

Methamphetamine Reporting Act Michigan State Police Methamphetamine Investigation Team

Introduction

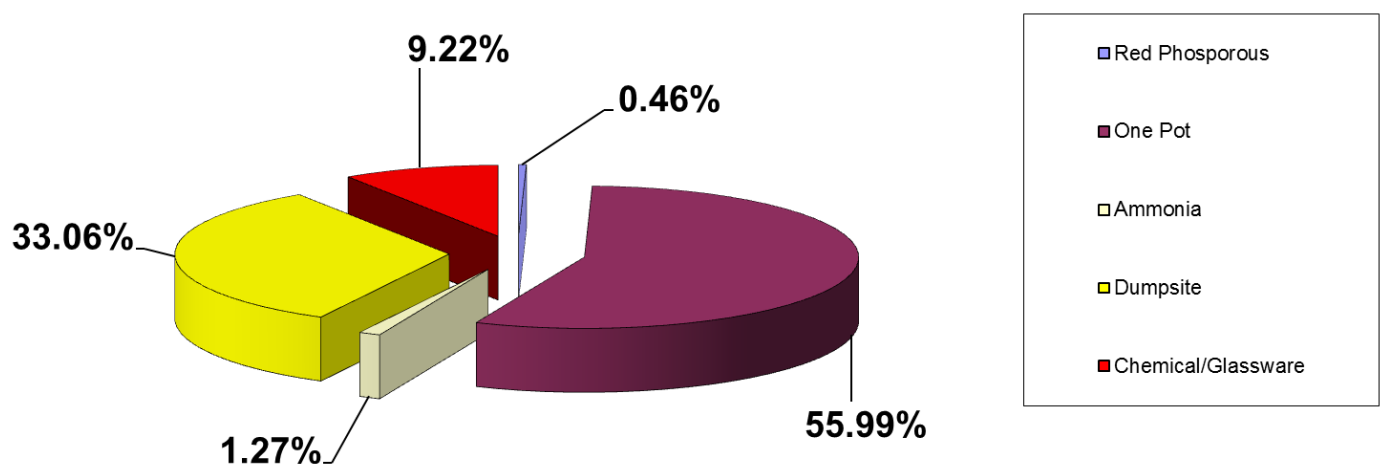
This report is pursuant to MCL 28.193 which requires the Michigan State Police to report to the Michigan legislature trends in methamphetamine manufacture, use, and production and to provide recommendations of possible solutions to methamphetamine problems.

Trends in Methamphetamine Manufacture

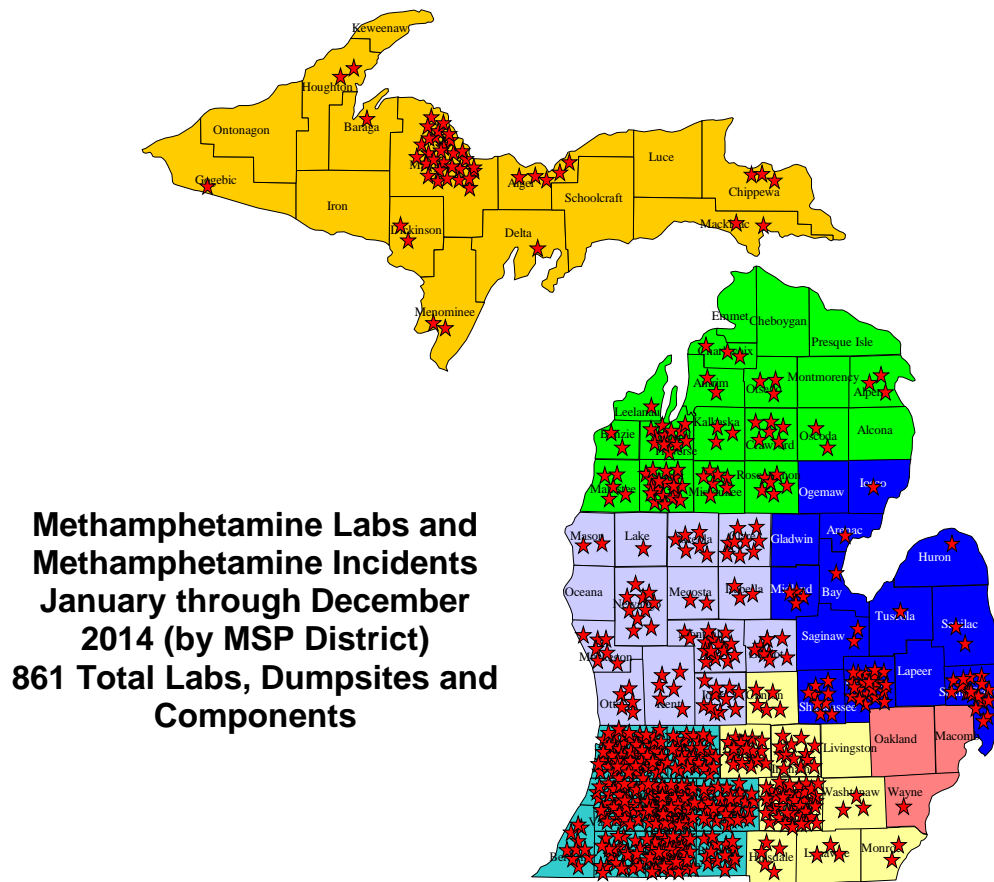
In calendar year 2014, there were 494 methamphetamine laboratories seized, an increase of 143 labs when compared to 2013. Methamphetamine-related complaints, including laboratories, dump sites, and glassware seizures, totaled 553 in 2012, 641 in 2013, and 861 in 2014. This is a 34% increase over 2013 and easily surpassed Michigan's previous record of 760 in 2010. The most common method used in 2014 was the "one-pot" method of manufacture.

A continuing trend in methamphetamine manufacture in Michigan is the use of the "one-pot" cooking method, in which ammonia is extracted from either ammonium sulfate or ammonium nitrate during the manufacturing process. The ease of manufacture has replaced the prevalence of other production methods and is responsible for the apparent decrease in other types of 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.

2014 MSP Meth Incident Types



Most methamphetamine labs in Michigan are discovered in the southwest part of the state. The following map shows approximate locations of methamphetamine labs seized in 2014.



Trends in Distribution

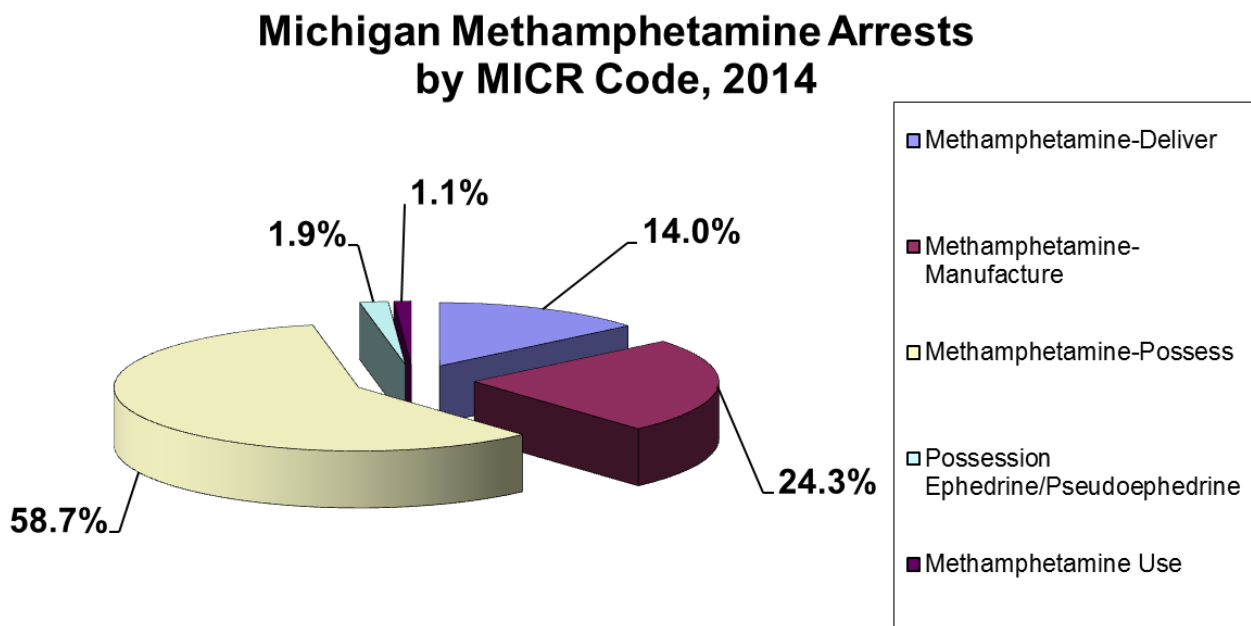
Most methamphetamine laboratories in Michigan are considered “personal-use” labs, based on the limited production capacity of the labs and the method of manufacture. Subjects involved with such labs produce methamphetamine for their own consumption or for limited distribution among close associates. Some 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. Crystal methamphetamine is considered more pure and has a higher potency than methamphetamine produced in small methamphetamine operations. The Drug Enforcement Administration (DEA) laboratories define the purity thresholds for identifying crystal methamphetamine. DEA labs also test methamphetamine samples for purity. Michigan State Police forensic laboratories do not test submissions for purity, but anecdotal reports from the labs indicate that a limited amount of crystal methamphetamine submissions were processed in 2014. This is based on samples that indicate an appearance consistent with more sophisticated manufacturing methods than are available in small-scale operations. Crystal methamphetamine

differs significantly in appearance from the granular, powdered methamphetamine produced in local Michigan methamphetamine labs. Michigan State Police incident reports from 2014 also indicate arrests of subjects involved in the sale of crystal methamphetamine acquired from out-of-state sources, which indicates a combination of locally-produced and imported methamphetamine available for sale in Michigan. Most seizures of crystal methamphetamine occur in and around the larger metropolitan areas, where few personal-use laboratories are seized.

Trends in Methamphetamine Possession

Methamphetamine possession charges are recorded in the Michigan Incident Crime Reporting (MICR) system. The Criminal Justice Information Center (CJIC) maintains records of arrest codes. 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 manufacture, 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.

Virtually any of these arrest codes may include the presence of methamphetamine at the crime scene, and it is possible that methamphetamine possession charges may be included under possession or manufacture of synthetic narcotics charges. It is also possible that some arrests are being erroneously recorded under the amphetamine arrest code. It is therefore difficult to accurately isolate specific methamphetamine possession charges in 2014; however, MICR data shows 468 arrests for methamphetamine possession in 2014, 501 in 2013, and 469 in 2012. The total number of all methamphetamine arrest MICR codes reported by CJIC in 2014 was 783, down from 819 in 2013. The chart below shows 2014 MICR code methamphetamine charges by type.



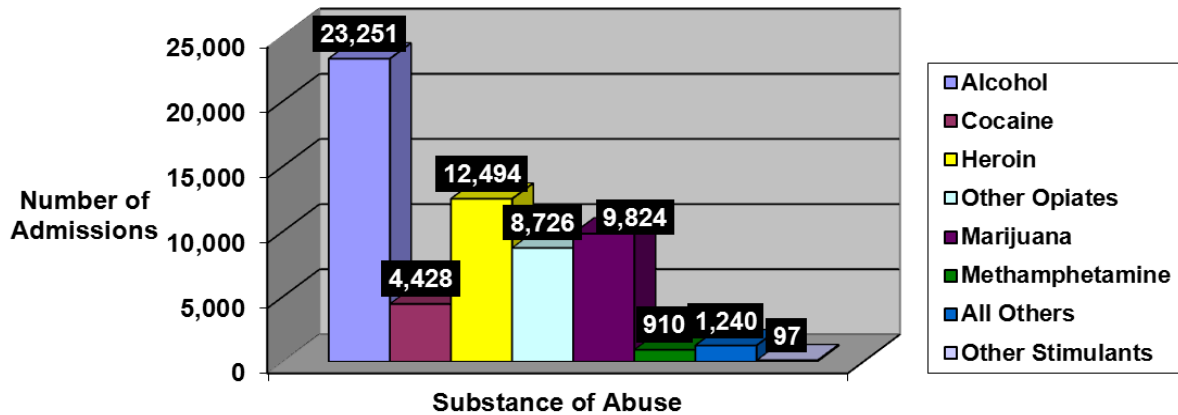
Trends in Methamphetamine Use

Methamphetamine use data is the most difficult reporting category to quantify since proof of use requires either individual drug testing or witnessing of drug use by law enforcement personnel. MICR arrest codes for methamphetamine use are seldom used 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. 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, and 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, but publicly funded treatment facilities keep and report admission data to the Michigan Department of Community Health (MDCH).

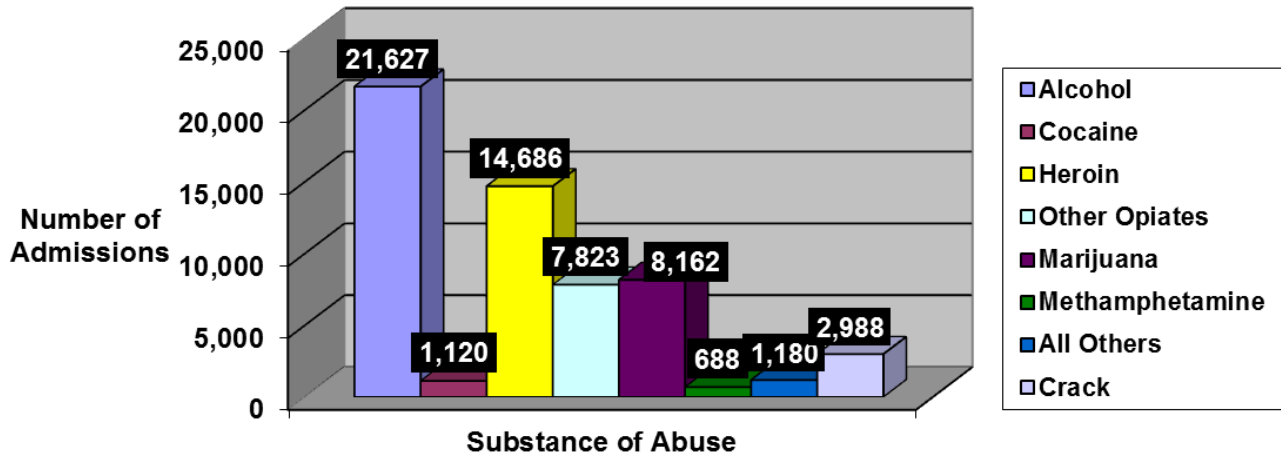
MDCH reports that in publicly funded drug treatment facilities in Michigan in 2014, there were 688 admissions for methamphetamine as primary drug of abuse. In 2013 there were 910 admissions for methamphetamine as primary drug of abuse, while in 2012 there were 580.

According to MDCH, methamphetamine admissions in 2013 and 2014 represented less than one percent of drug abuse admissions overall where methamphetamine was the primary drug of abuse. The following tables show 2013 and 2014 publicly-funded drug treatment admissions by primary drug of abuse. Many abusers are poly-drug users and will use methamphetamine along with other legal and illegal drugs.

2013 Publicly-Funded Substance Abuse Treatment Facility Admissions by Primary Substance of Abuse



2014 Publicly-Funded Substance Abuse Treatment Facility Admissions by Primary Substance of Abuse



Assessment

Methamphetamine laboratory seizure statistics indicate that seizures of personal-use operations is increasing in frequency. This is due to the proliferation of “one-pot” production methods and methamphetamine manufacturers’ ability to adapt to the challenges of acquiring precursor chemicals. New production methods, increased community awareness of the methamphetamine problem, and the recent prosecution and incarceration of repeat methamphetamine manufacture offenders had a positive effect on anhydrous ammonia theft and reduced the acquisition of precursor chemicals from Michigan sources.

Most methamphetamine possession arrests are due to the transportation of personal use amounts of the drug by abusers in automobiles. Most of the evidence recovered during these arrests indicates locally produced methamphetamine.

Public drug abuse treatment statistics show that methamphetamine use and abuse is the highest in the southwest portion of the state. These statistics are consistent with the discovery of the majority of methamphetamine operations in that part of Michigan. Methamphetamine abuse treatment falls behind other drugs of abuse including alcohol, cocaine, heroin, other opiates, and marijuana as a drug of choice in publicly funded treatment facilities. This is understandable since methamphetamine abusers are less likely than other drug abusers to seek treatment.

Methamphetamine precursor legislation took effect December 15, 2005, which intended to make it more difficult for methamphetamine laboratory operators to acquire necessary chemicals. The “one-pot cook” method of manufacture is an indication of the evolution of methamphetamine manufacturing methods in response to law enforcement pressure. The majority of “one-pot cook” labs are in the southwest corner of the state, which seems to indicate that trends in methamphetamine production are regional. In recent years, Michigan has seen laboratory seizures spread northward from the southwest area of the state particularly throughout northern Michigan and now across the Upper Peninsula. Beginning in 2012, two counties in the Upper Peninsula, Marquette, and Gogebic, saw a substantial expansion in methamphetamine

production. That expansion continues in Marquette County while at the same time, laboratory seizures in Gogebic County virtually disappeared. Anecdotal evidence from law enforcement indicates that the reason for this decrease in Gogebic County is the result of an influx of crystal methamphetamine from outside the state. Other areas that showed a fairly substantial increase during 2014 were the counties of northern lower Michigan, in and around the Traverse City area.

The enforcement of methamphetamine laws in Michigan include investigation, seizure, processing, and removal of gross contamination at methamphetamine laboratories. In February 2011, federal budget cuts eliminated the federal grants that assisted with paying the cost of lab remediation. Methamphetamine laboratory clean up became the financial obligation of the responding state and local agencies. In March 2012, federal funding was restored at a fraction of the original amount. In addition, the DEA advised that future funding would not continue to states that did not implement an Approved Container Storage (ACS) Program.

The ACS program differs significantly from the traditional processing and cleanup of methamphetamine labs. The traditional method involved requesting a DEA contracted cleanup and disposal company for each individual laboratory/incident. The ACS program allows specially trained law enforcement responders to process, package, and transport waste to a temporary storage container. When that container is full, the DEA authorizes cleanout of that container by a contracted hazardous waste disposal company. Michigan's ACS Program became operational on October 1, 2012, with 20 participating local law enforcement agencies and eight container sites spread across the state. A ninth container was added in 2013 and in 2014 a tenth container became operational. There are now 25 participating agencies. During fiscal year FY2014, Michigan's ACS program processed 811 labs/dumpsites/component seizures totaling 12,131 pounds of waste. This is a 36 percent increase from last year. According to the DEA, Michigan used \$422,996.03 in federal remediation funds during FY2014. When compared to the \$1,137,279 federal remediation funds used on Michigan's 686 methamphetamine incidents during 2010, it is evident that the new ACS method affects considerable savings. The average cost per incident has dropped from \$4,286.60 in 2007 to just \$572.39 today.

National Precursor Log Exchange

On July 15, 2011, the State of Michigan enacted legislation which requires real-time electronic tracking for retail sales of products containing ephedrine or pseudoephedrine. The National Precursor Log Exchange (NPLEx) is the system used and is provided at no cost through the National Association of Drug Diversion Investigators. Michigan retailers were required to implement real-time electronic tracking beginning January 1, 2012.

During 2014 there were 387 different law enforcement agencies, narcotics teams, corrections departments, and parole/probation offices actively utilizing NPLEx. Using the system, those agencies conducted 71,729 searches, ran 27,493 queries, and had 22,369 active watch hits.

NPLEx data for calendar year 2014 is represented in the following table.

Purchases	2,329,715
Blocked Sales	46,311
Grams Sold	4,972,677
Boxes Sold	2,408,783
Grams Blocked	153,919
Boxes Blocked	58,986

Evidence indicates that smurfing has significantly increased since NPLEx legislation was passed. Smurfing is the term used to describe individuals who make multiple purchases of products containing pseudoephedrine or ephedrine from multiple retailers and then either sell that product to the methamphetamine cook or trade it for drugs. Smurfers frequently use fraudulent or stolen

identities to make these purchases. Current investigations are now beginning to identify large coordinated groups of smurfers operating within the state.

There is no data available to determine if real-time electronic tracking databases are having any effect on the availability of pseudoephedrine to methamphetamine lab operators. Anecdotal evidence from the Upper Peninsula indicates that some smurfers are traveling into Wisconsin to purchase pseudoephedrine since Wisconsin does not track sales electronically. In this way, they can avoid blocked sales or attempted purchases when they are over the statutory limit.

The pharmacy tracking of precursor chemicals may account for the recent evidence of trafficked, crystal methamphetamine in the state. There is not enough evidence to accurately determine the cause of imported product in the state, but many of these seizures occur in metropolitan areas with a low number of personal-use lab seizures. It may be that established drug trafficking networks in metropolitan areas are able to satisfy local demand for methamphetamine along with other illicit substances that are imported from outside sources.

On January 1, 2015, Public Act 217 of 2014 took effect which made it a 10-year felony to solicit another person to purchase or otherwise obtain any amount of ephedrine or pseudoephedrine knowing that it is to be used for the purpose of illegally manufacturing methamphetamine.

Also taking effect that same day were Public Acts 275 and 276 of 2014. This legislation amended the Methamphetamine Abuse Reporting Act by requiring the Michigan Department of State Police to track conviction data for certain drug related criminal offenses. That data would then be provided to NPLeX who would block the attempted sale of a product containing ephedrine or pseudoephedrine without a prescription.

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.

Data is being collected to determine whether recent legislation requiring pharmacy tracking of precursor chemicals has had or will have a significant impact on methamphetamine production and use in Michigan. 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.