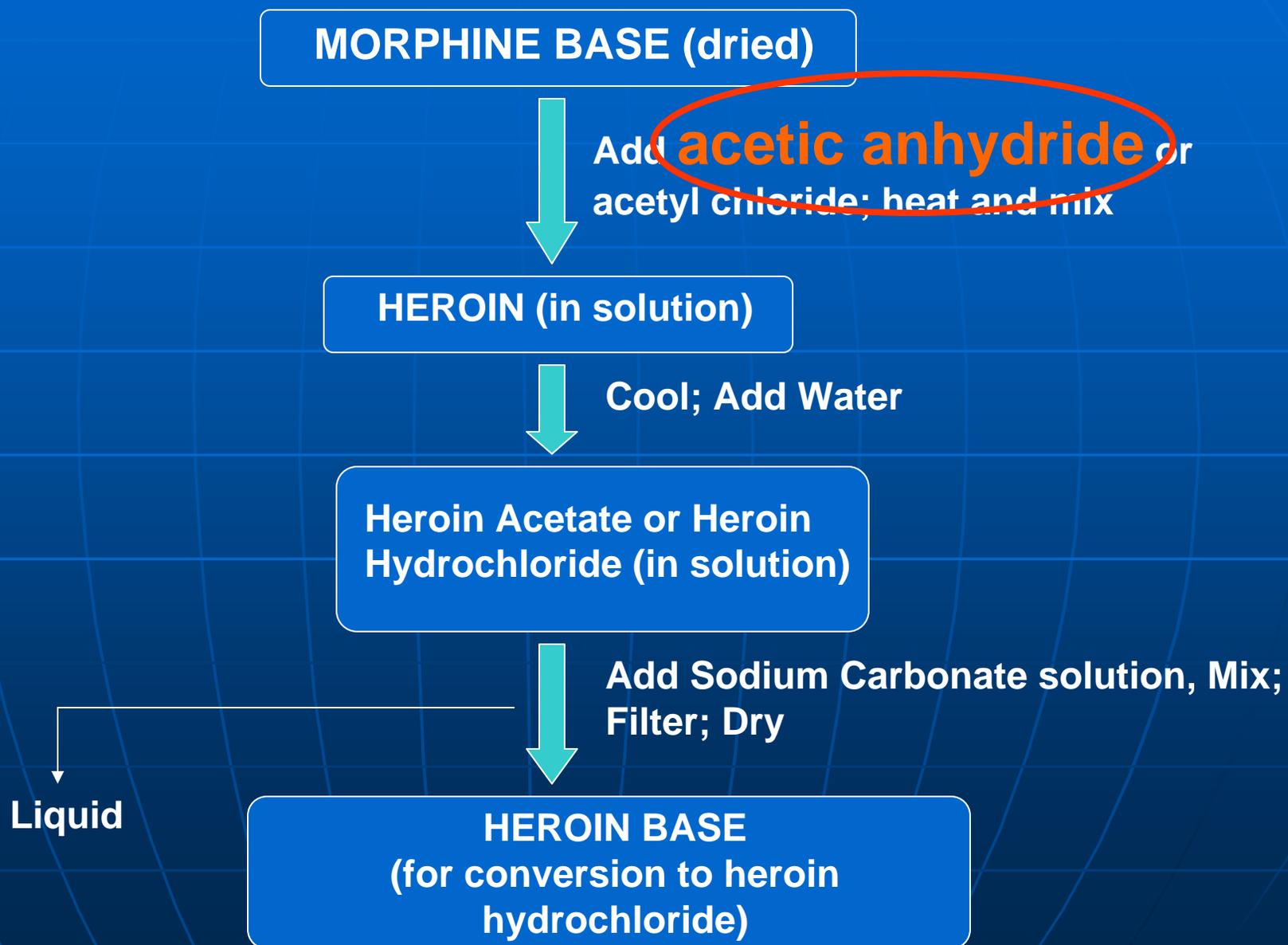
EXTRACTION OF MORPHINE FROM OPIUM



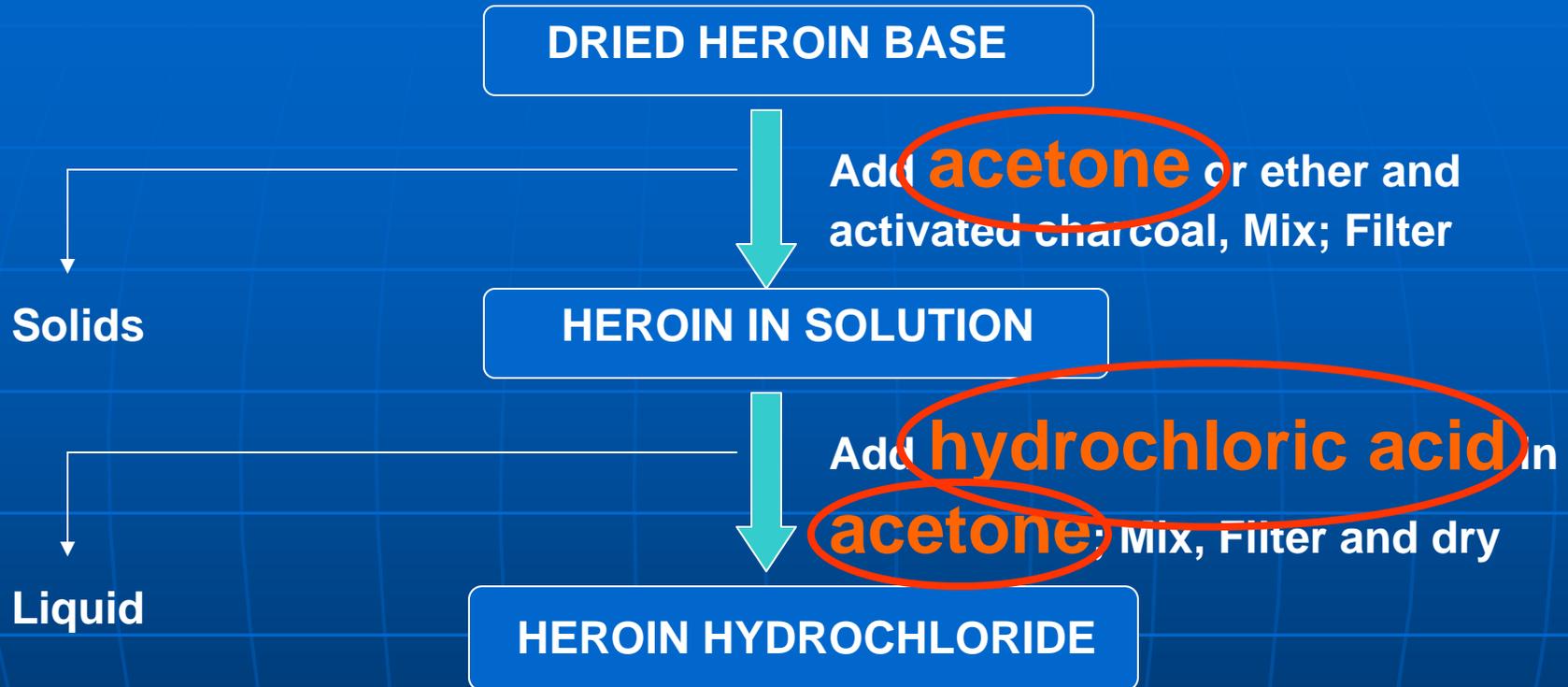
PREPARATION OF PURIFIED MORPHINE BASE



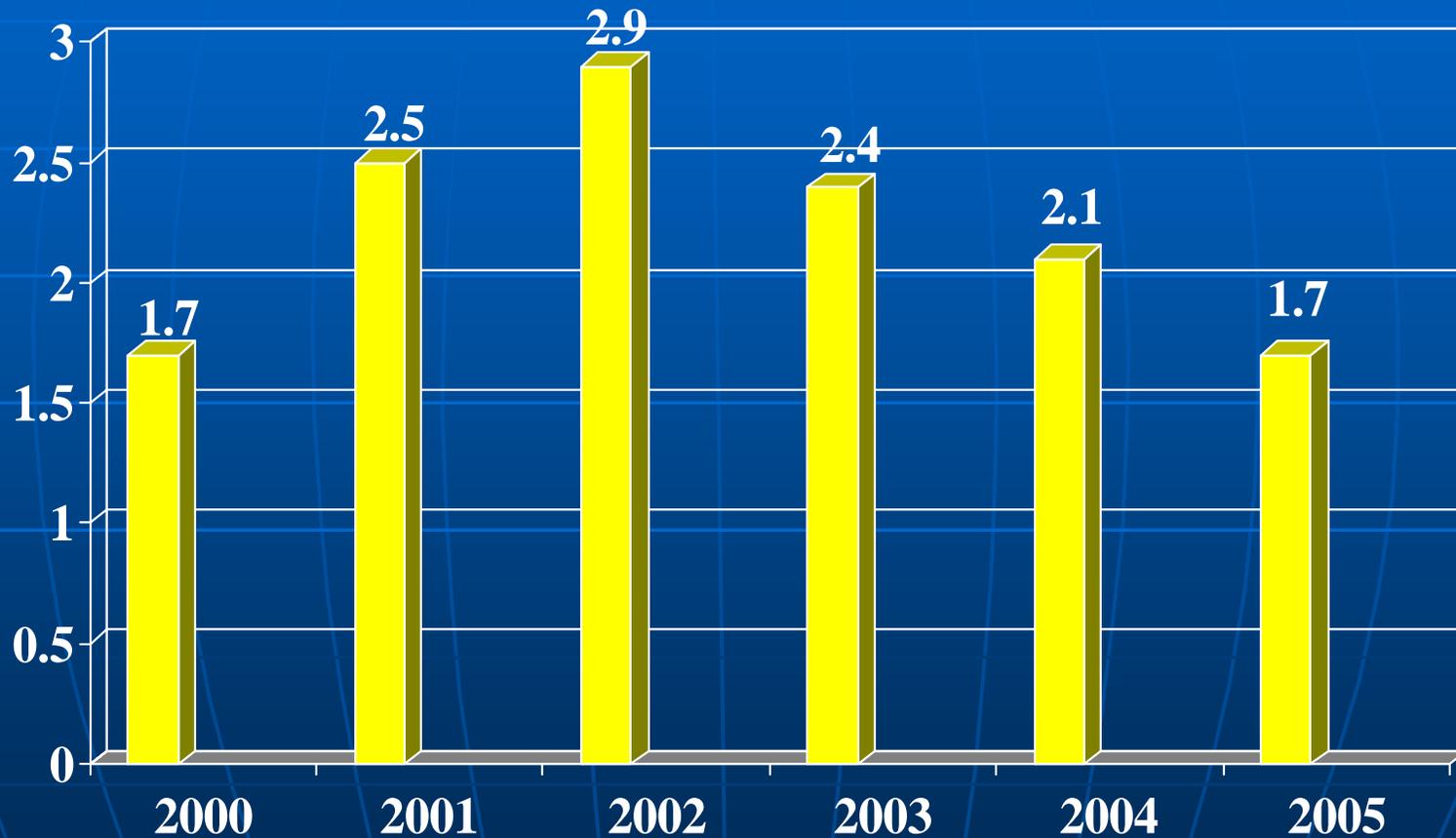
PRODUCTION OF HEROIN



PRODUCTION OF HEROIN HYDROCHLORIDE



United States Heroin Seizures 2000 - 2005



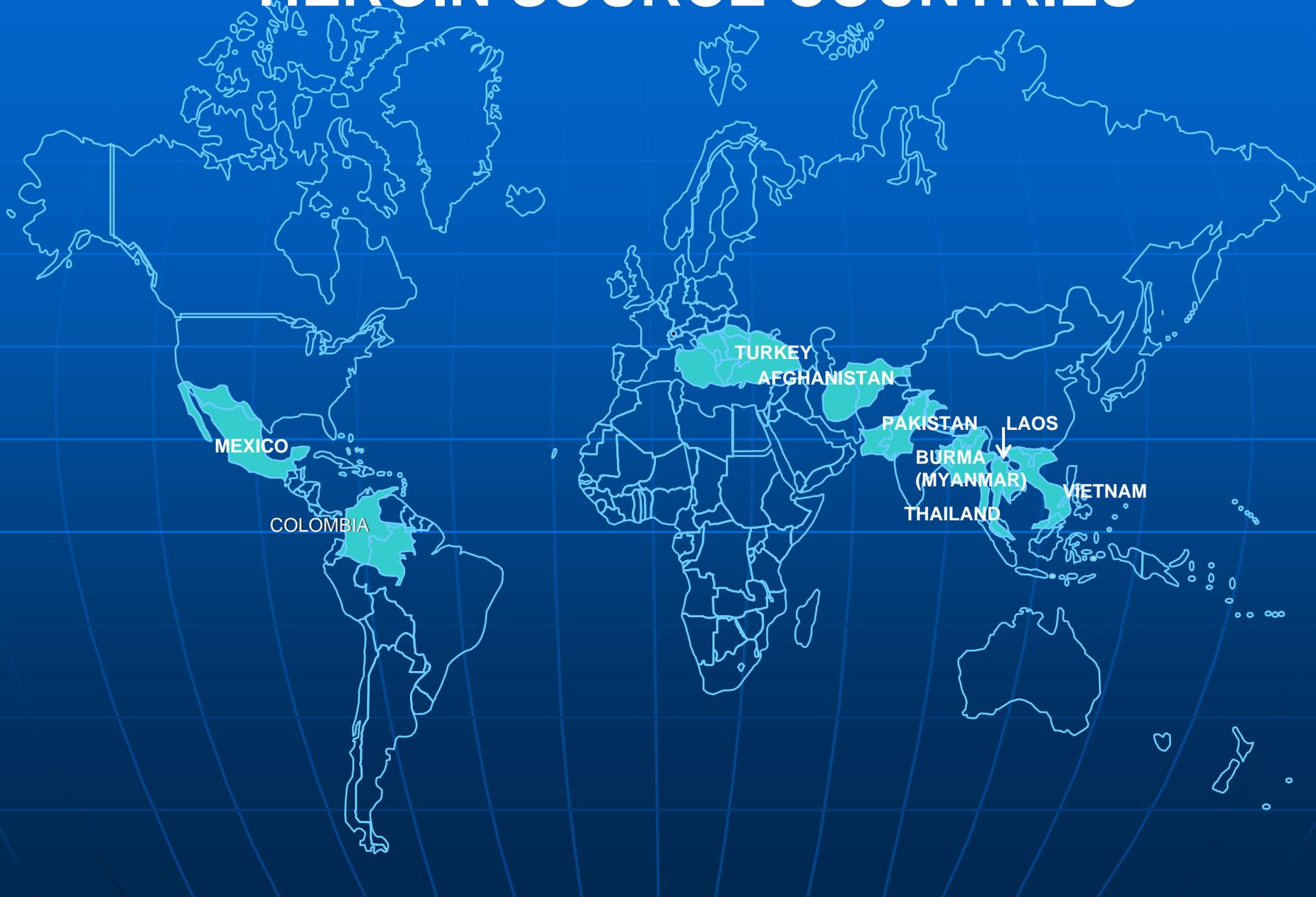
Source: DEA

in metric tons

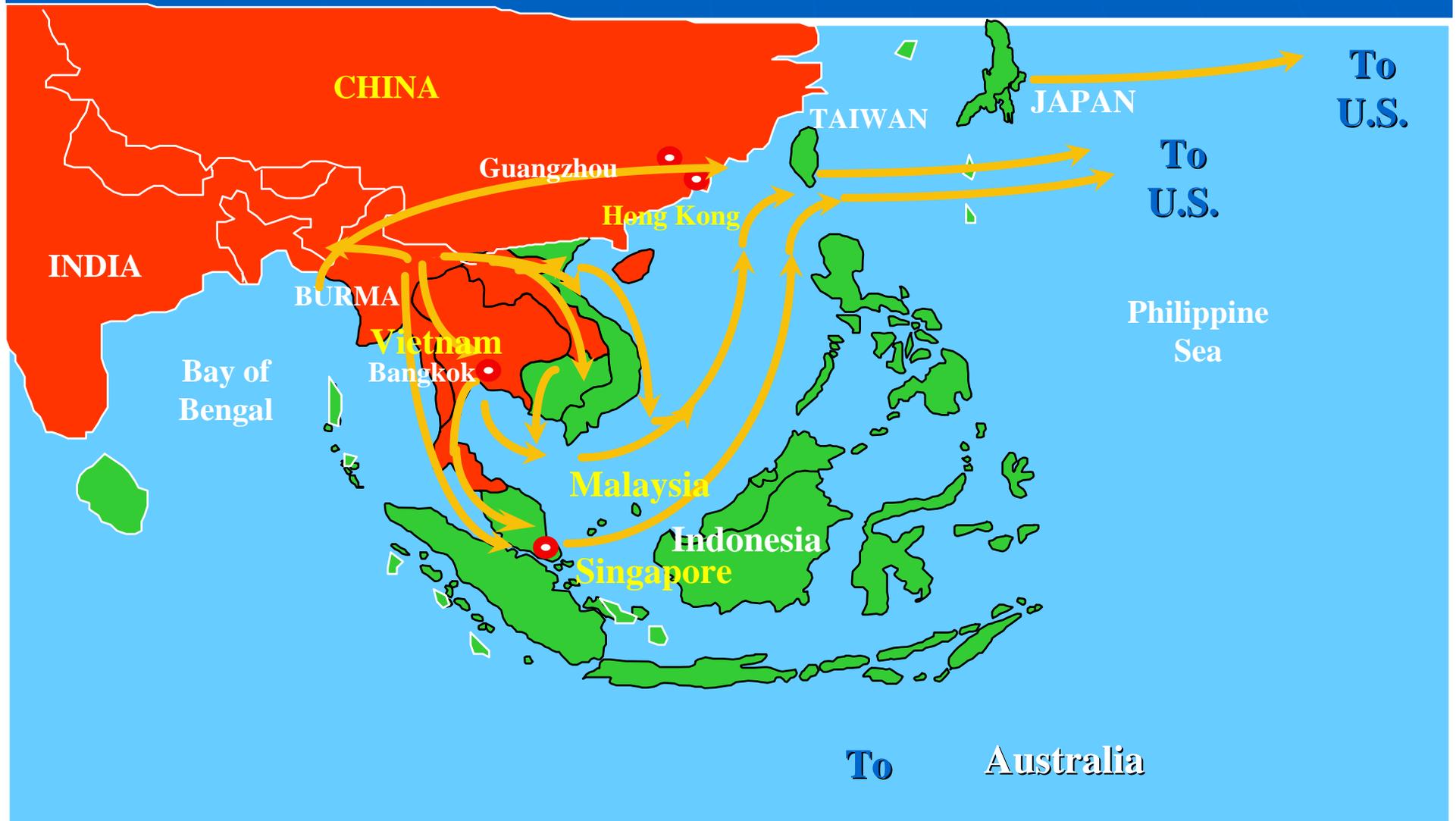
HEROIN SOURCE COUNTRIES



HEROIN SOURCE COUNTRIES



Smuggling Routes From Southeast Asia





CHEMICALS REQUIRED FOR HEROIN PRODUCTION

SOLVENTS

- * ACETONE
- * ETHYL ETHER
- * HYDROCHLORIC ACID
- * METHYL ETHYL KETONE
- * METHYL ISOBUTYL KETONE

PRECURSOR

- * ACETIC ANHYDRIDE

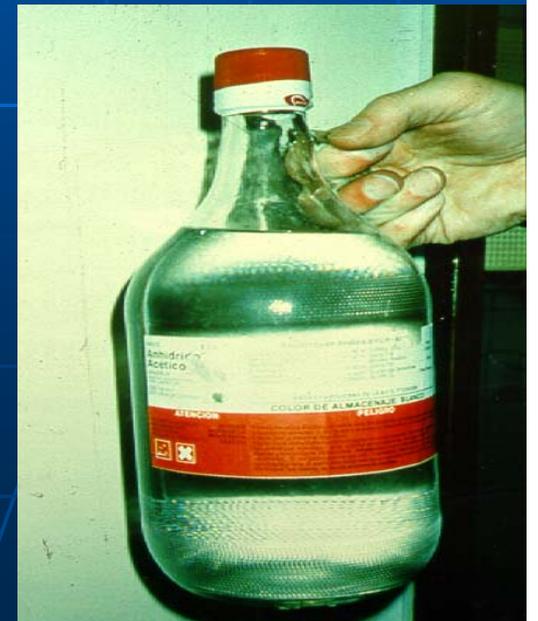


ACETIC ANHYDRIDE





OPERATION TOPAZ



ACETIC ANHYDRIDE

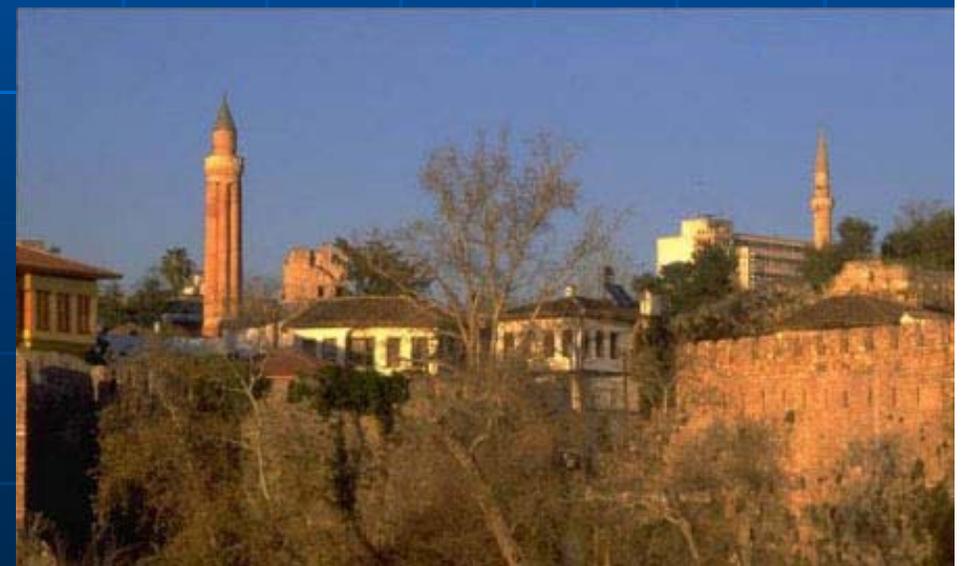


Licit Uses



- * Cellulose
- * Acetates
- * Cigarette filters
- * Suit Linings
- * Analgesics
- * Explosives
- * Dyeing
- * Flavoring
- * Fragrances
- * Brake/drilling fluids
- * Herbicides

INTERNATIONAL AA TRACKING CONFERENCE ANTALYA, TURKEY - October 2000



OPERATION TOPAZ - ANTALYA MEETING PARTICIPANTS



OPERATION TOPAZ

THE GOALS OF THE ACTION PLAN ARE:

- TO INTERCEPT DIVERSION ATTEMPTS, IDENTIFY SUSPICIOUS COMPANIES /INDIVIDUALS**
- TO GATHER INTELLIGENCE ON TRAFFICKERS' DIVERSION METHODS, IDENTIFY NEW TRAFFICKING ROUTES AND PATTERNS**
- TO PROSECUTE ADMINISTRATIVELY, CIVILLY, CRIMINALLY**

Operation Topaz Notification Form

Date:

Reference: US/03-01/001

This shipment **WILL/WILL NOT** proceed if a reply is not received by _____

01. ACTION ADDRESSEE:		
02. ADDITIONAL ADDRESSEE(S):		
03. CHEMICAL:	04. QUANTITY:	
05. EXPORTING COUNTRY:	06. IMPORTING COUNTRY:	
07. IMPORTER: Address:	Name:	Phone: Fax:
08. ULTIMATE CONSIGNEE: Address:	Name:	Phone: Fax:
09. Point of exit:	10. Departure date:	11. HS number:
12. Point of entry:	13. Est. arrival date:	
14. Flight/shipping details:		
15. Transshipment route ^a :		
16. Transportation details ^b :		
17. Import/export authorization number and date:		
18. Manufacturer Name: Address:		Phone: Fax:
19. Exporter Name: Address:		Phone: Fax:
20. Broker(s) Name: Address:		Phone: Fax:
21. Transit company (ies) Name: Address:		Phone: Fax:
22. Other remarks:		
23. SENDER (name & signature):	24. Agency:	25. Country:
26. Telephone:	27. Fax:	28. E-mail:

a. Transshipment route (Item 15) should include free trade zones and final destination.
 b. Transportation details (Item 16) refer to flight no., vessel name and no., vehicle plate, etc.

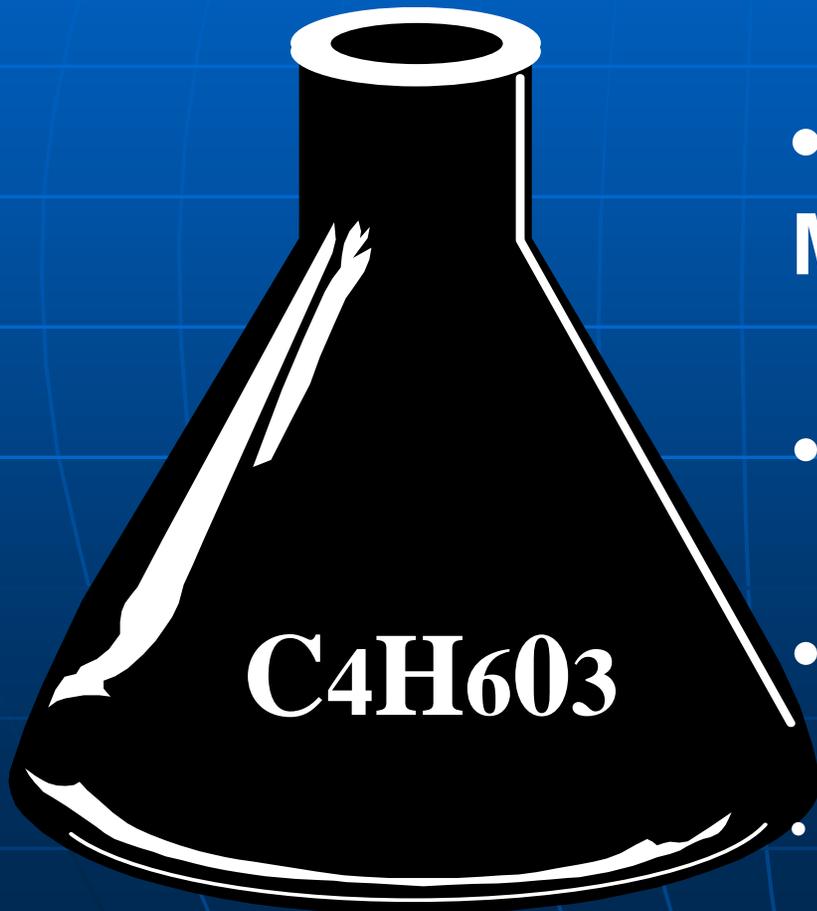
OPERATION TOPAZ

- 47 PARTICIPATING COUNTRIES

- 8,409 SHIPMENTS MONITORED

- 1,015,378 KGS

- 8 ARRESTS

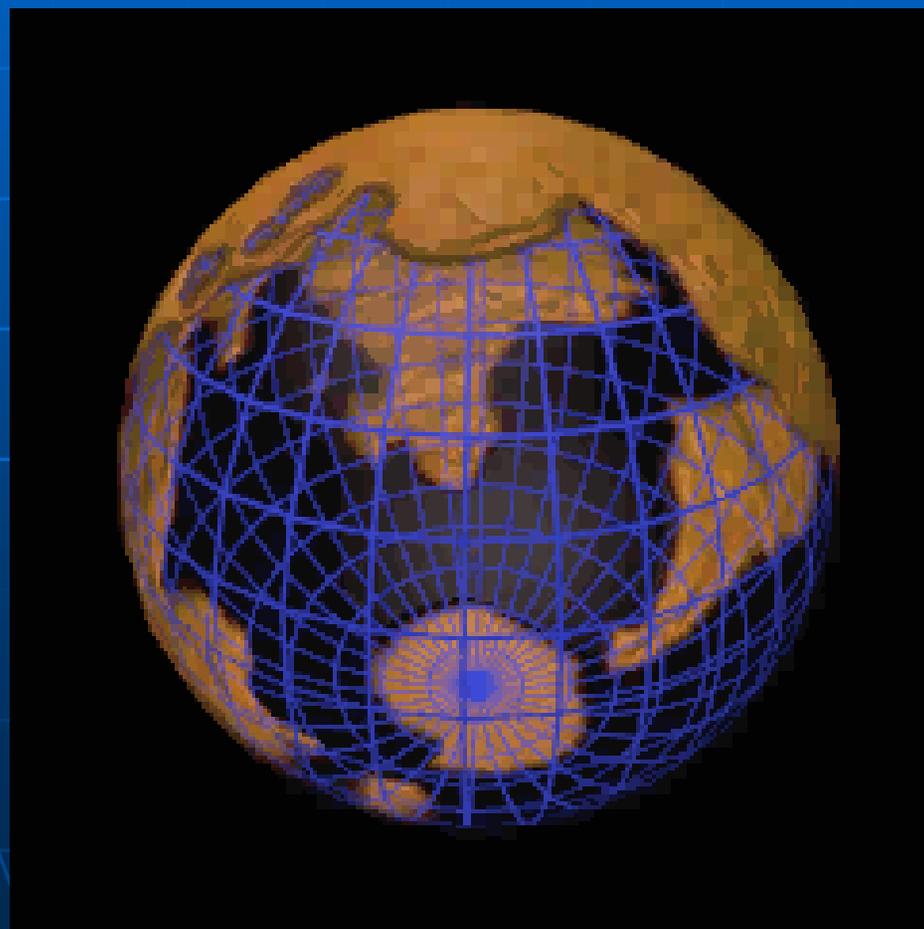


AS OF 12/31/04

OPERATION TOPAZ STOPPED AND SEIZED SHIPMENTS



С4Н6О3



PROJECT COHESION



OPERATION PURPLE

+



OPERATION TOPAZ

PROJECT COHESION

- **Project Cohesion was established in October 2005;**
- **Adopt a regional approach utilizing time-limited operations;**
- **Base activities on a real-time exchange of information;**

PROJECT COHESION

- **Develop and share intelligence information, as appropriate;**
- **Conduct backtracking investigations into seizures/stopped shipments;**
- **Regularly evaluate operational activities; and**
- **Closely coordinate with the Project Prism task force and operational activities.**

PROJECT COHESION PARTICIPANTS

- 
- 6 COUNTRIES AND 4 INTERNATIONAL/REGIONAL ORGANIZATIONS ON TASK FORCE
 - 62 COUNTRIES PARTICIPATE

PROJECT COHESION:

Tracking/Verification Process

Notification forms concerning shipments of chemicals are faxed to all countries involved in chain:

- **Country of initial export**
- **All transit (relay) countries**
- **Importing country**

International Methamphetamine Precursor Control Efforts:

Hong Kong Producers Meeting

- February 2006, Hong Kong Producers Meeting.
- Major precursor producer nations and Methamphetamine & ATS effected nations attended.
- Agreement that control of the precursors (and preparations) a problem.
- Disagreements regarding sharing of information (licit trade concerns, lack of UN requirement regarding preparations).

International/Multilateral Efforts: Methamphetamine Precursor Control Efforts: 49th Commission on Narcotic Drugs

- 49th UN Commission on Narcotic Drugs (CND) in Vienna.
- U.S. sponsored resolution: “Strengthening Systems for Control of Precursor Chemicals Used in the Manufacture of Synthetic Drugs”.
- Resolution passes after significant negotiation with producers (EC, China, and India).

International/Multilateral Efforts: 49th Commission on Narcotic Drugs

- Requests countries to provide to the International Narcotics Control Board (INCB) annual estimates of their legitimate requirements (to include preparations) of 3,4 MDP2P, P2P, pseudoephedrine, and ephedrine.
- Requests importing countries to ensure that its imports of these substances, and preparations containing these substances, are commensurate with their legitimate requirements.

International/Multilateral Efforts:

49th Commission on Narcotic Drugs

- Urges countries to continue to provide to the INCB, subject to their national legislation and taking care not to impede legitimate international commerce, information on all shipments of the substances and pharmaceutical preparations containing these substances.
- Requests countries to permit the INCB to share shipment information on pharmaceutical preparations containing these substances with concerned law enforcement and regulatory authorities to prevent or interdict diverted shipments.

International/Multilateral Efforts: 49th Commission on Narcotic Drugs

- Mechanism for the sharing of shipment information could be done under the standard operating procedures as established in Project Prism by using the INCB online Pre-Export Notification system.
- The resolution also requested that the UN ensure that INCB precursor programs are adequately funded.

International Methamphetamine Precursor Control Efforts: Project Prism

- The INCB's Project Prism is an international initiative aimed at assisting governments in developing and implementing operating procedures to more effectively control and monitor trade in amphetamine-type stimulant precursors in order to prevent their diversion.
- Project Prism is directed by a task force with members responsible for identifying specific issues to be addressed in their respective regions and for launching operations and initiatives to address identified synthetic drug precursor control problems.

International Methamphetamine Precursor Control Efforts: Project Prism

- At present the task force is comprised of representatives from Australia, China, the Netherlands, South Africa, and the United States, as well as representatives from the INCB, European Commission, INTERPOL, and the World Customs Organization.
- Currently 126 countries and 5 international organizations participate in the project.



U.S. Department of Justice
Drug Enforcement Administration
Office of Enforcement Operations

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