



LESSONS LEARNED: HOW FENTANYL IS IMPACTING ORGANIZED CRIME IN NORTH AMERICA

Date: November 15, 2023

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KEY EVENTS

On November 15, 2023, Victoria Dittmar presented *Lessons Learned: How Fentanyl is Impacting Organized Crime in North America* for this year's West Coast Security Conference. The presentation was followed by a question-and-answer period with questions from the audience and CASIS Vancouver executives. The key points discussed were how fentanyl is changing how law enforcement agencies in North America deal with drug trafficking, that fentanyl is a minuscule market and overlaps with legal markets, and that the drug has become democratized with cartels playing only a limited role.

NATURE OF DISCUSSION

Ms. Dittmar presented how the challenges of drug trafficking to law enforcement in North America are evolving with the fentanyl and fentanyl precursor trade as well as how the market for illicit fentanyl presents new challenges to law enforcement as its market is minuscule in comparison to other illicit drugs. Additionally, fentanyl is a drug used in many legal markets, and regulating its chemical precursors presents a difficult task. The fentanyl trade has also become democratized as there are high amounts of competition in both production and distribution which presents a problem for law enforcement as their traditional approach to counter the drug trade has been supply-focused. Effective means to counter the illicit fentanyl trade are vital as the usage of fentanyl is increasing and is resulting in a public health crisis in Canada, the U.S. and Mexico.

BACKGROUND

Presentation

Ms. Dittmar began her presentation by stating that the fentanyl trade is a great cause for concern as it is resulting in a public health crisis in North America and continues to cause diplomatic tensions, most notably between the United States of America and Mexico. The use of fentanyl is increasing in Canada, the U.S. and Mexico, and the overdose deaths from fentanyl consumption within each country have reached the hundreds of thousands.

Ms. Dittmar provided background on the illicit fentanyl trade, explaining how throughout her research the most common supply chain route for the precursor chemicals for illicit fentanyl production are brought from suppliers in China and less frequently in India. The precursor chemicals are brought from companies mainly in China and shipped through maritime routes to Mexico where production occurs. After the fentanyl is produced it is then trafficked from Mexico into the US and Canada.

Ms. Dittmar explained that illicit fentanyl is revolutionizing drug trafficking as it only requires a minuscule market, it overlaps with legal markets and it has become a decentralized market. Due to the potency of the drug, only a small amount is trafficked in comparison to other illicit drugs, and the minuscule market makes it extremely difficult for law enforcement to detect and seize. The illicit fentanyl trade also recurrently overlaps with legal markets as the main ingredients are legal and used in many other industries such as the pharmaceutical industry. Ms. Dittmar outlined how this presents a regulation problem; if the producers of illicit fentanyl are unable to obtain the precursor chemicals for production, they will simply move one step back to obtain the pre-precursors and synthesize the rest of production as the further back in the process they go the more accessible the substances are. However, as these substances are required in many legal industries, regulating them all is not feasible. The final reason Ms. Dittmar stated as to why illicit fentanyl is a game changer is that it is causing a democratization of drug trafficking in Mexico. A minimal amount of fentanyl is needed to obtain a profit and, as a result, the market has become decentralized with numerous amounts of competition in both production and distribution.

Ms. Dittmar presented the hourglass model, which demonstrated the fentanyl precursor supply chain and the limited role of cartels within it. The model illustrated how both the top of the hourglass, representing precursor chemical producers, and the bottom, representing retail distributors, have a large variety of actors. The bottleneck of the supply chain, however, comprises a few actors. These specialized actors are brokers and buyers of chemical products who have contacts in both China and Mexico to facilitate trade. Ms. Dittmar stressed that without these actors the supply chain would cease to function. The role of

criminal organizations in Mexico in the supply chain process is limited and mainly in the taxation and overseeing of production.

Ms. Dittmar stated that to address the fentanyl and precursor trade effectively requires that the governments go beyond their supply-focused approach and in doing so they must take trilateral action and unify their efforts to create what Ms. Dittmar calls a “North American Fortress.” Addressing the fentanyl trade also requires that countries increase the capacity of law enforcement actions and create incentives for the private sector to increase voluntary reporting. Ms. Dittmar stated that public diplomacy and messaging are also vital in addressing the fentanyl trade and that the US, Canada and Mexico should aim to create increased public awareness of synthetic drugs and attempt, specifically in Mexico, to change the narratives around the drug trade to diminish social support.

Question and Answer

Are there any other reasons why fentanyl production is prominent in countries like China and India?

The main two reasons why fentanyl production is prominent in countries such as China and India are that the size of the industries in both countries is extremely large and the regulations across countries are not cohesive. The size of the industry makes it difficult for law enforcement to regulate and detect fentanyl production and incohesive regulations across countries allows fentanyl producers to move between countries to a more accessible region when production becomes too difficult.

How do you envision we can change law enforcement to address fentanyl transportation and shipment?

In North America and other countries within the fentanyl supply chain, the issue is with enforcement rather than a need to modify laws and regulations. On paper many of these countries have excellent regulations, however, they fail when it comes to enforcement. More regulations only affect the legal industry and economy.

Are there any technological strategies you see emerging in law enforcement to better detect fentanyl overall due to its quantity being significantly smaller than typical drugs being investigated?

The United Nations Office on Drugs and Crime (UNODC) has created a container programme, that has been implemented in Mexican ports in the Pacific, to be more efficient in detecting which containers to open and check for illicit substances.

KEY POINTS OF DISCUSSION

- The minuscule size in which fentanyl is being produced and transported creates a new challenge for law enforcement in North America.
- The illicit fentanyl trade overlaps with multiple legal markets making it difficult for the government to effectively regulate the precursor chemicals in production.
- The market for illicit fentanyl has become democratized as the barriers to entry are low, allowing a large number of actors to participate in both the production and distribution side of the supply chain.
- Cartels play a limited role in the fentanyl trade; they are mainly involved in taxation and the overseeing of production.
- The current supply-focused approach of governments is insufficient in addressing the fentanyl trade. An effective approach must go beyond current methods and focus on a trilateral approach, strengthening partnerships with the private sector and increasing public diplomacy.

FURTHER READING

- Dittmar, V. (2021). Organized Crime Groups in Latin America and TREXHybridity. *The Journal of Intelligence, Conflict, and Warfare*, 3(3), 141–143. <https://doi.org/10.21810/jicw.v3i3.2799>
- Dittmar, V., & Garcia, S. (2022, July 14). What Mexico Gets Wrong About Its Fentanyl Problem. *InSight Crime*. <https://insightcrime.org/news/mexicowrong-about-fentanyl-problem/>
- Dudley, S., Dittmar, V., García, S., López-Aranda, J., Pforzheimer, A., & Westhoff, B. (2023) The Flow of Precursor Chemicals for Synthetic Drug Production in Mexico. *InSight Crime*. <https://insightcrime.org/wpcontent/uploads/2023/05/The-Flow-of-Precursor-Chemicals-forSynthetic-Drug-Production-in-Mexico-InSight-Crime-March-2023-3.pdf>



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