Methamphetamine Reporting Act
Michigan State Police Methamphetamine Investigation Team and Michigan Intelligence Operations Center

Introduction

This report is pursuant to MCL 28.193 which requires the Michigan State Police to report to the Michigan Legislature current trends in methamphetamine manufacture, use, and distribution; and to provide recommendations of possible solutions to methamphetamine problems.

Overview

Since 2005, Michigan has restricted the sale of over-the-counter (OTC) medications containing pseudoephedrine through the Federal Combat Methamphetamine Epidemic Act of 2005. This initiative mandated pharmacies to secure such medication either behind the counter or in a locked case, requiring customers to ask for assistance from pharmacy staff. In addition, anti-theft devices were placed inside packaging containing ephedrine or pseudoephedrine. Pharmacies were also required to keep a log of customers who purchased this type of medication and maintain it for a minimum of six months; and, to allow the customer log to be made available to law enforcement upon request.

Initially, this approach showed signs of success as local methamphetamine production dropped slightly through 2008. However, the success was short-lived as determined methamphetamine producers found workarounds by applying techniques such as “smurfing” rings and the “one-pot” method. “Smurfing” is the term used to describe individuals who make multiple purchases of products containing pseudoephedrine from multiple retailers and then either sell that product to the methamphetamine cook, or trade it for drugs. By law, residents may only purchase up to 3.6 grams of pseudoephedrine per day, or 9 grams total per month. Individuals often use false identification in order to obtain more than the legal amount. They may also recruit others to assist them in buying the OTC medication. The pseudoephedrine can either be sold or traded for methamphetamine. Requiring customers to present identification and sign a pharmacy logbook at the point of purchase are both ways to deter smurfing. However, this deterrent method has not been as effective in recent years as individuals continue to use false identification and work in larger groups to obtain excess amounts of OTC pseudoephedrine.

In 2012, Michigan pharmacies and drug retailers were required to use a real-time electronic tracking system to track customers who purchase any OTC medication containing pseudoephedrine. These purchases are tracked using a web-based program called the National Precursor Log Exchange (NPLEx), which is overseen by the National Association of Drug Diversion Investigators (NADDI). Each time a customer purchases pseudoephedrine, they are required to provide proper identification and their information is transmitted to and saved in a law enforcement database. By utilizing NPLEx, law enforcement can identify habitual pseudoephedrine purchasers, which may eventually lead to identifying methamphetamine manufacturers. Habitual purchasers, more often than not, trade the product with the manufacturers for either finished methamphetamine product or other drugs, such as heroin and prescription opioids.

Methamphetamine is now prevalent throughout the state. In 2016, law enforcement reported active/open investigations into the use, possession, distribution, and/or production of methamphetamine in 68 of 83 counties in the state. In recent years, Michigan has seen laboratory seizures spread around the state particularly throughout northern and central Michigan, and now across the Upper Peninsula and the thumb region. In FY16, there were a total of 495 arrests and lab seizures in the state for methamphetamine manufacturing, a 19% increase compared to FY15.

Manufacturing methamphetamine produces hazardous gases, cancer-causing liquids and solids, and injuries from fires and explosions. It continues to be a rising problem in Michigan, endangering children, law enforcement, and citizens. As a direct result, Michigan's Authorized Container Storage (ACS) system became operational on October 1, 2012. During FY16, Michigan's ACS program processed 985 labs/dumpsites/chemical component seizures, a 10% decrease from FY15. The waste generated totaled over 27,000 pounds. According to the Drug Enforcement Administration (DEA), Michigan used $307,875 in federal remediation funds during FY16.

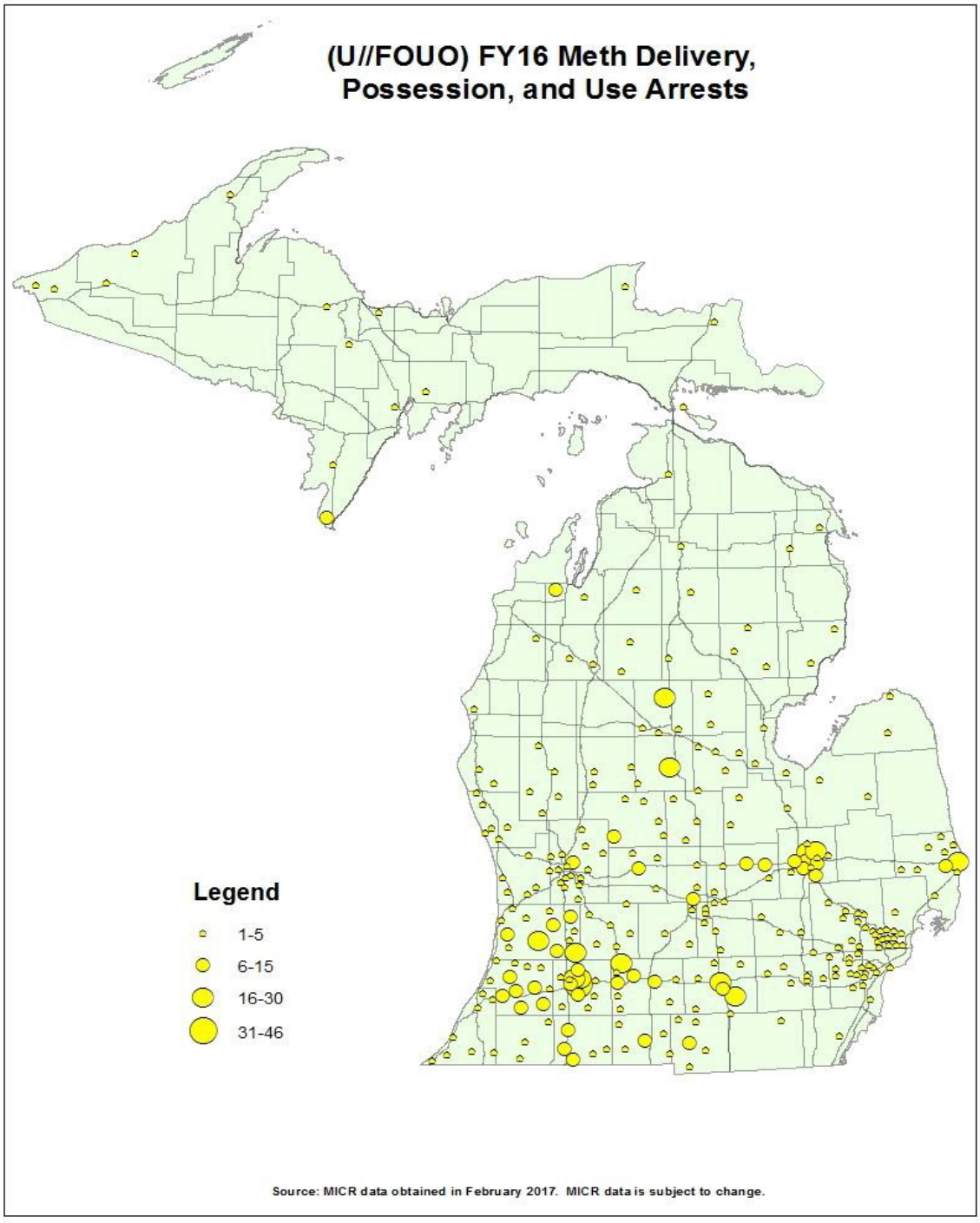
Public drug abuse treatment statistics show that methamphetamine abuse treatment admissions fall behind other drugs of abuse including: alcohol, cocaine, heroin, other opiates, and marijuana. Methamphetamine users are less likely to seek out treatment for addiction. However, if arrested, they are often required to undergo treatment as part of their sentence. Statistics show there were an overall 46% increase in arrests from FY15 to FY16 for use, possession, and/or delivery, and a 49% increase in treatment admissions from CY15 to CY16.

Trends in Methamphetamine Delivery, Possession, and Use

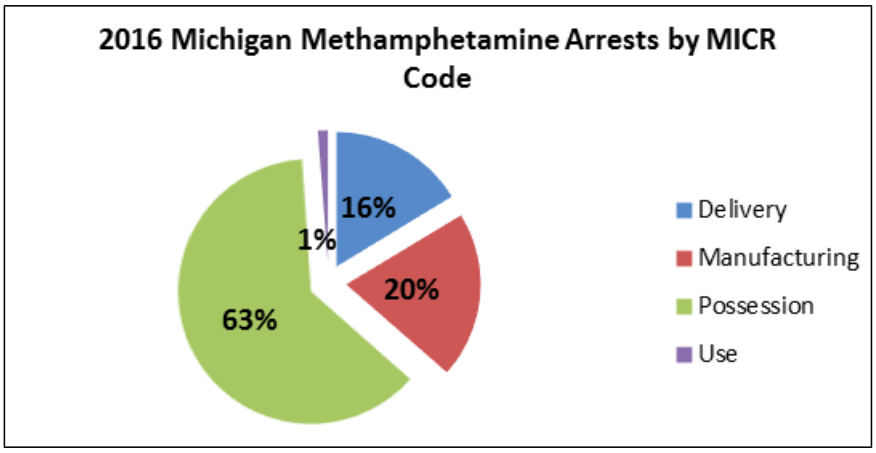
The Criminal Justice Information Center (CJIC) maintains records of arrest codes in the Michigan Incident Crime Reporting (MICR) system. When a subject is arrested for a drug crime, the crime is assigned a code designating the type of crime charged. There are specific charges for methamphetamine crimes including methamphetamine delivery, methamphetamine possession, methamphetamine manufacturing, operating/maintaining a methamphetamine lab, operating/maintaining a methamphetamine lab involving hazardous waste, operating/maintaining a methamphetamine lab in the presence of a minor, and operating/maintaining a methamphetamine lab near a specified place, such as a church or school.

Methamphetamine use data is the most difficult reporting category to quantify since proof of use requires either individual drug testing or the witness of drug use by law enforcement personnel. The Michigan Incident Crime Reporting (MICR) system arrest codes for methamphetamine use are seldom utilized since use is difficult to prove in court. Most potential use charges are filed as possession in order to assure prosecution. Thus, MICR data is an unreliable indicator of use trends in Michigan.

The map below depicts locations of methamphetamine delivery, possession, and use arrests by Michigan law enforcement (state and local) during FY16. MICR data shows that 1,131 methamphetamine delivery, possession, and use arrests occurred during FY16. This is a 46% increase from FY15 arrests (776).

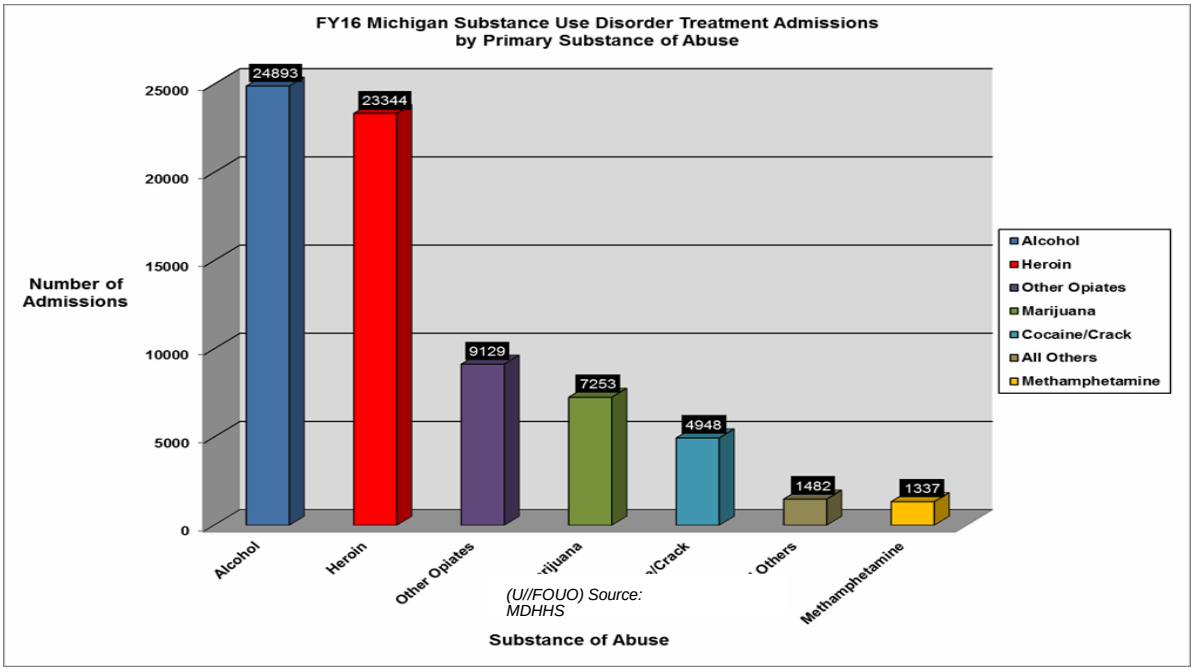


Virtually any of these arrests may include the presence of methamphetamine at the crime scene, and it is possible that methamphetamine possession charges may be included under manufacturing charges. The pie chart below shows FY16 MICR methamphetamine use, possession, manufacturing, and delivery arrest data:

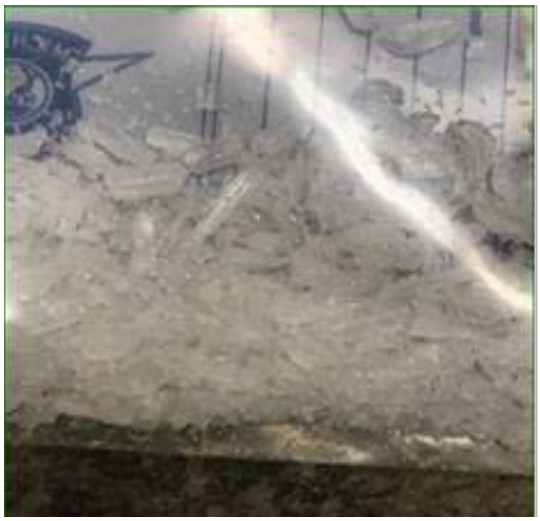


Individual drug testing only occurs among specific populations which are not always a good indicator of abuse trends among the general population. Many abusers only seek treatment when ordered to do so after arrest and sentencing. A large percentage of the abuser population seeks treatment in privately funded drug abuse treatment facilities. Michigan drug abuse treatment facilities that are privately funded are not required to report statistics on treatment admissions, however, publicly funded treatment facilities keep and report admission data to the Michigan Department of Health and Human Services (MDHHS).

According to the MDHHS, methamphetamine admissions increased 49% from FY15 (892 admissions) to FY16 (1,337 admissions). The following table shows FY16 publicly-funded drug treatment admissions by primary drug of abuse:



(U//FOUO) Source: MDHHS



(U//FOUO) Photo courtesy of Eighth District CVED

Most methamphetamine laboratories in Michigan are considered "personal-use" labs, based on the limited production capacity of the labs and the one-pot method of manufacture. Subjects involved with such labs produce methamphetamine for their own consumption or for limited distribution among close associates. Another type of methamphetamine is smuggled into the state for sale from large-scale methamphetamine distribution operations in the western United States and Mexico. This methamphetamine is a highly pure form known as "crystal methamphetamine" or "ice." Crystal methamphetamine is often described as having the appearance of ice chips or shards of glass, which differs significantly in appearance from the granular, powdered methamphetamine produced in local Michigan methamphetamine labs. Crystal methamphetamine is considered more pure and has a higher potency than methamphetamine produced in small methamphetamine operations. Michigan State Police 2016 incident reporting indicates that subjects arrested for the sale of crystal methamphetamine acquired the drug from both local and out-of-state sources. Metropolitan areas in Michigan have higher incidents' of drug trafficking organizations importing crystal methamphetamine and fewer one-pot methamphetamine lab seizures.

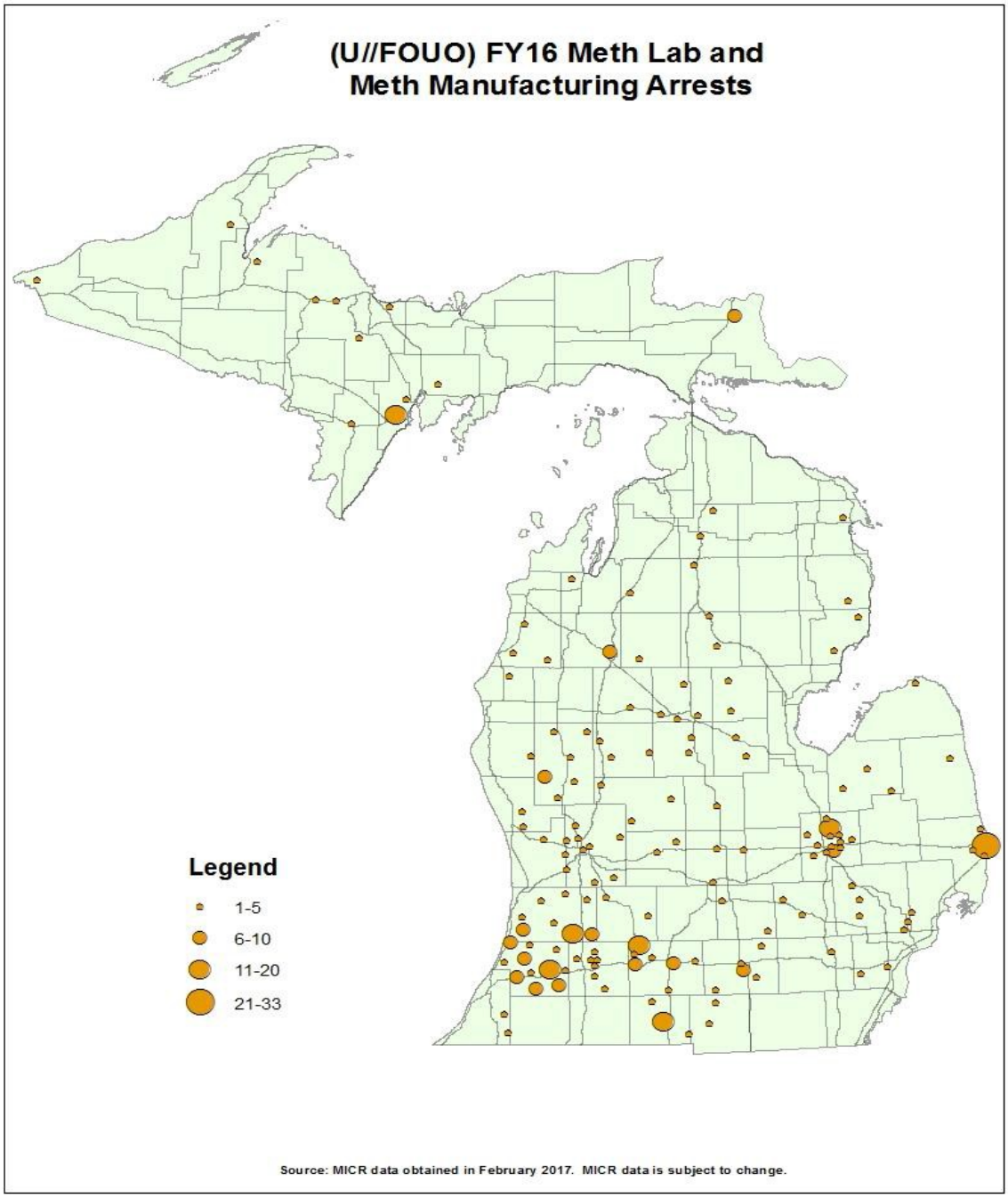
Trends in Methamphetamine Manufacture

The most common method used in 2016 was the "one-pot" method of manufacture, in which ammonia is extracted from either ammonium sulfate or ammonium nitrate during the manufacturing process. The ease of manufacture with this method has caused the method to replace the prevalence of other production methods, and is responsible for the apparent decrease in other types of methamphetamine lab seizures. The one-pot method poses additional dangers due to the increased possibility of explosion or fire from volatile precursor materials combined in one container.

In CY16, there were 866 methamphetamine-related incidents requiring hazardous material clean-up by law enforcement. This is a decrease of 26% compared to 1,180 incidents in CY15. Tracked methamphetamine-related incidents include those that require hazardous waste material clean-up such as laboratory dump sites and chemical/glassware component seizures.

It is important to note that although ACS reports a 10% decrease in hazardous material clean-up, and MICR reports a 19% decrease in lab seizures, this does not necessarily result in an overall decrease of the availability of methamphetamine in FY16. The fluctuation can likely be attributed to an overall increase in crystal methamphetamine cases for FY16 when compared to FY15. Although MICR data does not delineate between different types of methamphetamine, analytic case studies throughout FY16 showed a significant influx in crystal methamphetamine arrests and seizures.

The map below depicts locations of methamphetamine lab and manufacturing arrests by Michigan law enforcement (state and local) during FY16. MICR data shows that 495 methamphetamine lab and manufacturing arrests occurred during FY16, which is a 19% increase from FY15 arrests (417).



Hazardous Material Clean-up

When law enforcement officials seize a clandestine drug laboratory site such as a methamphetamine lab, the agency seizing the laboratory becomes the hazardous waste generator under federal law, and is required to provide the materials for the hazardous waste clean-up. The clean-up must be conducted by certified law enforcement hazardous material specialists.

In 2011, Michigan implemented the ACS system provided by the DEA. The program allows state and local law enforcement to remove chemicals and waste from small labs, and to temporarily store the chemicals/waste in a safe and secure location pending final removal by a DEA hazardous waste vendor. This system reduced the costs of the clean-up. The following table shows how many methamphetamine incidents' (crime scenes) Michigan law enforcement agencies collected hazardous waste materials from, and then deposited in the ACS waste containers. The DEA provided 11 hazardous waste containers through Michigan in FY16. Lab seizures decreased 10% from FY15 to FY16.

	FY15	***FY16***
Bridgeport	149	142
Coldwater	51	62
Houghton Lake	97	67
Ionia	88	93
Jackson	83	91
Kalamazoo	276	195
Lansing	102	104
Negaunee	81	76
Paw Paw	168	121
St. Clair	N/A	23
Taylor	6	7
DEA Direct	1	4
Total	**1102**	**985**

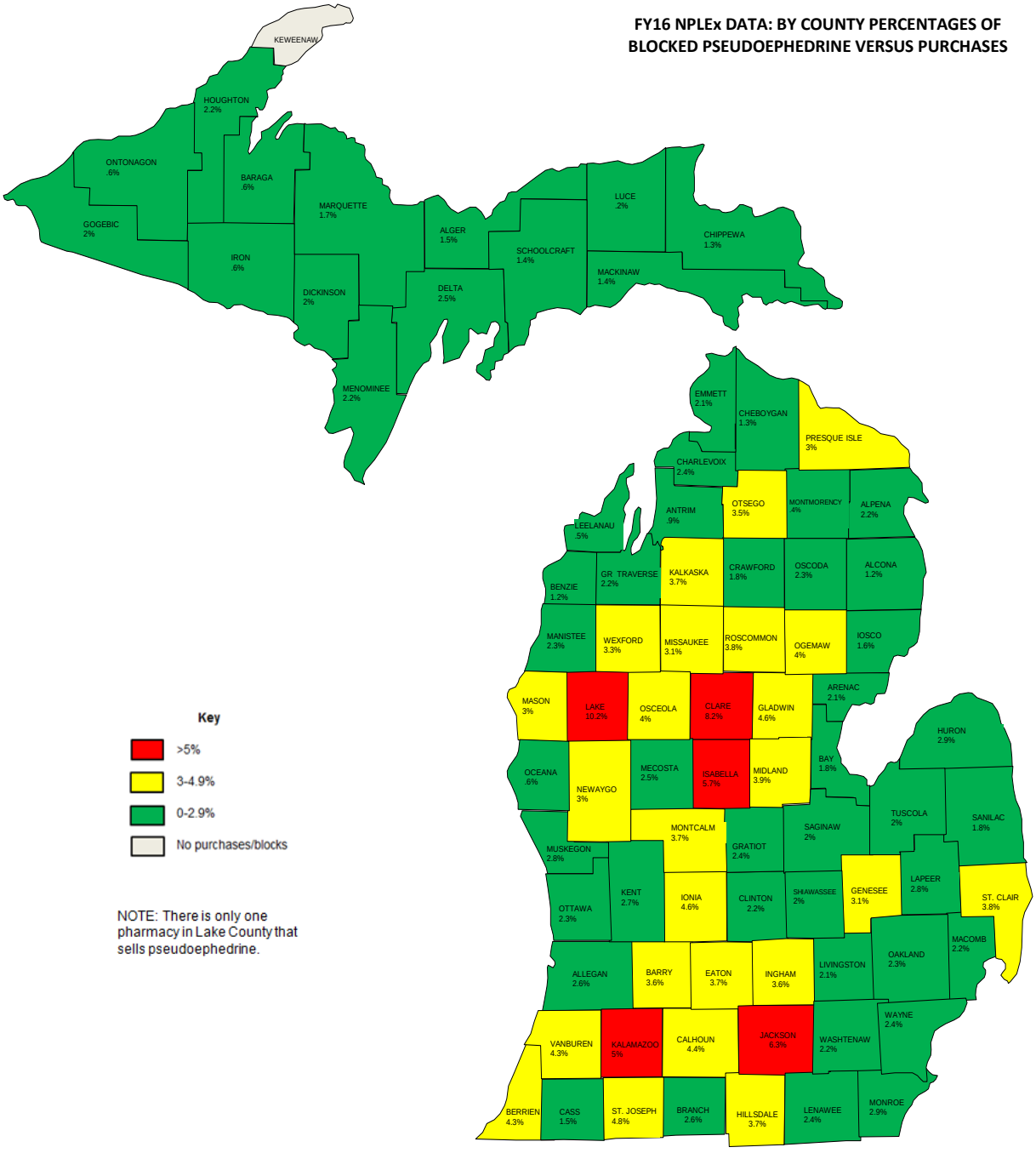
National Precursor Log Exchange (NPLEx)

Public Act 84 of 2011 (MCL 333.7340a) requires real-time electronic racking for retail sales of products containing ephedrine or pseudoephedrine. NPLEx is the system used and is provided at no cost through the National Association of Drug Diversion Investigators (NADDI). Michigan retailers were required to implement real-time electronic tracking beginning January 1, 2012. According to NADDI, it is estimated that by the end of CY17, 42 states will actively be utilizing NPLEx as part of diversion efforts.

The following table represents sales information for pseudoephedrine. One interesting factor to note is that although sales of pseudoephedrine have steadily decreased over the past three years, blocked purchases have steadily increased:

	2014		**2015**		**2016**	
	Purchases	**Blocks**	**Purchases**	**Blocks**	**Purchases**	**Blocks**
Sales	2,329,715	46,311	2,249,083	59,076	2,197,326	65,632
Grams	4,972,677	153,919	4,894,039	199,045	4,798,247	219,458
Boxes	2,408,783	58,986	2,331,899	74,084	2,274,764	83,548

The map below depicts the county percentages of pseudoephedrine blocks when compared to purchases. The map shows that a majority of blocked activities occur in the southwest and north/central areas of the state, which coincides with the MICR data depicted on pages three and seven of this report:



Source: NPLEx

During CY16, there were 631 registered users in Michigan across 209 law enforcement agencies, narcotics teams, corrections departments, and parole/probation offices actively utilizing NPLEx. Using the system, those agencies conducted 84,380 searches, ran 38,130 queries, and had 21,968 active watch hits.

The real-time electronic tracking database is having little effect on the availability of pseudoephedrine to methamphetamine lab operators. Evidence indicates that "smurfing" has significantly increased since NPLEx legislation was passed. Since smurfers often use fraudulent or stolen identities to make these purchases, this often makes real-time electronic tracking ineffective in stopping the statewide illegal manufacture of methamphetamine.

Drug Endangered Children

Drug Endangered Children (DEC) are children under age 18 found in homes: (a) with caregivers who are manufacturing controlled substances in/around the home (methamphetamine labs), or (b) where caregivers are dealing/using controlled substances and the children are exposed to the drug or drug residue (methamphetamine homes and/or drug homes).

The most critical issue with the production of methamphetamine by small labs is the harm it causes to the numerous DEC throughout the state. The production of methamphetamine poses significant hazards such as toxic waste, explosions, and exposure to chemicals that can result in serious harm or death. The children affected and/or injured are required by law to endure decontamination and medical evaluation including drug testing, forensic interviewing, and photographs. The childrens' personal items that were also at the scene of the methamphetamine lab are considered contaminated and the items will not be returned to the child. The residence is also condemned.

Recommendations

Early methamphetamine initiatives had a positive effect on older, traditional methods of local methamphetamine production in the state, as evidenced by the significant decrease in the number of anhydrous ammonia style laboratories, near elimination of Red Phosphorous laboratories (once a popular manufacturing method), and the necessity of manufacturers to change production methods and precursor acquisition strategies. Methamphetamine cooks still diversify their efforts to obtain the drug by importing from outside sources due to law enforcement pressure. In addition, methamphetamine manufacturers continue to find ways around pseudoephedrine laws by utilizing smurfers to purchase cold medicine from multiple pharmacies around the state. Violators of pseudoephedrine laws frequently use false names on pharmacy purchases. This makes real-time electronic tracking of limited use to investigators and does not serve as a deterrent to lab operators.

Lawmakers should continue to support legislation aimed at closing loopholes in current policies and monitor trends in the manufacture, distribution, and possession of methamphetamine to determine whether recent legislative changes are effective.