

EXHIBIT 1

THE SELECT COMMITTEE ON THE
STRATEGIC COMPETITION BETWEEN
THE UNITED STATES AND
THE CHINESE COMMUNIST PARTY

THE CCP'S ROLE IN THE FENTANYL CRISIS



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EXECUTIVE SUMMARY

The fentanyl crisis is one of the most horrific disasters that America has ever faced. On average, fentanyl kills over 200 Americans daily, the equivalent of a packed Boeing 737 crashing every single day. Fentanyl is the leading cause of death for Americans aged 18-45 and a leading cause in the historic drop in American life expectancy. It has led to millions more suffering from addiction and the destruction of countless families and communities. Beyond the United States, fentanyl and other mass-produced synthetic narcotics from the People's Republic of China (PRC) are devastating nations around the world. It is truly a global crisis.

The PRC, under the leadership of the Chinese Communist Party (CCP), is the ultimate geographic source of the fentanyl crisis. Companies in China produce nearly all of illicit fentanyl precursors, the key ingredients that drive the global illicit fentanyl trade. The House Select Committee on the Strategic Competition between the United States and the Chinese Communist Party (Select Committee) launched an investigation to better understand the role of the CCP in the fentanyl crisis. This investigation involved delving deep into public PRC websites, analyzing PRC government documents, acquiring over 37,000 unique data points of PRC companies selling narcotics online through web scraping and data analytics, undercover communications with PRC drug trafficking companies, and consultations with experts in the public and private sectors, among other steps.

The Select Committee's investigation has established that the PRC government, under the control of the CCP:

1. **Directly subsidizes the manufacturing and export of illicit fentanyl materials and other synthetic narcotics through tax rebates.** Many of these substances are illegal under the PRC's own laws and have no known legal use worldwide. Like its export tax rebates for legitimate goods, the CCP's subsidizing of illegal drugs incentivizes international synthetic drug sales from the PRC. The CCP has never disclosed this program.
2. **Gave monetary grants and awards to companies openly trafficking illicit fentanyl materials and other synthetic narcotics.** There are even examples of some of these companies enjoying site visits from provincial PRC government officials who complimented them for their impact on the provincial economy.

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3. **Holds ownership interest in several PRC companies tied to drug trafficking.** This includes a PRC government prison connected to human rights abuses owning a drug trafficking chemical company and a publicly traded PRC company hosting thousands of solicitations of open drug trafficking on its sites.
 4. **Fails to prosecute fentanyl and precursor manufacturers.** Rather than investigating drug traffickers, PRC security services have not cooperated with U.S. law enforcement and have even notified targets of U.S. investigations when they received requests for assistance.
 5. **Allows the open sale of fentanyl precursors and other illicit materials on the extensively monitored and controlled PRC internet.** A review of just seven e-commerce sites found over 31,000 instances of PRC companies selling illicit chemicals with obvious ties to drug trafficking. Undercover communications with PRC drug trafficking companies (whose identities were provided to U.S. law enforcement) revealed an eagerness to engage in clearly illicit drug sales with no fear of reprisal.
 6. **Censors content about domestic drug sales but leaves export-focused narcotics content untouched.** The PRC has censorship triggers for domestic drug sales (*e.g.*, “fentanyl + cash on delivery”), but no such triggers exist to monitor or prevent the export of illicit narcotics out of the PRC.
 7. **Strategically and economically benefits from the fentanyl crisis.** The fentanyl crisis has helped CCP-tied Chinese organized criminal groups become the world’s premier money launderers, enriched the PRC’s chemical industry, and had a devastating impact on Americans.

While the PRC government publicly acknowledged in November 2023 that the trafficking of fentanyl precursors and other illicit narcotics materials in the manner described above is illegal under Chinese law, the Select Committee found thousands of PRC companies openly selling these illicit materials on the Chinese internet—the most heavily surveilled country-wide network in the world. The CCP runs the most advanced techno-totalitarian state in human history that “leave[s] criminals with nowhere to hide” and has the means to stop illicit fentanyl materials manufacturers, yet it has failed to pursue flagrant violations of its own laws.

Armed with the knowledge gained in the course of this investigation, the United States should:

- **Establish a Joint Task Force – Counter Opioids (JTF-CO)** that concentrates all non-military elements of state power and executes
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a coordinated strategy to target the weak points in the global illicit fentanyl supply chain.

- **Provide law enforcement and intelligence officials with the statutory authorities, tools, and resources they need** to execute their responsibilities, including through enhancing international law enforcement cooperation, appropriately prioritizing fentanyl and anti-money laundering in intelligence and enforcement efforts; and recruiting and retaining top talent to combat the fentanyl threat.
 - **Strengthen U.S. sanctions authorities** and use those authorities in an aggressive and coordinated manner against entities involved in the fentanyl trade.
 - **Enact and use trade and customs enforcement measures** to restrict fentanyl trafficking.
 - **Close regulatory and enforcement gaps** exploited by PRC money launderers and fentanyl traffickers.
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I. THE COST AND SOURCE OF THE FENTANYL CRISIS

Each morning, Americans across the nation wake up to find their child, spouse, or parent dead from a singular cause. The killer does not differentiate based on age, class, or race. Young or old, rich or poor, all succumb to this deadly substance. For some, death is swift; an overdose on a counterfeit pill leads them to essentially drown while unconscious, the powerful chemical causing receptors in the body to release fluid into the lungs.¹ For others, death only comes after years of grueling struggle with an overwhelming addiction.² The death, pain, and despair reverberate far beyond each victim, causing a historic tragedy that has devastated families, communities, and, ultimately, our nation and the entire world.

The substance is fentanyl, a deadly synthetic opioid that is up to 50 times stronger than heroin. Fentanyl kills on average over 200 Americans daily, the equivalent of a packed Boeing 737 crashing every single day.³ Fentanyl is the leading cause of death for Americans aged 18-45 and a leading cause in the historic drop in American life expectancy.⁴ It has devastated families, with over 2.6 million children being raised by other relatives due to their parents' addiction.⁵ Fentanyl

“Fentanyl kills on average over 200 Americans daily, the equivalent of a packed Boeing 737 crashing every single day.”

has likewise inflicted great harm on American communities, impacting suburban, urban, and rural areas alike.⁶ While the human tragedy is by far the most pressing concern, the fentanyl crisis also has economic implications; a congressional report found that it cost the United States nearly \$1.5 trillion in 2020,ⁱ or 7% of gross domestic product.⁷ The fentanyl

epidemic therefore does not just haunt our past and devastate our present, but also robs us of a better and more vibrant future. And this is just the cost to our country. In nations around the world, families suffer and grieve from the mass proliferation of PRC-origin synthetic narcotics like fentanyl. This is truly a global crisis.⁸

The PRC, under the leadership of the CCP, is the ultimate geographic source of America's fentanyl crisis. Companies in China earlier produced 97% of illicit fentanyl that entered the United States. Today, these Chinese companies produce nearly all fentanyl precursors that are used to manufacture illicit fentanyl worldwide.⁹ The PRC's central role in the fentanyl crisis is uncontroversial, acknowledged by administrations of both parties and the bipartisan

“Today, these Chinese companies produce nearly all fentanyl precursors that are used to manufacture illicit fentanyl worldwide.”

ⁱ This astronomical expense is especially sobering when considering the opportunity cost. In 2022, the U.S. federal government spent \$76.4 billion on education, \$24.04 billion on NASA, and \$6.9 billion on cancer research. Imagine a world without the fentanyl crisis where it instead spent \$1.5 trillion a year on these and other vital pursuits.

U.S. Commission on Combating Synthetic Opioid Trafficking.¹⁰ The Drug Enforcement Administration (DEA),¹¹ Department of Justice (DOJ) indictments,¹² and independent experts have reached the same conclusion.¹³

For years, PRC companies directly shipped fentanyl and fentanyl analoguesⁱⁱ illegally into the United States. After years of diplomatic pressure, the PRC finally designated all fentanyl analogues as controlled substances in May 2019.¹⁴ While this was a positive development, the PRC's designation left a gaping loophole for fentanyl precursors¹⁵—and Chinese chemical manufacturers pivoted to manufacturing and exporting the essential ingredients to produce fentanyl to the Mexican cartels.¹⁶

The PRC's Synthetic Narcotics Industrial Base Fuels Other Synthetic Drug Crises that Threaten America and the Rest of the World

The output of the PRC's illegal synthetic narcotics industrial complex has profound implications beyond America's fentanyl crisis. PRC chemical companies provide over 80% of methamphetamine precursors for cartels.¹⁷ The industrial complex also fuels waves of addiction and death around the world. For instance, PRC-based syndicates control the massive amounts of illegal methamphetamine trafficked into Australia.¹⁸ The same is true for the ketamine flooding southeast Asia.¹⁹ "China is also the dominant source country for precursors heading into Vietnam, and recent large seizures of precursors and pre-precursors originating in China have taken place in Laos, and precursors from China have long headed to Thailand too."²⁰ PRC chemical companies, along with those in India, send bulk shipments of illicit tramadol (an opioid) and tramadol precursors to Africa.²¹ The PRC uses the same playbook in this part of the world. It promises to assist, falsely claims PRC companies do not violate Chinese law while expressing its inability to help; controls certain substances but fails to enforce its own laws; and uses Chinese organized crime to launder proceeds. "China likes to talk tough and schedule a lot [i.e., place substances on controlled lists], but does not enforce much, abroad especially."²² It is therefore essential for the United States to work with partners around the world to address this global threat.

Although PRC officials would privately admit to U.S. officials that manufacturing and exporting precursors or other non-scheduled narcotics were still illegal under PRC law when they were tied to drug trafficking,²³ they denied the fact publicly—a clear signal to the Chinese chemical industry.

In November 2023, after significant U.S. diplomatic pressure, the PRC finally issued a Notice admitting publicly that such activity is illegal—another positive

ⁱⁱ Fentanyl analogues are drugs that have a similar chemical structure to fentanyl and often have greater lethality.

development.²⁴ⁱⁱⁱ Although the acknowledgement of illegality in the Notice is important and long overdue, there is scant evidence that this Notice has deterred the PRC's chemical producers from engaging in illicit activity.²⁵ The PRC government does not police the mass exportation of these substances abroad.²⁶ There is little to no record of any PRC prosecutions for exporting these substances or any tangible reduction in PRC-based drug trafficking.²⁷ This is in stark contrast to the PRC's prosecution, including of foreigners, for domestic drug trafficking.²⁸ For years, the U.S. government has repeatedly brought cases and evidence to the PRC government's attention and asked them to prosecute the offenders under its own laws.²⁹ Based on discussions with former government officials and a review of PRC criminal law databases, with the exception of one case, the PRC government has thus far refused.³⁰ The Biden administration has recently brought the PRC government back to the table with the announcement of a working group. Both the previous and current administration have sought to work with this PRC government to resolve the fentanyl crisis through a Counternarcotics Working Group. This investigation seeks to go further, and we hope it informs the work of the Counternarcotics Working Group going forward.

Fentanyl Supply Chains—PRC COVID Shutdowns Curtail Fentanyl Flows

In early 2020, as the CCP locked down Wuhan and other cities in the Hubei and Hebei provinces—two regions known as a major source of fentanyl precursors for cartels—fentanyl became increasingly scarce in the United States.³¹ Cartel fentanyl manufacturing stalled, supply dwindled, and prices skyrocketed. Cartel operatives complained, acknowledging that they are “all struggling to get the chemicals to Sinaloa from China,” which was required to make synthetic narcotics.³² It was as if the United States had, completely accidentally, discovered an off switch for the fentanyl crisis.³³ This strong causal relationship continues today, with a blockchain analysis company recently accurately predicting the amount of fentanyl seized at the southwest border based on cryptocurrency payments that PRC manufacturers received for fentanyl precursors a few weeks earlier.³⁴ This was further confirmed by a supply chain analytics firm, which reviewed hundreds of thousands of data points relating to the movement of fentanyl precursor products to Mexican cartels and confirmed for the Select Committee that the PRC was the source for essentially all of the cartels' supplies.

In short, the PRC “has done little to halt the flow of fentanyl to the United States. Mexican drug trafficking groups continue to almost exclusively source

ⁱⁱⁱ Rather than focusing exclusively on the harm that fentanyl causes, however, the PRC devoted half of the Notice to warning its citizens about U.S. law enforcement's “long arm jurisdiction” and “fishing law enforcement risks.”

fentanyl precursor and pre-precursor chemicals in China, synthesize them into fentanyl, and smuggle them to the United States.”³⁵

Because Chinese chemical manufacturers sell fentanyl precursors at extremely low margins,³⁶ fentanyl can be sold for a fraction of the cost of other drugs.³⁷ This has resulted in “an unlimited and endless supply of precursor chemicals [...] coming from China to Mexico” to be sold as fentanyl in the US, according to the DEA.³⁸ Last year, a single PRC chemical manufacturer shipped enough fentanyl precursors to produce over 25 million lethal doses to just one undercover agent.³⁹ In 2022, DEA seized over 379 million lethal doses of fentanyl,⁴⁰ and California has seized “enough fentanyl to potentially kill the entire population of North America, twice.”⁴¹ These seizures represent a fraction of the total fentanyl smuggled into the country. PRC-fueled fentanyl has thus flooded the streets of the United States, outcompeting all other forms of narcotics. It is even used as a cost-efficient means of “cutting” other pricier narcotics, like cocaine.⁴²

“A single PRC chemical manufacturer shipped enough fentanyl precursors to produce over 25 million lethal doses to just one undercover agent.”

The PRC is also the source of nitazenes⁴³ and xylazines (“tranqs”), deadly new chemicals resistant to naloxone treatment^{iv} that are increasingly killing Americans.⁴⁴ Most nitazenes are substantially more potent than fentanyl, with one common variety estimated to be 25 times stronger than the deadly opioid.⁴⁵ Xylazine, when mixed with fentanyl, dramatically increases the risk of death and causes the user’s flesh to rot.⁴⁶ According to the DEA, PRC-produced nitazenes and xylazines are rapidly proliferating across the United States.⁴⁷ Unless the PRC illegal synthetic narcotics industry is stopped, nitazenes and tranqs may usher in a new onslaught of deaths in the ongoing opioid crisis.

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II. THE CCP HAS FUELED AMERICA’S FENTANYL CRISIS

The PRC government, under the control of the CCP, provides subsidies to entities that export fentanyl and related precursors, provides support to Chinese

^{iv} Naloxone (common brand name, “Narcan”) is a life-saving medication that can counteract an opioid overdose, so resistance to this treatment is a matter of significant concern. Due to the potency of nitazenes, several naloxone treatments are often needed to have a chance of saving the overdose victim. Xylazine is a powerful sedative frequently found mixed with opioids. Due to Xylazine’s chemical composition, naloxone cannot help those who overdose on it.

companies openly engaged in the fentanyl trade, and owns and supports, in whole or in part, illicit drug manufacturers.

Specifically, our investigation has revealed that the PRC government offers government money in the form of tax rebates to companies to manufacture and export illegal synthetic narcotics, including fentanyl and fentanyl analogues. The original subsidies incentivized mass production of at least 14 fentanyl analogues, including 3-methylfentanyl, an analogue that has no medical use and is so potent that it has been reportedly used as a chemical weapon.⁴⁸ These subsidies were solely for *exporting* these deadly synthetic narcotics out of China.⁴⁹ This policy was in place at least as early as 2018 and continued during the height of diplomatic furor between the United States and the PRC over the massive amounts of illicit fentanyl materials it was sending to America.

“The PRC government offers ... tax rebates to companies to manufacture and export ... fentanyl.”

The investigation has also established that the PRC government continues to subsidize the sale of fentanyl and illicit synthetic narcotics abroad today. While the PRC government restricted access to the government website describing these subsidies in 2019,⁵⁰ it continued the program, expanding subsidies to all fentanyl analogues and precursors. The Select Committee found evidence

“The PRC government continues to subsidize the sale of fentanyl ... abroad today.”

confirming that these subsidies remain in place as of April 2024 on a PRC government website. This site does not reveal the subsidies when searching for “fentanyl” in English. Instead, it requires either input of specific rebate commodity codes or searching for “fentanyl” in Mandarin. In addition, the PRC government site

originally blocked our access when we attempted to look up illicit narcotics subsidies in English from a U.S.-based IP address (but not a Chinese Virtual Private Network (VPN)), though this function no longer seems to consistently occur.⁵¹ The subsidies do not appear to have any legitimate rationale, because they subsidize the export of substances that were and are illegal under the PRC’s own laws and have no known legal use worldwide.

“The subsidies do not appear to have any legitimate rationale, because they subsidize the export of substances that were and are illegal under the PRC’s own laws and have no known legal use worldwide.”

The Select Committee also found that the PRC government rewarded companies in China that openly advertised their production and sale of illicit synthetic narcotics with government grants and awards. In internal documents, these companies boasted that they were owned by the PRC government and that

their illicit products were tax exempt, corroborating the existence of tax rebate subsidies.⁵²

Finally, the investigation revealed that some PRC synthetic narcotics manufacturers are owned, in whole or in part, by PRC government entities and individuals. This includes a PRC government prison accused of significant human rights abuses.

A. The PRC Government Subsidizes the Manufacturing and Export of Illicit Fentanyl Materials Through Tax Rebates

As part of our investigation, the Select Committee obtained materials showing that, as far back as 2018, the PRC central government's Value-Added Tax (VAT) rebate system incentivized the export of at least 17 illegal narcotics that are Schedule I controlled substances and have no legitimate purpose.^v This includes 14 fentanyl analogues. The PRC also subsidized the export of a synthetic cannabinoid and PCP ("angel dust"), which the DEA has stated has no legitimate use.⁵³ Most of these chemicals likewise fall under a United Nations Treaty as Schedule I controlled substances.⁵⁴ Several of the fentanyl analogues^{vi} not only have no documented commercial use but also are known solely as drugs that briefly led to a surge of American opioid overdose deaths in the early 1980s.⁵⁵ Another, 3-methylfentanyl, is up to 6,000 times stronger than morphine and, due to its incredible lethality, may be considered a chemical weapon.^{vii} ⁵⁶ Public reporting indicates that the Russian Federation used it in the 2002 Moscow theater hostage crisis, with its deployment resulting in mass casualties among both hostages and hostage takers.⁵⁷

^v The Select Committee, through DEA's legislative affairs office, consulted with a DEA chemist who confirmed this finding. The PRC subsidized Schedule I narcotics. These substances have no known industrial or medicinal use worldwide, including in the PRC.

^{vi} These include Betahydroxyfentanyl, thiofentanyl, and 3-methylthiofentanyl.

^{vii} The PRC's subsidies of deadly chemicals with no known legitimate purpose—and particularly 3-methylfentanyl, a potent chemical reportedly used as a chemical weapon—may violate a major international treaty. The Chemical Weapons Convention—of which the U.S. and China are both signatories—prohibits the development or production of chemical weapons. Chemical weapons include deadly chemicals that have no permitted use under the Convention. Here, the PRC, a signatory to the Convention, subsidized the export of deadly chemicals pursuant to the Convention's definition with no known legitimate purpose, including one reportedly used as a chemical weapon. In particular, because of 3-methylfentanyl's lethality and lack of any legitimate use, it appears that the PRC's subsidy of its production for exportation may violate the convention. *See generally*, Press Release, Bureau of Indus. and Sec., U.S. Dep't of Com., Commerce Expands and Aligns Restrictions with Allies and Partners and Adds 71 Entities to Entity List in Latest Response to Russia's Invasion of Ukraine (May 19, 2023), available at <https://www.bis.doc.gov/index.php/documents/about-bis/newsroom/press-releases/3273-2023-05-19-bis-press-release-russia-rules-and-joint-bis-fincen-alert/file> (sanctions to prevent Belarus from getting fentanyl and fentanyl precursors due to WMD concerns).

Product code	product name	unit of measurement	VAT refund rate%
29333300	Allentani, anilidine, cypermethrin, bromopampol, diphenoxylate, diphenoxylate, dipipramone, fentanyl , ketenemone, methylphenidate, pentazocine Levosine, pethidine, meperidine intermediate A, phencyclidine, meperidine, piperbenzene, piperacillin, propiram and trimethoprim and their salts	kilogram	9.0

Figure 1 - PRC export rebate subsidies for fentanyl, fentanyl analogues, PCP, and other chemicals. Screenshots taken Feb. 21, 2018.

Commodity code	product name	unit of measurement	VAT refund rate%
29333300	Allentani, anilidine, cyanidinamide, bromine, difenofol, diphenoxylate, dipipridone, fentanyl, ketaxifen, methylphenidate, spray, Levosine, pethidine, meperidine intermediate A, phencyclidine, bupiridine, piperoxymethanol, piperidine, propiline and trimethylididine and their salts	kilogram	10.0

Figure 2 - PRC export rebate subsidies for fentanyl, fentanyl analogues, PCP, and other chemicals. Screenshots taken Jan.8, 2019. Both the subsidized chemical list and the percentage of VAT rebate were adjusted between Feb 2018 (Fig. 1) and Jan. 2019 (Fig. 2).

Commodity code	product name	unit of measurement	VAT refund rate%
2933399075	3-methylfentanyl, 1-methyl-4-phenyl-4-piperidine propionate, norpiperone (and their salts)	kilogram	13.0

Figure 3 - PRC export rebate for 3-methylfentanyl (2019).

VAT “is a tax levied on all sales of commodities at every stage of production.”⁵⁸ VAT rebates for exports (usually in the form of a “monthly export VAT refund claim”) reduce (and, in some cases, eliminate) the tax that a company must pay on its exported goods, incentivizing the manufacture and export of goods subject to the rebate.⁵⁹ The PRC uses its “Export VAT Refund system as an active trade policy tool to regulate prices on its exports and improve its international

competitiveness.”⁶⁰ To this end, “[PRC] tax policy has created a VAT refund system based on the so-called ‘refund rate’” where “[t]he authorities set refund rates for product categories.”⁶¹ Studies have found that the PRC government’s favoring of certain products with VAT refunds dramatically incentivizes their production and export.⁶² These rebates also have a “significant and large” effect on PRC export volume—“on average, for each percentage point increase in the VAT rebate rate, the amount of exports increased by 13%.”⁶³

By reducing or eliminating the tax on certain exports, the PRC government loses that tax revenue, incurring considerable costs.⁶⁴ VAT export rebates are overseen by the State Taxation Administration, an arm of the central PRC government that reports directly to the State Council.

While the PRC had individualized subsidies for over 14 fentanyl analogues in 2019, PRC law only authorized domestic sale or export of three types of fentanyl: fentanyl, sufentanil, and remifentanil (with alfentanil added to the authorized list in 2020).⁶⁵ The PRC government likewise only granted licenses for fentanyl analogue manufacturing and export to five companies.⁶⁶ There is thus no legitimate reason for the PRC government to create a nationwide (rather than company specific) subsidy for exporting even these three fentanyl analogues, let alone many more that are wholly illegal Schedule I narcotics.

The PRC government also adjusted the subsidies for illicit narcotics and which narcotics it subsidized from 2018 to 2020, showing that the subsidies were not a holdover from an earlier administrative error long ago. The Select Committee has reviewed data sets for the same product categories containing several of these synthetic narcotic export subsidies from 2018 and 2019. Several synthetic narcotics went on and off the list of products eligible for rebates during this time. The PRC failed to remove any fentanyl analogues. Moreover, during the height of diplomatic furor over the fentanyl crisis, the PRC government actually *increased* the VAT rebate for several fentanyl substances by an additional percent.⁶⁷ The Select Committee also obtained evidence showing that the PRC increased the rebates *again* in 2020 to 13%, at that point the highest potential subsidy for any PRC exported product.⁶⁸

“The PRC increased the rebates again in 2020 to 13%, at that point the highest potential subsidy for any PRC exported product.”

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Commodity code	product name	unit of measurement	VAT refund rate%
29333300	Attentani, anilidine, cyanidamide, bromine, difenofol, diphenoxylate, dipyridone, fentanyl, katoifen, methyphanidate, spray	kilogram	10.0
	Levosine, pethidine, mepersidine, intermediate A, phenocyclidine, bupiridine, piperocymethanol, piperidide, propiline and trimethylididine and their salts		
	Acetyl-alpha fentanyl, allylidine, alfameldine (and their salts)		
	Alfamethyl fentanyl, aferodidine, benzyl pyridine (and their salts)		
	Beta-hydroxyfentanyl, beta-hydroxy-3-methylfentanyl, betamethasamine (and their salts)		
	3-methylfentanyl, 1-methyl-4-phenyl-4-piperidine propionate, norpiperone (and their salts)		
	For flufenamil, 1-phenylallyl-4-phenyl-4-piperidine acetate (and their salts)		
	Ramifentanyl and its salts		
	Thiofentanyl, alpha thiofentanyl (and their salts)		
	Furidine, levotam, 3-methylthiofentanyl (and their salts)		
293339071	Acetyl-alpha fentanyl, allylidine, alfameldine (and their salts)	kilogram	10.0
293339072	Alfamethyl fentanyl, aferodidine, benzyl pyridine (and their salts)	kilogram	10.0
293339073	Beta-hydroxyfentanyl, beta-hydroxy-3-methylfentanyl, betamethasamine (and their salts)	kilogram	10.0
293339075	3-methylfentanyl, 1-methyl-4-phenyl-4-piperidine propionate, norpiperone (and their salts)	kilogram	10.0
293339076	For flufenamil, 1-phenylallyl-4-phenyl-4-piperidine acetate (and their salts)	kilogram	10.0
293339080	Ramifentanyl and its salts	kilogram	10.0
293499071	Thiofentanyl, alpha thiofentanyl (and their salts)	kilogram	10.0
293499073	Furidine, levotam, 3-methylthiofentanyl (and their salts)	kilogram	10.0

product name:

Figure 4 – List of known PRC export rebates for fentanyl substances and other chemicals (2019).

The PRC’s subsidies for illicit narcotics were also unusually high. Most Chinese VAT rebates are “3%, 6%, and 9% for different groups of commodities.”⁶⁹ The subsidies for the illicit synthetic narcotics were 13% (with one category raised to that level in 2020). While the PRC government has not disclosed the amount of illegal synthetic narcotics exports that the PRC government subsidized, studies have found that the cost can be “quite substantial.”⁷⁰

Information about these subsidies disappeared from the PRC internet after initial reporting in Ben Westhoff’s 2019 book, *Fentanyl, Inc.*, with access to the VAT export rebate government database for non-PRC residents quietly removed by the PRC.⁷¹

In 2024, the Select Committee found another PRC government site documenting the PRC’s current VAT export rebates. It found that, rather than discontinuing the program, the PRC government expanded the export subsidies for illicit substances to “other fentanyl and their derivatives,” which would include all fentanyl analogues and precursors. The PRC scheduled all fentanyl analogues as controlled substances in 2019, meaning it currently subsidizes the export of drugs that are illegal under both U.S. and PRC law. It additionally currently subsidizes two fentanyl precursors highly prized by the cartels, NPP and ANPP, which the PRC scheduled in 2018.⁷² The PRC also continues to subsidize

other illegal drugs with no known legitimate purpose, such as PCP (“angel dust”), MDMA, illicit amphetamines, cathinones, and synthetic cannabinoids.^{viii} All of these illegal synthetic narcotics receive a full tax rebate, the maximum potential subsidy under this system.

The website did not reveal the fentanyl subsidies when searching for the term in English. Instead, it required either knowing the previous product code (e.g., 29333300) from the 2019 PRC export rebate website or searching “芬太尼” (“fentanyl” in Mandarin).

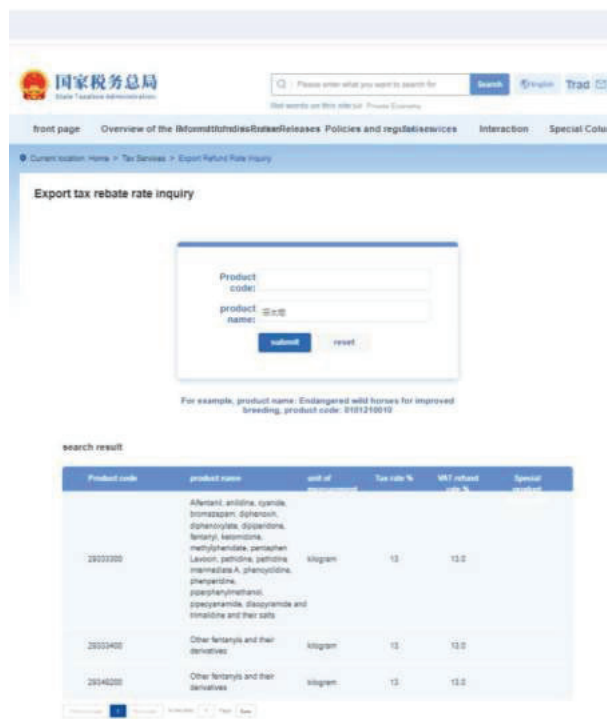


Figure 5 – PRC Export Tax Rebates for “other fentanyls and their derivatives” (twice), fentanyl, alfentanil, and Phencyclidine (PCP), among other chemicals.

^{viii} The subsidies found on the PRC export VAT rebate site only pertain to a set number of items. It does not, for instance, subsidize commonly exported chemicals like ethylene dichloride, propylene, benzene, iodine, or sulfuric acid. Many other legitimate items receive a substantially lower VAT rebate, demonstrating that the PRC government selects illicit narcotics for subsidies and grants them the maximum possible subsidy amount.

The screenshot shows the State Taxation Administration website interface. At the top, there is a navigation bar with links for 'Home', 'Information Disclosure', 'News Release', 'Tax Policy', 'Tax Service', 'Tax Regulation', and 'Interactive'. Below this, there is a search bar and a main content area titled 'Export tax rebate rate inquiry'. The main content area includes a table with the following data:

Commodity code	product name	unit of measurement	VAT refund rate%
2933990055	1-pentyl-3-(1-naphthoyl)indole; CAS No.: 209414-07-3	kilogram	13.0

Below the table, there is an 'Inquire' form with fields for 'Product code' (2933990055) and 'product name'. There are 'submit' and 'Reset' buttons. At the bottom of the page, there is a search bar and a navigation bar with links for 'Home', 'General Overview', 'Information Disclosure', 'News Release', 'Policy Regulation', 'Tax Service', and 'Interactive'. The current location is indicated as 'Home > Tax Service > Export Tax Rebate Rate'.

The second screenshot shows the 'Export Tax Rebate Rate Inquiry' page. It has a search bar and a navigation bar. The main content area is titled '出口退税率查询' (Export Tax Rebate Rate Inquiry). There is a form with the following fields:

商品代码: 2933990055
商品名称: [Empty field]
提交 重置

Below the form, there is an example: 例如 商品名称: 改良种用濒危野马, 商品代码: 0101210010

The '查询结果' (Query Results) section shows a table with the following data:

商品编码	商品名称	计量单位	征收税率%	增值税退税率%
2933990055	1-戊基-3-(1-萘甲酰基)吲哚(1-Pentyl-3-(1-naphthoyl)indole; CAS号: 209414-07-3)	千克	13	13.0

Figures 7 & 8 – 1-pentyl-3-(1-naphthoyl)indole, aka JWH-018, a synthetic cannabinoid marketed as “Spice” or “K2.” This substance has no legal purpose and is illegal for domestic use or export in China, yet the PRC subsidized it in 2019 (Fig. 7, above) and still subsidizes its export today (Fig. 8, below).

国家税务总局
State Taxation Administration

请输入您要搜索的内容

本站热词: 总局 民营经济 便民办税春风行动 个税 小微企业

首页 总局概况 信息公开 新闻发布 政策法规 纳税服务

当前位置: 首页 > 纳税服务 > 出口退税率查询

出口退税率查询

商品代码:

商品名称:

提交 重置

例如 商品名称: 改良种用濒危野马, 商品代码: 0101210010

查询结果

商品代码	商品名称	计量单位	征成税率%	退税成退税率%
29333600	4-羟基-N-苯乙基哌啶 (ANPP)	千克	13	13.0
29333700	N-苯乙基-4-哌啶酮 (NPP)	千克	13	13.0

Figure 9 – PRC export subsidies for NPP and ANPP, key fentanyl precursors that the PRC controlled in 2018.

国家税务总局
State Taxation Administration

请输入您要搜索的内容

本站热词: 总局 民营经济 便民办税春风行动 个税 小微企业

front page Overview of the Information Database Releases Policies and regulations Interaction Special Column

当前位置: 首页 > 纳税服务 > 出口退税率查询

Export tax rebate rate inquiry

Product code:

Product name:

submit reset

For example, product name: Endangered wild horses for improved breeding, product code: 0101210010

search result

Product code	product name	unit of	Tax rate %	WTF refund rate %	Special
293299003	Methylendioxyamphetamine and its salts (MDMA)	kilogram	13	13.0	

Figure 10 – PRC export rebate subsidy for MDMA.

In addition, when first discovered in late February 2024, the database appeared to have an automated tripwire, where searches for fentanyl in English from a U.S. IP address resulted in the website blocking the user and stating, in English, “Your current behavior is detected as abnormal.” Accessing the website from a PRC IP address using a VPN did not trigger this response. As of April 10, 2024, the tripwire only appears to trigger intermittently.



Figure 11 – Screen that originally appeared when Select Committee investigators attempted to access the export rebates for narcotics using a U.S. IP address. This screen now only intermittently appears when doing so.

The documents the Select Committee reviewed only cover a small portion of the PRC’s original VAT export rebates. Due to the system’s tripwires and difficulty searching the site, the Select Committee’s investigation into the complete rebate list, including what other illicit substances the PRC government still subsidizes for export, is ongoing.

In discussions with American officials, the PRC government has repeatedly stated that it cannot control illegitimate actions within the PRC chemical industry because it cannot identify which manufacturers are exporting synthetic narcotics. The information above illustrates that the PRC government has not disclosed all relevant information related to PRC policy. To receive a VAT refund, a company must list the name and amount of the substance that they are exporting to show that it qualifies for the refund and to quantify the rebate amount due.⁷³ The PRC fentanyl refund thus requires that the PRC company provide the government with its full identification and record of its sales of illicit substances abroad. In other words, the PRC’s VAT refunds for fentanyl materials and other synthetic narcotics would necessarily give PRC law enforcement an opportunity to easily obtain extensive evidence of which chemical companies participate in the global illicit fentanyl trade from other elements of the PRC government. According to cabinet officials, agency heads, and other senior government officials that the Select Committee has consulted, the PRC government never raised this capability during negotiations on the fentanyl crisis and there is no evidence that they ever used it to enforce their own laws.

The CCP's Subsidies Dramatically Increase Illicit Narcotics Sales

Treasury Secretary Janet Yellen recently rightly condemned the CCP's use of export subsidies for certain goods, as it results in market distortions that are harmful to the global economy.⁷⁴ Just as the CCP's subsidies of electronic vehicles (EVs) lead to the dumping of massive numbers of PRC EVs around the world, the CCP's subsidies of illegal narcotics lead to the dumping of massive numbers of illegal narcotics worldwide. And this is born out in the data.

As discussed in Section III below, the Select Committee used web scraping and data analytics programs to identify and analyze instances of PRC companies selling illicit synthetic narcotics on seven e-commerce sites. As part of its analysis, the Select Committee compared the amount of the PRC subsidized synthetic cannabinoid, JWH-018,⁷⁵ to nonsubsidized varieties of the same drug type. We found that **the subsidized synthetic cannabinoid was offered for sale at a 10 to 20 times higher rate** than the majority of similar drugs and greater than the next five most frequently sold synthetic cannabinoids *combined*. While this small data set has inherent limitations, the dramatic difference between subsidized versus non-subsidized narcotics offered for sale demonstrates how the CCP's illicit drug subsidies incentivizes fuel, and even direct the global illicit drug trade.

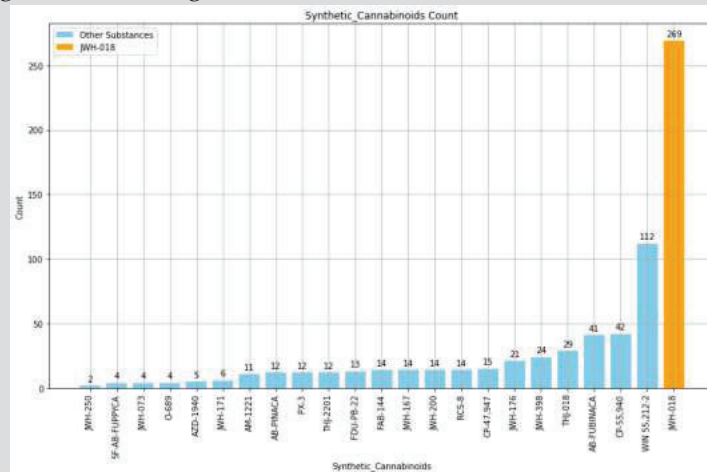


Table 1 – Number of posts offering sale of certain synthetic cannabinoids.

B. The PRC Government Gave Monetary Grants and Awards to Companies Openly Trafficking Illicit Fentanyl Online

Our investigation also revealed that the PRC government provided grants and awards to companies engaging in open and notorious synthetic narcotics manufacturing and drug trafficking.⁷⁶

For instance, in 2023, Shanghai's Minhang District announced that it would support Shanghai Ruizheng Chemical Technology Co., Ltd. as part of a "foreign

trade stabilization policy project” designed to boost exports.⁷⁷ The support included export credit premiums and export credit insurance support. The award was part of the Shanghai Science and Technology Innovation Policy Services,⁷⁸ that in turn appears to be part of a program run by the PRC’s national Ministry of Science and Technology.⁷⁹

Ruizheng, also known as “the Richest Group,” is a notorious seller of fentanyl products, which it advertises widely and openly on Chinese websites like Alibaba.⁸⁰ Despite this, Ruizheng not only received PRC government awards but was also invited to PRC provincial government roundtables, such as a 2021 event discussing how small- and medium-sized technology businesses can contribute to the 14th Five-Year Plan.⁸¹

In another instance, Gaosheng Biotechnology – which a prominent think tank report identified as a prolific online seller of fentanyl precursors and synthetic narcotics⁸²—received government awards and site visits from PRC government officials while it openly advertised the sale of illegal narcotics online. Specifically, Secretary of the Guangzhou Development Zone and Deputy Director of the Guangzhou Development Zone Management Committee both visited the company and spoke approvingly of its businesses impact on the provincial economy.

Gaosheng Biotechnology Co., Ltd. is a production and sales LLC (wholly state-owned), specialized in producing and exporting Pharmaceutical Intermediates which located in Shanghai, China. We own six subsidiary and we enjoy tax exemption privileges.

Figure 12 – Gaosheng, a company openly selling fentanyl precursors and other illicit drugs online, boasting of its PRC tax exemption in internal corporate documents.

Reviewing internal Gaosheng corporate records that an employee had inadvertently left on a public facing website,⁸³ we confirmed Gaosheng’s widespread international online presence, including sales accounts on 98 websites and boasting of sales to the U.S., Mexico, UK, Russia, and Germany. These documents also confirmed that Gaosheng sold dozens of dangerous synthetic narcotics, including fentanyl analogues, U-47700, heroin, and methamphetamine. At time of sale, these drugs were illegal under PRC law. In these corporate records, Gaosheng also noted that it is “wholly state-owned” and “enjoy[s] tax exemption privileges,” a description consistent with the VAT subsidies described in Section

“The PRC government offered to fund the creation of a second factory for a PRC-based criminal whose entire business model was producing synthetic narcotics and selling them abroad.”

II.A above. The internal records also showed that it created a new corporation, Hebei Zeqian Biotechnology, as part of its drug trafficking scheme. After negative western press about Gaosheng’s drug trafficking activities, Gaosheng invested 300 million RMB into this successor

entity, potentially as a means to avoid being targeted by U.S. law enforcement action and sanctions.

In addition, the Select Committee has interviewed former federal agents who investigated major PRC synthetic narcotics manufacturers. These agents provided corroborating information establishing that the PRC government offered to directly fund the creation of additional synthetic narcotic manufacturing facilities. Specifically, the PRC government offered to fund the creation of a second factory for a PRC-based criminal whose entire business model was producing synthetic narcotics and selling them abroad.⁸⁴

C. The PRC Government Holds Ownership Interests In Several Companies Trafficking Illicit Fentanyl Materials

Our investigation identified several instances where a PRC government entity had ownership interests in companies tied to the sale of illicit synthetic narcotics. These are effectively PRC state-owned enterprises in the illicit fentanyl trade. **Gaosheng**, for instance, stated in internal documents that it is a “wholly state-owned entity.”

Yafeng: Another state-owned company is Yafeng Biological Technology Co., Ltd., aka Hebei Shijiazhuang Yafeng Chemical Plant (hereafter, “Yafeng”). The sole owner

“Gaosheng ... stated in internal documents that it is a ‘wholly state-owned entity.’”

of Yafeng is Hebei Province Shijiazhuang Prison (河北省石家庄监狱), a PRC state-owned prison.⁸⁵ Disturbingly, the Hebei Province Shijiazhuang Prison is also tied to human rights abuses, particularly against Falun Gong practitioners. Allegations include rape, torture, and abuse resulting in death.⁸⁶

Yafeng was formed in 2010, and, according to PRC corporate records, the company ended formal operations in 2022 (with a successor entity still operating today). In that time, Yafeng operated several websites that sold illicit synthetic narcotics, including cathinones, synthetic cannabinoids, and U-47700, a powerful synthetic opioid tied to overdose deaths.⁸⁷ U-47700 is expressly outlawed in not just the United States but also China.⁸⁸ It is also listed as a controlled substance by the United Nations.⁸⁹

On one of its sites, Yafeng boasts “10 years’ experience,” with sales “mainly in America, Europe, Australia, Southeast Asia, Middle East, and South Africa.”⁹⁰ Yafeng advertises that its “packaging can be made to measure, normally foil bags and hidden food bags.” Foil bags and hidden food bags are common decoys or “stealth” packaging used by drug

“[State-owned corporation] Yafeng advertises that [it packages shipments with] foil bags and hidden food bags[,] common decoys ... used by drug distributors to avoid detection.”

distributors to avoid detection by customs and law enforcement.⁹¹ It also “offer[s] our guarantee that 100% of our shipments will clear customs.”

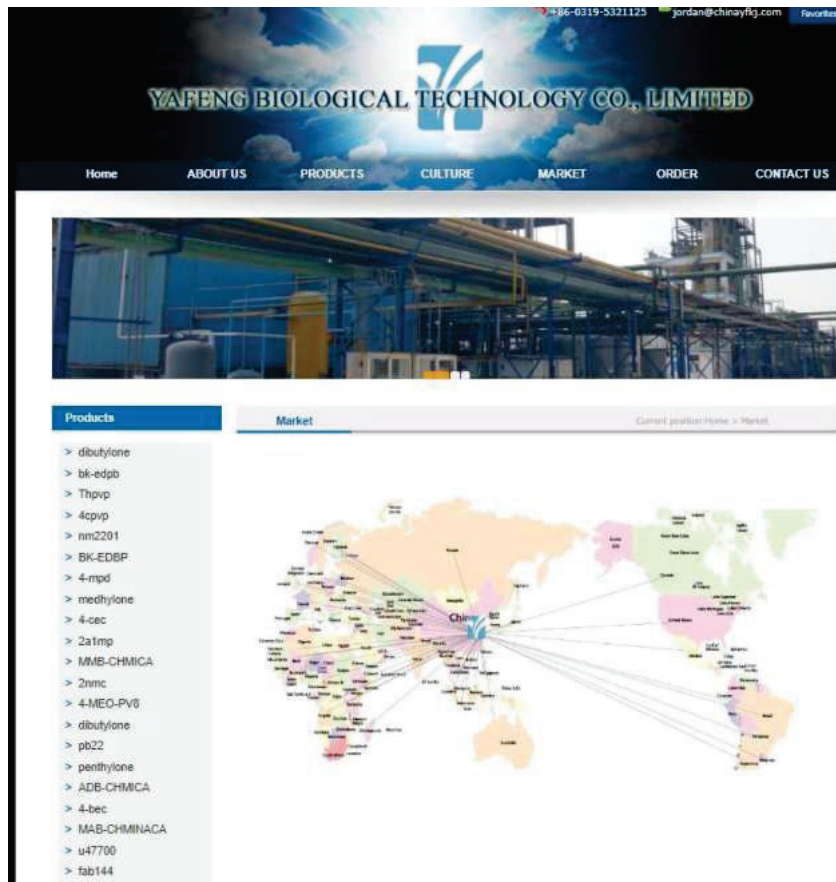


Figure 13 – Yafeng, a chemical company owned by a PRC prison, boasting of its international reach. The chemicals offered on the sidebar are all synthetic narcotics.

Yafeng also has broader ties into the PRC’s global illicit fentanyl trade. For instance, the same email address that registered Yafeng Biological’s website also registered at least nine other companies that advertised the sale of illicit fentanyl materials, including analogues and precursors, for several years. In addition, Yafeng’s latest website shares the same registered address as two other websites that prominently advertised the sale of fentanyl precursors and other drugs. Several of these websites share contact information (e.g., email addresses, WhatsApp numbers) in common. Based on these commonalities, it appears that at least one of these sites, protonitazene.com, is under the control of the Yafeng group. This new site advertises fentanyl precursors, nitazenes, and other synthetic narcotics with “hot sale to Mexico.”⁹²

Yuancheng Group: In another example, first reported in *Fentanyl, Inc.*, Yuancheng Group, one of the largest exporters of fentanyl precursors worldwide during its operation,⁹³ received government grants and subsidies, and appeared to have a Chinese Communist Party member serving as its legal representative and the CEO of several of its subsidiaries and shell companies.⁹⁴ The company was “repeatedly praised by Communist Party officials,”⁹⁵ even as it openly engaged in illegal narcotics sales.

Yuancheng’s owner admitted in an interview with Westhoff that the company “knows these precursors are used to make fentanyl” and the “marketing materials ma[d]e this clear.”⁹⁶ It was not “selling to hospitals or pharmaceutical companies [but instead] tak[ing] orders from anyone,” accepting payment in “Bitcoin, Western union, and direct bank transfer” while promising “‘100% guaranteed clearance’ through customs.”⁹⁷ Nevertheless, the PRC government continued its support of Yuancheng for years.

Yuancheng was repeatedly praised by Communist Party officials, even as it openly engaged in illegal narcotics sales.

Zhejiang Netsun: As Secretary of State Antony Blinken recently noted, “In China, there’s really no distinction between private companies and the state.”⁹⁸ Secretary Blinken was speaking of the Chinese state’s control of the private sector. While not unique to the PRC chemical industry, this PRC government control extends to Chinese publicly traded companies involved in the illicit fentanyl trade. For instance, Zhejiang Wangsheng, also known as Zhejiang Netsun, is a publicly traded company registered on the Shanghai Stock Exchange. The PRC government has a small ownership stake in the company and a CCP member is on its board of directors, serving as Deputy General Manager. This is consistent with the PRC government practice of “golden shares” (aka “special management shares”) in sectors across the PRC economy.⁹⁹ “Golden shares have become a useful tool to keep companies like these in line with party objectives without the need for the state being a major stakeholder.”¹⁰⁰ Through this arrangement, “[t]he state takes company stakes that are often small but give it a board seat and power to ensure that corporate behavior hews to the party agenda.”¹⁰¹ The specialized shares and board seat give the PRC government, through its director proxy, tremendous power over the company. This power may include decision making on hosted content (such as veto rights), personnel decisions, compensation packages, and investment or divestiture plans.¹⁰² A 2018 PRC regulation likewise requires Netsun, as a publicly traded company, to have established a Chinese Communist

While the PRC government exerted control on Zhejiang through its CCP Member board seat and Party cells, the company’s e-commerce sites openly sold fentanyl analogues, fentanyl precursors, and other synthetic narcotics.

Party Cell that has a “greater say in corporate governance.”¹⁰³ While the PRC government exerted control on Netsun through its CCP Member board seat and Party cells, the company’s e-commerce sites openly sold fentanyl analogues, fentanyl precursors, and other synthetic narcotics, with many still available for sale today. Across only three of its e-commerce sites, the Select Committee identified over 400 sales of illicit narcotics (*e.g.*, fentanyl precursors, nitazenes) and chemicals found on the DEA Special Surveillance List (SSL)—a list that “identifies laboratory supplies which are used in the manufacture of controlled substances and chemicals.”¹⁰⁴ In addition, Netsun serves as the billing or technical contact (suggesting it is the web host) for over a hundred individual PRC chemical companies, including Yafeng, that previously or presently sell illegal drugs online.

III. THE CCP FAILS TO PROSECUTE FENTANYL PRECURSOR AND SYNTHETIC NARCOTICS MANUFACTURERS

A nation cannot avoid responsibility for activities within its borders simply by ignoring what is obvious. The PRC government has the means to stop illicit fentanyl materials manufacturers, yet it continually fails to do so for those engaged in illegal activities. It runs the most advanced techno-totalitarian surveillance state in human history and, by its own rhetoric, has developed an omnipresent digital and physical surveillance state that “leave[s] criminals with nowhere to hide.”¹⁰⁵

Yet it has failed to pursue flagrant violations of its own laws. Indeed, in certain instances, the PRC government has actively protected illicit fentanyl material manufacturers from potential legal actions. Drugs are still openly and notoriously trafficked by PRC companies on PRC-based websites, even though the PRC government admitted that these are criminal acts. The Select Committee has likewise found no evidence of new criminal enforcement actions. This failure—when combined with new evidence establishing that the PRC incentivizes the export of illegal drugs abroad and holds ownership stake in companies doing the same—casts doubt on the veracity of the PRC’s claims that it will act to stem the massive export of illicit fentanyl materials and other dangerous synthetic narcotics, and reinforces the need for global cooperation and communication between law enforcement agencies.

A. The PRC Government Has Thwarted U.S. Law Enforcement Investigations into Illicit Fentanyl Manufacturers

Most disturbing are reports of Chinese authorities notifying Chinese synthetic narcotic manufacturers when the U.S. asks for assistance, thereby allowing them to change their tactics to avoid further U.S. detection.¹⁰⁶ Multiple current and former federal agents

“PRC officials have notified the targets of an investigation when U.S. law enforcement sent a formal request for assistance.”

have described instances where PRC officials have notified the targets of an investigation when U.S. law enforcement sent a formal request for assistance in investigating a fentanyl or other synthetic narcotics manufacturer. This notification resulted in the target changing their operational techniques, making it harder to detect and deter their criminal activities. In the rare cases when U.S. law enforcement or embassy officials were granted permission to see a potential synthetic narcotics manufacturing site, the “Chinese regulatory authorities continue[d] to delay requests for access to inspect and investigate potential sites of illegal chemical production where precursors are made. [These] requests are often delayed for days, allowing any illegal operation to vacate or clean up the premises.”¹⁰⁷ When the United States managed to arrest and prosecute a PRC citizen, the PRC government not only refused to assist the investigation but also published warnings to the PRC drug trafficking community to avoid “falling into U.S. snares and arrest-entrapment.”¹⁰⁸

“[The warnings] resulted in the target changing their operational techniques, making it harder to detect and deter their criminal activities.”

“[W]hen presented with evidence of illicit fentanyl analogue trafficking by a criminal organization—which PRC officials agreed was illegal under Chinese law—PRC officials refused to prosecute, asked DOJ not to indict the organization[, then] falsely claimed [they had never received such evidence].”

PRC officials have also obfuscated, delayed, and attempted to dissuade American law enforcement from prosecuting criminal fentanyl traffickers.¹⁰⁹ For instance, when presented with evidence of major illicit fentanyl analogue traffickers committing felonies under PRC law, the PRC officials admitted that the targets had committed these crimes but refused to prosecute them. Instead, they actively prevented any attempts at further cooperation and asked DOJ *not* to indict the organization. In May 2018, a U.S. Department of Justice investigative team met with senior officials at the PRC’s Ministry of Public Security’s headquarters in Beijing to share information from DOJ’s investigation into the Zheng Drug Trafficking Organization. In that meeting, PRC officials admitted that the Zhengs were trafficking in fentanyl analogues but claimed that they could not prosecute the case because the substances were not scheduled under PRC law. DOJ then presented PRC officials with legal analysis of various Chinese felony provisions and evidence



Figure 14 – Fujing Zheng wanted poster.

establishing that the Zhengs had violated them, with the seniormost PRC official ultimately agreeing that the Zhengs had violated PRC law.¹¹⁰ Despite this agreement, the officials refused to engage further, claiming that “different staff” handles these types of violations and that they would not be in until the following week. Despite the U.S. investigative team offering to change their flights to meet the “different staff” to discuss further cooperation, the PRC seniormost official refused and ended the meeting, stating that they would be in touch for further cooperation.

The PRC did not cooperate further despite repeated requests from the United States. The Department of Justice charged the Zhengs less than three months later, with the PRC asking DOJ not to prosecute the case shortly before the indictment. The U.S. Attorney General announced the indictment and asked the PRC to investigate the Zhengs under its laws.¹¹¹ It did not. Instead, Yu Haibin, a senior official with the office of the China National Narcotics Control Commission, falsely claimed that “[t]he U.S. side failed to provide China any evidence to prove Zheng violated Chinese law, and the U.S. knows clearly about that.”¹¹² The United States thereafter sanctioned the Zhengs, crippling the organization.¹¹³

In the past five years, the United States and its allies have indicted, sanctioned, or otherwise made public evidence establishing the involvement of dozens of Chinese individuals and entities engaged in fentanyl, fentanyl precursor, or other synthetic narcotics trafficking. Third party investigative groups have identified over a hundred more.

“Former PRC Foreign Minister Qin Gang admitted in 2022 that ‘not a single criminal case has been opened in China that involves the manufacturing, trafficking and smuggling of fentanyl-related substances since their scheduling.’”

Despite this evidence—which was established without any access to the PRC’s vast surveillance state—China has thus far done nothing to investigate or prosecute these groups. To the contrary, former PRC Foreign Minister Qin Gang admitted in 2022 that “not a single criminal case has been opened in China that involves the manufacturing, trafficking and smuggling of fentanyl-related substances since their scheduling.”¹¹⁴ Aside from limited collaboration in 2017, “Beijing has not followed up on other major U.S. indictments of Chinese nationals on drug trafficking charges.”¹¹⁵ The Select Committee has been unable to identify any new PRC prosecutions or enforcement actions.^{ix}

The CCP’s failure to investigate these cases—and in many cases effectively notifying criminals of investigations into criminal conduct—is deeply disturbing.

^{ix} We requested that experts on Chinese law at the Congressional Research Service review publicly available information on PRC prosecutions to inform this report. They confirmed that they did not find any such prosecutions.

B. The PRC Allows the Open Sale of Fentanyl Precursors and Other Materials that Fuel the Fentanyl Crisis on the Extensively Surveilled Chinese Internet

Despite the fact that the PRC government publicly acknowledged that the trafficking of fentanyl precursors and other illicit narcotics materials is illegal under Chinese law,¹¹⁷ the Select Committee's investigation revealed that thousands of companies are still openly advertising and selling these illicit materials across the Chinese internet—the most heavily surveilled country-wide network in the world.¹¹⁸

The PRC's failure to enforce its laws is especially startling when considering the PRC's capabilities.¹¹⁹ "The idea that you can be anonymous on the Chinese internet [...] that just doesn't happen."¹²⁰ The PRC requires that internet users use National IDs to sign into any social media service or website in the country.¹²¹ It also can immediately locate an internet user through location tags.¹²² The PRC government additionally has the ability to monitor financial payment applications

Undercover Investigation Reveals Widespread, Blatant Sale of Illicit Narcotics Materials

In 2024, the Select Committee engaged in undercover communications with a small list of verified fentanyl precursor and other synthetic narcotics PRC vendors.¹¹⁶ Of the 27 that responded, 26 offered to sell narcotics immediately. The communications made it clear that the undercover investigator was interested in the precursors and narcotics for illegal purposes. This did not deter any of them. In fact, one PRC fentanyl precursor vendor sent verified records of prior drug shipments to Texas to show that it was capable of making the deal. Another repeatedly called the undercover investigator on WhatsApp and forcibly tried to make the sale.^x

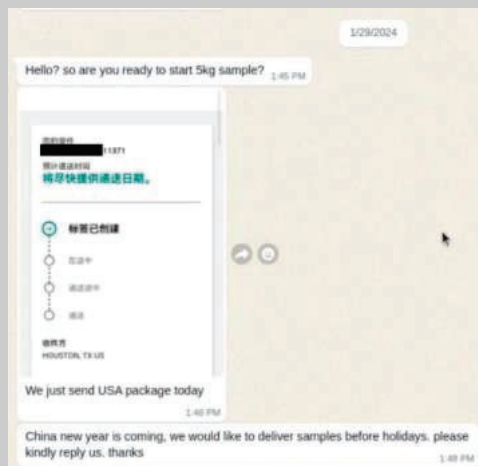


Figure 15 - A PRC chemical company repeatedly asking an undercover investigator if he wants to buy drugs, showing (without prompting) tracking confirmation of a drug parcel it recently successfully sent to a U.S. customer to confirm it.

^x The Select Committee provided all relevant information to federal law enforcement about these communications in a timely manner and made all incriminating evidence relating to the fentanyl vendors available to federal law enforcement upon request.

and banks, which are either under direct state control or subject to heavy regulation.¹²³

As part of its investigation, the Select Committee used web scraping and data analytics tools to review content of a subset of seven e-commerce sites that routinely host PRC companies selling illicit narcotics. Six sites are based in the PRC¹²⁴ (including those controlled by the PRC government-tied public company Zhejiang NetSun)¹²⁵ and one in Singapore.^{xi} The analysis was further narrowed by focusing solely on a subset of illicit synthetic narcotics—fentanyl materials (including analogues and precursors), nitazenes, xylazines, cannabinoids, and substances on the DEA SSL—meaning that this number heavily underrepresents the true scale of the PRC synthetic narcotic industry. This web scraping tool resulted in the accumulation of 37,000 unique data points.^{xii} Within this data set, the Select Committee identified over 2,048 PRC companies offering over 31,000 sales of illicit narcotics or substances on the DEA SSL.¹²⁶ These companies sales pages included clear indicia of drug trafficking with advertisements that appeared to be catering to non-PRC (and, in many cases, specifically American or Mexican) customers.¹²⁷ These indicia include accepting Bitcoin (a cryptocurrency outlawed in Mainland China) as a form of payment;¹²⁸ selling multiple forms of illicit narcotics (*e.g.*, fentanyl precursors, Nitazenes, and synthetic cannabinoids) in a single advertisement;¹²⁹ offering special packaging and reimbursement if the package is “lost;”¹³⁰ guaranteeing chemicals would bypass customs (*e.g.*, “Double Clearance 100% pass delivery to USA, Canada, Germany, Netherland, Poland, Australia, Mexico, Russia”) [*sic.*];¹³¹ and offering to “change chemical name on the parcel to ship” and “double customs clear[a]nce service to keep safe deliver[y].”¹³² On just one of these sites in February 2024, the major PRC-based e-commerce platform Chemicalbook,^{xiii} there were over 5,000 sales offered for narcotics precursors, many in bulk. There were likewise 85 advertisements for nitazenes, deadly opioids that are resistant to naloxone and increasingly found on American streets, 41 for U-series opioids (*e.g.*, U-47700), 303 for synthetic cannabinoids, and 256 for Xylazine. This activity is illegal under PRC law.¹³³

^{xi} The Select Committee also individually reviewed dozens of PRC company websites, many hosted by Zhejiang NetSun, which had easily identifiable sales of illicit narcotics. DNS registries and corporate records checks confirmed these sites were hosted and headquartered in the PRC.

^{xii} The Select Committee has arranged to provide this data to federal law enforcement for further investigative steps.

^{xiii} In conversation with current and former federal law enforcement, the Select Committee confirmed that availability of illicit narcotics on these websites is a widely-known fact among fentanyl producers, and that—similar to indictments or sanctions of violating companies—increasing public scrutiny of these websites’ inaction is the most viable path to improved practices.

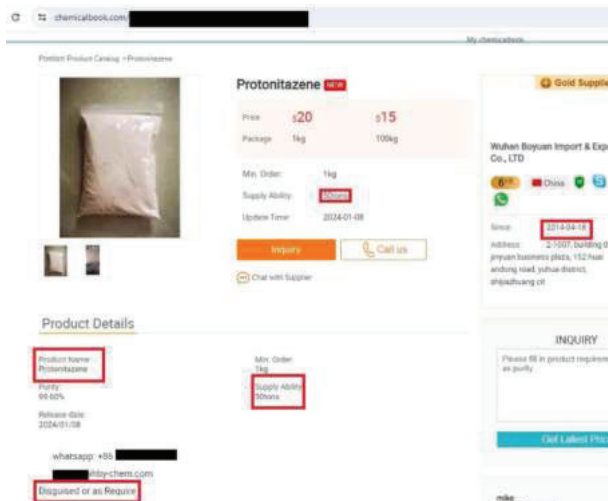


Figure 16 – PRC company website and PRC server advertisement for protonitazene, an opioid that is up to 25 times stronger than fentanyl and increasingly killing Americans. The company offers to “disguise” the packaging and can supply up to “50 tons.”



Figure 17 – Advertisement for powerful opioid on PRC website with company accepting payment in Bitcoin. Drug conspiracy, customs fraud, and accepting payment in Bitcoin are all illegal in China.

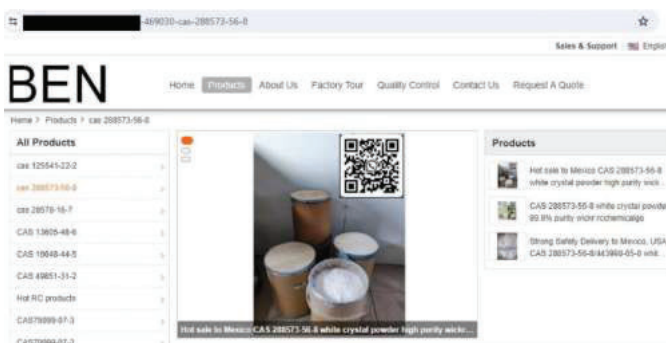


Figure 18 – PRC chemical company selling key ingredients required for cartels to manufacture fentanyl with “hot sale to Mexico.”

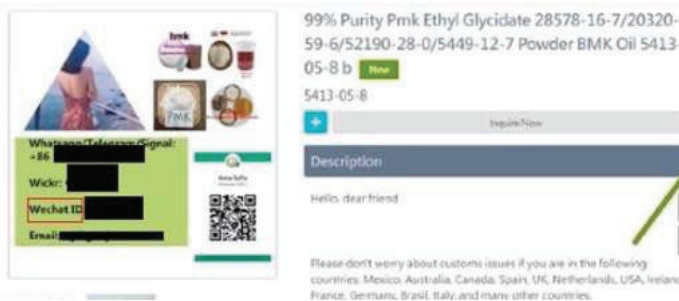


Figure 19 – Advertisement for an MDMA precursor offering WeChat ID to consummate drug sale. WeChat is a heavily monitored application in the PRC.

Importantly, this data set revealed that, while PRC companies sell vast amounts of synthetic narcotics online, the number of PRC companies actually doing so appears to be comparatively small. Within the 2,048 PRC companies,^{xiv} we found just over 1,500 common linkages, such as multiple companies sharing the same phone numbers, fax numbers, email addresses, or other commonalities. In some instances, these associations suggest a common sales force used across companies. Many times, however, these commonalities demonstrated centralized control, with one company or group using dozens of company names to obfuscate their involvement. The manufacturers for these substances are also geographically concentrated in a handful of cities, with Shanghai and Wuhan alone responsible for a third of the identified illegal drug trade. In addition, we uncovered many instances where companies selling illicit synthetic narcotics also sold legitimate chemicals, sometimes on associated sites through a related company. These facts suggest that the companies engaged in synthetic drug trafficking are geographically concentrated, fewer in number than it may first appear, and reliant on the remaining part of legitimate global commerce.^{xv}

Individual PRC company webpages, all of which are based on PRC servers like Alibaba cloud or Zhejiang Netsun, likewise sell a plethora of synthetic narcotics clearly aimed at drug trafficking. For example, protonitazene.com (which shares the same DNS address, email addresses, Wickr accounts, and phone number with a Yafeng website) sells dozens of types of nitazenes, fentanyl precursors, and other synthetic narcotics, with “hot sales to Mexico.”¹³⁴ This is merely one of hundreds of examples we encountered online. These postings are designed for one purpose: drug trafficking.¹³⁵

Confidential Chinese Surveillance Contracts Reveal Vast Online Tracking Capabilities

A review of a dozen never-before-reported-on PRC surveillance technology contracts revealed the startling extent of the PRC government’s knowledge and control over its populace. In one 135-page tender document, the PRC government explains its “One Person, One File” approach developed by Huawei. Using extensive surveillance technologies and data analytics,

^{xiv} Many of these sites had a multi-step company “verification service” that “audit[s] suppliers” and “ensures [the seller’s] products meet all relevant regulations and standards.” See, e.g., *ChemicalBook Audited Supplier*, CHEMICALBOOK, available at <https://web.archive.org/web/20240403212444/https://www.chemicalbook.com/ProductAdvertising.asp> (last accessed Apr. 13, 2024). These verification systems both corroborate that these companies are providing their true names and undercut any claim by these companies that they had no idea that these illicit activities were ongoing. For instance, many of the manufacturers selling illicit narcotics had the “audited supplier” verified badge, indicating that ChemicalBook had audited their business and found it acceptable for its website.

^{xv} The implication of this finding is discussed in the policy recommendations section. See Section V, *supra*.

authorities collected and analyzed data to create detailed profiles about each resident. This “file” includes “basic personal information, face recognition captures, and comprehensive social information such as relationships, activity trajectories, and peer analysis.” The PRC government constantly updates this individual-specific file based on data it obtains from its omnipresent physical and digital surveillance techniques to understand “many persons and complex relationships” and receive “advance warning prediction, and suspicious behavior discovery [...] so as to fully realize the value of data.” The system not only watches for potential criminal activity like drug trafficking, but also captures everything from their sexual orientation to political inclinations and possible animosities toward the government (*e.g.*, victim of prior land seizure). These programs, when combined with the “community grid management” approach that focuses on integrating multiple surveillance platforms to strengthen social control, give the PRC government a disturbingly robust capability in identifying and arresting those who violate PRC law. For instance, in 2017, it only took security forces seven minutes to identify, locate, and detain a BBC reporter.

C. The PRC Government Censors Content About Domestic Drug Sales— But Leaves Export-Focused Narcotics Content Untouched

The PRC government could prevent fentanyl- and drug trafficking-related content from being posted online in the first place. A recent Citizen Lab report found over “66,000 rules controlling the content that is available to people using search engines” in the PRC.¹³⁶ These rules involve algorithms that either limit results or “provid[e] no results or by limiting the results to selected sources, which are usually government agencies or state news organizations that follow the Communist Party’s line.”¹³⁷ Censored categories run the gamut from Winnie the Pooh¹³⁸ to prohibited conduct like “politics, violent terrorism, fraud and blackmail, pornography, vulgarity, gambling, rights infringement, rumors, and a broadly defined category of ‘other.’”¹³⁹

The CCP will stop at nothing to silence its critics and eliminate dissent. It employs authoritarian tools of censorship, such as the so-called Great Firewall, to wall off the PRC internet from content that might invoke concepts such as democracy, human rights, or even basic historical facts. Yet the PRC government does not use this extensive censorship apparatus to block keywords associated with the export of fentanyl precursors.

The academic research institute Citizen Lab analyzed the censorship triggers in the PRC for illicit fentanyl materials. While some censorship appeared to exist for domestic-based fentanyl transactions (*e.g.*, “fentanyl + cash on delivery”), no such censorship triggers existed for any fentanyl precursors, the CAS numbers used to find them online, or anything related to the *export* of illicit narcotics.¹⁴⁰

Thus, although the PRC uses this tool for tens of thousands of other topics, it does not do so for the export of deadly narcotics abroad.

D. The PRC Aggressively Prosecutes Domestic Drug Trafficking But Leaves Illicit Drug Exports Untouched

The issue is not that the PRC government does not want to use its security apparatus to investigate and prosecute drug trafficking. It does do so routinely, but only in cases that impact its domestic population. The PRC ruthlessly investigates, prosecutes (with no presumption of innocence), and *executes* many potential drug trafficker within its borders.¹⁴⁴ The PRC also routinely arrests and executes foreigners who it accuses of engaging in the drug trade within the PRC.¹⁴⁵ China's state-controlled Global Times stated that "China will never allow drug traffickers from any country to kill and poison the Chinese people."¹⁴⁶ It also stated that the Chinese public "detest drug trafficking and believe that having mercy with drug dealers would equal to infringing the rights of millions of Chinese."¹⁴⁷

Case Study: The PRC Controls Output from China's Chemical Producers

When motivated to do so, the PRC government has shown a robust ability to police its chemical manufacturing industry. During a push related to pollution control, the PRC government "shut down 30 to 40 percent of all Chinese production capacity for monosodium glutamate and certain dyestuffs and pesticides," and implemented extensive permitting requirements and relocation of chemical factories.¹⁴¹ External experts "expect[ed] China's environmental authorities to continue to push enforcement energetically" across companies that "account for nearly 50 percent of China's chemical production."¹⁴²

Yet the PRC government has failed to address the rampant production and exportation of fentanyl materials by the same sector. To the contrary, the PRC government has not required even the most basic "know your customer" (KYC) protocols that other nations mandate around the world. Indeed, the PRC government does not even enforce its laws as "[p]erpetrators caught mislabeling precursor shipments [in China] often face only civil penalties and small fines rather than criminal charges."¹⁴³

Despite this zeal, the PRC does not treat narcotics leaving its shores as a similar priority. As Brookings' Vanda Felbab-Brown noted:

With respect to drug trafficking, China's first objective is to minimize the flow of drugs into China for domestic consumption... China's second objective is to push illegal supply of scheduled drugs and precursors abroad, though China lacks an equal determination to counter Chinese smugglers and traders operating abroad, such as through cooperating with national authorities abroad, let alone developing its own indictment portfolios.¹⁴⁸

While the PRC has recently shown some willingness to engage on drug trafficking concerns such as “shut[ting] down” certain companies and blocking “certain international payment accounts,”¹⁴⁹ some experts view it as “unlikely that China will end its approach of subordinating its anti-drug and anti-crime cooperation to its strategic calculus.”¹⁵⁰ Securing this cooperation, including by increasing enforcement of the PRC’s own laws against exporters of illicit fentanyl materials, is critical.

IV. THE FENTANYL CRISIS ADVANCES THE PRC’S STRATEGIC AND ECONOMIC INTERESTS

The Select Committee’s investigation has established that the PRC government, under the control of the CCP (1) directly subsidizes the exports of deadly illicit fentanyl materials and other synthetic narcotics that are illegal under its own laws; (2) gave monetary grants and awards to companies openly trafficking illicit fentanyl online; (3) holds ownership interest in some of these companies; (4) thwarted U.S. law enforcement investigations into illicit fentanyl manufacturers; (5) allows the open sale of fentanyl precursors and other materials that fuel the fentanyl crisis on the extensively surveilled Chinese internet; and (6) fails to use its expansive surveillance and security apparatus to stop it.

These actions and omissions are abhorrent, violate the laws of nations, and have led to profound human suffering in the United States and around the world. They also, as a factual matter, further the PRC’s strategic and economic interests. Information related to those potential interests is laid out below.

A. The Fentanyl Crisis Benefits PRC Criminal Enterprises, Helping Solidify Support for the CCP

The global illicit fentanyl trade has enriched the PRC itself, empowered its organized crime assets through lucrative money laundering, and offer PRC elites a means to move a certain amount of their capital abroad, thus diminishing the risk of their dissent. It allows the PRC to further its strategic interests by, per PRC Major General Qiao, “caus[ing] disasters in other countries and mak[ing] huge profits.”¹⁵¹ Through subsidies, grants, and other incentives, the PRC harms Americans while enriching PRC companies. It also, through the drug trade, gains dominance over the world of illicit finance.¹⁵² While the opacity of the PRC’s financial system makes it impossible to estimate, even earning a fraction of the Mexican cartels’ estimated \$6 to \$21 billion a year in profits would certainly qualify as “mak[ing] huge profits” under Qiao’s definition.¹⁵³

As author Ben Westhoff has explained, the PRC government encouraged the export of fentanyl, fentanyl precursors, and other synthetic narcotics as they are “seen as a vital part of its economy.”¹⁵⁴ To foster these exports, it offered subsidies and tax breaks for chemical companies that produce and export those drugs that may run into the millions of dollars in potential revenue.¹⁵⁵ Each individual company can secure hundreds of thousands if not millions of dollars in potential revenue.¹⁵⁶ These companies also enjoy a symbiotic relationship with the PRC provincial authorities who consider it an imperative to achieve the provincial GDP goals set by Beijing.¹⁵⁷ As Westhoff noted in a 2019 interview, beyond any national policy, “you might [therefore] have a provincial official who wants to let these companies keep doing what they’re doing because it brings in more revenue for the area.”¹⁵⁸

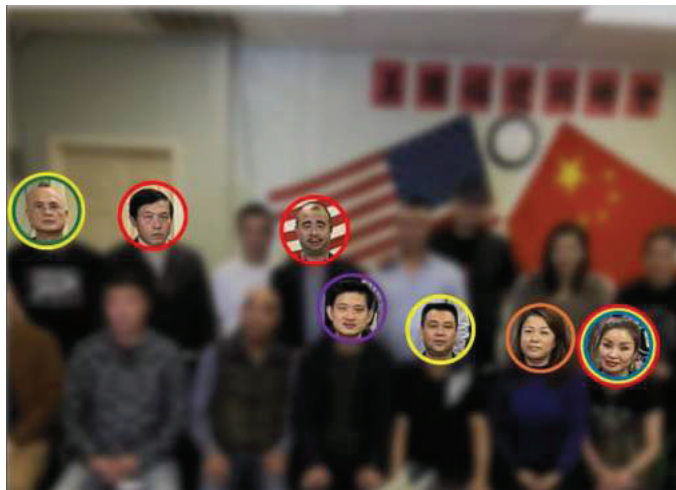


Figure 20 - PRC consul general Zhu Di (purple) meeting with an Oklahoma Fujianese association in November 2022. This meeting included over a half-dozen individuals convicted, charged, arrested, or otherwise implicated in drug trafficking.

Red: Names surfaced in marijuana-related criminal scheme investigations.

Yellow: Oversaw nightclub police raided in drug and human trafficking investigations.

Orange: Arrested as part of illegal marijuana farm investigation.

Blue: Charged with drug-related offense

Green: Pleaded guilty to drug-related offense.

Source: ProPublica.

In addition, illicit fentanyl material and the accompanying money laundering also benefits Chinese transnational criminal groups, many of whom have ties to the CCP and PRC government.¹⁵⁹ According to public reporting, Chairman Xi has “intensified [the PRC’s] alliance with Chinese organized crime overseas” as he has pursued greater international influence.¹⁶⁰ The partnership between the PRC government and organized crime “mix[es] geopolitics and corruption for mutual benefit” where, according to western national security officials, “in exchange for their services as overseas enforcers and agents of influence, the Chinese state

protects the mobsters.”¹⁶¹ For example, Italian law enforcement has intercepted calls in which a local Chinese organized crime boss met with the “boss from Beijing,” a senior member of the PRC government who had met with the Italian Prime Minister and his cabinet earlier that day.¹⁶² As recently revealed by ProPublica, PRC government officials are similarly “meeting with known criminals,” including leaders of Chinese organized criminal groups and drug traffickers in the United States.¹⁶³ Chang An Le, aka White Wolf, a notorious mobster who served a prison sentence for heroin trafficking in the United States, now serves as both the head of a Chinese organized crime syndicate in Taiwan and the Chinese Unity Promotion Party, a PRC front.¹⁶⁴ Wan Kuok “Broken Tooth” Koi, a U.S.-sanctioned drug trafficker, also serves on an advisory body to CCP leadership, according to U.S. intelligence.¹⁶⁵

In the context of America and the fentanyl crisis, this partnership resulted in Chinese organized crime taking over money laundering for the cartels, further enriching PRC criminal networks and entrenching their influence.¹⁶⁶ According to retired DEA agent Thomas Cindric, “[a]t no time in the history of organized crime is there an example where a revenue stream has been taken over like this, and without a shot being fired.”¹⁶⁷

The PRC’s success in taking over the cartels’ money laundering apparatus is because “the Chinese brokers mostly manage to bypass the U.S. and Mexican formal banking systems, thus evading anti-money laundering measures and simplifying one of the biggest challenges for the cartels, namely moving large

amounts of bulk money subject to law enforcement detection. The only interface with the formal banking system takes place in China, into which U.S. law enforcement agencies have little-to-no visibility.”¹⁶⁸ The criminal syndicates’ money laundering activities reportedly involve individuals affiliated with the Chinese state in certain instances. U.S. law enforcement investigating Chinese money laundering found “evidence indicating that... money laundering schemes

U.S. Southern Command’s Admiral Craig Faller likewise testified to Congress that Chinese launderers are the “number one underwriter” of drug trafficking in the Western Hemisphere,” with the Chinese government “at least tacitly supporting” money laundering.

U.S. law enforcement investigating Chinese money laundering found “evidence indicating that ... money laundering schemes involved Chinese government officials and the Communist Party elite.”

involved Chinese government officials and the Communist Party elite.”¹⁶⁹ Specifically, they found evidence that Chinese organized criminal groups were moving “tens of millions of dollars among Chinese banks and companies with seeming impunity,” despite the fact that “China’s omnipresent security forces tightly control and monitor its state-

run economy.”¹⁷⁰ “More than \$3.8 trillion of capital has left China since 2006, making the country the world’s top exporters of hot money.”¹⁷¹ Former Commander of U.S. Southern Command, Admiral Craig Faller, likewise testified to Congress that Chinese launderers are the “number one underwriter” of drug trafficking in the Western Hemisphere, with the Chinese government “at least tacitly supporting” money laundering.¹⁷²

The money laundering system has an added benefit for PRC elite, namely that the “cash accumulated from street sales remain in the U.S.,” where it is “offered for sale to Chinese citizens eager to avoid currency controls, which limit moving yuan valued at more than \$50,000 out of China....”¹⁷³

B. The PRC Has Used Asymmetric Tactics Against the United States, Some PRC Officials Advocate “Drug Warfare”

CCP General Secretary Xi Jinping has stated that the PRC’s “ideology and social system are fundamentally incompatible with the West”¹⁷⁴ and that it is the role of the PRC government to lead the construction of a “new world order [. . .] that will supplant the [liberal democratic] Westphalian system.”¹⁷⁵ The PRC has already engaged in behaviors that appear to be directly aimed at achieving this end. For instance, earlier this year, in sworn testimony before the Select Committee, the nation’s top cyber authorities warned America that the PRC had pre-positioned itself for devastating strikes at U.S. critical infrastructure that would result in mass American casualties.¹⁷⁶ This includes a scenario where, as CISA Director Easterly noted, the PRC could use its cyber forces to create a scenario where:

[M]any [oil and gas] pipelines [are] disrupted. Telecommunications going down so people can’t use their cell phone. People start getting sick from polluted water. Trains get derailed, air traffic control systems, port control systems are malfunctioning. This is truly an everything, everywhere, all at once scenario. And it’s one where the Chinese government believes that it will likely crush American will for the U.S. to defend Taiwan in the event of a major conflict there.¹⁷⁷

Interestingly, PLA military strategists Qiao Liang and Wang Xiangsui anticipated exactly this type of strike against America two decades earlier, noting that PRC cyber forces could:

Bur[y] a computer virus and hacker detachment in the opponent’s computer system in advance, while at the same time carrying out a network attack against the enemy so that the civilian electricity network, traffic dispatching network, financial transaction network, telephone communications network, and mass media network are completely paralyzed, this will cause the enemy nation to fall into social panic, street riots, and a political crisis.¹⁷⁸

This treatise, published by the People's Liberation Army Press, argued that the PLA cannot be successful in modern warfare without pursuing asymmetric means. As American military officers and historians have noted, it presaged other PRC techniques that are now commonplace,¹⁷⁹ such as setting up slush funds to influence an adversary nation's politics,¹⁸⁰ and gaining control of an adversary's media as part of a larger cognitive warfare operation.¹⁸¹

While it is not the focus of the book, Qiao and Wang in multiple sections discuss drug warfare as an effective tactic in asymmetric warfare:^{xvi}

Aside from what we have discussed above, we can point out a number of other means and methods used to fight a non-military war, some of which already exist and some of which may exist in the future, for example psychological warfare that causes intimidation to the enemy and break down his will; smuggling warfare that throws markets into confusion and attacking economic order; media warfare that manipulates audio and video to guide public opinion; **drug warfare that cause disasters in other countries and make huge profits**; network warfare that is invisible and virtually impossible to guard against); technological warfare by self-setting and monopolizing patent standards; fabrication warfare (presenting a show of strength to the enemy); resources warfare that plunders reserves and seizes wealth; economic aid warfare that openly bestows favors while covertly taking control ; cultural warfare that guides cultural trends to assimilate dissidents); international law warfare that seizes the initiative to establish rules), and more, too many to mention.¹⁸²

The CCP routinely uses a variety of asymmetric tactics like those listed above against the United States and its allies, including rampant spreading of false information online;¹⁸³ smuggling U.S.-controlled goods to adversarial nations and sending massive amounts of counterfeit goods abroad;¹⁸⁴ hacking into U.S. critical infrastructure;¹⁸⁵ using TikTok as part of its "cognitive warfare campaign;"¹⁸⁶ gaining technological monopolies through IP theft and unfair trade practices;¹⁸⁷ acquiring rights to rare resources in around the world via corruption;¹⁸⁸ using the Belt and Road Initiative (BRI) as debt diplomacy;¹⁸⁹ genocide against the Uyghurs people through "cultural assimilation;"¹⁹⁰ and gaining control of international technological standards bodies.¹⁹¹

^{xvi} After the book's publication by the PLA Press, rather than facing career setbacks for making controversial arguments in favor of this type of asymmetric warfare, Qiao and Wang enjoyed a successful career within the PRC national security apparatus. Qiao attained the rank of major general in the PLA Air Force, deputy director of the creative department and deputy secretary-general of the Council for National Security Policy Studies. He has appeared frequently on Chinese state television to provide lectures on strategy. More recently, he has opined about how the PRC would defeat America in a future conflict. Wang retired from the military in 2012 and serves as a professor at Beihang University, one of the "seven sons of national defense."

The PRC-sourced illicit fentanyl and fentanyl precursors have indeed “spread[] disaster” in the United States.¹⁹² As DEA Administrator Milgram noted, “Fentanyl is killing Americans at an unprecedented rate.”¹⁹³ Hundreds of thousands are dead, millions are addicted, and entire communities have suffered unimaginable harm.¹⁹⁴ In addition to the steep price in blood, the fentanyl crisis has also cost the American people over \$1.5 trillion dollars. It also impacts force readiness, both because it has taken a record toll on active-duty military personnel and because it is the leading cause of death for adults 18-45 who otherwise could serve in the military at a time of crisis.¹⁹⁵

In addition to being consistent with the PRC government’s tacitly approved strategies, the enabling of fentanyl trafficking also provides another value: diplomatic leverage. As Brookings Institution’s Vanda Felbab-Brown has previously testified, “Unlike the U.S. Government, which seeks to delink counternarcotics cooperation with China from the overall bilateral geostrategic relationship, China subordinates its counternarcotics cooperation to its geostrategic relations.”¹⁹⁶ Put another way, illicit fentanyl is not a scourge to eradicate, but one of many items to negotiate. The PRC government suspended all counternarcotics and law enforcement cooperation with the United States, for instance, after House Speaker Nancy Pelosi visited Taiwan.¹⁹⁷

Fentanyl is also a valuable rhetorical and propaganda tool for the PRC government. Through its state-owned organs and the PRC embassy, it decries the decadence of American-led western democracies, stating that the “root cause of U.S. fentanyl abuse problem is in itself” (i.e., the United States) and that the PRC will “not bear the responsibility for the abuse of fentanyl.”¹⁹⁸ Chinese Central TV even produced a documentary showing America’s devastation due to



Figure 21 – Clip of Chinese state media broadcasting disinformation about a supposed U.S. civil war, with Weibo users superimposing inflammatory rhetoric.

America’s devastation due to fentanyl (that it blames on U.S. companies), contrasting it with the tight controls on fentanyl in the PRC.¹⁹⁹ In response to criminal cases brought against PRC citizens for fentanyl trafficking, Chinese media claims that “the same trade has become ‘state run’ in the U.S.” and that there is insufficient evidence for any charges.²⁰⁰ It also claims that the United States is “slandering China” and that its government has “not found a single case of fentanyl smuggling and manufacturing.”²⁰¹ PRC state media also states that the United States should blame itself for the fentanyl crisis, claiming that “while the epidemic is wreaking havoc on the U.S. economy and the workforce” Washington is both “at its wits’ end on how to fix it” and “at times, it seems uninterested.”²⁰² The PRC government has

increasingly relied on this type of anti-American rhetoric to hide the failures of its own policies. This has escalated to the point of absurdity, with PRC media publishing stories about an imminent or even ongoing civil war between the United States federal government and Texas, with PRC social media platforms similarly elevating the topic.²⁰³ This domestic propaganda all serves to show its populace that the PRC government is a superior form of government over “failing” democracies, diverting attention from the CCP’s oppression, corruption, and self-inflicted economic woes.²⁰⁴

V. POLICY SOLUTIONS

It is essential for U.S. decisionmakers to understand that the global illicit fentanyl trade has an Achilles’ heel. Unlike cartels and other wholly illegitimate enterprises, the PRC chemical companies fueling the fentanyl crisis often have significant legitimate business. In fact, many of these companies have customers in the United States, Europe, and around the world that buy legitimate chemicals for everyday use.²⁰⁵ Based on our investigation, in most cases, it appears that fentanyl precursors and other synthetic narcotics are not necessarily the primary business purpose of the company but rather a “side hustle” designed to maximize profits and take advantage of the PRC government’s generous subsidies for sale of these illicit goods.²⁰⁶ That makes these entities uniquely vulnerable to U.S. government tools (such as sanctions) that limit their ability to sell their products to non-criminal actors, thereby dramatically impacting their profits. The same is true for the PRC banks, e-commerce platforms that focus on chemical sales, transshippers, and other industries that enable the global illicit fentanyl trade. They are engaged in the drug trade alongside their legitimate business because they think that doing so will increase their profit margins without reprisal.²⁰⁷

The United States must make clear that is no longer the case. To do so, the United States must impose strong punitive measures that create economic, trade, and legal incentives so that the PRC companies end their involvement in the global illicit fentanyl trade. The United States must make clear that they can be part of global commerce or they can continue aiding the global illicit fentanyl trade, not both.²⁰⁸

Recommendation 1: Establish Joint Task Force – Counter Opioids and fully empower it to fulfill its mission.

Achieving this goal requires a centralized and empowered command structure that has plenary authority from the President to fight back against the PRC global illicit fentanyl trade and larger synthetic narcotics threat. The United States has successfully addressed other international drug threats previously using a similar strategy. While there are exceptional prosecutors, federal agents, intelligence analysts, and financial auditors in the field doing exemplary work, Congress can empower them to do even more with appropriate statutory

authorities. The United States needs a dedicated group of public servants operating under a coordinated and centralized strategy, with pooled resources to match their considerable goals.

Specifically, Congress should:

1. **Establish a Joint Task Force – Counter Opioids (JTF–CO) that concentrates all non-military elements of national power and executes the coordinated strategy outlined above that targets each of these weak points in the global illicit fentanyl supply chain.** The head of this group should report directly to the Attorney General and be dual-hatted as Special Assistant to the President on the National Security Council with authority over the opioids portfolio.²⁰⁹ While this arrangement is unorthodox, this task force would help to further address a multifaceted problem that the U.S. government must solve. The arrangement has the chief virtue of placing all intelligence, investigative, economic, trade, and enforcement resources and mechanisms under a unified command, allowing for close coordination and a robust but streamlined interagency process.²¹⁰ A reinvigorated DEA Special Operations Division (SOD) could play a leading role in this effort. Under a clear Presidential mandate, the JTF-CO would engage in effective prioritization of targets for coordinated action against the entire fentanyl ecosystem, forcing fentanyl trafficking participants and enablers to internalize the significant economic risks that they will face if they choose to profit from the illegal drug trade.²¹¹

Recommendation 2: Provide law enforcement and intelligence officials with the statutory authorities, tools, and support they need to execute their responsibilities.

Congress should ensure law enforcement and intelligence professionals have the tools they need to succeed in the fight against fentanyl. Specifically, Congress should:

1. **Support international cooperation among law enforcement agencies to hold bad actors accountable.** Winning this battle will similarly require close coordination and robust communication between law enforcement agencies across the globe. Given the global nature of precursor production and fentanyl trafficking, no one country can successfully win this battle alone. To succeed in shutting down PRC-based precursor manufacturers, ending money laundering of PRC drug proceeds, and interdicting illicit shipments, law enforcement and other government agencies, as well as leaders, across the world must work together to share actionable information and hold bad actors accountable. Failing to do so means criminal producers of precursors can exploit this lack of coordination to

evade detection and prosecution. Even with those with whom we do not see eye to eye on every issue, there must be lines of communication between law enforcement agencies to hold criminals accountable.

2. **Direct the President to prioritize and appropriately resource counter-narcotics and anti-money laundering efforts in the Intelligence Community (IC).** The IC needs to have the focus and resources needed to address this historic threat. This includes prioritizing counter-narcotics and anti-money laundering as metrics of the IC's success and providing the tools needed to produce timely and accurate intelligence. In a manner that protects privacy and civil liberties, the IC should also work closely with Congress to ensure that it has the appropriate authorities for collection of foreign communications relating to drug trafficking and money laundering.
3. **Ensure the U.S. Government attracts and retains talent with the skills it needs to protect Americans from fentanyl.** For instance, the Combating Online Fentanyl Trafficking Act would incentive recruitment and retention of DOJ employees with unique cyber skills to combat online fentanyl trafficking.

Recommendation 3: Codify, strengthen, and impose sanctions on entities involved in the fentanyl trade.

Congress should also codify existing executive sanction authorities and expand the United States' ability to exert maximum economic pressure on the PRC government and its companies.

Specifically, Congress should:

1. **Codify Executive Order 14059.** EO 14059 clarified the power of the President to sanction those involved in the drug trafficking trade. Congress should codify this expansive authority.²¹² Through these and other authorities, the United States should impose financial sanctions on the individuals and entities that have enabled the PRC's illicit synthetic narcotics regime, including leaders of chemical companies that produce precursors and synthetic narcotics, e-commerce platforms that host flagrant drug trafficking, financial institutions that enable money laundering through fiat or digital currencies, cargo companies that transship narcotics while remaining willfully blind to the practice, and relevant PRC government entities that have enabled the drug trade, where appropriate.²¹³ Finally, Congress should require regular reporting regarding the use of this

sanctions authority with justifications for all significant decisionmaking.

2. **Direct the President to impose sanctions and other financial remedies against PRC financial institutions that launder millions of dollars of drug proceeds for the illicit chemical manufacturers and cartels, while also taking appropriate steps to address money laundering that occurs using cryptocurrency.** Existing authorities give the Treasury Secretary the ability to engage in a range of regulatory actions to protect America from illicit finance risks and otherwise diminish a nation’s ability to engage in deleterious activity.²¹⁴ These remedies include requiring all U.S. financial institutions to terminate correspondent relationships with the bank. While that should not be the first action taken to ensure compliance, the President should engage in a series of escalating enforcement steps to ensure that PRC financial institutions end their role in the synthetic narcotics trade. The Treasury Department has previously used this type of authority on a PRC bank that was laundering North Korean funds.²¹⁵ It could do so again to help end the fentanyl crisis. These actions should be paired with appropriate action to address the increasing use of cryptocurrency exchanges operating outside the United States to facilitate fentanyl-related money laundering.
3. **Enact the FEND Off Fentanyl Act.** The FEND Off Fentanyl Act (H.R. 3333) strengthens U.S. sanctions to target perpetrators of the fentanyl trade and transfers any property collected through sanctions to the Department of Justice Assets Forfeiture Fund. The Act strengthens anti-money laundering initiatives with a focus on Mexico, the PRC, and Myanmar, for their prominent role in the fentanyl trade.^{xvii}

^{xvii} Another potential remedy is legislation that would formalize the right for immediate family members to sue a foreign entity for distributing illegal narcotics like fentanyl that results in the death of the victim. The causality and knowledge requirements could be the same as the “death resulting” provision found in 21 U.S.C. § 841. This legislation could furthermore allow for the prevailing party to obtain proceeds of the civil judgment through a court order to U.S. banks that have a correspondent banking relationship with a foreign bank that holds the responsible entity’s assets. In addition, this legislation could create a class action lawsuit vehicle for victims’ families that may not be able to prove causality related to the specific victim, but can show that a specific foreign entity has engaged in substantial activities that have aided and abetted opioid-based drug trafficking.

Recommendation 4: Enact and employ trade and customs enforcement measures to restrict fentanyl trafficking.

The United States should also reform its trade laws that enable illicit shipments of narcotics and employ additional trade and customs enforcement measures to restrict imports and punish violators.

Specifically, Congress should:

1. **Pass legislation amending the Tariff Act of 1930 to reduce the *de minimis* threshold for duty-free shipments into the United States with particular focus on foreign adversaries, including the PRC.** Approximately three million overseas packages arrive in the United States every day. Many fall under the current *de minimis* threshold of \$800, resulting in the parcels receiving minimal inspection and not having to pay duties, taxes, or fees.²¹⁶ Fentanyl precursors and dangerous synthetic drugs currently enter the United States through these *de minimis* packages.²¹⁷ During the course of its investigation, the Select Committee heard from California state law enforcement that the current form of the *de minimis* exception leaves America so vulnerable to drug smuggling that cartels increasingly have PRC-sourced fentanyl precursors shipped *first* into the United States before smuggling them to Mexico. In other words, the current form of the *de minimis* exception makes the United States the most vulnerable nation in North America to this form of drug trafficking. There is widespread bipartisan support for reforming the *de minimis* exception.²¹⁸ It would not only combat the fentanyl crisis and thus save lives, but also increase American competitiveness and help prevent the importation of goods produced with forced labor. Congress should enact appropriate reforms to address this vulnerability and support increased enforcement.
2. **Enact legislation directing U.S. Customs and Border Patrol (CBP) and DEA to levy escalating fines and remedies on entities that have been found to transship improperly labeled items on the DEA SSL or synthetic narcotics into the United States, Mexico, or Canada.** To enable this action, Congress should include additional funding, specifically for increased scrutiny of vessels originating from or transiting through PRC and Mexican ports and for increased DOD and DHS interdiction of such vessels. If a vessel is found to have transshipped the above listed products, legislation should direct CBP to impose a docking fee on all vessels operated by the entity that operated the vessel in violation. Fees should increase with each

violation. If vessels operated by that offending entity continue to transship such products, the United States should revoke foreign air carrier and docking permission for all craft affiliated with the company.²¹⁹ The legislation would additionally direct and properly resource the U.S. Coast Guard and U.S. Navy, in a manner consistent with international law and with respect for internationally recognized maritime borders, to interdict vessels owned by the offending entities to search for synthetic narcotics before they reach cartel-affiliated ports in Mexico based on intelligence that synthetic narcotics or other contraband is aboard.²²⁰ If the transshippers thereafter continue in their behavior without sufficient reform, the United States should sanction the transshipping companies. The repeated failure to reform would demonstrate that the company is willfully blind to the illegal activity, which would allow the U.S. government to overcome the very low “reasonable basis” standard needed to survive challenges to any sanctions. Should the PRC not improve behavior and enforce higher standards of labeling at their ports within one year, Congress should consider imposing docking fees on all vessels originating from or transmitting via PRC ports. In addition, Congress should consider imposing Know Your Customer requirements on high-risk shippers.

Recommendation 5: Close regulatory and enforcement gaps exploited by PRC money launderers and fentanyl traders.

PRC-owned and operated brokers have effectively taken over the cartels’ money laundering business and exploit gaps in U.S. regulatory enforcement to launder fentanyl proceeds through payment services and to sell fentanyl precursors on commercial marketplaces.²²¹ The United States should take aggressive steps to close these gaps.

Specifically:

1. **PRC-based applications involved in money laundering and the fentanyl trade should be required to register as money services businesses.** There is ample evidence that certain PRC-based applications that provide money transmitting and payment services: engage in money laundering, have violated the PRC’s own anti-money laundering laws, and serve as principal payment systems to facilitate laundering of proceeds from fentanyl sales into the United States.²²² They are so well-known that even the PRC government has issued a record fine against a PRC company that runs one of these applications for flouting basic anti-money-laundering (AML) rules and having little to no compliance with essential KYC and “know

your business” procedures.²²³ It is problematic that the PRC can identify these deep flaws in applications it regulates while the United States allows the same platform to assist in global money laundering without appropriate regulatory safeguards. The U.S. Department of the Treasury should therefore mandate that these applications register as money services businesses with the Financial Crimes Enforcement Network (FinCEN). If registered, they would be subject to suspicious activity reporting requirements, which in turn would allow U.S. law enforcement to track and interdict fentanyl money laundering more effectively.

- a. In addition, DOJ should conduct a review to ascertain whether Zyla, a cross-border payment facilitator for a major PRC money transfer application, is appropriately complying with U.S. law enforcement requests based on legal process. If Zyla’s conduct flouts U.S. legal process, then DOJ should consider further legal action to bring it into compliance.

2. **PRC online retailers and other PRC-based e-commerce applications and sites should be required to adopt measures to restrict the online sale of fentanyl precursors within a reasonable period of time or face penalties in the United States.** The Select Committee uncovered egregious evidence of synthetic narcotics trafficking aimed at Mexican cartels and American drug users on PRC-based e-commerce sites. These include major platforms like Chemicalbook, ChemNet, China Chem Net, among others. The United States should impose an ultimatum on global firms: close your platform to drug traffickers or face U.S. reprisal.

ENDNOTES

- ¹ Tracy Hampton, *Study reveals fentanyl's effects on the brain*, THE HAR. GAZ. (Aug. 31, 2022), available at www.news.harvard.edu/gazette/story/2022/08/study-reveals-fentanyls-effects-on-the-brain/.
- ² Valerie Vierkant, *Researchers Identify Breakthrough In Understanding Fentanyl Abuse*, TEXAS A&M TODAY (Feb. 20, 2023), available at www.today.tamu.edu/2023/02/20/researchers-identify-breakthrough-in-understanding-fentanyl-abuse/; *Drug Use Changes the Brain Over Time*, UNIV. OF UTAH, available at www.learn.genetics.utah.edu/content/addiction/brainchange [<https://web.archive.org/web/20240315072159/www.learn.genetics.utah.edu/content/addiction/brainchange>] (last accessed Mar. 14, 2024); Dr. Robert L. Dupont, *Chemical Slavery: Understanding Addiction and Stopping the Drug Epidemic*, INST. FOR BEHAV. AND HEALTH (2018), available at www.static1.squarespace.com/static/575830e0b09f958d96b6e4df/t/5bc3de15fcc0be3c647a09/1540211678564/Chemical_Slavery_Press_Release.pdf.
- ³ *Routes of Drug Use Among Drug Overdose Deaths — United States, 2020-2022*, CTRS. FOR DISEASE CONTROL AND PREVENTION (Feb. 15, 2024), available at <https://www.cdc.gov/mmwr/volumes/73/wr/mm7306a2.htm> (“More than 109,000 drug overdose deaths occurred in the United States in 2022; nearly 70% involved illegally manufactured fentanyls (IMFs)”).
- ⁴ *Life Expectancy in the U.S. Dropped for the Second Year in a Row in 2021*, CTR. FOR DISEASE CONTROL AND PREVENTION (Aug. 31, 2022), available at www.cdc.gov/nchs/pressroom/nchs_press_releases/2022/20220831.htm; Rachael Rettner, *US Life Expectancy Dropped in 2017. Drug Overdose Deaths Are a Big Reason Why*, LIVE SCI. (Nov. 29, 2018), available at www.livescience.com/64188-life-expectancy-decline-drug-overdose-deaths.html.
- ⁵ *Raising the Children of the Opioid Epidemic*, GENERATIONS UNITED (2018), available at www.gu.org/resources/grand-resource-help-for-grandfamilies-impacted-by-opioids-and-other-substance-use/. Every 15 minutes, a U.S. infant is born with opioid exposure correlated with long-term tragic long-term health and societal implications. Megan L. Dolbin-MacNab & Lyn M. O’Connell, *Grandfamilies and the Opioid Epidemic: A Systemic Perspective and Future Priorities*, CLINICAL CHILD AND FAMILY PSYCH. REV. (Jan. 25, 2021), available at www.ncbi.nlm.nih.gov/pmc/articles/PMC7829093/ (citing Honein et al., available at www.ncbi.nlm.nih.gov/pmc/articles/PMC6482836/).
- ⁶ See, e.g., Dolbin-MacNab, *supra* note 5 (citing Rigg et al., available at www.pubmed.ncbi.nlm.nih.gov/29754032/); Abene Clayton, *California seizes enough fentanyl in San Francisco to kill city's populations three times over*, THE GUARDIAN (Jun. 15, 2023), available at <https://www.theguardian.com/us-news/2023/jun/15/california-fentanyl-overdose-newsom-supervised-drug-use-san-francisco>; Trisha Thadani, *A disaster in plain sight*, S.F. CHRON. (Feb. 2, 2022), available at www.sfchronicle.com/projects/2022/sf-fentanyl-opioid-epidemic/. It also disproportionately impacts indigenous people. See Joel Moreno, *Fentanyl crisis disproportionately impacting Native Americans in King County*, KOMO NEWS (May 23, 2023), available at www.komonews.com/news/local/seattle-fentanyl-crisis-summit-address-devastating-toll-over-overdose-deaths-among-native-americans-drugs-fatal-indian-tribes-treatment-opioid-disparities-community-epidemic-life-expectancy-tribal-death-die.
- ⁷ Claire Klobucista & Mariel Ferragamo, *Fentanyl and the U.S. Opioid Epidemic*, COUNCIL OF FOREIGN RELS. (Dec. 22, 2023), available at www.cfr.org/backgroundunder/fentanyl-and-us-opioid-epidemic.
- ⁸ While the focus of the Select Committee’s work is on the cost of fentanyl in the United States, it is essential to note that other nations likewise are increasingly facing greater harm from the drug. Oriol Guell, *Opioid overdoses cause more than 1,000 deaths a year in Spain*, EL PAIS (Oct. 23, 2019), available at www.english.elpais.com/elpais/2019/10/22/inenglish/1571741308_549814.html. (Spain opioid overdose increased 50%); Mimi Pierce et al., *Is Europe facing an opioid crisis like the United States? An analysis of opioid use and related adverse effects in 19 European countries between 2010 and 2018*, EUR. PSYCHIATRY (Jun. 21, 2021), available at www.ncbi.nlm.nih.gov/pmc/articles/PMC8316471/; Melissa Davey, *US-level mortality? Sounding the alarm about fentanyl overdose in Australia*, THE GUARDIAN (Sep. 2, 2022), available at www.theguardian.com/society/2022/sep/03/us-level-mortality-sounding-the-alarm-about-fentanyl-overdose-in-australia.
- ⁹ Letter from Rep. Susie Lee et al., to The Honorable Antony Blinken, Sec’y of State (Aug. 2, 2023), available at <https://craig.house.gov/sites/evo-subsites/craig.house.gov/files/evo-media-document/final-bipartisan-letter-to-secretary-blinken-on-prcs-role-in-fentanyl-crisis.pdf> (citing briefing to U.S.

International Trade Commission); *The CCP's Role in the Fentanyl Crisis, Hearing Before the H. Select Comm. on the CCP*, 118th Cong. (2024) (written testimony of Benjamin Westhoff); *Administrator Milgram Remarks as Delivered*, U.S. DRUG ENF'T ADMIN. (Oct. 4, 2023), available at https://www.dea.gov/sites/default/files/2023-10/FINAL_Operation%20ChemKong%20Press%20Conference%20Remarks%20as%20Delivered.pdf (“nearly all fentanyl precursors come from China.”).

¹⁰ *Countering Illicit Fentanyl Trafficking, Hearing Before the S. Comm. on Foreign Rels.*, 118th Cong. (2023) (testimony of Dr. Rahul Gupta), available at <https://www.whitehouse.gov/wp-content/uploads/2023/02/Testimony-Dr.-Rahul-Gupta-Senate-FRC-Feb.-15-2023.pdf> (“Criminal elements, mostly in the People’s Republic of China, ship precursor chemicals to Mexico, where they are used to produce illicit fentanyl”); *Tackling Fentanyl: The China Connection, Hearing Before the Subcomm. on Africa, Glob. Health, Glob. Human Rights, and Int’l Orgs. of the H. Com. on Foreign Affs.*, 115th Cong. (2018) (testimony of Mr. Paul E. Knierim), available at www.congress.gov/event/115th-congress/house-event/108650/text; *Final Report, COMM’N ON COMBATING SYNTHETIC OPIOID TRAFFICKING* (Feb. 8, 2022), available at www.rand.org/pubs/external_publications/EP68838.html (“Mexico is the principal source of this illicit fentanyl and its analogues today. In Mexico, cartels manufacture these poisons in clandestine laboratories with ingredients—precursor chemicals—sourced largely from the People’s Republic of China (PRC);” “PRC appear to be, directly or indirectly, the primary sources of chemical precursors used to synthesize fentanyl and other novel synthetic opioids.” (citation omitted)).

¹¹ See, e.g., *Fentanyl Flow to the United States*, U.S. DRUG ENF’T ADMIN., (Jan. 2020), available at www.dea.gov/sites/default/files/2020-03/DEA_GOV_DIR-008-20%20Fentanyl%20Flow%20in%20the%20United%20States_0.pdf; see also Lauren Greenwood & Kevin Fashola, *Illicit Fentanyl from China: An Evolving Global Operation*, U.S.–CHINA ECON. AND SEC. REVIEW COMM’N (Aug. 24, 2021), available at www.uscc.gov/sites/default/files/2021-08/Illicit_Fentanyl_from_China-An_Evolving_Global_Operation.pdf.

¹² *Sealed Indictment, United States vs. Hubei Amarvel Biotech Co., Ltd., et al.*, 23-CRIM-302 (SDNY 2023) (“Today, fentanyl-related precursors are principally sourced from China-based chemical manufacturers, many of which openly advertise such precursors on the Internet. These China-based chemical manufacturers ship fentanyl-related precursors around the world, including to the United States and to Mexico, where drug cartels operate clandestine laboratories, use the precursors to synthesize finished fentanyl at scale, and distribute the deadly fentanyl into and throughout the United States”).

¹³ RICARDO BARRIOS ET AL., CONG. RSCH. SERV., IF10890, *CHINA PRIMER: ILLICIT FENTANYL AND CHINA’S ROLE* (2024), available at <https://crsreports.congress.gov/product/pdf/IF/IF10890> (While China was the primary source of illicit fentanyl in the US before 2019, patterns changed after the Chinese imposed stricter controls on the drug trade, according to the Congressional Research Service. Since then, Mexico-based organizations – like the Sinaloa Cartel – source precursor chemicals from China to then produce the illicit drugs in Mexican labs before shipping them into the US); Vanda Felbab-Brown, *China and Synthetic Drugs Control: Fentanyl, Methamphetamines, and Precursors*, BROOKINGS INST. (Mar. 2022), available at www.brookings.edu/wp-content/uploads/2022/03/FP_20221107_drug_trafficking_felbab_brown.pdf.

¹⁴ *China: Announcement to place all fentanyl-related substances under national control*, UNODC LAB. AND SCI. SERV. PORTALS (Apr. 2019), available at www.unodc.org/LSS/Announcement/Details/f2adea68-fbed-4292-a4cc-63771c943318.

¹⁵ The PRC has refused to label as controlled substances three fentanyl precursors that presently fuel the cartels’ fentanyl industry, despite the U.S., Mexico, and United Nations all listing them as illegal substances used in the narcotics trade. United Nations Convention Against Illicit Traffic in narcotic Drugs and Psychotropic Substances, Dec. 20, 1988, available at https://www.unodc.org/pdf/convention_1988_en.pdf (March 2022 revision to Table 1). These precursors include N-Phenyl-4-piperidinamine (4-AP), tert-Butyl 4-(phenylamino)piperidine-1-carboxylate (boc-4-AP), and norfentanyl, three precursors scheduled for international control by the U.N. after its member states recognized its high likelihood for use in drug manufacturing but notably not controlled in the PRC.

¹⁶ Barrios, *supra* note 13. While China ultimately controlled two fentanyl, NPP and 4-ANPP, after significant diplomatic pressure, it did not control other chemicals widely recognized as precursors for illicit fentanyl.

¹⁷ Sean O’Connor, *Meth Precursor Chemicals from China: Implications for the United States*, U.S.–CHINA ECON. AND SEC. REV. COMM’N (July 18, 2016) available at

www.uscc.gov/sites/default/files/Research/Staff%20Report_PrecursorChemicalReport%20071816_0.pdf (“around 80 percent of precursor chemicals used in Mexican meth come from China.”).

¹⁸ Felbab-Brown, *supra* note 13. “China is also the dominant source country for precursors heading into Vietnam, and recent large seizures of precursors and pre-precursors originating in China have taken place in Laos, and precursors from China have long headed to Thailand too.” *Id.*

¹⁹ *Id.*

²⁰ *Id.*

²¹ Laura Salm-Reifferscheidt, *Tramadol: the opioid taking over Africa*, THE INDEPENDENT (Aug. 12, 2019), available at <https://www.independent.co.uk/health-and-wellbeing/tramadol-opioid-africa-drugs-togo-a9010916.html>.

²² *Id.*

²³ See Section III.A., *infra*.

²⁴ See (国家禁毒委员会办公室) [China Off. of the Nat’l Narcotics Control Comm’n], (国家禁毒委员会办公室发布通告 提醒相关企业和个人谨慎销售可制毒物品) [*The Office of the National Narcotics Control Commission issued a notice reminding relevant companies and individuals to be cautious in selling substances that can be used to make narcotics*], TENCENT (Nov. 16, 2023), <https://mp.weixin.qq.com/s/ZhbYujIwr28E7k6MJjC66Q> [<https://web.archive.org/web/20240227190236/https://mp.weixin.qq.com/s/ZhbYujIwr28E7k6MJjC66Q>]. The Notice provides that the “Criminal Law of the People’s Republic of China” outlaws “illegally producing, trading, transporting [...] raw materials and preparations used to make drugs.” The Notice also stated that it is “strictly prohibited for any organization or individual to produce, trade, or transport the items specified in [non-scheduled precursors and other drug ingredients] for others knowing that they are manufacturing drugs.” Doing so would result in the offender being “punished as an accomplice in the crime of manufacturing drugs.” The Notice acknowledged that other activities corresponding to fentanyl precursor sales, such as falsely declaring goods to customs, are likewise unlawful. It furthermore stated that “[p]ostal, express delivery companies and logistics companies” must report any instances of “illegal mailing, transportation, or entrainment of suspected narcotic drugs or psychotropic drugs, precursor chemicals and other drug-making raw materials” to “public security organs.” *Id.*

²⁵ See Section III.B., *infra*.

²⁶ Felbab-Brown, *supra* note 13; see also Section III.B., *infra*.

²⁷ See Section III.D., *infra*. The Select Committee had Library of Congress Chinese law experts canvas PRC criminal case databases. It did not find any cases relating to fentanyl precursor exports. The sole exception was a 2017 joint U.S. Department of Homeland Security and PRC Ministry of Public Security operation.

²⁸ See Section III.D., *infra*. See also *China sentences Canadian citizen to death in drugs case*, FR. 24 (Jan. 14, 2019), available at www.france24.com/en/20190114-china-sentences-canadian-citizen-schellenberg-death-drugs-case-justice.

²⁹ *The CCP’s Role in the Fentanyl Crisis, Hearing Before the H. Select Comm. on the CCP*, 118th Cong. (2024) (written testimony of DEA Assistant Special Agent in Charge Donald Im (ret.)).

³⁰ *Id.*; *Stopping the Poison Pills: Combatting the Trafficking of Illegal Fentanyl from China, Hearing Before the S. Caucus on Int’l Narcotics Control*, 115th Cong. (2018) (testimony of Matthew C. Allen), available at <https://www.ice.gov/sites/default/files/documents/Testimony/2018/ChinaFentanylTestimony.pdf> (detailing 2017 collaboration between Homeland Security Investigation’s New Orleans Office and the PRC’s Narcotics Control Bureau).

³¹ Leon Krauze, *With coronavirus hurting drug business, there’s an opportunity to corner cartels*, WASH. POST (May 26, 2020), available at www.washingtonpost.com/opinions/2020/05/26/with-coronavirus-hurting-drug-business-theres-an-opportunity-corner-cartels/.

³² Deborah Bonello, *Coronavirus is leading to shortages of fentanyl and meth*, VICE NEWS (Mar. 19, 2020), available at <https://www.vice.com/en/article/wxek4m/coronavirus-is-leading-to-shortages-of-fentanyl-and-meth>; Keegan Hamilton *Sinaloa Cartel Drug Traffickers Explain Why Coronavirus is Very Bad for Their Business*, VICE NEWS (Mar. 23, 2020), available at www.vice.com/en/article/bvgazz/sinaloa-cartel-drug-traffickers-explain-why-coronavirus-is-very-bad-for-their-business; Hepeng Jia, *COVID-19 mostly behind it, China’s chemical industry struggle to rev up*, C&EN (Mar. 30, 2022), available at www.cen.acs.org/business/economy/COVID-19-mostly-behind-China-chemical-industry/98/web/2020/03.

³³ *Cartels are scrambling': Coronavirus snarls global drug trade*, L.A. TIMES (Apr. 20, 2020), available at www.latimes.com/world-nation/story/2020-04-20/cartels-are-scrambling-virus-snarls-global-drug-trade.

³⁴ *Crypto and the Opioid Crisis: What Blockchain Analysis Reveals About Global Fentanyl Sales*, CHAINALYSIS (Mar. 7, 2024), available at www.chainalysis.com/blog/cryptocurrency-fentanyl-analysis-2023/.

³⁵ Felbab-Brown, *supra* note 13. This is in contrast to the PRC's demonstrated capacity to prevent the export of illegal narcotics by its synthetic chemical industry when it so desires. For instance, the Department of State's International Narcotics Control Strategy Report since the May 2019 PRC class scheduling of fentanyl analogues showed a marked reduction in fentanyl analogues seized at the border that were directly shipped from the PRC. See, e.g., BUREAU OF INT'L NARCOTICS AND LAW ENF'T AFFS., U.S. DEP'T OF STATE, INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT VOL. 1, DRUG AND CHEMICAL CONTROL (2020), available at <https://www.state.gov/wp-content/uploads/2020/06/Tab-1-INCSR-Vol.-I-Final-for-Printing-1-29-20-508-4.pdf>; BUREAU OF INT'L NARCOTICS AND LAW ENF'T AFFS., U.S. DEP'T OF STATE, INT'L NARCOTICS CONTROL STRATEGY REPORT VOL. 1, DRUG AND CHEMICAL CONTROL (2021), available at <https://www.state.gov/wp-content/uploads/2021/02/International-Narcotics-Control-Strategy-Report-Volume-I-FINAL-1.pdf>; BUREAU OF INT'L NARCOTICS AND LAW ENF'T AFFS., U.S. DEP'T OF STATE, INT'L NARCOTICS CONTROL STRATEGY REPORT VOL. 1, DRUG AND CHEMICAL CONTROL (2022), available at <https://www.state.gov/wp-content/uploads/2022/03/22-00767-INCSR-2022-Vol-1.pdf>.

³⁶ *Crypto and the Global Fentanyl Trade*, ELLIPTIC (2023), available at www.elliptic.co/resources/elliptic-report-crypto-and-the-global-fentanyl-trade ("As a result, the industry appears to be very competitive. This meant that it was not difficult to shop around for deals among all the suppliers willing to service our requests, which suggests slim profit margins for some").

³⁷ SAM QUINONES, *THE LEAST OF US: TRUE TALES OF AMERICA AND HOPE IN THE TIME OF FENTANYL AND METH* (2021).

³⁸ Greenwood & Fashola, *supra* note 11.

³⁹ Indictment, *United States vs. Hubei Amarvel Biotech Co., Ltd., et al.*, 23-CRIM-302 (SDNY 2023).

⁴⁰ *Drug Enforcement Administration Announces the Seizure of Over 379 million Deadly Doses of Fentanyl in 2022*, U.S. DRUG ENF'T ADMIN. (Dec. 20, 2022), available at <https://www.dea.gov/press-releases/2022/12/20/drug-enforcement-administration-announces-seizure-over-379-million-deadly#:~:text=United%20States%20Drug%20Enforcement%20Administration&text=The%20DEA%20Laboratory%20estimates%20that,times%20more%20potent%20than%20heroin;Public%20Safety%20Alert,U.S.%20Drug%20Enf't%20Admin.,DEA%20Laboratory%20Testing%20Reveals%20that%206%20out%20of%2010%20Fentanyl-Laced%20Fake%20Prescription%20Pills%20Now%20Contain%20a%20Potentially%20Lethal%20Dose%20of%20Fentanyl>, available at www.dea.gov/alert/dea-laboratory-testing-reveals-6-out-10-fentanyl-laced-fake-prescription-pills-now-contain.

⁴¹ Press Release, Off. of Gov. Gavin Newsom, California Seized Enough Fentanyl to Potentially Kill the Entire Population of North America, Twice, (Dec. 23, 2022), available at www.gov.ca.gov/2022/12/23/california-seized-enough-fentanyl-to-potentially-kill-the-entire-population-of-north-america-twice/.

⁴² See generally Beau Kilmer et al., *Rapid Changes in Illegally Manufactured Fentanyl Products and Prices in the United States*, RAND CORP. (May 13, 2022), available at www.rand.org/pubs/external_publications/EP68916.html (The RAND Corporation found in an analysis of DEA nationwide data sourced from 2013-2021 that the share of heroin that had fentanyl mixed into it grew from "<1% to ~40%" while the median price per gram of fentanyl sold at the >10 to < 100 gram level "fell by more than 50% from 2016 to 2021."); DEA Bulletin, U.S. Drug Enf't Admin., *Deadly Contaminated Cocaine Widespread in Florida* (2018), available at <https://www.dea.gov/sites/default/files/2018-07/BUL-039-18.pdf> ("A review of cocaine exhibits acquired by law enforcement authorities during operations across Florida and analyzed by forensic laboratories during the period from 2016 to 2017 revealed the widespread adulteration of cocaine with fentanyl and fentanyl-related substances.").

⁴³ Adam Holland et al., *Nitazenes—heralding a second wave for the UK drug-related death crisis?*, THE LANCET (Jan. 12, 2024), available at [www.thelancet.com/journals/lanpub/article/PIIS2468-2667\(24\)00001-X/fulltext](http://www.thelancet.com/journals/lanpub/article/PIIS2468-2667(24)00001-X/fulltext) (noting that various forms of nitazenes are 50 to 500 times more potent than heroin, making most of them substantially more potent than fentanyl).

⁴⁴ See *New, Dangerous Synthetic Opioid in D.C., Emerging in Tri-State Area*, U.S. DRUG ENF'T ADMIN. (June 1, 2022), available at www.dea.gov/stories/2022/2022-06/2022-06-01/new-dangerous-synthetic-opioid-dc-emerging-tri-state-area ("A drug that was never approved for medical use, nitazines are being sourced from China and being mixed into other drugs."); Julie Wernau, *FDA Restricts Imports of 'Tranq'*

Drug Xylazine, WALL ST. J. (Feb. 28, 2023), available at www.wsj.com/articles/fda-restricts-imports-of-tranq-drug-xylazine-5711892c (“Federal regulators said they would restrict imports of xylazine, an animal tranquilizer commonly manufactured in China that is being diverted into the illicit drug supply to deadly effect.”).

⁴⁵ David Ovalle, *On the streets, opioids sometimes more potent than fentanyl: Nitazenes*, THE WASH. POST (Dec. 10, 2023), available at <https://www.washingtonpost.com/health/2023/12/10/nitazenes-opioid-stronger-than-fentanyl/>.

⁴⁶ Public Safety Alert, U.S. Drug Enf’t Admin., DEA Reports Widespread Threat of Fentanyl Mixed with Xylazine, available at <https://www.dea.gov/alert/dea-reports-widespread-threat-fentanyl-mixed-xylazine>.

⁴⁷ U.S. Drug Enf’t Admin., *supra* note 44.

⁴⁸ Patrick Kozakiewicz, *Moscow Theater Crisis: Unknown Chemical Agent Revisited*, CBRNE (Mar. 10, 2014), <https://www.cbrneportal.com/moscow-theater-crisis-unknown-chemical-agent-revisited/>

[<https://web.archive.org/web/20180617165328/https://www.cbrneportal.com/moscow-theater-crisis-unknown-chemical-agent-revisited/>] (“Later, Boris Grebenyuk, the All-Russia Disaster Relief Service chief, said the services used trimethyl phentanylum (3-methylfentanyl), a fentanyl analog that is about 1000 times more potent than morphine.”). 3-methyl fentanyl has likewise killed many Americans and Europeans due to overdose deaths during the time that the CCP subsidized its manufacture and export. See Ilkka Ojanperä et al., *An epidemic of fatal 3-methylfentanyl poisoning in Estonia*, 122 INT’L J. OF LEGAL MED. 395, 395-400 (2008), available at <https://www.semanticscholar.org/paper/An-epidemic-of-fatal-3-methylfentanyl-poisoning-in-Ojanper%C3%A4-Gergov/38ecf7e64edd4db424adaf2eb97d2edd09b2f2d9>; Magie Fox, *New synthetic opioids are killing even more people, CDC says*, NBC NEWS (Jul. 11, 2018) (“Another is 3-methylfentanyl, which is four times as powerful. Deaths from these drugs nearly doubled from 2016 to 2017, the CDC said.”).

⁴⁹ Piyush Chandra & Cheryl Long, *VAT rebates and export performance in China: Firm-level evidence*, J. OF PUBLIC ECON. (2013) available at www.doi.org/10.1016/j.jpubeco.2013.03.005 (for “Chinese exports,” the “empirical findings demonstrate significant and large effects of VAT rebates on export volume” — “on average, for each percentage point increase in the VAT rebate rate, the amount of exports increased by 13%.”).

⁵⁰ The website that previously granted access to the export rebate database—<http://hd.chinatax.gov.cn/fagui/action/initchukou.do>—was taken down when Ben Westhoff’s *Fentanyl, Inc.* first noted the existence of them in 2019 and instead redirects to the State Taxation Administration homepage. There is presently no way for an individual outside the PRC to access this database. See *The CCP’s Role in the Fentanyl Crisis*, *supra* note 9 (“...following the publication of *Fentanyl, Inc.*, the Chinese State Taxation Administration website stopped making this information publicly available.”).

⁵¹ The PRC government has a new site where this data is locatable: <https://web.archive.org/web/20240226214943/https://hd.chinatax.gov.cn/nszx2023/cktslxc2023.html>.

⁵² See discussion of Gaosheng’s internal records in Section II. B., *infra*.

⁵³ *Phencyclidine*, U.S. DRUG ENF’T ADMIN. (Apr. 2023), available at https://www.deadiversion.usdoj.gov/drug_chem_info/pcp.pdf (establishing that “PCP is no longer produced or used for medical purposes in the United States”).

⁵⁴ *International Drug Control Conventions*, U.N. COMM’N ON NARCOTIC DRUGS, available at www.unodc.org/unodc/en/commissions/CND/Mandate_Functions/Scheduling.html.

⁵⁵ GL Henderson, *Designer Drugs: Past History and Future Prospects*, J. FORENSIC SCL., 569 (1988); Olaf H. Drummer, *Fatalities caused by novel opioids: a review*, FORENSIC SCIS. RSCH. (May 7, 2018), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6609322/> (“3-Methylfentanyl, known as “China White”, was first reported to cause hospitalizations and many deaths in California (and some in neighbouring States) and Pennsylvania in the 1980s as well as a number of other fentanyl derivatives.”).

⁵⁶ Drummer, *supra* note 55 (“China White, or 3-methylfentanyl, is some 6,000 times more potent than morphine and is active from a few micrograms.”); Susan B. Glasser & Peter Barker, *Russia Confirms Suspicions About Gas Used in Raid*, WASH. POST (Oct. 31, 2022), available at <https://web.archive.org/web/20070313010109/https://pqasb.pqarchiver.com/washingtonpost/access/229153381.html?dids=229153381:229153381&FMT=ABS&FMTS=ABS:FT&fmac=&date=Oct+31%2C+2002&author=Susan+B.+Glasser++and+Peter+Baker&desc=Russia+Confirms+Suspicions+About+Gas+Used+in+Raid>; Debora MacKenzie, *Mystery of Russian gas deepens*, NEWSIDENTIST.COM (Oct. 29, 2022), available

at <https://web.archive.org/web/20070314004159/https://www.newscientist.com/article.ns/?id=dn2979>.

⁵⁷ Kozakiewicz, *supra* note 50 (“Later, Boris Grebenyuk, the All-Russia Disaster Relief Service chief, said the services used trimethyl phentanylum (3-methylfentanyl), a fentanyl analog that is about 1000 times more potent than morphine.”).

⁵⁸ Liam Ebrill et al., *The Allure of the Value-Added Tax*, INT’L MONETARY FUND (June 2022), available at www.imf.org/external/pubs/ft/fandd/2002/06/ebrill.htm.

⁵⁹ *Sourcing from China: Export VAT Refund*, DELOITTE, available at https://www2.deloitte.com/content/dam/Deloitte/mx/Documents/China/Sourcing_from_China_Export_VAT.pdf (last accessed Apr. 1, 2024) (explaining how if the VAT rate is “When Chinese exporters incur VAT on costs (raw materials, overheads, machinery), they would typically pay 17 percent VAT on costs. If the VAT refund rate of the goods exported is less than 17 percent, such as 13 percent, the exporter is left with a 4 percent cost.”); *See also* Bing Lu & Hong Ma, *The “Matthew effect” in rebates: How does VAT rebates allocation affect firm export performance*, J. OF PUBLIC ECON. (2023), available at www.doi.org/10.1016/j.jpubeco.2023.104982 (“A few studies that directly examine the impact of VAT rebates on Chinese exports, including Bai et al. (2011), Chao et al. (2001) and Chen et al. (2006), who use industry level data, and Gourdon et al. (2022) and Lee et al. (2021) who rely on more disaggregate product level data. All these studies find that VAT rebates strongly promote exports.”).

⁶⁰ *Chinese Government announces significant reduction to VAT rates as China enters new VAT legislative phase*, KPMG (Mar. 5, 2019), available at <https://kpmg.com/cn/en/home/insights/2019/03/china-tax-alert-08.html>.

⁶¹ Harm Hostra, *VAT in China*, MS ADVISORY (May 12, 2022), available at <https://www.msadvisory.com/vat-in-china/>; *PRC Value-Added Tax*, PRICEWATERHOUSECOOPERS (Jan. 15, 2024), available at <https://taxsummaries.pwc.com/peoples-republic-of-china/corporate/other-taxes> (“The VAT refund rate for exported services is the same as the applicable VAT rate. For exported goods, the VAT refund rates range from 0% to 13%.”).

⁶² Piyush Chandra & Cheryl Long, *VAT rebates and export performance in China: Firm-level evidence*, J. OF PUBLIC ECON. (2013) available at www.doi.org/10.1016/j.jpubeco.2013.03.005 (for “Chinese exports,” the “empirical findings demonstrate significant and large effects of VAT rebates on export volume” — “on average, for each percentage point increase in the VAT rebate rate, the amount of exports increased by 13%.”).

⁶³ *Id.*

⁶⁴ Studies have found that this cost can be “quite substantial.” *See id.* As explained, “VAT rebates in China have absorbed substantial government financial resources since their formal implementation in 1994.” *Id.* (discussing how the central government pays for the majority of the rebate, with the local government having to pay the remainder). The PRC government has never explained why it has incurred “substantial” costs to incentive the export of highly addictive and deadly drugs abroad.

⁶⁵ *See* (化学药品目录集) [Chemical Drug Catalog Collection], (国家药品监督管理局药品审评中心) [DRUG EVALUATION CTR. FOR THE STATE DRUG ADMIN.], available at www.cde.org.cn/hymj/listpage/9cd8db3b7530c6fa0c86485e563f93c7 (last accessed Apr. 1, 2024) (listing only variants of Fentanyl, Remifentanil, Alfentanil, and Sufentanil); (重磅！宜昌人福3类仿制药盐酸阿芬太尼即将获批上市) [Heavy! Yichang Renfu’s Class 3 generic drug alfentanil hydrochloride is about to be approved for marketing], PHIRDA (Feb. 21, 2020), available at http://www.phirda.com/artilce_21404.html?cid=1 (noting alfentanil was first approved for production by the PRC government in 2020). *See also* BEN WESTHOFF, FENTANYL, INC.: HOW ROGUE CHEMISTS ARE CREATING THE DEADLIEST WAVE OF THE OPIOID EPIDEMIC (2019) (“only three types of fentanyls are allowed to be legally manufactured in China”). Even these three types of fentanyls fall under the Regulations on the Administration of Narcotic Drugs and Psychotropic Substances (revised in 2016). Mazul Yaopin He Jingshen Yapoin Guanli Tiaoli (麻醉药品和精神药品管理条例) [Reguls. on the Admin. of Narcotic Drugs and Psychotropic Substances] (promulgated by the Standing Comm. Nat’l People’s Cong., Aug. 3, 2005; rev’d Feb. 6, 2016) St. Council Gaz., Supp. 2016 2, available at https://www.gov.cn/gongbao/content/2016/content_5139413.htm (China).

⁶⁶ China’s National Medical Products Administration only lists five companies lawfully permitted to produce and export fentanyl, sufentanil, alfentanil, and remifentanil. No companies are allowed to produce the other illicit narcotics listed in the subsidies. *See also* Westhoff, *supra* note 65 (only five companies are legally permitted to manufacture and export fentanyl in the PRC).

⁶⁷ *The CCP’s Role in the Fentanyl Crisis*, *supra* note 9.

⁶⁸ (关于提高部分产品出口退税率的公告) [Announcement on increasing the export tax rate for some products], (中华人民共和国财政部) [Ministry of Fin. of China] (Mar. 17, 2020), available at https://web.archive.org/web/20231129194847/http://szs.mof.gov.cn/zhengcefabu/202003/t20200317_3484123.htm (including the attachment at <https://web.archive.org/web/20240225181257/http://szs.mof.gov.cn/zhengcefabu/202003/P020200317628211806329.xls> showing increase to commodity code 29333300 to 13%).

⁶⁹ *Id.*

⁷⁰ See Chandra & Long, *supra* note 62 (discussing how the central government pays for the majority of the rebate, with the local government having to pay the remainder : “VAT rebates in China have absorbed substantial government financial resources since their formal implementation in 1994”).

⁷¹ *The CCP’s Role in the Fentanyl Crisis*, *supra* note 9 (“...following the publication of *Fentanyl, Inc.*, the Chinese State Taxation Administration website stopped making this information publicly available.”). A review of the Internet Archive after the publication of *Fentanyl, Inc.* reveals a HTTP 302 message. See Internet Archive page for previous PRC Export Tax Rebate Database, available at <https://web.archive.org/web/20200131071813/http://hd.chinatax.gov.cn/fagui/action/InitChukou.do> (capturing an HTTP 302 error before redirecting the user to the PRC Ministry of State Taxation Administration homepage). An HTTP 302 error occurs when the requested resource has been temporarily moved to a new location.

⁷² Press Release, U.S. Drug Enf’t Admin., China Announces Scheduling Controls On Two Fentanyl Precursor Chemicals (Jan 5, 2018), available at <https://www.dea.gov/press-releases/2018/01/05/china-announces-scheduling-controls-two-fentanyl-precursor-chemicals>.

⁷³ *The CCP’s Role in the Fentanyl Crisis*, *supra* note 9 (“...VAT rebates [] are tax reimbursements given to companies for tax money already paid during the production of their products.”); Alexander Chipman Koty, *Export Tax Rebates in China Increase for 397 Products*, ASIAN BUS. CONSULTANTS, available at www.theabcgrouppllc.com/export-tax-rebates-in-china-increase-for-397-products (last accessed Apr. 1, 2024) (“Applying for export tax rebates – In order to receive an export tax rebate, exporters must provide their business license and export approval documentation to the relevant local authorities, and submit monthly tax declarations. Export approval documentation includes a summarized declaration form for export tax refunds, a customs declaration form for exports, and a VAT declaration form for export tax refunds, among others.”); Gidon Gautel, *China’s Five-in-One Business License: Pressure Mounts for Foreign Businesses to Implement*, CHINA BRIEFING (Aug. 9, 2017), available at www.china-briefing.com/news/five-one-business-license-pressure-mounts-foreign-businesses-implement; *Export VAT Rebate in China*, DEZAN SHIRA & ASSOC. (Aug. 2019), available at www.dezshira.com/library/qa/export-vat-rebate-china.html (explaining the same [and manager vs. trading company differential]).

⁷⁴ See Yellen warns China’s industry ramp up is distorting world economy, BLOOMBERG (Mar. 27, 2024) available at <https://www.bloomberg.com/news/articles/2024-03-27/yellen-sounds-alarm-on-china-roiling-world-with-industry-ramp-up?embedded-checkout=true>; Alice Hancock & Edward White, *EU launches 2 probes into China solar manufacturers*, FIN. TIMES (Apr. 3, 2024), available at <https://www.ft.com/content/5e677032-82c6-4761-9053-a441ef1a71c4> (EU opening two probes into PRC market distorting subsidies of electronic vehicles); Alex Willemyns, *U.S. and China feud over subsidies for green tech*, RADIO FREE ASIA (Mar. 27, 2024), available at <https://www.rfa.org/english/news/china/yellen-green-technology-03272024104304.html>.

⁷⁵ *The CCP’s Role in the Fentanyl Crisis*, *supra* note 9 (“The synthetic cannabinoid JWH-018 also received a 13 percent rebate.”). Using the same commodity/product code, the Select Committee confirmed that JWH-018 continued to have the 13% rebate (a full tax exemption subsidy) in 2024.

⁷⁶ As described below, these grants were often national government funds awarded by provisional governments. See also *id.* (in discussing a known illicit drug manufacturing chemical company, “Some of these companies have listed addresses in “special industrial zones” offering government-subsidized land and rent, shared manufacturing infrastructure, and other resources.”

⁷⁷ (2022年度闵行区稳外贸政策项目拟扶持企业项目企业名单公示) [Announcement of the list of enterprises planned to be supported by the Minhang District Foreign Trade Stabilization Policy Project in 2022], (闵行区经济委员) [MINHANG DIST. ECON. COMM’N] (Jul. 29, 2023), available at <https://www.sh-hitech.com/tzbt/8454.html> [<https://web.archive.org/web/20240414212908/https://www.sh-hitech.com/tzbt/8454.html>]. The Minhang District Economic Commission is connected to the Shanghai PRC provincial government and has CCP members on the Committee. See Press Release, Shanghai

Mun. Gov't, Press Release for Media Briefing of the Shanghai Municipal Government on August 25, 2020 (Aug. 27, 2020), available at <https://service.shanghai.gov.cn/sheninfo/newsdetail.aspx?Id=bc31bad7-0da1-4fe2-9190-ff0f2803efa1> [<https://web.archive.org/web/20240414213200/https://service.shanghai.gov.cn/sheninfo/newsdetail.aspx?Id=bc31bad7-0da1-4fe2-9190-ff0f2803efa1>] (noting that the Shanghai municipal government had a press conference to discuss city initiatives in the Minhang District, with a member of the Chinese Communist Party speaking on behalf of the Minhang District Economic Commission).

⁷⁸ Several other companies boast that their work is directly tied to government-owned universities and academies, such as Zhejiang University, or receive money from provincial funds like the Shanghai Science and Technology Innovation Fund. While the Select Committee lacks the means of corroborating this information, the fact that companies selling narcotics feel comfortable advertising their ties to PRC government organizations and funding streams is alarming.

⁷⁹ The announcement stated that awardees were only selected after District Economic Commission engaged in due diligence through a "project review." The award matches the logo for the national PRC Torch grant and award program. For discussion of this program, see Westhoff, *supra* note 65.

⁸⁰ Steven Dudley, et al, *The Flow of Precursor Chemicals for Synthetic Drug Production in Mexico*, INSIGHT CRIME (May 2023), available at www.insightcrime.org/wp-content/uploads/2023/05/The-Flow-of-Precursor-Chemicals-for-Synthetic-Drug-Production-in-Mexico-InSight-Crime-March-2023-3.pdf.

⁸¹ (上海市科技企业联合会调研科技中小企业创新能力) [*Shanghai Federation of Science and Technology Enterprises investigates the innovation capabilities of small and medium-sized science and technology enterprises*], SOHU (July 5, 2021), available at https://www.sohu.com/a/475542794_100053214; https://web.archive.org/web/20240224215630/https://www.sohu.com/a/475542794_100053214.

⁸² Michael Lohmuller et al., *Lethal Exchange: Synthetic Drug Networks in the Digital Era*, C4ADS (Nov. 17, 2020), available at www.c4ads.org/reports/lethal-exchange/.

⁸³ Archived Document (not posted by Select Committee) from Gaosheng Website, SLIDESHARE, available at <https://www.slideshare.net/ssuser968761/1-75337462> (last accessed Apr. 1, 2024); see also Lohmuller et al., *supra* note 82.

⁸⁴ The Select Committee spoke with two former federal agents who provided this information and provided corroborating documentation.

⁸⁵ The Select Committee consulted with a retired senior DEA official, who corroborated the information that its investigation uncovered on the prison facility.

⁸⁶ *China: Falun Gong practitioner said to have been tortured in detention*, AMNESTY INT'L (Sep. 23, 2016), available at www.amnesty.org/en/wp-content/uploads/2021/05/ASA1748692016ENGLISH.pdf; *Shijiazhuang No. 1 Detention Center*, FALUN INFO (Feb. 2, 2022), available at www.faluninfo.net/shijiazhuang-no-1-detention-center/; *Investigative Report on the Persecution of Falun Gong by Wu Zhenhua, Li Zunying, Zang Shengye, Zhang Zhenjiang, Fan Guohua, Guo Sushan, and Ma Wensheng*, WORLD ORG. TO INVESTIGATE THE PERSECUTION OF FALUN GONG (Jan. 2, 2021), available at www.upholdjustice.org/node/518.

⁸⁷ *Homepage*, YAFENG BIOLOGICAL TECHNOLOGY CO., LTD., available at <https://web.archive.org/web/20240214015942/http://www.chinayfkj.com/> (last accessed Apr. 9, 2024).

⁸⁸ Press Release, U.S. Drug Enf't Admin., China Announces Scheduling of New Psychoactive Substances/fentanyl-class Substances (June 19, 2017), available at <https://www.dea.gov/press-releases/2017/06/19/china-announces-scheduling-controls-new-psychoactive-substancesfentanyl>

⁸⁹ *Annex I: Non-fentanyl opioids and related new psychoactive substances with no currently known legitimate uses*, INT'L NARCOTICS CONTROL BOARD, available at https://www.incb.org/documents/Global_Projects_OPIOIDS/INCB.GRIDS.OPIOIDS.NoFOs_list.pdf (last accessed Apr. 13, 2024).

⁹⁰ *About Us*, YAFENG BIOLOGICAL TECH. CO., LTD., available at <https://web.archive.org/web/20240214015942/http://www.chinayfkj.com/> (last accessed Apr. 9, 2024).

⁹¹ Indictment, *United States v. Zheng et al.*, Case No. 1:18 CR 474 (N. Oh.). Case: 1:18-cr-00474-JRA.

⁹² *Protonitazene*, HK BENTON PHARM CHEMICAL CO., LTD., available at <https://www.protonitazene.com/> [<https://web.archive.org/web/20240228011845/https://www.protonitazene.com/>] (last accessed Apr. 1, 2024).

⁹³ *The CCP's Role in the Fentanyl Crisis*, *supra* note 9.

⁹⁴ Westhoff, *supra* note 65 at 199.

⁹⁵ *Id.* at 192, 193.

⁹⁶ *Id.* at 202.

⁹⁷ *Id.*

⁹⁸ Lingling Wei, *China's New Way to Control its Biggest Companies: Golden Shares*, WALL ST. J. (Mar. 8, 2023), available at <https://www.wsj.com/articles/xi-jinpings-subtle-strategy-to-control-chinas-biggest-companies-ad001a63>.

⁹⁹ *Id.*

¹⁰⁰ *Id.*

¹⁰¹ *Id.*

¹⁰² *Id.*

¹⁰³ *Chinese Communist Party Cells in Private Companies: Though Not Yet Universal, Increasingly Situated to Play Greater Roles in Corporate Governance*, SAYARI (Apr. 7, 2021), available at www.sayari.com/resources/chinese-communist-party-cells-in-private-companies-though-not-yet-universal-increasingly-situated-to-play-greater-roles-in-corporate-governance/.

¹⁰⁴ Special Surveillance List of Chems., Prods., Materials and Equip. Used in the Manufacture of Controlled Substances and Listed Chems., 88 Fed. Reg. 73,044 (Oct. 24, 2023) (notice), available at <https://www.federalregister.gov/documents/2023/10/24/2023-23478/special-surveillance-list-of-chemicals-products-materials-and-equipment-used-in-the-manufacture-of>.

¹⁰⁵ *China's enormous surveillance state is still growing*, THE ECONOMIST (Nov. 23, 2023), available at <https://www.economist.com/china/2023/11/23/chinas-enormous-surveillance-state-is-still-growing> (citing People's Daily).

¹⁰⁶ *The CCP's Role in the Fentanyl Crisis*, *supra* note 29. ("When we passed leads regarding a China-based company involved in drug or precursor chemical trafficking, Ministry of Public Security officials would ask for additional details of the company in question and the scope of our investigation. We subsequently determined and realized through sources, the targeted company, if owned or was linked to a Chinese Communist Party (CCP) member, would be notified and warned that US law enforcement authorities were either investigating or monitoring them.").

¹⁰⁷ Greenwood & Fashola, *supra* note 11.

¹⁰⁸ Jacob Gu, *China Warns Its Citizens on 'Entrapment' by US Law Enforcement*, BLOOMBERG (July 10, 2023), available at <https://www.bloomberg.com/news/articles/2023-07-10/china-warns-its-citizens-on-entrapment-by-us-law-enforcement>.

¹⁰⁹ *The CCP's Role in the Fentanyl Crisis*, *supra* note 29 ("Outside of a handful of successful cooperative results, thousands of leads were met with silence or responses that, 'a crime was not committed according to China's laws.' Regardless of proven drug funds transferred into Chinese banks directly linked to a specified unlawful activity, even under Chinese law, they would reply that there were no crimes committed on Chinese soil.").

¹¹⁰ In greater detail, the U.S. prosecutor asked the PRC officials to confirm their interest in prosecuting the Zhengs if they had the legal means to do so. The PRC officials strongly reiterated their desire to assist through criminal prosecution, so long as they had a chargeable case. At that point, the prosecutor pulled out another three-inch thick binder of evidence, along with a treatise on Chinese law verified by an expert at the Library of Congress. The prosecutor then presented comprehensive analysis with accompanying evidence of how the Zhengs had violated a half-dozen PRC felonies. After the presentation, there was a long moment of silence followed by a quiet and frantic discussion in Mandarin among the PRC delegation. Ultimately, the seniormost PRC official confirmed to the American prosecutor in English that it appears that the Zhengs did violate these PRC laws but, unfortunately, the PRC officials present at the meeting did not handle *those types* of violations. The prosecutor asked if the correct officials were available to speak with his team. The PRC officials said they were not in today. The prosecutor said his team could return the next day, at which point the PRC official said that the right officials were not available then either. The prosecutor asked when they were available, with the PRC official asking in turn when the American delegation was flying back to Ohio. The prosecutor said the flight was on Friday, with the PRC official expressing dismay that the correct officials for these types of violations were not available until the following Monday. The prosecutor then said that they would change their flight and meet with these officials on Monday. At that point, the seniormost PRC official said that would not be necessary and that they would be in touch for further cooperation. The meeting ended immediately thereafter. The PRC did not cooperate further.

¹¹¹ Off. of Pub. Affs., *Attorney General Sessions Makes Multiple Major Announcements as the Justice Department Continues to Combat the Opioid Crisis*, U.S. DEP'T OF JUSTICE (Aug. 22, 2018), available at www.justice.gov/opa/speech/attorney-general-sessions-makes-multiple-major-announcements-justice-department-continues ("We also allege that the Zheng organization manufactured counterfeit drugs that purported to be Adderall and discussed manufacturing various trademarked cancer drugs,

but were fake. They were actually bath salts. Adulteration of medicine with synthetic drugs would of course be illegal in both the United States and China.”)

¹¹² Afterward, a senior Department of Justice official sent a letter to his Chinese counterpart making the formal request for the PRC to prosecute the Zhengs for clear violations of Chinese law. The correspondence included a comprehensive collection of relevant evidence. The Chinese official replied with a form response that ignored the evidence and the request for assistance. Mo Hong'e, *China takes unprecedented effort in fentanyl control despite U.S. slander*, ECNS (Sep. 21, 2018), available at <https://web.archive.org/web/20240414142819/https://www.ecns.cn/news/2018-09-21/detail-ifyyehna1449279.shtml>. Near in time to the indictment, the Chinese government provided a small amount of redundant evidence to the prosecution team and asked them not to prosecute the case. See also Steven Jiang, *China downplays role in US opioid epidemic*, CNN (Nov. 3, 2017), available at www.cnn.com/2017/11/03/health/china-drugs-fentanyl-trump/index.html (“The suspects’ arrest will depend on evidence provided by the US and evidence discovered by Chinese police,” he said. “The two countries have different laws governing such substances – and China can only take actions based on its domestic laws and what its law enforcement officers find.”).

¹¹³ Press Release, U.S. Dep’t of the Treasury, *Treasury Targets Chinese Persons Involved with Drug Trafficking Org. Moving Fentanyl* (July 17, 2020), available at <https://home.treasury.gov/news/press-releases/sm1063>; OFAC *Sanctions Internet-based Suppliers of Illicit Fentanyl and Other Synthetic Drugs*, CHAINALYSIS (Nov. 9, 2022), available at www.chainalysis.com/blog/ofac-sanctions-suppliers-of-illicit-fentanyl/.

¹¹⁴ *Ambassador Qin Gang Takes an Interview with Newsweek on the Fentanyl Issue*, EMBASSY OF CHINA IN THE U.S. (Sept. 30, 2022), available at https://web.archive.org/web/20240414143913/http://us.china-embassy.gov.cn/eng/dshd/202209/t20220930_10775097.htm.

¹¹⁵ Felbab-Brown, *supra* note 13.

¹¹⁶ The Select Committee investigator chose the vendors based on a verified list of active synthetic narcotics vendors provided by award-winning academics that study this issue that the Select Committee then confirmed with a leading AI supply chain and logistics firm and through its own open source investigation. The Select Committee investigator did not purchase any narcotics or engage in any acts illegal under U.S. or PRC law and coordinated with U.S. law enforcement, as appropriate. The Select Committee investigator engaged with and offered full transparency to federal law enforcement relating to these efforts.

¹¹⁷ This includes chemicals unscheduled under PRC law but still sold to an individual when there is indicia that the chemicals would be used for drug trafficking.

¹¹⁸ The PRC Ministry of Public Security published a “Notice” on Weixin, the PRC’s version of WeChat, a platform that is ubiquitous in China. The Notice, “remind[ed] relevant enterprises and individuals to be cautious in selling drug-formulating substances.” Seong Hyeon Choi & Vanessa Cai, *US-China relations: Beijing warns companies against selling equipment, precursors for fentanyl*, S. CHINA MORNING POST (Nov. 17, 2023), available at www.scmp.com/news/china/diplomacy/article/3241885/china-warns-companies-against-selling-equipment-precursors-fentanyl. In the remainder of the Notice, however, the PRC publicly acknowledged for the first time what was already clear under its laws: that “a person who produces, sells, transports, imports, or exports non-regulated chemicals [i.e., precursors] and equipment [i.e., pill presses and dyes] for another person, knowing that the latter will use them in the illicit manufacture of narcotic drugs or psychotropic substances, shall be punished as an accomplice to the crime of drug manufacture.” It also noted that exporting “goods or articles prohibited or restricted by the state” or “goods or articles on which taxes should be paid” is “an act of smugglings, which constitutes a crime.”]

¹¹⁹ As the master of the world’s most comprehensive surveillance state, it uses a nationwide surveillance panopticon, acquisition of vast amounts of personal data without independent judicial oversight, and AI analysis to constantly monitor for any activities it sees as a threat to its rule. Under the PRC Criminal Procedure Law, all public security organs (police), PR curatorial organs (prosecutors), and national security organs have access to PRC residents’ private communications and data as “technical investigative measures.” *Zhonghua Renmin Gongheguo Zingshi Susong Fa* (中华人民共和国刑事诉讼法) [PRC Crim. Proc. Law] (promulgated by the Standing Comm. Nat’l People’s Cong., July 1, 1979; rev’d Oct. 26, 2018), General Off. of the Standing Comm. Nat’l People’s Cong., <https://flk.npc.gov.cn/detail2.html?ZmY4MDgwODE2ZjEzNWY0NjAxNmYxZDFiODFiMDEzNTE%3D> [https://perma.cc/C4XH-J8VY] (China). Under PRC Ministry of Public Security (MPS) Rules, this includes (but is not limited to) “monitoring of records, location tracking, monitoring of

communications, and location surveillance.” Gong’an Jiguan Banli Xingshi Anjian Chengxu Guiding (公安机关办理刑事案件程序规定) [Procedural Reguls. on the Handling of Crim. Cases by Pub. Sec. Organs] (promulgated by the Min. Pub. Sec., Dec. 3, 2012, effective Jan. 1, 2013) art. 255, St. Council Gaz., translated in <https://perma.cc/JL6K-U88R> (China) (English translation by US-Asia Law Institute at New York University School of Law) (MPS Rules). There is no requirement for an independent judiciary to approve these steps via a search warrant, as MPS officials approve it internally. MPS Rules, art. 256. According to MPS Rules, PRC authorities may use these techniques not only on criminal suspects and defendants but also on others whose activities are directly related to the criminal activity. *Id.*, art. 255. Under the PRC Cybersecurity Law, technology companies like WeChat and Alibaba, are required to assist MPS and other PRC entities in this surveillance and furthermore require that users register their real identities. See Zhonghua Renmin Gongheguo Wangluo Anquan Fa (中华人民共和国网络安全法) [PRC Cybersecurity Law] (promulgated by the Standing Comm. Nat’l People’s Cong., Nov. 7, 2016, effective June 1, 2017) arts. 1, 5, 24, Xinhua News Agency, translated in <https://perma.cc/48Y9-B3ZH> (China) (English translation provided by DigiChina, Stanford University). The Cybersecurity Law requires network operators to provide technical support and assistance to the public security organs and the national security organs in the authorities’ activities of protecting national security and investigating crimes. *Id.*, art. 28. The law does not define such technical support and assistance. They furthermore are obligated to monitor all user content and, upon discovering any information prohibited by law from being published or transmitted, it must take immediate steps to stop the transmission of such information, delete the information, and report the information to the relevant authorities. *Id.*, art. 47. Under the PRC Data Security Law, organizations and individuals must also cooperate with PRC authorities in data requires relating to criminal and national security investigations. Zhonghua Renmin Gongheguo Shuju Anquan Fa (中华人民共和国数据安全法) [PRC Data Security Law] (promulgated by the Standing Comm. Nat’l People’s Cong., June 10, 2021, effective Sept. 1, 2021) art. 35, Nat’l People’s Cong, translated in <https://perma.cc/F4NP-ALRD> (China) (English translation provided by DigiChina).

¹²⁰ Keena Alwahaidi, ‘They can track people over time’: Inside China’s extensive surveillance network, CBC (Dec. 8, 2022), available at www.cbc.ca/radio/thecurrent/china-surveillance-network-1.6677778.

¹²¹ *Id.*

¹²² Joy Dong, *China’s Internet Censors Try a New Trick: Revealing Users’ Locations*, N.Y. TIMES (May 18, 2022), available at www.nytimes.com/2022/05/18/business/china-internet-censors-ip-address.html.

¹²³ Anh Cao, *How the Party is Increasing Control of China’s Banks*, FAIRBANK CTR. FOR CHINESE STUD. (Aug. 15, 2023), available at <https://fairbank.fas.harvard.edu/news/how-the-party-is-increasing-control-of-chinas-banks/>. In 2018, the PRC began requiring all mobile payments to be cleared by the People’s Bank of China (PBOC), meaning that the CCP touches all mobile payment transactions in China. See Andrew Liu, *An Analysis of the PBOC’s New Mobile Payment Regulation*, 39 CATO J. 87, 87 (2019), available at <https://www.cato.org/sites/cato.org/files/serials/files/cato-journal/2019/2/cj-v39n1-6.pdf>. “By gaining access to the billions of proprietary consumer data points collected by mobile payment providers, the CCP and PBOC gain incredible insight into the behavior of the hundreds of millions of Chinese citizens that use mobile payment platforms.” *Id.* The National Financial Regulatory Administration (NFRA), previously called the China Banking and Insurance Regulatory Commission, regulates the financial industry (with the exception of securities). *China Regulator to Speed Reform of Smaller Financial Institutions*, REUTERS (Dec. 3, 2023), <https://www.reuters.com/world/china/china-regulator-speed-reform-smaller-financial-institutions-2023-12-03/>.

¹²⁴ One of these websites, Foreign-Trade.com, plays an outsized role in flagrant online drug trafficking by PRC companies. While this website bears indicia of a PRC-operated website and the Select Committee has identified evidence tying it to the PRC, Foreign-Trade uses a privacy service that obfuscates most of its corporate information. Federal law enforcement should consider further research into this site to understand its ownership structure and what policies, if any, it has in place to identify drug trafficking on its site.

¹²⁵ See Section II.C., *supra*.

¹²⁶ This is the final number after de-duplication.

¹²⁷ Specific Listing for 1-boc-4-AP, a Currently Controlled List I Chem., 87 Fed. Reg. 67,550 (Nov. 9, 2022) (final rule), available at <https://www.federalregister.gov/documents/2022/11/09/2022-24155/specific-listing-for-1-boc-4-ap-a-currently-controlled-list-i-chemical>; *Three precursors of the most common synthesis routes used in illicit fentanyl manufacture now under international control*, UNODC LAB. AND SCI. SERV. PORTALS (Apr. 2022), available at

www.unodc.org/LSS/Announcement/Details/b152bda5-5d71-4f7e-9d68-1bdd9af04a83; U.N. Convention Against Illicit Traffic in narcotic Drugs and Psychotropic Substances, art. 10, Dec. 20, 1988, available at https://www.unodc.org/pdf/convention_1988_en.pdf. For the fentanyl precursors norfentanyl, 4-Piperidone, and 1-Boc-4-AP, while the PRC has refused to schedule them, its November 2023 Notice makes clear that the PRC government considers any sale of these chemicals tied to drug trafficking as a crime.

¹²⁸ See, e.g., *Xylazine free base*, CHEMICALBOOK, available at https://web.archive.org/web/20240414004000/https://www.chemicalbook.com/ProductDetail_EN_xylazine-free-base_2452943.htm (last accessed Apr. 1, 2024); *Xylazine*, CHEMICALBOOK, available at https://web.archive.org/web/20240408181619/https://www.chemicalbook.com/ProductDetail_EN_xylazine_2538983.htm (last accessed Apr. 1, 2024); *Protonitazene*, CHEMICALBOOK, available at https://web.archive.org/web/20240414032622/https://www.chemicalbook.com/ProductDetail_EN_protanitazene_2511822.htm (last accessed Apr. 1, 2024).

¹²⁹ 1H-Benzimidazole-1-ethanamine, N,N-diethyl-5-nitro-2-[(4-propoxyphenyl)methyl]-, CHEMICALBOOK, available at https://www.chemicalbook.com/ProductDetail_EN_1h-benzimidazole-1-ethanamine-nn-diethyl-5-nitro-2-4-propoxyphenylmethyl_2162666.htm (last accessed Apr. 1, 2024) (listing many illicit synthetic narcotics for sale in a picture).

¹³⁰ *Xylazine*, *supra* note 128.

¹³¹ *Xylazine*, CHEMICALBOOK, available at https://web.archive.org/web/20240414033340/https://www.chemicalbook.com/ProductDetail_EN_xylazine_723687.htm (last accessed Apr. 1, 2024).

¹³² *Xylazine*, CHEMICALBOOK, available at https://web.archive.org/web/20240326010417/https://www.chemicalbook.com/ProductDetail_EN_xylazine_1917814.htm (last accessed Apr. 1, 2024).

¹³³ See (国家禁毒委员会办公室) [China Off. of the Nat'l Narcotics Control Comm'n], “(国家禁毒委员会办公室发布通告 提醒相关企业和个人谨慎销售可制毒物品) [The Office of the National Narcotics Control Commission issued a notice reminding relevant companies and individuals to be cautious in selling substances that can be used to make narcotics],” TENCENT (Nov. 16, 2023), <https://mp.weixin.qq.com/s/ZhbYujIwr28E7k6MjJC66Q> [<https://web.archive.org/web/20240227190236/https://mp.weixin.qq.com/s/ZhbYujIwr28E7k6MjJC66Q>]. The Notice provides that the “Criminal Law of the People’s Republic of China” outlaws “illegally producing, trading, transporting [...] raw materials and preparations used to make drugs.” The Notice also stated that it is “strictly prohibited for any organization or individual to produce, trade, or transport the items specified in [non-scheduled precursors and other drug ingredients] for others knowing that they are manufacturing drugs.” Doing so would result in the offender being “punished as an accomplice in the crime of manufacturing drugs.” The Notice acknowledged that other activities corresponding to fentanyl precursor sales, such as falsely declaring goods to customs, are likewise unlawful. It furthermore stated that “[p]ostal, express delivery companies and logistics companies” must report any instances of “illegal mailing, transportation, or entrainment of suspected narcotic drugs or psychotropic drugs, precursor chemicals and other drug-making raw materials” to “public security organs.” *Id.*

¹³⁴ *Protonitazene*, *supra* note 92.

¹³⁵ See generally Tara John et al., *The US sanctioned Chinese companies to fight illicit fentanyl. But the drug’s ingredients keep coming*, CNN (Mar. 30, 2023), available at www.cnn.com/2023/03/30/americas/fentanyl-us-china-mexico-precursor-intl/index.html (chemist finding that similar PRC-based narcotics trafficking posts in early 2023 were “obviously a list curated to help people create illicit drugs.”).

¹³⁶ Steven Lee Myers, *China’s Search Engines Have More Than 66,000 Rules Controlling Content*, *Report Says*, N.Y. TIMES (Apr. 26, 2023), available at www.nytimes.com/2023/04/26/business/china-censored-search-engine.html; Jeffrey Knockel et al., *Missing Links: A comparison of search censorship in China*, CITIZEN LAB (Apr. 26, 2023), available at www.citizenlab.ca/2023/04/a-comparison-of-search-censorship-in-china/.

¹³⁷ Myers, *supra* note 136.

¹³⁸ Stephen McDonnell, *Why China censors banned Winnie-the-Pooh*, BBC (July 17, 2017), available at www.bbc.com/news/blogs-china-blog-40627855.

¹³⁹ Jeffrey Knockel et al., *Missing Links: A comparison of search censorship in China*, CITIZEN LAB (Apr. 26, 2023), available at www.citizenlab.ca/2023/04/a-comparison-of-search-censorship-in-china/.

¹⁴⁰ Analysis conducted by Citizen Labs at the Select Committee’s request. For instance, there is no censorship triggers for “fentanyl +” any of the following terms “America,” “United States,” “Mexico,” “Europe,” “Africa,” “Australia,” “International,” “Abroad,” “Foreign,” “Customs” or “Border.”

¹⁴¹ Sheng Hong, *China's Chemical Industry: New Strategies for a New Era*, MCKINSEY & CO. (Mar. 20, 2019), available at <https://web.archive.org/web/20240414005230/https://www.mckinsey.com/industries/chemicals/our-insights/chinas-chemical-industry-new-strategies-for-a-new-era>.

¹⁴² *Id.*

¹⁴³ BUREAU OF INT'L NARCOTICS & LAW ENF'T AFFS., U.S. DEP'T OF STATE, INT'L NARCOTICS CONTROL STRATEGY REP. VOL. 1, DRUG & CHEM. CONTROL (2021), available at <https://www.state.gov/wp-content/uploads/2021/02/International-Narcotics-Control-Strategy-Report-Volume-I-FINAL-1.pdf>.

¹⁴⁴ Benjamin Haas, *Thousands in China watch as 10 people sentenced to death in sport stadium*, GUARDIAN (Dec. 17, 2017), available at www.theguardian.com/world/2017/dec/18/thousands-china-watch-executed-sport-stadium.

¹⁴⁵ See generally *Philippines: China Executed 2 Filipinos Convicted of Drug Trafficking*, VOA (Dec. 2, 2023), available at www.voanews.com/a/philippines-china-executed-2-filipinos-convicted-of-drug-trafficking/7381736.html; Choi Si-young, *China executes S. Korean for drug trafficking*, KOR. HERALD (Aug. 4, 2023), available at www.koreaherald.com/view.php?ud=20230804000619; *China's latest use of the death penalty for drug offences condemned*, AMNESTY INT'L (Mar. 29, 2011), available at www.amnesty.org/en/wp-content/uploads/2021/07/asa170162011en.pdf (China does not tell the world how many people it executes, but is believed to put to death thousands of people each year — more than the rest of the world combined); Aurelie Placais, *China reduces the number of crimes punishable by death to 46, but keeps drug trafficking in the list*, WORLD COAL. (Oct. 7, 2015), available at www.worldcoalition.org/2015/10/07/china-reduces-the-number-of-crimes-punishable-by-death-to-46-but-keep-drug-trafficking-in-the-list/.

These include two Filipinos who allegedly smuggled just over four kilograms of heroin within the PRC's borders. *China's latest use of the death penalty for drug offences condemned*, AMNESTY INT'L (Mar. 29, 2011), available at www.amnesty.org/en/wp-content/uploads/2021/07/asa170162011en.pdf. In another instance, the PRC executed a Canadian oil rig worker who it accused of smuggling methamphetamine shortly after the Canadians arrested Huawei Chief Financial Officer Meng Wanzhou, which many saw as a diplomatic ploy rather than a just sentence. See *China sentences Canadian citizen to death in drugs case*, FR. 24 (Jan. 14, 2019) available at www.france24.com/en/20190114-china-sentences-canadian-citizen-schellenberg-death-drugs-case-justice.

¹⁴⁶ *China will never allow drug traffickers from any country to kill and poison its people: Chinese Embassy in Canada*, GLOB. TIMES (Aug. 11, 2021), available at www.globaltimes.cn/page/202108/1231146.shtml.

¹⁴⁷ *Id.*

¹⁴⁸ Felbab-Brown, *supra* note 13 (emphasis added).

¹⁴⁹ Press Release, White House, Background Press Call on the Counternarcotics Working Group Trip to Beijing (Jan. 28, 2024), available at <https://www.whitehouse.gov/briefing-room/press-briefings/2024/01/28/background-press-call-on-the-counternarcotics-working-group-trip-to-beijing/> (“We have information that the PRC started taking action against Chinese synthetic drug and chemical precursor suppliers right around the time of the summit and in the following months. So we saw companies shut down. We saw international payment accounts blocked.”).

¹⁵⁰ Felbab-Brown, *supra* note 13.

¹⁵¹ QIAO LIANG & WANG XIANGSUI, UNRESTRICTED WARFARE: CHINA'S MASTER PLAN TO DESTROY AMERICA (1999) (translated from original Mandarin by native Mandarin speaker on Select Committee Staff).

¹⁵² *China in Our Backyard: How Chinese Money Laundering Organizations Enrich the Cartels*, Hearing before the H. Comm. on Oversight and Accountability, Subcomm. On Health Care and Fin. Servs., 118th Cong. (202) (testimony of Anthony Ruggiero), available at <https://www.fdd.org/analysis/2023/04/26/china-in-our-backyard/>.

¹⁵³ *Follow the Money: The CCP's Business Model in Fueling the Fentanyl Crisis*, Hearing before the H. Comm. on Fin. Servs., Subcomm. on Nat'l Sec., Illicit Fin., and Int'l Fin. Insts., 118th Cong. (2023) (testimony of Vanda Felbab-Brown), available at <https://www.brookings.edu/articles/chinas-role-in-the-fentanyl-crisis/>.

¹⁵⁴ *China's Role in Illicit Fentanyl Running Rampant on US Streets*, OFF. OF REP. DAVID TRONE (Jan. 8, 2023), available at <https://trone.house.gov/2023/01/08/chinas-role-in-illicit-fentanyl-running-rampant-on-us-streets/>; Westhoff, *supra* note 65.

¹⁵⁵ *Id.*

¹⁵⁶ *Chinese businesses fueling the fentanyl epidemic and receive tens of millions in crypto payments*, ELLIPTIC (May 23, 2023), available at www.elliptic.co/blog/chinese-businesses-fueling-the-fentanyl-epidemic-receive-millions-in-cryptocurrency-payments.

¹⁵⁷ Westhoff, *supra* note 65. See also *The CCP's Role in the Fentanyl Crisis*, *supra* note 29 (“These provincial governors and other CCP leaders compete with one another for higher positions based on economic performance in their province. Hence, the pursuit of economic growth and competition, created an atmosphere of reduced oversight, regulations, accountability and enforcement, leading to significant corruption throughout China’s provincial governments, and even up to high level military and CCP party members. Chinese Customs and Trade Ministry Officials in certain provinces either participated or and encouraged capital investment with incentives such as subsidies or reduced taxes and tariffs for exporting companies, or reduced inspections and lax regulations. Many China-based chemical companies that supplied fentanyl precursors and illicit drugs benefited from these incentives for many years.”).

¹⁵⁸ Interview with Ben Westhoff, *Fentanyl as a dark web profit center, from Chinese labs to U.S. Streets*, NPR (Sept. 4, 2019), available at <https://www.npr.org/transcripts/757089868?storyId=757089868>. Moreover, the PRC government “has prioritized biopharmaceuticals as one of ten key sectors in the Made in China 2025 initiative,” increasing the demand for provincial success in this sector and making it unlikely that any provincial official would want to shut down a biopharmaceutical company. This fact, along with “the pharmaceutical and chemical sectors play[ing] an important role in local economies and the careers of local administrators, reduc[es] incentives to police bad actors.” Comm’n on Combating Synthetic Opioid Trafficking, *supra* note 10.

¹⁵⁹ *Follow the Money*, *supra* note 153 (“The triads’ connections to China’s legal system, economy and enterprises remain significant and essential. Like many criminal groups around the world, the triads use legal businesses as fronts for their illegal operations and money-laundering, and they plug into the infrastructure and transportation networks of legal businesses. But they also provide a variety of services to Chinese legal business enterprises, including those connected to government officials and the CCP, such as in the promotion and facilitation of Chinese businesses abroad, the building up of networks of political influence for China abroad, and the informal information gathering and enforcement against Chinese fugitives and Chinese diaspora outside of China, such as to prevent criticism of the regime”).

¹⁶⁰ This conclusion relied on interviews with more than two dozen current and former national security officials in Europe and the U.S., Chinese immigrants, human rights advocates, and others, as well as exhaustive review of court records and other documents. Sebastian Rotella, *Outlaw Alliances: How China and Chinese Mafias Overseas Protect Each Other's Interests*, PROPUBLICA (July 12, 2023), available at www.propublica.org/article/how-beijing-chinese-mafia-europe-protect-interests. For other examples of Chinese organized crime working to the benefit of the PRC government, see Gerry Shih, *China's backers and 'triad' gangs have a history of common foes. Hong Kong protesters fear they are next.*, WASH. POST (July 23, 2019), available at www.washingtonpost.com/world/asia_pacific/chinas-backers-and-triad-gangs-have-history-of-common-foes-hong-kong-protesters-fear-they-are-next/2019/07/23/41445b88-ac68-11e9-9411-a608f9d0c2d3_story.html (describing how triad gangs attacked Hong Kong protesters). See also JM Cole, *On the Role of Organized Crime and Related Substate Actors in Chinese Political Warfare Against Taiwan*, TAIWAN MIN. OF JUST. INVESTIGATIVE BUREAU (2018), available at https://www.mjib.gov.tw/FileUploads/eBooks/6f2646ebb06a4ddba2449c950a42533d/Section_file/8a0b255919bc48e1bc3d2a38825cd3c8.pdf (“A few words are nevertheless necessary to explain how and why triads have had the ability to play a role in the CCP’s campaign against Taiwan. Soon after its victory in the Chinese Civil War in 1949, the CCP made a one-time “offer” to criminal organizations across China, which basically said collaborate with us or die. The crime syndicates that agreed to the terms of this “offer” were allowed to prosper, but as part of the deal they had to develop a symbiotic relationship with the party-state apparatus, providing local assistance whenever “muscle” was needed to intimidate civil society or would-be opponents of CCP rule.”).

¹⁶¹ Sebastian Rotella, *Outlaw Alliances: How China and Chinese Mafias Overseas Protect Each Other's Interests*, PROPUBLICA (July 12, 2023), available at www.propublica.org/article/how-beijing-chinese-mafia-europe-protect-interests.

¹⁶² *Id.*

¹⁶³ Sebastian Rotella et al., *A Diplomat's Visits to Oklahoma Highlight Contacts Between Chinese Officials and Community Leaders Accused of Crimes*, PROPUBLICA (Mar. 22, 2024), <https://www.propublica.org/article/oklahoma-marijuana-china-diplomat-visits>.

¹⁶⁴ *Chang An-lo*, WIKIPEDIA, available at www.en.wikipedia.org/wiki/Chang_An-lo (last accessed Apr. 1, 2024).

¹⁶⁵ James Griffiths, *US blacklists Chinese triad boss ‘Broken Tooth’ in latest round of anti-corruption sanctions*, CNN (Dec. 10, 2020), available at www.cnn.com/2020/12/10/asia/us-sanction-broken-tooth-triad-china-intl-hnk/index.html.

¹⁶⁶ Sebastian Rotella & Kirsten Berg, *How a Chinese American Gangster Transformed Money Laundering for Drug Cartels*, PROPUBLICA (Oct. 11, 2022), available at www.propublica.org/article/china-cartels-xizhi-li-money-laundering.

¹⁶⁷ *Id.* See also *The CCP’s Role in the Fentanyl Crisis*, *supra* note 29 (“China’s massive export economy has helped create the world’s largest money laundering system, fueled by the multi-billion-dollar illicit drug industry.”).

¹⁶⁸ *Follow the Money*, *supra* note 153.

¹⁶⁹ Rotella & Berg, *supra* note 166.

¹⁷⁰ *Id.*

¹⁷¹ *Id.*

¹⁷² S. Comm. on Armed Servs., *To Receive Testimony on United States Southern Command and United States Northern Command in Review of the Defense Authorization Request for Fiscal Year 2022 and the Future Years Defense Program*, 117th Cong. (2021), available at https://www.armed-services.senate.gov/imo/media/doc/21-12-12_03-16-2021.pdf.

¹⁷³ Thomas J. Dusterberg, *Fentanyl Is a Growth Industry in China’s Weakening Economy*, WALL ST. J. (June 19, 2023), available at www.wsj.com/articles/fentanyl-is-a-growth-sector-in-chinas-weakening-economy-drug-trade-crime-syndicate-overdose-daba1c2c; see Felbab-Brown, *supra* note 13 (“Although it is not clear what percentage of the cartels’ illicit profits is laundered through Chinese money transfer networks, U.S. officials fear that the effectiveness of their money laundering is such that it is even displacing established Mexican and Colombian money launderers and putting the flows of cartel money even more out of reach of U.S. law enforcement.”). See also *The CCP’s Role in the Fentanyl Crisis*, *supra* note 29 (“China’s strict capital flight restrictions implemented in 2016, limit Chinese citizens from transferring large sums of cash abroad. The TBML system has allowed many wealthy Chinese citizens and government officials a way to bypass these regulations and transfer billions in wealth to more stable economies.”).

¹⁷⁴ *Strategic Support for Achieving the Great Chinese Rejuvenation*, one in a series of official texts on “Xi Jinping Thought,” (Beijing: National Defense University 2018) quoted by Matt Pottinger et al., *Xi Jinping in his own words*, FOREIGN AFFS. (Nov. 30, 2022), available at <https://www.foreignaffairs.com/china/xi-jinping-his-own-words>.

¹⁷⁵ *Id.*

¹⁷⁶ *The CCP Cyber Threat to the American Homeland and National Security, Hearing Before the H. Select Comm. on the Strategic Competition Between the United States and the Chinese Communist Party*, 118th Cong. (2024), available at <https://selectcommitteeontheccp.house.gov/media/remarkstranscripts/hearing-transcript-ccp-cyber-threat-american-homeland-and-national>.

¹⁷⁷ *Id.*

¹⁷⁸ This treatise was translated and sold abroad as *Unrestricted Warfare*. Qiao & Wang, *supra* note 151 at 123.

¹⁷⁹ David Barno & Nora Bensahel, *A New Generation of Unrestricted Warfare*, WAR ON THE ROCKS (Apr. 19, 2016), available at <https://warontherocks.com/2016/04/a-new-generation-of-unrestricted-warfare/>.

¹⁸⁰ Sam Cooper, *Two high-level memos allege Beijing covertly funded Canadian election candidates*, GLOB. NEWS (Mar. 8, 2023), available at www.globalnews.ca/news/9534893/high-level-memos-beijing-2019-election-candidates/.

¹⁸¹ Michael Martina, *US accuses China of global media manipulation*, REUTERS (Sep. 29, 2023), available at www.reuters.com/world/us-accuses-china-global-media-manipulation-2023-09-28/; Letter from Sen. Tom Cotton & Sen. Marco Rubio to The Honorable Janet Yellen, Sec’y Treasury (Aug. 9, 2023), available at www.cotton.senate.gov/imo/media/doc/forbes_letter1.pdf; Mackenzie Smith & Toby Mann, *China is trying to buy influence with media in the Pacific as it aims to strengthen its presence in the region*, PACIFIC BEAT (Aug. 2, 2023), available at www.abc.net.au/news/2023-08-02/china-buys-influence-solomon-islands-star-newspaper-pacific/102668914; Nita Farahany, *TikTok is part of China’s cognitive warfare campaign*, THE GUARDIAN (Mar. 25, 2023), available at www.theguardian.com/commentisfree/2023/mar/25/tiktok-china-cognitive-warfare-us-ban; Josh Baughman & Peter Singer, *China’s social-media attacks are part of a larger ‘cognitive warfare’ campaign*, DEF. ONE (Oct. 17, 2023), available at www.defenseone.com/ideas/2023/10/chinas-social-media-attacks-are-part-larger-cognitive-warfare-campaign/391255/.

- ¹⁸² Qiao & Wang, *supra* note 151 (emphasis added) (translated from original Mandarin by native Mandarin speaker on Select Committee Staff). *Unrestricted Warfare* referenced drug warfare again in its section on "combination warfare," which described how an aggressor can combine two or more seemingly unrelated aggressive techniques (e.g., drug warfare, psychological warfare, smuggling warfare) to make a new and more powerful means of defeating their enemy.
- ¹⁸³ Donie O'Sullivan et al., *China is using the world's largest known online disinformation operation to harass Americans, a CNN review finds*, CNN (Nov. 13, 2023), available at www.cnn.com/2023/11/13/us/china-online-disinformation-invs/index.html.
- ¹⁸⁴ Press Release, U.S. Dep't of Just., Chinese Nationals Charged with Illegally Exporting U.S.-Origin Electronic Components to Iran and Iranian Military Affiliates (Jan. 30, 2024), available at <https://www.justice.gov/usao-dc/pr/chinese-nationals-charged-illegally-exporting-us-origin-electronic-components-iran-and>; Channing Mavrellis & John Cassara, *China's Role in Transnational Crime & Illicit Financial Flows*, GLOB. FIN. INTEGRITY (Oct. 27, 2022), available at gfintegrity.org/press-release/china-plays-an-outsized-role/.
- ¹⁸⁵ *The CCP Cyber Threat to the American Homeland and National Security*, *supra* note 176.
- ¹⁸⁶ Farahany, *supra* note 181.
- ¹⁸⁷ Zeba Siddiqui, *Five Eyes intelligence chiefs warn on China's 'theft' of intellectual property*, REUTERS (Oct. 18, 2023), available at www.reuters.com/world/five-eyes-intelligence-chiefs-warn-chinas-theft-intellectual-property-2023-10-18/.
- ¹⁸⁸ Michael J. Kavanagh & William Clowes, *China Cash Flowed Through Congo Bank to Former President's Cronies*, BLOOMBERG (Nov. 28, 2021), available at www.bloomberg.com/news/features/2021-11-28/africa-s-biggest-data-leak-reveals-china-money-role-in-kabila-s-congo-looting?embedded-checkout=true.
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- ¹⁹² Qiao & Wang, *supra* note 151.
- ¹⁹³ Press Release, U.S. Drug Enf't Admin., U.S. Dep't of Just., DEA Warns of Increase in Mass-Overdose Events Involving Deadly Fentanyl (Apr. 6, 2022), <https://www.dea.gov/press-releases/2022/04/06/dea-warns-increase-mass-overdose-events-involving-deadly-fentanyl>.
- ¹⁹⁴ See Section I, *supra*.
- ¹⁹⁵ Meryl Kornfield, et al, *Fentanyl has taken a record toll on Army. Families demands answers.*, THE WASH. POST (June 12, 2023), available at www.washingtonpost.com/national-security/2023/06/12/fentanyl-overdoses-military-fort-bragg/; *DEA Administrator on Record Fentanyl Overdose Deaths*, U.S. DRUG ENF'T ADMIN., available at www.getsmartaboutdrugs.gov/media/dea-administrator-record-fentanyl-overdose-deaths.
- ¹⁹⁶ *Follow the Money*, *supra* note 153.
- ¹⁹⁷ Phelim Kine, *Beijing cuts U.S. cooperation to protest Pelosi's Taiwan visit*, POLITICO (Aug. 5, 2022), available at www.politico.com/news/2022/08/05/beijing-protest-pelosi-taiwan-00050155; Barrios, *supra* note 13.
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<https://web.archive.org/web/20240403213318/https://c.m.163.com/news/a/GIU2JT56053469LG.html>;
Remarks by spokesperson of the Chinese Embassy in the United States on the fentanyl issue, EMBASSY OF CHINA IN THE U.S. (May 30, 2023), available at https://web.archive.org/web/20240121220840/http://us.china-embassy.gov.cn/eng/lcbt/sgfyrbt/202305/t20230531_11086289.htm; Yin Yeping, *U.S. blames China for drug trafficking to disguise its own failure: experts*, GLOB. TIMES (July 22, 2020), available at <https://web.archive.org/web/20230804231257/https://www.globaltimes.cn/content/1195344.shtml>.

¹⁹⁹ CCTV, “(在美国每5分钟就有一个人死于药物过量！美国阿片类药物滥用 却甩锅给中国？揭穿美国毒品泛滥真相 | 《破局芬太尼》 CCTV中文国际) [Every 5 minutes someone dies from a drug overdose in the United States! Is the U.S. blaming China for opioid abuse? Exposing the truth about the drug epidemic in the United States | “Breaking Fentanyl” CCTV Chinese International],” YOUTUBE (June 13, 2023), <https://www.youtube.com/watch?v=JteJcxrflcU>.

²⁰⁰ Zhongxinshe Huayu, “美国通缉贩售芬太尼的中国公民·同样买卖在美国却成了国营” [The U.S. issues warrant on Chinese citizen for fentanyl trafficking, while the sale of fentanyl in the US is becoming state-owned], 网易新闻 [NetEase News], September 7, 2021, <https://web.archive.org/web/20240403213252/https://c.m.163.com/news/a/GJAL39IQ0514DTKM.html>; Global Times, *China urges U.S. to scrap warrant on ‘fentanyl trafficker,’ provide more evidence*, PEOPLE’S DAILY ONLINE (Sept. 1, 2021), available at <https://web.archive.org/web/20240414022342/http://en.people.cn/n3/2021/0901/c90000-9890412.html>.

²⁰¹ Zhao Yusha, *Ministry urges US to stop slandering China over its own opioid problem*, GLOB. TIMES (Sept. 4, 2019), available at <https://web.archive.org/web/20230804231257/https://www.globaltimes.cn/content/1163493.shtml>.

²⁰² Wang Linggui, *U.S. playing tricky with its fentanyl problems*, CHINA DAILY (Oct. 10, 2019), available at <https://web.archive.org/web/20240414022342/http://en.people.cn/n3/2021/0901/c90000-9890412.html> (“In fact, the US should blame itself as the root cause of its fentanyl epidemic”); Xinhua, *Explainer: Why blaming China won’t address opioid epidemic in America?* PEOPLE’S CHINA DAILY (Sept. 20, 2023), available at <https://web.archive.org/web/20240414030611/http://en.people.cn/n3/2023/0920/c90000-20074272.html> (“Today, the epidemic is wreaking havoc on the U.S. economy and workforce. Although fully aware of the problem, Washington seemed at its wits’ end over how to fix it fundamentally. At times, it seems uninterested”).

²⁰³ Erin Burnett, *Chinese media seizes on US tensions to float false ‘civil war’* <https://www.cnn.com/videos/world/2024/02/08/china-media-us-disinformation-pkg-ripley-ebof-vpx.cnn> (last accessed Apr. 9, 2024); Kerry Allen, *Misinformation spreads in China on ‘Civil War’ in Texas*, BBC (Feb. 2, 2024), available at www.bbc.com/news/world-us-canada-68185317; Dong Zhe & Zhuang Jing, *Is Texas on the brink of war with the US?*, RADIO FREE ASIA (Feb. 7, 2024), available at <https://www.rfa.org/english/news/afcl/fact-check-texas-02072024164301.html> (showing Weibo posts of tanks allegedly being sent to the “frontlines” in Texas).

²⁰⁴ One could also suggest that it diverts from China’s own growing, though early-stage, drug problem that the PRC government has failed to combat. See generally *Follow the Money: The CCP’s Business Model in Fueling the Fentanyl Crisis*, Hearing before the H. Comm. on Fin. Servs., Subcomm. on Nat’l Sec., Illicit Fin., and Int’l Fin. Insts., 118th Cong. (2023) (testimony of John. A Cassara), available at <https://www.congress.gov/118/meeting/house/115542/witnesses/HHRG-118-BA10-Wstate-CassaraJ-20230323.pdf>; *Follow the Money*, *supra* note 153 (“Both internally and externally, China emphasizes its ‘effectiveness’ in stemming drug abuse in China, though in reality Chinese drug use has been growing steadily for the past four decades”); Shannon Tiezzi, *China’s Growing Drug Problem: China’s drug problem is getting worse, despite harsh penalties*, DIPLOMAT (Mar. 28, 2015), available at www.thediplomat.com/2015/05/chinas-growing-drug-problem/.

²⁰⁵ *Crypto and the Global Fentanyl Trade*, *supra* note 36.

²⁰⁶ See, e.g., *Homepage*, TYPUGROUP CO., LTD., available at <http://www.typugroup.com/> (“specializes in the production of APIs, fungicides, daily chemicals, and dye intermediaries”) and Typu’s Foreign-Trade site, available at <https://www.foreign-trade.com/exporter/typugroup/> (“provid[ing] all kinds of research chemicals, cannabinoids, opioid chemicals” with “100% customs clearance”); RICHEST GROUP, available at <https://www.chem-rubber.com/> (last accessed Apr. 1, 2024) (Shanghai Ruizheng / Richest Group (“Shanghai Ruizheng cooperates with global brands, such as ZhongTai, XinFa, Tianye, Erdos, Junzheng and so on.”) while also engaging in extensive drug trafficking, see Section II.B., *supra*).

²⁰⁷ While the Select Committee has broad jurisdiction, its focus is on strategic competition with the Chinese Communist Party. The recommendations herein thus focus on directly addressing the source

of the fentanyl crisis in the PRC. Like the broader investigative report, it does not analyze other issues tied to the fentanyl crisis, like border security, domestic law enforcement, and medical treatment.

²⁰⁸ Fatima Hussein, *More sanctions for deadly fentanyl if bill becomes law*, ASSOCIATED PRESS (Apr. 25, 2023), available at <https://apnews.com/article/biden-fentanyl-china-mexico-drug-policy-opioids-6cf58911caf1f69d17d469a92b8bcd91> (“Vanda Felbab-Brown, a senior fellow at the Brookings Institution, called for wider sanctions on Chinese firms.” I don’t think sanctions will change the behavior of the Chinese government, to willingly enforce drug laws within China,” she said, “**But I do believe there is potential that sanctions will impact Chinese industry actors if sanctions are done in fairly large numbers.**”) (emphasis added); Exec. Order No. 14,059, 31 C.F.R. 599 (app. A), reprinted in 50 U.S.C. 1701, available at <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/12/15/executive-order-on-imposing-sanctions-on-foreign-persons-involved-in-the-global-illicit-drug-trade/> (E.O. 14,059); Press Release, Off. of the Press Sec’y, White House, Fact Sheet: Overview of Foreign Narcotics Kingpin Designation Act (Apr. 15, 2009), available at <https://obamawhitehouse.archives.gov/the-press-office/fact-sheet-overview-foreign-narcotics-kingpin-designation-act>.

²⁰⁹ DOJ created Task Force Vulcan, a multi-agency group designed to address the MS-13 threat, which reported directly to the Attorney General. This model was proven highly effective. See Press Release, Off. of Public Affairs, U.S. Dep’t of Just., The Department of Justice Announces Takedown of Key MS_13 Criminal Leadership (July 15, 2020), available at <https://www.justice.gov/opa/pr/departement-justice-announces-takedown-key-ms-13-criminal-leadership>.

²¹⁰ At present, within the Department of Justice alone, information about fentanyl traffickers can be found within DEA’s Special Operations Division, FBI TOC-East, the Narcotics and Dangerous Drug Section, the Money Laundering and Asset Recovery Section, the OCADETF Fusion Center, each U.S. Attorney’s Office that has an open Chinese-origin fentanyl case, and every FBI and DEA field office investigating the same. Similar balkanization can also be found across the federal government, with critical information separately housed within the Department of Treasury, Department of Homeland Security, Department of State, Department of Commerce, Department of Defense, U.S. Postal Inspection Service, and the Central Intelligence Agency, among others. While it is possible to query these databases, more can be done to put the data in one place and then comprehensively analyzing it for enforcement actions. If even a plurality of this data was brought together and analyzed by one dedicated team, the U.S. government would glean invaluable information about how to combat fentanyl trafficking that it could use with streamlined interagency decision making to effectively target the weak points in the global illicit fentanyl trade *en masse*.

²¹¹ For sanctions in particular, under Executive Order 14059 and the Kingpin Act, the United States can sanction any entity the U.S. government has “reason to believe” the target is involved in or enables international narcotics trafficking. See *Fulmen Co. v. Office of Foreign Assets Control*, 547 F. Supp. 3d 13, 24 (D.D.C. 2020) (citing *Holy Land Found. For Relief & Dev. V. Ashcroft*, 219 F. Supp. 2d 57, 75 (D.D.C. 2002), *aff’d*, 333 F.3d 156, 357 U.S. App. D.C. 35 (D.C. Cir. 2003)). See also E.O. 14,059; *supra* note 208. Once sanctioned, a target is effectively cut off from global trade, as no individual with any ties to the U.S. economy can transact with them without incurring civil or criminal liability. See DEP’T OF COM. ET AL., COMPLIANCE NOTE: OBLIGATIONS OF FOREIGN-BASED PERSONS TO COMPLY WITH U.S. SANCTIONS AND EXP. CONTROL LAWS (Mar. 6, 2024), available at <https://ofac.treasury.gov/media/932746/download?inline> (“These measures [sanctions] can create legal exposure not only for U.S. persons, but also for non-U.S. companies who continue to engage with sanctioned jurisdictions or persons in violation of applicable laws”). Penalties for violations of the Kingpin Act range from civil penalties of up to \$1.075 million per violation to more severe criminal penalties. Criminal penalties for corporate officers may include up to 30 years in prison and fines up to \$5 million. Criminal fines for corporations may reach \$10 million. Other individuals could face up to 10 years in prison and fines pursuant to Title 18 of the United States Code for criminal violations of the Kingpin Act or related regulations. See Off. of Foreign Asset Control, *Counter Narcotics Trafficking Sanctions*, U.S. DEP’T OF THE TREASURY, available at https://home.treasury.gov/system/files/126/narco_overview_of_sanctions.pdf (last accessed Apr. 1, 2024). Given the reported low profit margins and tight competitiveness within the PRC illicit fentanyl trade, most PRC businesses facing this pressure will choose legitimacy over fentanyl and bankruptcy. See *Crypto and the Global Fentanyl Trade*, *supra* note 36. (“As a result, the industry appears to be very competitive. This meant that it was not difficult to shop around for deals among all the suppliers willing to service our requests, which suggests slim profit margins for some”); *Final Report*, COMM’N ON COMBATING SYNTHETIC OPIOID TRAFFICKING (Feb. 8, 2022), available at www.rand.org/pubs/external_publications/EP68838.html (“With producers in the PRC having moved

from exporting finished fentanyl to exporting much cheaper precursors, that amount in revenue could be substantially less. Clearly, that is a truly tiny amount compared with the amount in the total pharmaceutical industry in the PRC or its chemical exports.”).

²¹² The codification should clearly provide the President discretionary authority to sanction PRC shipping companies that the President deems to be negligent in handling and shipping improperly labeled fentanyl precursors and sanction PRC port operators from which those improperly labeled shipments originate.

²¹³ Press Release, Off. of Pub. Affs., U.S. Dep’t of Just., Nicolás Maduro Moros and 14 Current and Former Venezuelan Officials Charged with Narco-Terrorism, Corruption, Drug Trafficking and Other Criminal Charges (Mar. 26, 2020), *available at* <https://www.justice.gov/opa/pr/nicol-s-maduro-moros-and-14-current-and-former-venezuelan-officials-charged-narco-terrorism>; CLARE RIBANDO SEELKE, CONG. RSCH. SERV., IF10715, VENEZUELA: OVERVIEW OF U.S. SANCTIONS POLICY (2024), *available at* <https://crsreports.congress.gov/product/pdf/IF/IF10715>.

²¹⁴ Press Release, *supra* note 213; Press Release, U.S. Dep’t of the Treasury, Targeting Key Sectors, Evasion Efforts, and Military Supplies, Treasury Expands and Intensifies Sanctions Against Russia (Feb. 24, 2023), *available at* <https://home.treasury.gov/news/press-releases/jy1296>.

²¹⁵ Press Release, U.S. Dep’t of the Treasury, FinCEN Further Restricts North Korea’s Access to the U.S. Financial System and Warns U.S. Financial Institutions of North Korean Schemes (Nov. 2, 2017), *available at* <https://home.treasury.gov/news/press-releases/sm0205>.

²¹⁶ Press Release, Bureau of U.S. Customs & Border Protection, U.S. Dep’t of Homeland Sec., De Minimis Value Increases to \$800 (Mar. 11, 2016), *available at* <https://www.cbp.gov/newsroom/national-media-release/de-minimis-value-increases-800>.

²¹⁷ Rana Foroohar, *Small packages are causing big problems in the US*, FIN. TIMES (Nov. 13, 2023), *available at* www.ft.com/content/1fe394c6-6fe4-4093-aa68-1a4d251f1666.

²¹⁸ Press Release, Off. of Rep. Earl Blumenauer, Reps. Blumenauer, Dunn, Sens. Brown, Rubio Introduce Legislation to Strengthen American Competitiveness, Close Import Loophole (June 15, 2023), *available at* <https://blumenauer.house.gov/media-center/press-releases/reps-blumenauer-dunn-sens-brown-rubio-introduce-legislation-to-strengthen-american-competitiveness-close-import-loophole>; Letter from Mr. Alan Wilson, S.C. Att’y Gen. et al. to The Honorable Joseph R. Biden, Jr., President (Jan. 18, 2024), *available at* www.ag.ky.gov/Press%20Release%20Attachments/De%20Minimis%20Letter%20-%20President%20Biden.pdf; Press Release, Off. of Sen. Tammy Baldwin, Baldwin, Cassidy Introduce Bill to Stop China from Exploiting Loophole that Undercuts U.S. Manufacturers, Allows Fentanyl in U.S. (June 14, 2023), *available at* <https://www.baldwin.senate.gov/news/press-releases/baldwin-cassidy-introduce-bill-to-stop-china-from-exploiting-loophole-that-undercuts-us-manufacturers-allows-fentanyl-in-us>.

²¹⁹ FAA, NAT’L REGULS. REQUIREMENTS, GEN 1.2 FLIGHTS INTO OR OVER U.S. TERRITORIAL AIRSPACE § 3.1.1, *available at* https://www.faa.gov/air_traffic/publications/atpubs/aip_html/part1_gen_section_1.2.html; 19 C.F.R. § 4.1 (2023).

²²⁰ In these instances, the United States would coordinate, as appropriate, with the nation under which the ship is flagged or registered. Shiprider agreements could also be used as part of these interdiction efforts.

²²¹ See Section IV.A, *supra*.

²²² See Rotella & Berg, *supra* note 166.

²²³ Jing Yang, *Tencent Faces Possible Record Fine for Anti-Money-Laundering Violations*, WALL ST. J. (Mar. 14, 2022), *available at* https://www.wsj.com/articles/tencent-faces-possible-record-fine-for-anti-money-laundering-violations-11647242561?mod=article_inline.

EXHIBIT 2

Ray Donovan Congressional Testimony

Good morning, Chairman Gallagher, Ranking Member Krishnamoorthi KRISH-NA-MORE-THEE, and distinguished members of the committee.

My name is Ray Donovan, and I would like to thank you for giving me the opportunity to testify before you today on the pressing issue of the fentanyl crisis and China's role in feeding this emergency striking Americans in the areas of public health, law enforcement, and national security.

In 2023, I retired after 28 years with the federal government from the Drug Enforcement Administration as the Chief of Operations, the third-highest ranking official in the DEA overseeing all enforcement operations worldwide. Prior to that post, I served as the Special Agent in Charge for the DEA's New York Division, the flagship office for DEA and central inflection point for many of the highest level narcotics, money laundering, and narco-terrorism cases globally. Prior to New York, I was the Special Agent in Charge of DEA's Special Operations Division, the central operational coordination point for all counter-narcotics operations government-wide, including other law enforcement, intelligence community, defense assets, and Five Eyes partners. Leading up to becoming the head of SOD, I led the section in DEA's Special Operations Group responsible for coordinating investigative efforts in Mexico and Central America and ran the interagency team that **twice** captured and ultimately brought to justice the notorious leader of the Sinaloa Cartel, Chapo Guzman. We were successful in reaching this goal by using a whole of government approach, supported by strong international relationships.

My extensive experience as an investigator and leader in DEA has afforded me a unique perspective of the evolution of this crisis and the role of the Chinese Communist Party (CCP) and the People's Republic of China (PRC) in supporting the intersection of the fentanyl trade, money laundering, Mexican cartels, and Chinese transnational criminal organizations.

Please allow me to share a brief history of how we arrived at this point:

DEA has historically focused investigations on source regions and countries for traditional narcotics, primarily Mexico, Central and South America and the Caribbean for transshipment. We have representatives in 90 offices globally to help partner nations fight the proliferation of the drug trade and associated money laundering. Mexican transnational criminal organizations have been DEA's primary focus in the narcotics trafficking space in recent years, specifically the Sinaloa Cartel formerly headed by the notorious Chapo Guzman, and the Cartel de Jalisco Nueva Generacion currently led by Nemesio Oseguera Cervantes aka El Mencho. These criminal organizations act as the wholesalers and logistical orchestrators of the movement of illicit narcotics over the southern border of the United States. Over the course of the last 10-plus years, we saw a significant increase in the number of "super labs," or high-volume narcotics manufacturing labs, used to mass produce synthetic narcotics in Mexico, and the

correlated increase in the adulteration of what we at DEA consider to be “traditional” narcotics, heroin, cocaine, and methamphetamine with fentanyl. When these labs were interdicted, extensive evidence of Chinese produced chemicals (blue barrels with Chinese labeling, bills of lading, etc.) were found. We also noted the labs were not only mixing fentanyl into the narcotics supply, but also pressing fentanyl into pills intentionally designed with colors and markings mimicking those of pharmaceutical synthetic opioids such as Oxycontin, Percocet, and other widely known and highly addictive opioids used to treat pain. Now, they are increasingly pressed into non-opioid pills, such as counterfeit Xanax, dramatically increasing the risk of accidental overdose.

DEA noted a sharp uptick in the use of Chinese precursor chemicals gathered from the super labs as well as a significant increase in Chinese money laundering organizations operating globally in the narcotics trafficking space. Based on these factors and other intelligence gathered regarding the fentanyl precursor chemical trade DEA responded with the creation of Operation Sleeping Giant. This operation utilized a collaborative Whole of Government approach, utilizing assets from Law Enforcement, the Intelligence Community, and the Departments of Defense, Treasury, and State, as well as the Five Eyes consortium. Operation Sleeping Giant targeted the two primary areas where Chinese criminal organizations were gaining prominence: manufacture and trafficking in fentanyl precursor chemicals and money laundering.

I have had the opportunity to review the investigation conducted by the bipartisan select committee. Based on my knowledge and experience I have determined the findings and information with respect to the involvement in this activity by Chinese chemical manufacturers and brokers supported and sanctioned by the CCP and the government of the PRC to be valid and correct.

The dominant role China plays as the primary fentanyl precursor supplier was demonstrated in early 2020, when the CCP locked down Wuhan Province, where chemical manufacturing, specifically fentanyl precursor production, is concentrated. This lockdown caused the U.S. fentanyl supply to dwindle and prices to skyrocket.

Note the facts pointing to the roles the PRC and CCP play in the fentanyl crisis:

1. The PRC directly subsidizes the exports of 97% of fentanyl precursors and deadly fentanyl analogues and other synthetic narcotics that are illegal under its own laws.
2. The PRC rewards companies that openly and notoriously export these illegal drugs with government grants and monetary awards.
3. The PRC and ranking members of the CCP hold ownership interest in some of these companies.

4. The PRC actively protects synthetic narcotic manufacturers and other PRC companies from investigation and prosecution either within China or by the international community.
5. The PRC allows this activity to continue via its controlled and actively monitored communication platforms despite regularly censoring speech that violates PRC law or speaks ill of the CCP in other contexts, AND
6. The production of synthetic narcotics and fentanyl precursors are illegal under PRC law, but those laws are not enforced effectively; AND
7. The PRC fails to mobilize the massive government surveillance and security apparatus to stop the manufacture and distribution of these substances.

The PRC has actively evaded all United States-led efforts aimed at stopping the outflow of fentanyl and fentanyl precursors from China and instead has supported synthetic drug manufacturers production and distribution, resulting in the problem continuing to grow in both size and scope.

In addition, the PRC's support of fentanyl production has paved a path for more dangerous synthetic drugs to gain a foothold in the United States. The illicit synthetic narcotics industrial complex in China doesn't solely produce fentanyl; they also produce methamphetamine, ketamine and other dangerous drugs like nitazene and xylazine. Nitazene is a chemical opioid more potent than fentanyl and 25 times stronger than street heroin. Xylazine is resistant to naloxone treatments (also called Narcan, an opioid reversal drug used to treat overdose victims) and when mixed with fentanyl, dramatically increases the risk of death and causes the user's flesh to rot.

The DEA has reported significant seizure increases of all the previously mentioned synthetic narcotics nationwide. We are under attack.

It is imperative for us to sound the alarm for Congress and the American people to be made aware that the drug crisis is not just a criminal and public health issue, but it is a threat to national security. The PRC has consistently supported and facilitated the production of fentanyl and fentanyl analogues throughout the world, with the majority AIMED at the United States.

As a former DEA Special Agent and leader, I am taken aback with the speed and effectiveness Chinese criminal organizations exhibited in partnering with Mexican transnational criminal organizations to assume control of the fentanyl distribution and money laundering trades. The assistance and complicity of the PRC and CCP show the activity is not only a law enforcement or public health issue, but a genuine threat to our national security, killing Americans at a rate of well over 100,000 per year.

I have had the honor of serving in senior positions under both Republican and Democratic administrations, most recently under President Biden. This is not a question

of politics. This is a question of humanity. We must all come together and combat this narcotics threat coming from the PRC that has taken our neighbors and loved ones from us.

I would like to thank Chairman Gallagher and Ranking Member Krishnamoorthi KRISHNA-MOOR-THEE and thank the committee for the opportunity to share the information surrounding these deadly threats and look forward to fielding any questions you may have.

EXHIBIT 3

CONGRESSWOMAN CARAVEO PUSHES FOR AGGRESSIVE ACTION AGAINST CHINESE-DERIVED FENTANYL

MEDIA

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August 4, 2023 [Press Release](#)

97% OF FENTANYL IN THE US IS MANUFACTURED WITH CHEMICALS FROM CHINA

THORNTON – Congresswoman Yadira Caraveo, M.D. (CO-08) joined a bipartisan effort pushing for the United States to take aggressive diplomatic action to combat Chinese-origin chemicals that are used to make fentanyl. In a letter to Secretary of State Antony Blinken, Caraveo and a group of 45 bipartisan colleagues pressed for a whole-of-government approach to address China's ongoing role in fueling the United States' fentanyl crisis.

Precursor chemicals manufactured in China are sold to Mexican transnational criminal organizations (TCOs), like cartels, who produce illicit fentanyl and traffic it into the United States. 97% of fentanyl in the United States is manufactured with these Chinese-origin chemicals.

“As you continue to engage in high-level conversations with the PRC to halt the flow of drugs and precursor chemicals to the United States, we urge you to institute a whole-of-government approach focused on comprehensively addressing the financial incentives associated with the drug trafficking ecosystem. We must act with urgency to ensure that additional American lives are not lost to fatal drug overdoses,” wrote the lawmakers.

“Our neighborhoods and families depend on you ensuring that the issue of combatting fentanyl trafficking remains high on the agenda in every discussion with the PRC, as well as other nations involved in the drug ecosystem. We urge

you to commit all due diplomatic pressure to ensure that the PRC meaningfully polices its precursor chemical producers and cuts off the flow of fentanyl into the United States,” the Members continued.

The relationships and coordination between entities in the People’s Republic of China (PRC) and cartels in Mexico has created a sophisticated criminal financial network that is fueling the drug epidemic in America and other countries around the globe.

While the supply chain for illicit fentanyl is vast and complicated, it is estimated that 97 percent of fentanyl in the United States is manufactured using precursor chemicals from China. Between February 2022 and February 2023, illicit fentanyl was responsible for nearly 70% of the 109,940 fatal overdoses in our country. With an estimated 97% of fentanyl in the United States manufactured using precursor chemicals from the PRC, tackling the flow of these chemicals from China to Mexican cartels must be a top priority.

This bipartisan effort was led by Reps. Susie Lee (NV-03), Lisa McClain (MI-09), and David Trone (MD-06).

See the full text of the letter below.

Dear Secretary Blinken,

We write today as a group of lawmakers with serious concerns about the People’s Republic of China’s (PRC) ongoing role in our nation’s fentanyl crisis. As you continue to engage in high level conversations with the PRC to halt the flow of drugs and precursor chemicals to the United States, we urge you to institute a whole-of-government approach focused on comprehensively addressing the financial incentives associated with the drug trafficking ecosystem. We must act with urgency to ensure that additional American lives are not lost to fatal drug overdoses.

It is critical that we address the mounting flow of precursor chemicals and synthetic opioids like fentanyl into our country. Precursor chemicals manufactured in China are sold to Mexican transnational criminal organizations (TCOs), like cartels, who produce illicit fentanyl and traffic it into the United States. The PRC continues to be the main source for the starting chemical materials used to illicitly manufacture drugs that have been involved in the deaths of far too many Americans. While fentanyl is a synthetic opioid approved by the U.S. Food and Drug Administration (FDA) with legitimate medical uses, illicit fentanyl has emerged as a leading cause of death and continues to plague our communities. Of the 109,940 fatal overdoses between February 2022 and February 2023, 75,929 deaths involved illicit fentanyl.

The number of pills containing fentanyl seized by law enforcement in the United States has dramatically increased every year since 2018, more than doubling from 2020 to 2021. Last year, the Drug Enforcement Administration (DEA) found that 6 out of 10 counterfeit pills it tested contained a lethal dose of fentanyl. In addition, the DEA alone “seized more than 50 million fake pills and 10,000 pounds of fentanyl powder equating to approximately 379 million deadly doses of fentanyl,” enough fentanyl to kill every person in the United States last year. U.S. law enforcement agencies continue to fight against the proliferation of this devastating drug, but they cannot win without a reduction in the supply of PRC-derived fentanyl.

While the supply chain for illicit fentanyl is vast and complicated, it is estimated that 97 percent of fentanyl in the United States is manufactured using precursor chemicals from China. Precursor chemicals are the basis for illicit fentanyl, as well as other drugs, and can be synthesized, pressed into pill form, and trafficked through U.S. ports of entry to towns across the country. Entities within the PRC work hand-in-hand with criminal organizations such as the Sinaloa and Jalisco Cartels, which process and distribute fentanyl from clandestine labs across Mexico. This transnational criminal ecosystem fuels profits at the expense of American lives.

The coordinated relationships between entities in the PRC and cartels in Mexico has created a sophisticated criminal financial network that is fueling the drug epidemic in America and other countries around the globe. We must comprehensively address this crisis by negating the financial incentives that fuel profits and incentivize entities to continue their businesses at all costs. We must institute additional, heightened monitoring of transactions and trades that have previously proven to be markers for trafficking operations, such as illegal wildlife trafficking of internationally protected species. We must also enhance inspections led by U.S. Fish and Wildlife Services (USFWS) and other U.S. wildlife investigators, as well as lean heavily on the experts at the Financial Crimes Enforcement Network (FinCEN). These actions will more effectively disrupt criminal networks in the PRC and Mexico. These criminal actors show every intention of continuing to hide in the shadows and flouting international law in pursuit of profits from fentanyl sales—at the cost of hundreds of American lives per day.

Enhanced focus on the financial incentives associated with drug trafficking must go hand in hand with efforts by law enforcement agencies to address the domestic availability of certain precursor chemicals and other illicit substances. Fortunately, the DEA has already added many dangerous substances to Schedule I of the Controlled Substances Act (CSA), which includes drugs and substances with no currently accepted medical use in the United States. Late last month, the good work of our law enforcement agencies was on full display when the U.S. Department of Justice (DOJ) announced the arrests of individuals from the PRC and indictments of several PRC-based companies for their role in the production, distribution, and sale of precursor chemicals into the United States. This marked the first prosecution of PRC-based nationals and companies related to fentanyl trafficking, capping off an investigation during which the DEA and its law enforcement partners seized more than 200 kilograms of these chemicals—enough to kill 25 million Americans. We are hopeful that your diplomatic efforts will complement U.S. law enforcement's work and enable even more results in disrupting drug trafficking operations.

While U.S.-PRC tensions are at a record high today and diplomatic efforts remain difficult, they are also more important than ever, and the lives of Americans lost to overdoses must never be used as a bargaining chip. U.S. diplomatic efforts in 2018 and 2019 yielded some success, as the PRC moved to regulate some fentanyl analogs and precursors in May 2019. However, without successful engagement to ensure enforcement, the short-term win gave way to the dynamic we see today. Unfortunately, as relations between our nation and China have deteriorated, the volume of fentanyl trafficked into the United States has only gone up. This crisis will continue to worsen if we do not take swift action. Our neighborhoods and families depend on you ensuring that the issue of combatting fentanyl trafficking remains high on the agenda in every discussion with the PRC, as well as other nations

involved in the drug ecosystem. We urge you to commit all due diplomatic pressure to ensure that the PRC meaningfully polices its precursor chemical producers and cuts off the flow of fentanyl into the United States. In addition, we urge you to drive forward aggressive diplomatic action, as part of a whole-of-government, coordinated effort, to secure an agreement with the PRC that results in a true clamp down on the devastating illicit fentanyl trade. In the spirit of that goal, we respectfully request answers to the following questions within 60 days of receiving this letter:

1. What actions has the U.S. Department of State taken to strengthen its coordination with other federal agencies, not limited to DEA, USFWS, and FinCEN, to enhance information sharing about entities potentially involved in drug trafficking operations?

2. During your visit to Beijing last month, what progress was made regarding export control restrictions, not limited to more strict labeling requirements and enhanced screening at key distribution points?

a. What incentives did the PRC's leaders indicate would be needed to do its part to limit the trafficking of precursor chemicals out of the country?

3. It is our sincere hope that your proposed U.S.-China Working Group to Combat Illicit Fentanyl Trafficking is successful and leads to renewed cooperation between both countries on this issue. What timeline is the State Department considering for this working group?

a. Should diplomatic efforts fail to see meaningful progress, what tools remain at your disposal to protect American lives?

4. Are there authorities or flexibilities that you do not have that Congress could provide you to help address this crisis?

We look forward to working with you on this effort and appreciate a reply with your thoughts on the path ahead.

Issues: [Reducing Costs](#) [Drug Crisis](#)

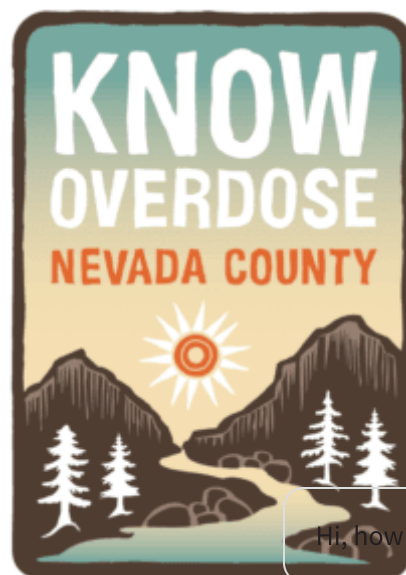
WASHINGTON DC	GREELEY DISTRICT	NORTHGLENN
OFFICE	OFFICE	DISTRICT OFFICE
1024 Longworth House Office Building Washington, DC 20515 Phone: (202) 225- 5625 Fax: (771) 200- 5726	3400 W. 16th Street Building 1S Suite C Greeley, CO 80634 Phone: (970) 324- 2567 Fax: (771) 200- 5726	10701 Melody Drive Suite 500 Northglenn, CO 80234 Phone: (303) 723- 6560 Fax: (771) 200- 5726

EXHIBIT 4

Fentanyl and Opioid Overdose Prevention

Tragically, Nevada County has experienced an increase in accidental overdoses due to fentanyl and an increase in deaths due to accidental fentanyl overdose.

Naloxone and fentanyl test strips are available for free.



Hi, how can I help you today?

In response, Nevada County Public Health has launched a community campaign, Know Overdose Nevada County.

Fentanyl Use and Overdose Tips

Fentanyl Overview

This fact sheet was adapted from information by [The DOPE Project](#).

Fentanyl is a synthetic opioid that is 50 times more potent than heroin. Fentanyl is a more condensed, more potent opioid, which means that consuming the same amount of heroin and fentanyl may have different impacts on the body based on an individual's tolerance. Fentanyl is utilized because it is cheap to manufacture and because a small amount goes a long way. Many individuals consume fentanyl without their knowledge (because they do not realize that it is in a product they're using), while others are intentionally using fentanyl because of its potency. It is partly responsible for the current overdose crisis in the U.S.

Starting in 2012, there has been a spike in the number of overdose deaths related to synthetic opioids. Overdose deaths involving fentanyl have quadrupled in recent years. People often are unaware of the exact composition of the substances they're using. This means that if someone uses a product that they believe their body is able to tolerate, it may actually be much stronger than they expect and account for due to being laced with fentanyl.

This makes evidence-based harm reduction strategies such as fentanyl test strips, safety planning, and access to safe supply more vital than ever.

Fast Facts About Fentanyl

- Fentanyl is a strong synthetic opioid that has been used in clinical settings for decades and is often described as 80-100 times stronger than morphine, or about 50X stronger than heroin.
- Fentanyl is partly responsible for the current overdose crisis in the U.S., combined with a lack of resources and the criminalization of people who use drugs.
- Fentanyl moving through the street market comes in the form of a white, gray or tan powder and can be injected, smoked, or snorted. It has also been found in other drugs, like heroin, meth, cocaine, and pressed pills.

Hi, how can I help you today?

- Fentanyl and fentanyl analogues (some stronger, some weaker) are **not** “naloxone resistant.” They are opioids and will respond to naloxone in the event of an overdose.

Setting the Record Straight

Fentanyl and fentanyl analogues (some stronger than fentanyl, some weaker) are **not** “naloxone resistant.” They are opioids and will respond to naloxone if someone is overdosing. When it appears that someone overdosing is not responding to naloxone it may be because:

- the naloxone needs more time to take effect (wait 2-3 mins before administering more naloxone)
- they need more than one dose of naloxone (wait 2-3 minutes between doses)
- the naloxone was administered after the person had been without oxygen for too long

Stay Vigilant and Assume Risk

While fentanyl has a market as a drug being knowingly bought and sold, it is also in other drugs and samples of black tar heroin, methamphetamine, cocaine, and counterfeit or pressed pills have tested positive for fentanyl.

The street drug supply has always been unpredictable and inconsistent. Assume overdose risk **no matter what drug you’re using**, and practice as much harm reduction as possible, as consistently as possible: Go slow. Use less. Test your product. If you’re using alone, double down on other strategies. Have someone check on you. Smoke or snort instead of inject. If you’re using in a group, stagger your use so someone is always alert. Know the signs of an overdose. Carry naloxone and know how to use it. Look out for each other!

Using Fentanyl

Remember: Fentanyl is about 50 times stronger than heroin. That means the margin of error when using fentanyl is much smaller than when using heroin, so those who use should adjust your dose accordingly start off using less.

Think about it like this: *Imagine breaking down a gram of heroin into 50 separate shots. Now imagine that just one of those shots (less than half of a half of a point-bag) was as strong as a full gram shot. That’s how strong fentanyl is.*

Hi, how can I help you today?

Wooden/Rigid Chest Syndrome

Synthetic opioids like fentanyl and fentanyl analogues can sometimes cause seizure-like symptoms immediately after use that can include: Muscle spasming, locked limbs, and a rigid chest that can prevent a person from breathing properly.

Not everyone experiences these symptoms and it doesn't happen every time.

Should you witness these symptoms, respond like you would to an overdose: Administer a dose of naloxone every two minutes and do your best to breathe for the person! **Naloxone works, and should relieve symptoms in 2-3 minutes!**

Reducing Overdose Risk

- Use slow and use less. A little goes a long way with fentanyl (compared to heroin) and overdoses can occur quickly, sometimes before a person has finished injecting the dose.
- Injecting carries the highest risk for overdose, so shifting to snorting or smoking may help reduce risk. A person can still overdose by smoking or snorting, especially with fentanyl, so start slow.
- Fentanyl acts fast and is different for everyone, depending on dose and tolerance. Spacing out doses can reduce risk.
- Practice extra caution when using alone. We're safer together, but it's not always possible to be with a friend you trust. Try to have someone you know check on you if you have to use alone so they can intervene in the event of an overdose.
- In a group, stagger your use. Make sure someone is always alert and that at least one person has naloxone on them. [Nevada County Public Health gives out naloxone for free.](#)
- Test it. Knowing what's in drugs can help with the decision of how much and how best to use them. [Nevada County Public Health gives out fentanyl testing strips for free.](#)
- [Always carry naloxone.](#) Be familiar with the signs of an overdose and be prepared to respond with naloxone.
- Listen to your body. Overall health impacts overdose risk. Hydrate, eat, and rest as much as possible.

Hi, how can I help you today?

EXHIBIT 5

What Is Fentanyl?

Fentanyl is a fast-acting synthetic opioid that is 30 to 50 times stronger than heroin.

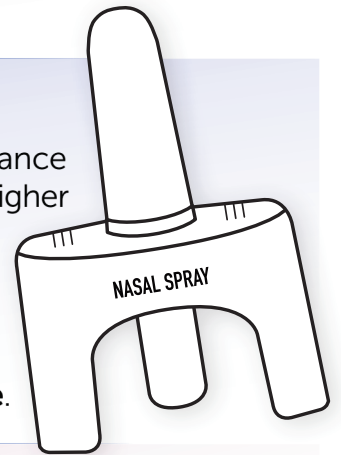
Carry naloxone. Naloxone can reverse an overdose from heroin and other opioids, including fentanyl.

Pharmaceutical fentanyl is prescribed for severe pain and end-of-life care. Nonpharmaceutical fentanyl is produced illegally and has been found in cocaine, heroin, ketamine and methamphetamine supplies in New York City. It has also been found in counterfeit benzodiazepines (such as Xanax and Klonopin) and opioid painkillers (such as OxyContin and Vicodin) bought on the street and online. Fentanyl cannot be identified by sight, taste or smell.

Fentanyl Overdose

Fentanyl is stronger and faster-acting than other opioids. Using fentanyl or a substance that contains fentanyl increases the risk of overdose. The risk of overdose is even higher if fentanyl is present in a nonopioid drug (such as cocaine) and the person taking it does not usually use opioids.

Fentanyl overdoses require immediate medical attention. If you witness an overdose, call **911** and administer naloxone, a safe medication that can reverse an opioid overdose. To find naloxone near you, call **311** or visit nyc.gov/naloxone.



Signs of an opioid overdose include:

- Unresponsiveness or loss of consciousness
- Slow or stopped breathing
- Blue, gray or white lips or fingernails
- Snoring or gurgling sounds

Overdoses that involve fentanyl might also have additional symptoms, including:

- Stiff, rigid or wooden-like jaw, chest or torso
- Slow or irregular heartbeat
- Seizure-like symptoms, such as jerking limbs and muscle spasms

If you suspect that someone is experiencing an opioid-involved overdose, it is important to act quickly and administer naloxone right away.

Overdose Prevention Tips

- If you use drugs, use them with other people and take turns or have someone check on you.
- Test your drugs. Fentanyl test strips can tell you if your drugs contain fentanyl.
- Avoid mixing drugs. Using different drugs together, including alcohol, increases your risk of overdose.
- Go slow by taking small amounts.

For more information on fentanyl, including where to get fentanyl test strips, visit nyc.gov/health/fentanyl.

For free, confidential crisis counseling, mental health and substance use support, and referrals to care, call or text 988 or chat at nyc.gov/988. Counselors are available 24/7 by phone call in more than 200 languages.

EXHIBIT 6

WHAT YOU NEED TO KNOW ABOUT FENTANYL





(<https://www.getthefactsrx.com/>)

Visit the Friends for Life fentanyl education site for more information about illicit fentanyl and how to use naloxone to prevent overdose deaths.

VISIT SITE (<https://wafriendsforlife.com/>)

Fentanyl is a synthetic opioid drug. It is 50x to 100x stronger than typical opioid drugs like morphine and is also very fast acting. Fentanyl is a prescription drug used during surgeries and prescribed for very severe pain, often in late-stage cancers.

However, Fentanyl is also manufactured illegally and may be sold as powder, fake pills or mixed in with other illicit drugs, like heroin. This combination is especially deadly. Synthetic opioids, including Fentanyl, are now the most common drugs involved in drug overdose deaths in the United States.

WHY IS FENTANYL SO DANGEROUS?

FENTANYL IS REALLY STRONG

Fentanyl is 50x to 100x stronger than morphine. Even a 2mg of Fentanyl can be a lethal dose – the size of a little more than two grains of salt. The high potency greatly increases risk of overdose, especially if a person who uses drugs is unaware that a powder or pill contains Fentanyl.

IT DOESN'T ALWAYS LOOK THE SAME

Fentanyl can be found in a variety of forms. It may appear as a powder, dropped on blotter paper, in eye droppers, in nasal sprays or made into pills that look like real prescription opioids. Illegal fentanyl is also often mixed with other drugs like cocaine, methamphetamine and MDMA without the knowledge of the person taking the drug. Many people who overdose take pills they thought were Percocet or Oxycontin, but were actually fake pills laced with Fentanyl. Because Fentanyl is

WHAT CAN WE DO?

START THE CONVERSATION

Taking prescriptions only if they are prescribed to you is crucial. Fentanyl can be taken without the user knowing. Starting a conversation (<https://www.getthefactsrx.com/conversation-starters>) with your family about the dangers of opioids can be uncomfortable or awkward at first. Understanding how to manage prescription medication, and recognize risk, is a lifesaving step.

IF SOMEONE IS OVERDOSING ON FENTANYL, CALL 911

Overdose can be quiet. If someone is unresponsive, call 911 immediately. Never let someone “sleep it off.” You won’t get in trouble for calling 911. Washington State has a Good Samaritan Law (<https://apps.leg.wa.gov/RCW/default.aspx?cite=69.50.315>) that protects both the person helping and the person experiencing an overdose from liability or drug possession charges.

Naloxone is a medication that can reverse an opioid overdose, including Fentanyl. It is often in the form of a nasal spray. Many first responders carry Naloxone, but in Washington State, anyone can get Naloxone directly from a pharmacy that carries it.

Use the Naloxone finder (<http://stopoverdose.org/section/find-naloxone-near-you/>) to see where to get Naloxone in your area.

IF YOU KNOW SOMEONE STRUGGLING WITH OPIOID USE

The Washington Recovery Help Line can connect you to effective treatment near you:

1.866.789.1511

www.WaRecoveryHelpline.org

The Washington Recovery Help Line is a free resource that connects you with a specialist that can discuss treatment options in your area and provide additional resources.

SOURCES

<https://www.drugabuse.gov/publications/drugfacts/fentanyl> (<https://www.drugabuse.gov/publications/drugfacts/fentanyl>)

<https://www.drugabuse.gov/drugs-abuse/fentanyl> (<https://www.drugabuse.gov/drugs-abuse/fentanyl>)

<https://www.cdc.gov/drugoverdose/opioids/fentanyl.html> (<https://www.cdc.gov/drugoverdose/opioids/fentanyl.html>)

www.WaRecoveryHelpline.org (www.WaRecoveryHelpline.org)

RECENT TOPICS



TALKING TO YOUR KIDS ABOUT DRUGS CAN BE TOUGH, BUT... (</conversation-starters-parents>)



WHEN YOUR CHILD IS PRESCRIBED AN OPIOID... (</when-your-child-is-prescribed>)

EXHIBIT 7

NEWS RELEASE

More Than 80% of People Who Inject Drugs Test Positive for Fentanyl—But Only 18% Intend to Take It

May 31, 2023

Posted in [Health and Medicine](#)

Tagged [Research](#),

[School of Global Public Health](#)

[New York City](#)

Study reveals widespread use of fentanyl among people who inject drugs in New York City, despite overwhelming preference for heroin



© Getty Images

More than 80% of New Yorkers who inject drugs test positive for the opioid fentanyl, despite only 18% reporting using it intentionally, according to a new study by researchers at the NYU School of Global Public Health.

The findings, [published in the *International Journal of Drug Policy*](#), suggest that many people who inject drugs are unknowingly using fentanyl, which may increase their risk for overdose and potentially their tolerance to fentanyl if it is used over time.

In 2021, more than 100,000 people died of a drug overdose in the United States, with 66% of these deaths involving illicit fentanyl—a synthetic opioid that is 50 to 100 times more potent than morphine.

In New York City, drug overdose deaths have more than tripled since 2013 when fentanyl began to regularly appear in the illicit drug supply. Since 2017, fentanyl has been the most common drug involved in overdose deaths in New York City.

Research shows that people who take drugs may use fentanyl unintentionally, thinking that they are instead using heroin or another drug. However, more recent studies show that some people are aware of their fentanyl use and may seek out fentanyl or heroin mixed with fentanyl.

“As the proportion of drug overdose deaths involving fentanyl continues to increase, it’s important to monitor how often people are exposed to fentanyl and any changes in preference for fentanyl among people who use drugs,” said [Courtney McKnight](#), clinical assistant professor of epidemiology at NYU School of Global Public Health and the study’s lead author.

To understand the pervasiveness of fentanyl use in New York City, McKnight and her colleagues conducted surveys and in-depth interviews in 2021 and 2022 with people who inject drugs. In the 313 surveys and 162 interviews, participants were asked about their drug use, including whether they used fentanyl intentionally in the last month, and

their experience with overdoses. All survey participants underwent drug testing for fentanyl, heroin, other opioids, and stimulants so that researchers could compare toxicology results with self-reported drug use.

The toxicology results revealed widespread use of fentanyl among people who inject drugs in New York City. Fentanyl was the most common recently used drug, with **83%** of participants testing positive for it (including 46% who tested positive for both fentanyl and heroin and 54% who tested positive for fentanyl without heroin). However, only **18%** reported recently using fentanyl intentionally; most reported using heroin instead.

“The overwhelming majority of people in this study—regardless of intentionality of recent fentanyl use—reported heroin as their main drug, indicating a strong preference for heroin over fentanyl. Yet, as our urine toxicology data indicate, people who inject drugs seem to have little agency in avoiding fentanyl,” said McKnight, who is also a researcher with the [Center for Drug Use at HIV/HCV Research](#) at NYU School of Global Public Health.

Nearly one-quarter of participants had overdosed at least once in the previous six months, with 36% of those who intentionally used fentanyl experiencing a recent overdose, compared to 21% of those who reported no recent fentanyl use but tested positive for it, and 19% who reported no recent fentanyl use and tested negative for it. People who intentionally used fentanyl were also more likely to be younger, white, use drugs more often, and test positive for stimulants, among other characteristics.

In both the surveys and interviews, concerns about overdosing were common, with nearly all participants using strategies to prevent overdose, including keeping naloxone (a drug that can reverse an opioid overdose) nearby, using smaller amounts of drugs, using drugs around others, and having a trusted dealer.

“Nearly every person discussed the increased frequency of overdoses—a constant reminder of the lethality of the drug supply. A few said that the regularity with which

overdoses were occurring in New York City was like nothing they had ever experienced,” said McKnight.

The interviews also revealed that people who inject drugs may be developing an increased tolerance to fentanyl, which may be driving a greater preference for the more potent drug. Several people interviewed reported that the potency of heroin has declined, which may indicate a developing but unintended tolerance to fentanyl that heroin can no longer address.

The researchers say the findings point to the need for scaling up evidence-based methods to prevent overdose deaths, such as naloxone distribution and increased access to medication for opioid use disorder. However, given the prevalence and deadliness of fentanyl, they stress that novel strategies to reduce overdoses should be considered, including increased support for and research on overdose prevention centers, and other forms of opioid maintenance treatments in which people who use drugs are prescribed opioids to avoid drugs tainted with fentanyl.

“New York City is home to the country’s first two legally sanctioned overdose prevention centers, which opened in 2021 and have already saved hundreds of lives, but more support and access to these programs are needed to further reduce overdose mortality,” said McKnight.

Additional study authors include Allen Weng, Marley Reynoso, Sarah Kimball, Lily M. Thompson, and Don Des Jarlais of NYU School of Global Public Health. The research was supported by the National Institute on Drug Abuse (5R01DA003574-39). The content is solely the responsibility of the authors and does not necessarily represent the official views of the National Institutes of Health.

About the NYU School of Global Public Health

At the NYU School of Global Public Health (NYU GPH), we are preparing the next generation of public health pioneers with the critical thinking skills, acumen, and entrepreneurial approaches necessary to reinvent the public health paradigm. Devoted to employing a nontraditional, interdisciplinary model, NYU GPH aims to improve health worldwide through a unique blend of global public health studies, research, and practice. The School is located in the heart of New York City and extends to NYU's global network on six continents. Innovation is at the core of our ambitious approach, thinking and teaching. For more, visit: publichealth.nyu.edu

About CDUHR

The mission of the Center for Drug Use and HIV/HCV Research (CDUHR) is to end the HIV and HCV epidemics in drug using populations and their communities by conducting transdisciplinary research and disseminating its findings to inform programmatic, policy, and grass roots initiatives at the local, state, national, and global levels. CDUHR is a Core Center of Excellence funded by the National Institute on Drug Abuse (Grant #P30 DA011041). It is the first center for the socio-behavioral study of substance use and HIV in the United States and is located at the NYU School of Global Public Health. For more information, visit www.cduhr.org.

Press Contact

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Related News

Oct 7, 2024

[Supplemental Medicare Benefits Still Leave Dental, Vision, and Hearing Care Out of Reach for Many](#)

Oct 4, 2024

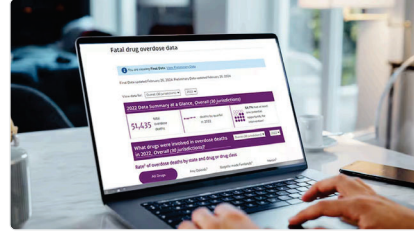
EXHIBIT 8



SUDORS Dashboard: Fatal Drug Overdose Data

WHAT TO KNOW

- The data below come from CDC's State Unintentional Drug Overdose Reporting System (SUDORS).
- SUDORS collects data on unintentional and undetermined intent drug overdose deaths from death certificates, medical examiner or coroner reports, and postmortem toxicology results.
- States and local jurisdictions are increasingly better informed by systems like SUDORS, which presents comprehensive information on the characteristics and circumstances surrounding drug overdose deaths to inform prevention and response efforts.



About this dashboard

EXPAND ALL +

Data viewing options



On this dashboard you can:

- View final SUDORS data and download a dataset with annual counts, percentages, and rates (per 100,000 persons) overall and by jurisdiction. Final data represent annual data that have undergone full quality control. Please see the "Important Data Considerations" section on the final data page for further details on which jurisdictions are included in this dashboard and other important information on SUDORS data.
- View preliminary SUDORS data counts and percentage estimates for the most recent SUDORS reporting period(s). Preliminary data represent more recent periods of data that have not yet completed quality control. Please see the "Important Data Considerations" section on the preliminary data page for a description of preliminary data and other important information on SUDORS data.
- [View the accessible version of this dashboard.](#)

Data page selection: The dashboard defaults to the final data page. Click on "View Preliminary Data" to switch to the preliminary version of the dashboard. While on the preliminary data page, click on "View Final Data" to switch back to the final data page.

Quick start for using the final data page



View data: Click on the box labeled "View data for" to select from a drop-down list of options. For each year, data can be viewed overall or by jurisdiction. Included jurisdictions may differ between years.

- These drop-down lists are available in each section of the dashboard.
- Selecting a jurisdiction from the drop-down list filters all data in the dashboard to the selected jurisdiction. Selecting a year from the drop-down list filters all data in the dashboard to the selected year. If both a jurisdiction and a year are selected, all data in the dashboard will be filtered to the selected jurisdiction and year.
- The dashboard can also be filtered by jurisdiction by clicking on a specific jurisdiction's bar in the graph titled "Rate of overdose deaths by state and drug or drug class" or by clicking on a specific jurisdiction in the map of drugs of interest detected. Click the bar or jurisdiction again to clear your selection.

Data Summary at a Glance:

- Click on "deaths by quarter" to jump to monthly trends in overdose deaths.
- Click on "potential opportunity for intervention" to jump to circumstances surrounding overdose deaths.

Drug selection in the graph titled "Rates of overdose deaths by state and drug or drug class": Click on the box with a specific drug or drug class to change the graph to show the rate of overdose deaths that involved the selected drug or drug class. Only this graph will responsively adjust to your selection.

Drug and metric (i.e., count or percent) selection in section title "Where were select drugs of interest detected in drug overdose deaths": Select a drug or drug class of interest from the drop-down menu to view data for a specific drug or drug class. Select one of the radio buttons to view counts or percentages of deaths with the selected drug or drug class detected, by jurisdiction. Only the map will responsively adjust to your selection.

Metric (i.e., rate or percent) selection in section titled "Who died of a drug overdose": Select one of the radio buttons to view rates per 100,000 persons or percentages in the graphs by sex, by race/ethnicity, by age, and by age and sex. Only these four graphs will responsively adjust to your selection.

Circumstance selection in section titled "What were the circumstances surrounding overdose deaths": Select a grouping of circumstances from the drop-down menu to show percentages of deaths involving selected circumstances within the grouping.

Quick start for using the preliminary data page



On the preliminary dashboard page, only overall data are available for the most recent reporting period(s). Individual jurisdictions or years cannot be selected for preliminary data. Hover over each data point to view the 95% confidence interval for the percentage.

Fatal drug overdose data

You are viewing **Final Data**. [View Preliminary Data](#)

Final Data updated February 26, 2024; Preliminary Data updated August 23, 2024

View data for: Overall (30 jurisdictions) 2022

2022 Data Summary at a Glance, Overall (30 jurisdictions)

51,435 total overdose deaths

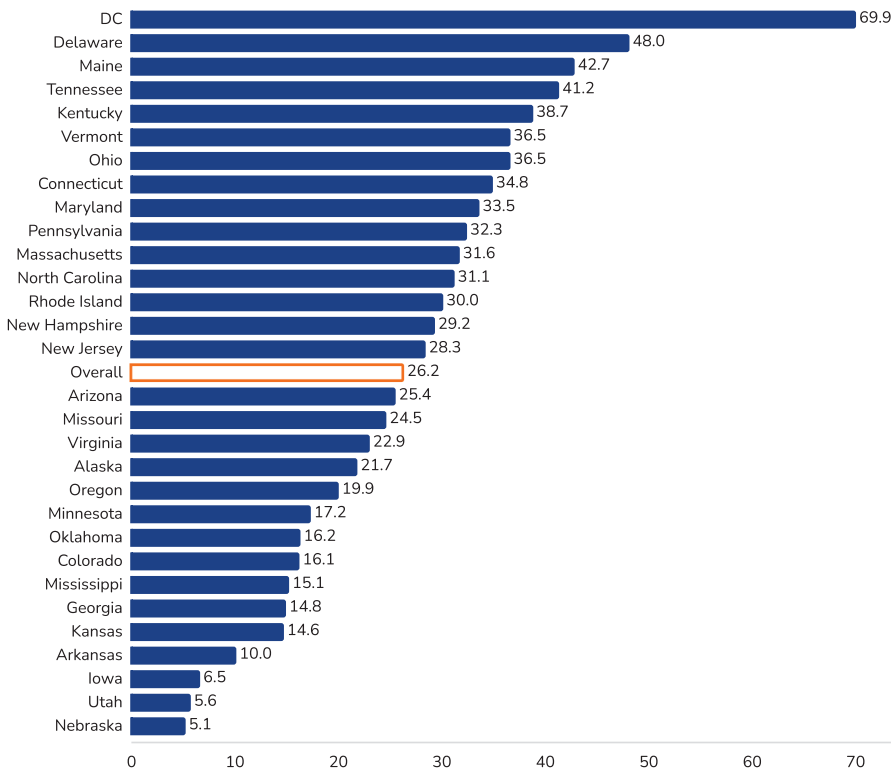
deaths by quarter in 2022

64.7% had at least one potential opportunity for intervention¹

What drugs were involved in overdose deaths in 2022, Overall (30 jurisdictions)?

Overall (30 jurisdictions) 2022

Rate² of overdose deaths by state and drug or drug class

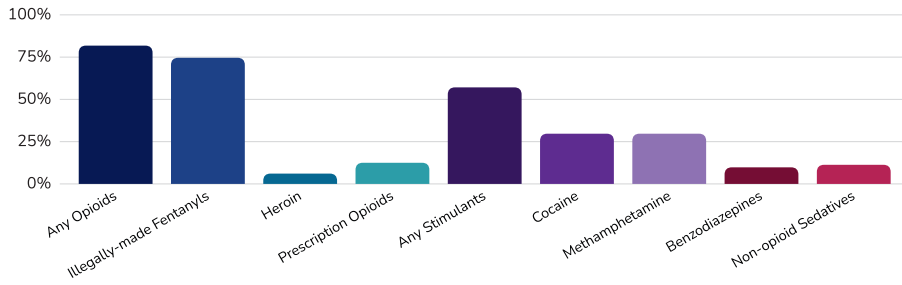


Age-adjusted rate of occurrent deaths per 100,000 resident population¹

¹ Scale of the chart may change based on the data presented

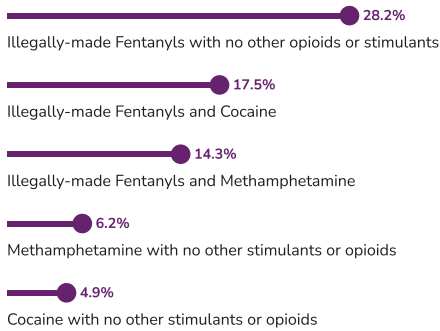
Percentages¹⁰ of overdose deaths involving select drugs and drug classes in 2022, Overall (30 jurisdictions)

81.8% of deaths involved at least one opioid and 57.1% involved at least one stimulant. Illegally-made fentanyl was the most commonly involved opioids. The most common stimulant involved in overdose deaths was cocaine.



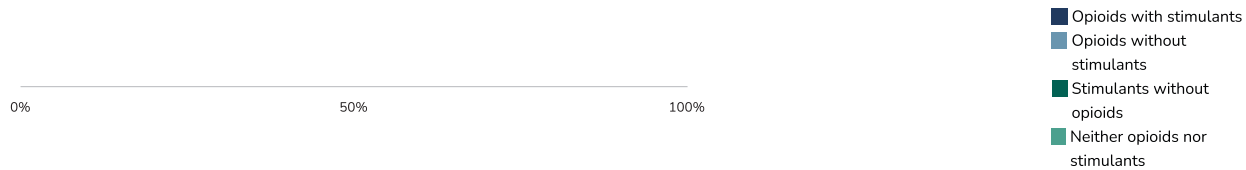
Percentages of overdose deaths involving the most common opioids and stimulants alone or in combination¹¹ in 2022, Overall (30 jurisdictions)

The five most frequently occurring opioids and stimulants, alone or in combination, accounted for 71.2% of overdose deaths. The specific breakdown is represented below.



Distribution of overdose deaths by opioid and stimulant involvement in 2022, Overall (30 jurisdictions)

The largest percentage of deaths involved opioids with stimulants, while 3.8% of overdose deaths involved neither opioids nor stimulants.



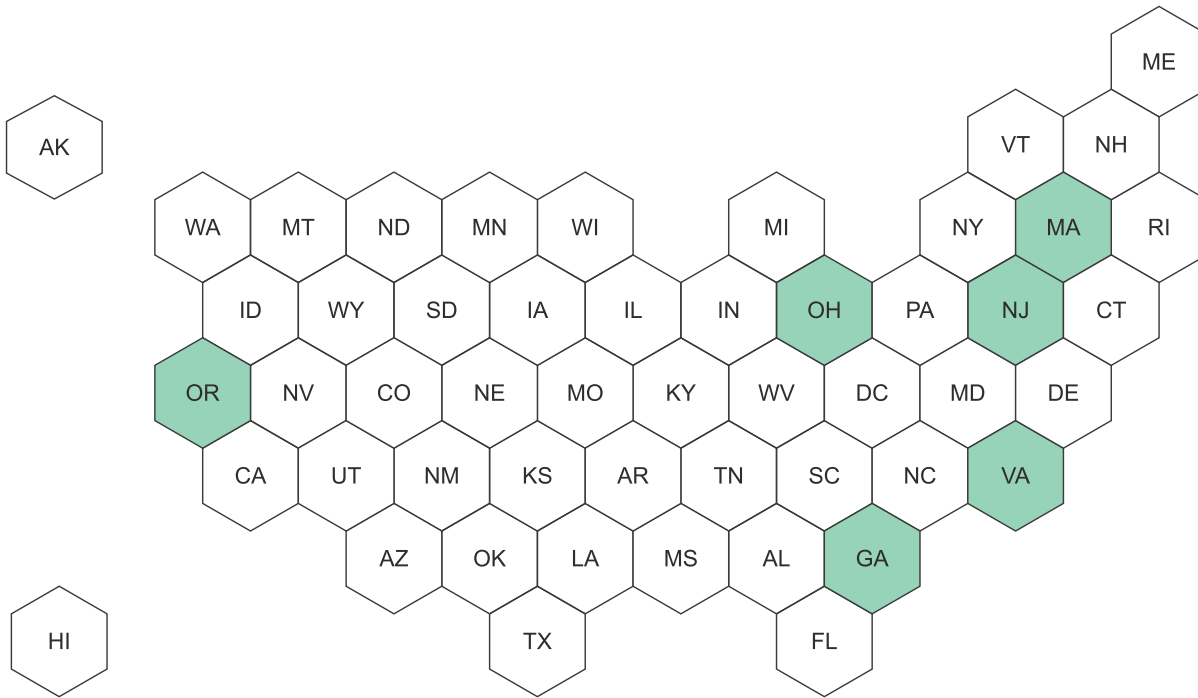
Where were select drugs of interest detected¹² in drug overdose deaths in 2022, Overall (29 jurisdictions)? 2022 ▾

Color Legend

- ≥150 deaths
- 100–149 deaths
- 50–99 deaths
- 10–49 deaths
- 1–9 deaths
- 0 deaths
- Data not available

Carfentanil ▾ Metric: Count Percent

Overall (29 jurisdictions): 7 deaths



How many drug overdose deaths occurred each month in 2022, Overall (30 jurisdictions)? Overall (30 jurisdictions) ▾ 2022 ▾

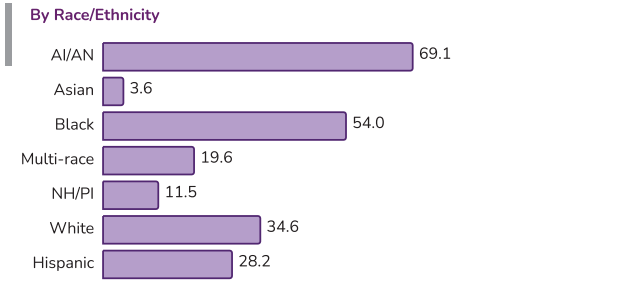
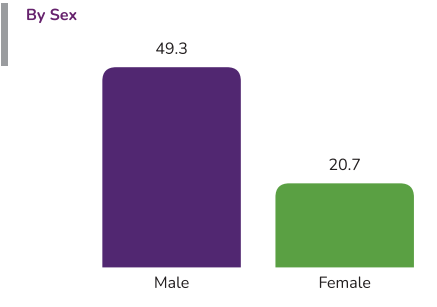


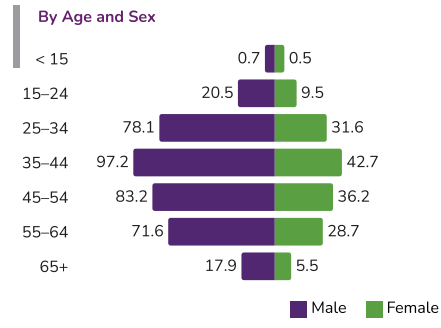
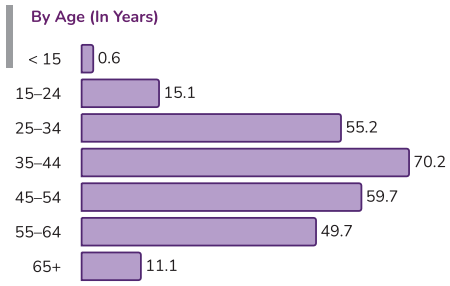
[†] Scale of the chart may change based on the data presented

Who died of a drug overdose in 2022, Overall (30 jurisdictions)?¹⁷ Overall (30 jurisdictions) ▾ 2022 ▾

70.5% of people who died of a drug overdose were male, 26.6% were 35–44 years old, and 66.2% were White, non-Hispanic. The largest percentage of males were aged 35–44 and the largest percentage of females were aged 35–44. Male, 35–44, and American Indian/Alaska Native, non-Hispanic race had the highest overdose death rates.

Metric: Rate per 100,000 persons Percent





What were the circumstances¹⁸ surrounding overdose deaths in 2022, Overall (30 jurisdictions)?

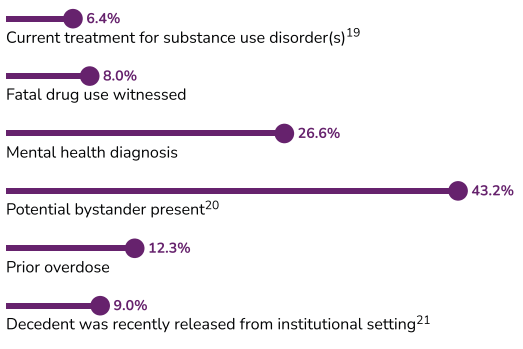
Overall (30 jurisdictions) ▾

2022 ▾

View data for: Potential opportunities for intervention to prevent overdose ▾



64.7%
of drug overdose deaths had at least one potential opportunity for intervention



¹⁸Circumstance percentages are only among decedents with an available medical examiner or coroner report

Footnotes +

Important Data Considerations +

Download Data (XLSX)

Suggested citations

Suggested citation for final data:
Centers for Disease Control and Prevention. State Unintentional Drug Overdose Reporting System (SUDORS). Final Data. Atlanta, GA: US Department of Health and Human Services, CDC; [INSERT YEAR, MONTH, DAY]. Access at: <https://www.cdc.gov/overdose-prevention/data-research/facts-stats/sudors-dashboard-fatal-overdose-data.html>

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Related resources

- [About CDC's State Unintentional Drug Overdose Reporting System \(SUDORS\)](#)
- [SUDORS Fact Sheet](#) PDF
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- [Nonfatal Overdoses: CDC's Drug Overdose Surveillance and Epidemiology \(DOSE\) System](#)
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- [Fentanyl Study Dashboard: Nonfatal Opioid Overdoses with Toxicology Testing](#)
- [MMWR Articles](#)
- [Journal Articles](#)

SOURCES

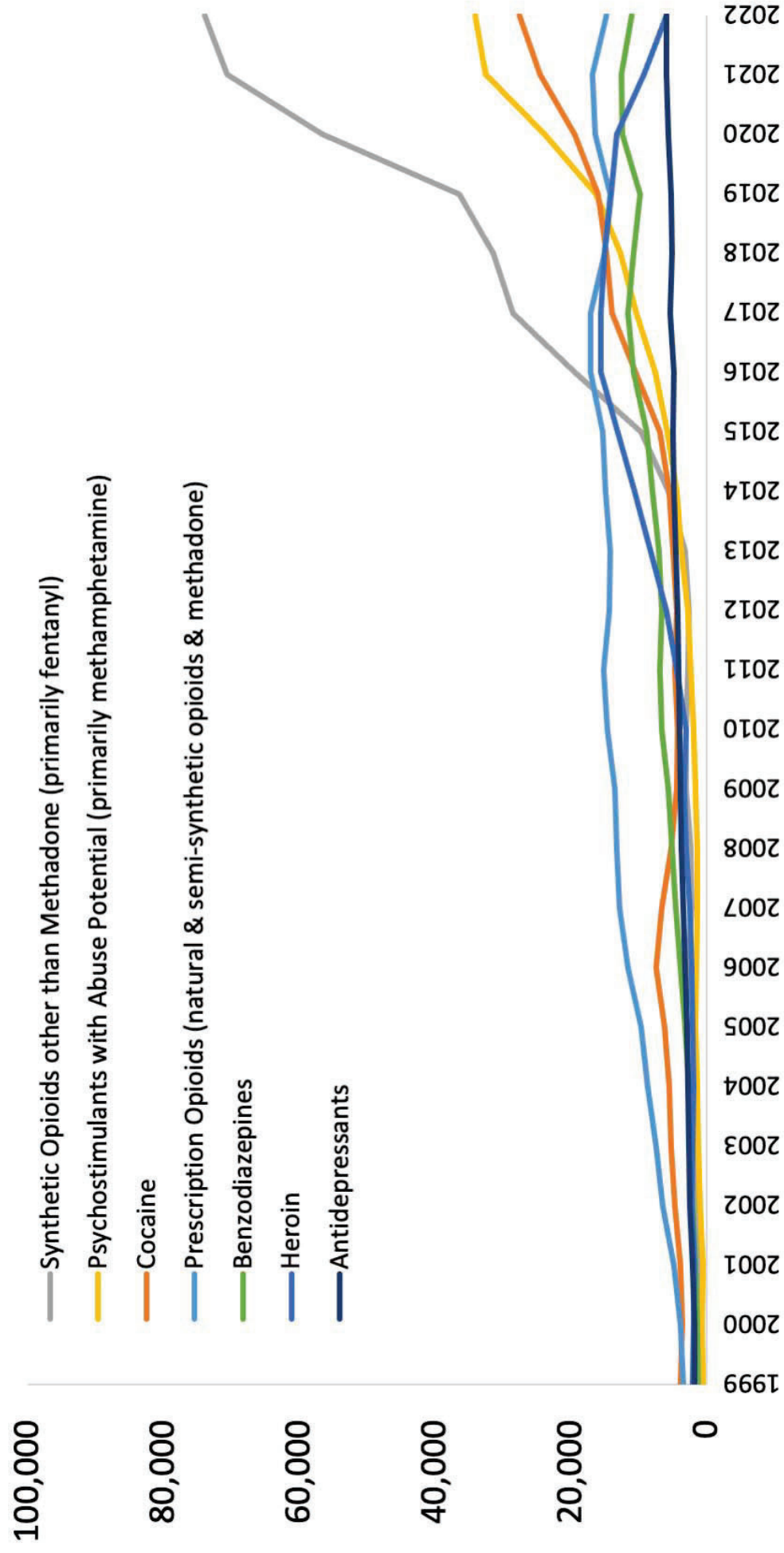
CONTENT SOURCE:

National Center for Injury Prevention and Control

EXHIBIT 9

Figure 2. U.S. Overdose Deaths*, 1999-2022

Select Drugs or Drug Categories, 1999-2022



*Includes deaths with underlying causes of unintentional drug poisoning (X40–X44), suicide drug poisoning (X60–X64), homicide drug poisoning (X85), or drug poisoning of undetermined intent (Y10–Y14), as coded in the International Classification of Diseases, 10th Revision. Source: Centers for Disease Control and Prevention, National Center for Health Statistics. Multiple Cause of Death 1999-2022 on CDC WONDER Online Database, released 4/2024.

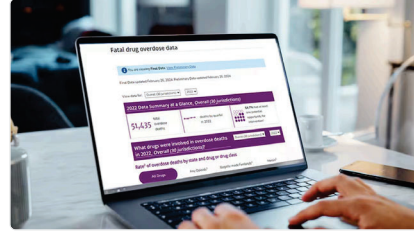
EXHIBIT 10



SUDORS Dashboard: Fatal Drug Overdose Data

WHAT TO KNOW

- The data below come from CDC's State Unintentional Drug Overdose Reporting System (SUDORS).
- SUDORS collects data on unintentional and undetermined intent drug overdose deaths from death certificates, medical examiner or coroner reports, and postmortem toxicology results.
- States and local jurisdictions are increasingly better informed by systems like SUDORS, which presents comprehensive information on the characteristics and circumstances surrounding drug overdose deaths to inform prevention and response efforts.



About this dashboard

EXPAND ALL +

Data viewing options



On this dashboard you can:

- View final SUDORS data and download a dataset with annual counts, percentages, and rates (per 100,000 persons) overall and by jurisdiction. Final data represent annual data that have undergone full quality control. Please see the "Important Data Considerations" section on the final data page for further details on which jurisdictions are included in this dashboard and other important information on SUDORS data.
- View preliminary SUDORS data counts and percentage estimates for the most recent SUDORS reporting period(s). Preliminary data represent more recent periods of data that have not yet completed quality control. Please see the "Important Data Considerations" section on the preliminary data page for a description of preliminary data and other important information on SUDORS data.
- [View the accessible version of this dashboard.](#)

Data page selection: The dashboard defaults to the final data page. Click on "View Preliminary Data" to switch to the preliminary version of the dashboard. While on the preliminary data page, click on "View Final Data" to switch back to the final data page.

Quick start for using the final data page



View data: Click on the box labeled "View data for" to select from a drop-down list of options. For each year, data can be viewed overall or by jurisdiction. Included jurisdictions may differ between years.

- These drop-down lists are available in each section of the dashboard.
- Selecting a jurisdiction from the drop-down list filters all data in the dashboard to the selected jurisdiction. Selecting a year from the drop-down list filters all data in the dashboard to the selected year. If both a jurisdiction and a year are selected, all data in the dashboard will be filtered to the selected jurisdiction and year.
- The dashboard can also be filtered by jurisdiction by clicking on a specific jurisdiction's bar in the graph titled "Rate of overdose deaths by state and drug or drug class" or by clicking on a specific jurisdiction in the map of drugs of interest detected. Click the bar or jurisdiction again to clear your selection.

Data Summary at a Glance:

- Click on "deaths by quarter" to jump to monthly trends in overdose deaths.
- Click on "potential opportunity for intervention" to jump to circumstances surrounding overdose deaths.

Drug selection in the graph titled "Rates of overdose deaths by state and drug or drug class": Click on the box with a specific drug or drug class to change the graph to show the rate of overdose deaths that involved the selected drug or drug class. Only this graph will responsively adjust to your selection.

Drug and metric (i.e., count or percent) selection in section title "Where were select drugs of interest detected in drug overdose deaths": Select a drug or drug class of interest from the drop-down menu to view data for a specific drug or drug class. Select one of the radio buttons to view counts or percentages of deaths with the selected drug or drug class detected, by jurisdiction. Only the map will responsively adjust to your selection.

Metric (i.e., rate or percent) selection in section titled "Who died of a drug overdose": Select one of the radio buttons to view rates per 100,000 persons or percentages in the graphs by sex, by race/ethnicity, by age, and by age and sex. Only these four graphs will responsively adjust to your selection.

Circumstance selection in section titled "What were the circumstances surrounding overdose deaths": Select a grouping of circumstances from the drop-down menu to show percentages of deaths involving selected circumstances within the grouping.

Quick start for using the preliminary data page



On the preliminary dashboard page, only overall data are available for the most recent reporting period(s). Individual jurisdictions or years cannot be selected for preliminary data. Hover over each data point to view the 95% confidence interval for the percentage.

Fatal drug overdose data

You are viewing **Final Data**. [View Preliminary Data](#)

Final Data updated February 26, 2024; Preliminary Data updated August 23, 2024

View data for: New Hampshire 2022

2022 Data Summary at a Glance, *New Hampshire*

444 total overdose deaths

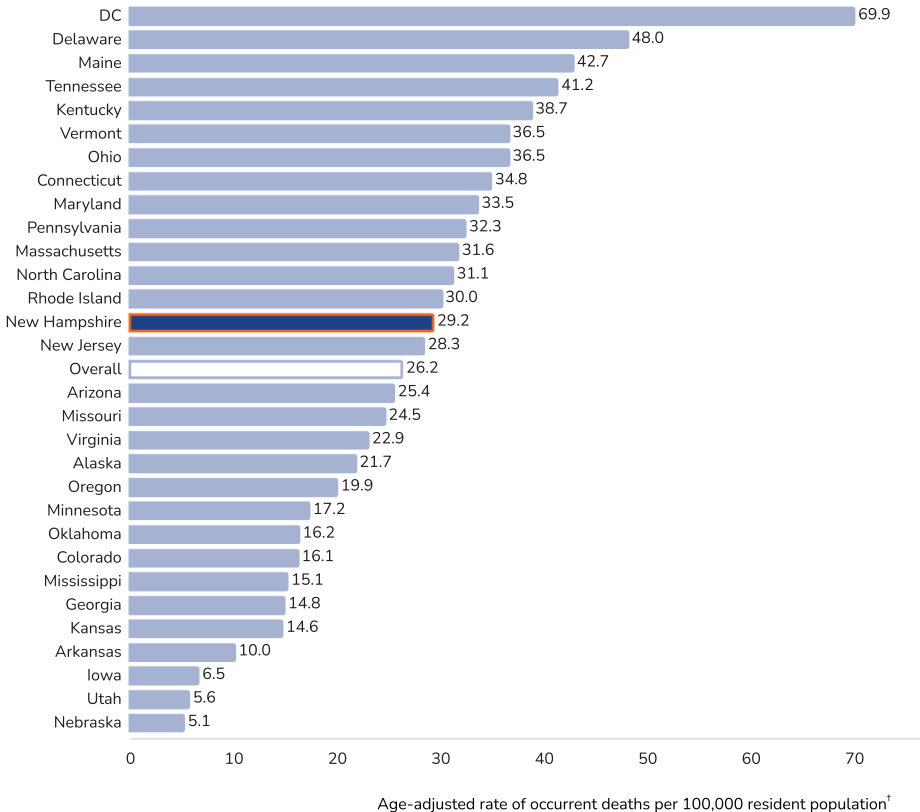
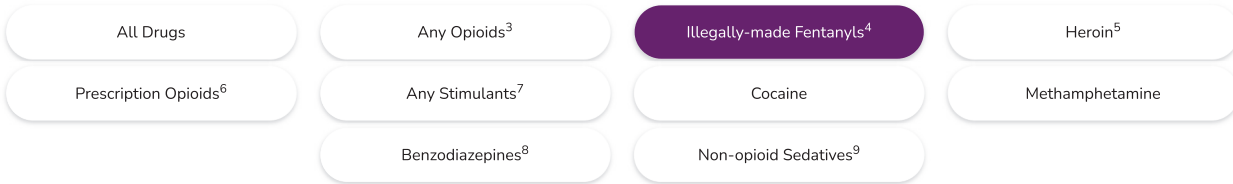
deaths by quarter in 2022

73.4% had at least one potential opportunity for intervention¹

What drugs were involved in overdose deaths in 2022, *New Hampshire*?

New Hampshire 2022

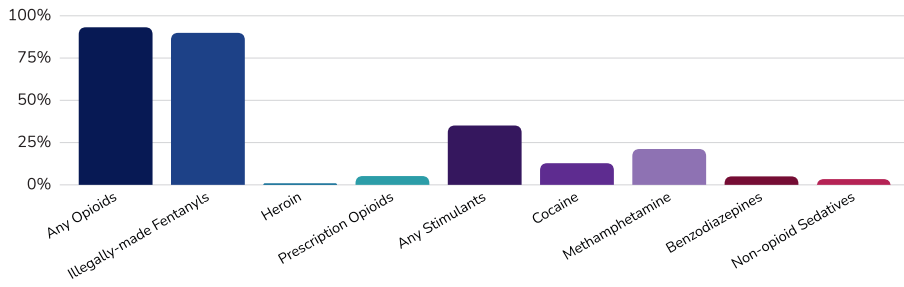
Rate² of overdose deaths by state and drug or drug class



¹ Scale of the chart may change based on the data presented

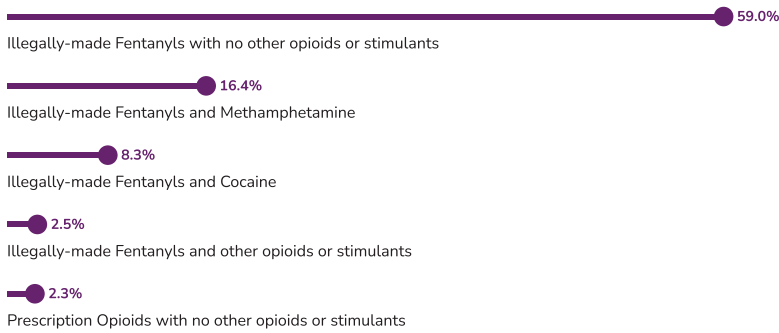
Percentages¹⁰ of overdose deaths involving select drugs and drug classes in 2022, *New Hampshire*

93.2% of deaths involved at least one opioid and 35.1% involved at least one stimulant. Illegally-made fentanyl were the most commonly involved opioids. The most common stimulant involved in overdose deaths was methamphetamine.



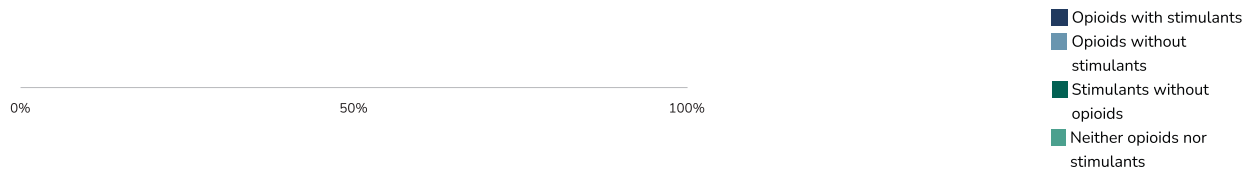
Percentages of overdose deaths involving the most common opioids and stimulants alone or in combination¹¹ in 2022, *New Hampshire*

The five most frequently occurring opioids and stimulants, alone or in combination, accounted for 88.5% of overdose deaths. The specific breakdown is represented below.



Distribution of overdose deaths by opioid and stimulant involvement in 2022, *New Hampshire*

The largest percentage of deaths involved opioids without stimulants, while 1.6% of overdose deaths involved neither opioids nor stimulants.



Where were select drugs of interest detected¹² in drug overdose deaths in 2022, *New Hampshire*

2022

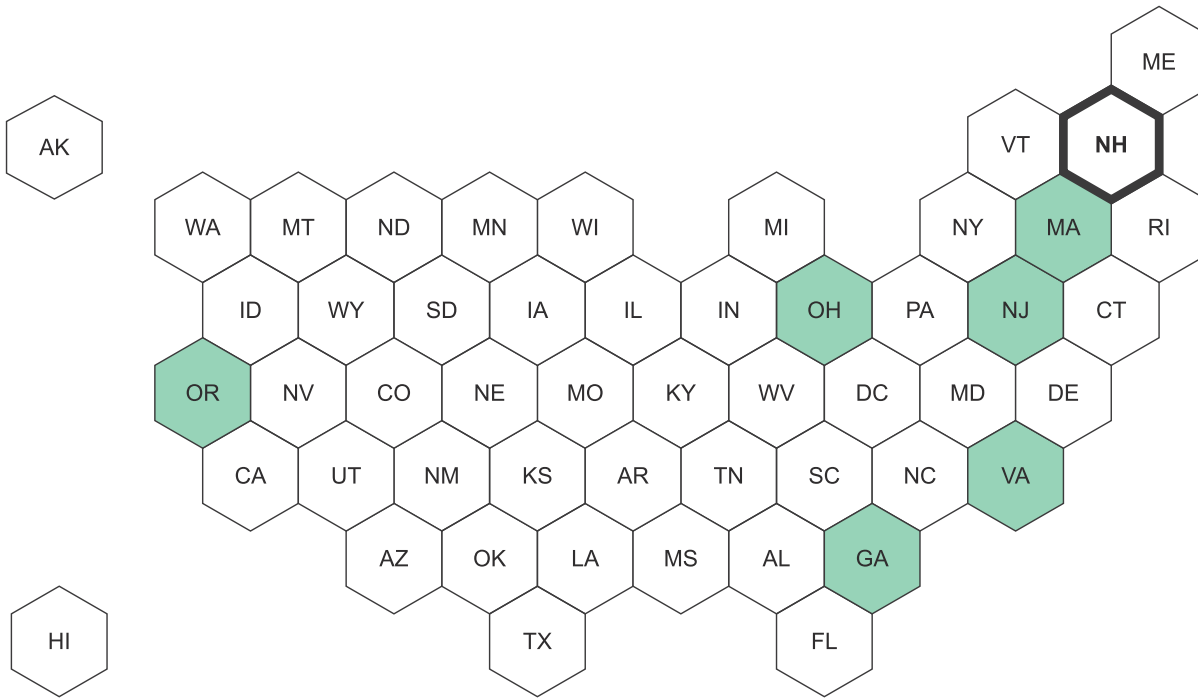
Color Legend

- ≥150 deaths
- 100–149 deaths
- 50–99 deaths
- 10–49 deaths
- 1–9 deaths
- 0 deaths
- Data not available

Carfentanil

Metric: Count Percent

Overall (29 jurisdictions): 7 deaths



How many drug overdose deaths occurred each month in 2022, New Hampshire? New Hampshire 2022

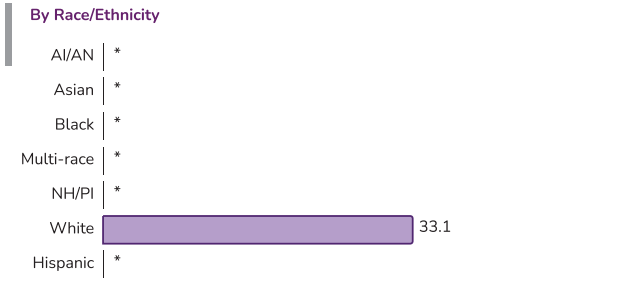
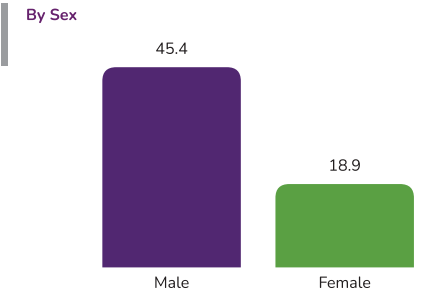


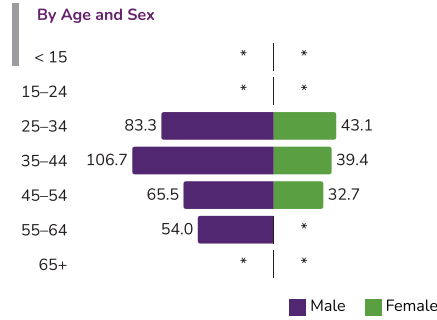
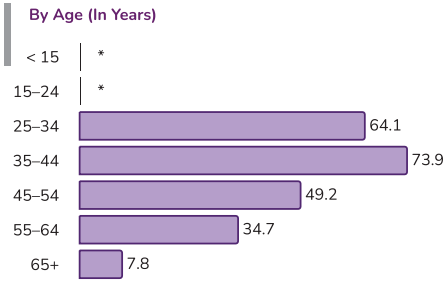
[†] Scale of the chart may change based on the data presented

Who died of a drug overdose in 2022, New Hampshire?¹⁷ New Hampshire 2022

71.8% of people who died of a drug overdose were male, 28.6% were 35–44 years old, and 91.3% were White, non-Hispanic. The largest percentage of males were aged 35–44 and the largest percentage of females were aged 25–34. Male, 35–44, and White, non-Hispanic race had the highest overdose death rates.

Metric: Rate per 100,000 persons Percent





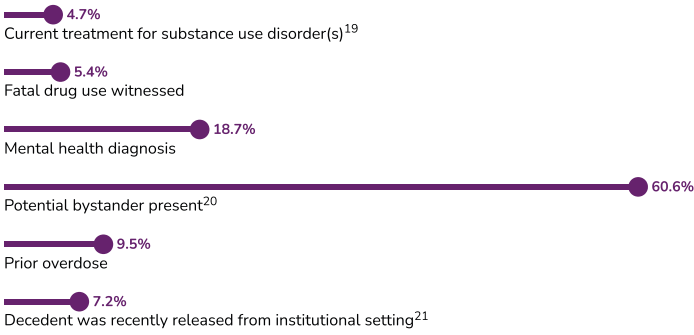
What were the circumstances¹⁸ surrounding overdose deaths in 2022, New Hampshire? New Hampshire 2022

View data for: Potential opportunities for intervention to prevent overdose



73.4%

of drug overdose deaths had at least one potential opportunity for intervention



¹⁸Circumstance percentages are only among decedents with an available medical examiner or coroner report

Footnotes +

Important Data Considerations +

Download Data (XLSX)

Suggested citations

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- [DOSE Dashboard: Nonfatal Overdose Syndromic Surveillance Data](#)
- [DOSE Dashboard: Nonfatal Overdose Discharge Data](#)
- [Fentanyl Study Dashboard: Nonfatal Opioid Overdoses with Toxicology Testing](#)
- [MMWR Articles](#)
- [Journal Articles](#)

SOURCES

CONTENT SOURCE:

National Center for Injury Prevention and Control

EXHIBIT 11

Unmet Needs, Complex Motivations, and Ideal Care for People Using Fentanyl in Washington State: A Qualitative Study



Teresa Winstead, PhD, MA; Alison Newman, MPH; Everett Maroon, MPHc; Caleb Banta-Green, PhD, MPH, MSW

Key Findings

- In our interviews (n=30) with people who use fentanyl at four Washington State (WA) syringe services programs (SSPs), participants discussed the rapid change in the drug supply from heroin to fentanyl and how this affected their substance use.
- Almost all interview participants smoked fentanyl, and a few also injected it. Many interview respondents had previously injected heroin and switched to smoking fentanyl due to fentanyl's potency and the perceived lower overdose risk from smoking.
- Participants reported complex motivations for using fentanyl including physical pain, mental health issues, trauma, homelessness, opioid use disorder, and easy availability of fentanyl. The majority of respondents were unhoused and said meeting basic needs like housing, food, and employment was a priority.
- For many respondents, the central benefit of using fentanyl was its ability to control their severe, chronic pain (70% of respondents mentioned pain management). Some participants started using fentanyl after a health care provider terminated an opioid prescription or they used fentanyl to self-medicate pain not otherwise addressed through a health care provider.
- The majority (70%) of participants were interested in reducing or stopping their fentanyl use. However, people expressed many barriers to doing so, including unavailable services, being unaware of what might work, fear of withdrawal, and challenges accessing and staying on medications like buprenorphine or methadone.
- Many respondents were interested in or had previous positive experiences with methadone or buprenorphine for opioid use disorder. However, administrative and other barriers limited access to these medications. The regulations for dispensing methadone and the need for daily dosing were particularly challenging, especially for respondents experiencing housing insecurity.
- When asked about the "ideal place" to receive medical care and/or help with substance use, people described holistic and individualized care that was affordable and easy to access. Specific services of interest included: programs to help meet basic needs, medical care, mental health care, care navigation, and support from people with lived experience of substance use.
- The combination of health care barriers, social determinants of health, the strength and half-life of fentanyl, and individual physical and mental pain produced a significant challenge for care systems to respond to the complex needs of many people who use fentanyl.

Introduction

Opioid overdose deaths in Washington (WA) State continue to rise and are primarily driven by unregulated fentanyl. [From 2019-2022 the opioid overdose death rate in WA State more than doubled from 11.3/100,000 to 24.9/100,000](#), and most of that increase was due to fentanyl. In 2022, fentanyl was involved in 90% of opioid overdose deaths in WA State and 65% of all overdose deaths (ADAI, 2023). The emergence—and now dominance—of fentanyl over heroin as the primary opioid in the illicit drug supply has changed the context of opioid use, increased overdose risk, and intensified the need for social and medical supports.

Understanding the experiences, perspectives, and insights of people who currently use unregulated fentanyl can contribute to more nuanced and holistic responses to this crisis. Such insights are crucial to inform public health policy and interventions as communities work to decrease opioid overdose deaths *and* improve the health and wellbeing of people who use fentanyl.

To contribute to this understanding, staff at the University of Washington Addictions, Drug & Alcohol Institute (ADAI) conducted a qualitative study of people who use fentanyl to explore their experiences and views on the following topics: 1) fentanyl use patterns, 2) previous treatment experiences, 3) benefits and drawbacks of fentanyl use, 4) interest in stopping or reducing fentanyl use, and 5) preferred services and ideal care (including staff, services, location, and atmosphere). This work builds on previous collaborations between ADAI and WA State syringe services programs (SSPs) including the [bi-annual survey of SSP participants](#) (Banta-Green et al., 2020) and [two earlier qualitative interview projects](#) (Teadt & Newman, 2022).

Methods

This exploratory qualitative study utilized in-depth semi-structured interviews to explore the topics related to fentanyl use and access to care mentioned above. Interviews were conducted from September through October 2022, in collaboration with four WA State SSPs at five locations: Clallam County Harm Reduction Health Center in Port Angeles, Tacoma Needle Exchange in Tacoma (two sites), Thurston County Syringe Services Program in Olympia, and Spokane Regional Health District Syringe Services Program in Spokane. University of Washington Human Subjects Division gave approval to conduct this research, determined as exempt from full review, in August 2022.

Study recruitment flyers were sent to SSPs two weeks ahead of the intended dates of interviews. Participants were eligible if they were 18 years or older and if they reported using fentanyl at least three times in the previous week. SSP staff provided basic information about the study purpose and identified SSP participants who were interested in the study. ADAI researchers then provided more information about the study to potential participants and obtained verbal consent to be recorded before each interview began. No identifiers were collected, and interviewees were provided with a \$25 gift card for their participation. Interviews lasted 40 – 60 minutes; these were audio-recorded and transcribed verbatim with a HIPAA-compliant transcription service, after which study staff reviewed and prepared transcripts for analysis. Transcripts were analyzed in MaxQDA 2022 (Verbissoftware, 2021) by the study team with a combined deductive and inductive coding approach (Saldaña, 2021). Coding and analysis were iterative and reflexive, involving ongoing team discussion throughout the research process.

Results

Thirty people participated in the interviews across the four programs: 14 in Tacoma, eight in Olympia, four in Port Angeles, and four in Spokane. Just over half (53%) of participants reported white as their racial and ethnic identity, and 73% were male. The mean age of participants was 37 years old, and only 13% of participants reported having stable housing. The majority (73%) were unhoused, and 13% reported unstable housing. See Table 1 for complete demographics of participants.

Table 1: Participant demographics (n=30)

Race/ethnicity (as reported by participants)		Gender identity	
White	53%	Man	73%
Hispanic	13%	Woman	23%
Native American	10%	Nonbinary	3%
Native American & White	7%	Housing status	
Black	3%	Unhoused	73%
Black/mixed race	3%	Unstable	13%
Black/white/mixed race	3%	Stable	13%
Brown	3%	Employment status	
Native & Black	3%	Unemployed	90%
Age in years		Employed	10%
Mean age = 37 (range: 20-67)			

FENTANYL USE PATTERNS

Over half of respondents (56%) reported fentanyl was their main drug, and most (83%) reported daily fentanyl use (Table 2). The remainder reported using between three to five times per week; the average frequency of fentanyl use was 6.42 days per week. Interviewees reported they had been using fentanyl for about a year (12.9 months), on average.

Table 2: Frequency and duration of fentanyl use (n=30)

7 days/week	83%
5 days/week	3%
4 days/week	7%
3 days/week	7%
Mean days/week of use	6.42 days
Mean duration of use	12.9 months

**Recruitment restricted to those who had used fentanyl at least 3 times in the past week.*

Change in the drug market from heroin to fentanyl

Respondents talked about the rapid shift in the drug market from heroin to fentanyl and how this change affected their substance use. At the time of these interviews, respondents were knowingly and intentionally using fentanyl (rather than using it unknowingly mixed in other drugs). Participants often reflected on the effect this shift to fentanyl had on their opioid use and overdose risk.

“It’s a mess. But at the time I thought it was a good idea switching from heroin to that. It wasn’t a good idea. I should have just stuck with heroin because I wasn’t dying from heroin.”

"It just took over my heroin addiction without me even realizing it. All of a sudden, one day, I was just addicted to fentanyl instead of heroin. It was weird. And then I tried heroin again, and it didn't do the same thing it used to do for me."

When asked how long they had been using fentanyl, one person responded:

"Honestly, probably about a year now, not really by choice either. It kind of took over the heroin scene, and you can't even find heroin anymore. It's all fentanyl. Everything's with fentanyl. It's ridiculous. And I kind of got forced into it — not forced, but kind of. Yeah."

How do people use fentanyl? Mostly smoking

When asked about their method of ingestion, most people (82%) said they only smoked fentanyl. People reported that smoking fentanyl (rather than injecting) was widespread.

"I smoke it, like the average, like everybody."

People had complex reasons for preferring smoking over injecting or other methods. These included: control of dosage and experience, overdose risk management, preference, and avoiding health risks of injecting. Respondents reported feeling better able to control the amount they used through smoking, rather than injection, which could help lower their risk of overdose.

"I'm just too scared to shoot it, because there's been a lot of people that had. Even with melting the pills down to shoot it they overdosed off of one pill and died even though they have been on it for years. So, I'm too terrified to do it that way. I'm not looking to die. I'm just looking for some pain relief."

"It usually hurts less than poking your vein, so that."

Almost all participants had started their fentanyl use with smoking and maintained that primary method of use. Some participants reported injecting heroin but had discontinued injection when they started using fentanyl due to fentanyl being easier and more desirable to smoke.

"If I can't get fentanyl ... I'll buy some heroin and shoot it up because I'd rather shoot it rather than smoke it because, with heroin, it's kind of different. When I shoot up the fentanyl, I don't really feel it as much as when I smoke it. It's weird. It's like opposite effect."

"Every one of my friends that started using fentanyl [after heroin] has stopped shooting up, pretty much. We shoot up more rarely now than when you used to—I used to use once a day. I've been using once a day for 15 years. It's a lot easier not having to hit yourself. You just grab a piece of foil when smoking it. It's an easier way to receive whatever."

One participant offered the following detailed account about how smoking fentanyl works better for him compared to injecting heroin, which he explained was hard on his body and produced punishing withdrawal more quickly than smoking fentanyl.

"I had been firing [injecting] heroin for so long that my veins were gone. I mean, I was plagued with misses, big abscesses from where I'd miss [not inject in a vein]. I mean, it was just a freaking mess. And so just sitting down to try to do a shot sometimes would take hours and hours. And I'd go through two or three bags of syringes, and I was just angry and just wasting all the stuff just to try to get a little shot, just trying to get well. And then on top of it, too, is that heroin, when I woke up in the morning, I was sick...It was time to get well, and I needed it now. This stuff now [fentanyl], it's not like that. You wake up, and you don't feel too—it's not you're feeling better or any worse. You know what I mean? I can get up. I mean, I can go through the first four or five hours of the day and take care of stuff before I absolutely better pay attention and get my smoke on. So, I don't poke needles in my arm or anywhere anymore. And I'm not drastically sick in the morning. So that's two benefits to (smoking) it.

Of the small number of participants who were primarily injecting fentanyl, a few explained their preference for fentanyl's effects through injection, compared to the less desirable high they felt when smoking it.

"I started off smoking it because I was always afraid of OD'ing. So I kind of dabbled in it at first. But then once my tolerance started getting higher and higher and higher, I just was like, 'Fuck it. I'm not getting high no more. Let's start shooting it.'"

Other substances

Nearly all respondents reported they were currently using other substances in addition to fentanyl, most commonly methamphetamine (64%) and cannabis (40%). A small group reported having recently used heroin (14%) although heroin was difficult to find. Other substances participants reported using concurrently with fentanyl were tobacco (9%), crack (9%), alcohol (5%), and prescription-type opioid pills (5%).

PREVIOUS TREATMENT EXPERIENCES

Two-thirds (63%, n=20) had previous experience with substance use disorder (SUD) treatment or supports including inpatient, outpatient, and the three FDA-approved medications for opioid use disorder (MOUD): buprenorphine, methadone, and naltrexone (Table 3).

Many participants had used multiple types in the past and some types more than once. One third (33%) had no prior SUD treatment experience.

Table 3: Previous treatment experiences

	%	n
Non-prescribed buprenorphine	57%	17
Methadone from clinic	54%	16
Prescribed buprenorphine	50%	15
12-step	46%	14
Detox	46%	14
Inpatient SUD treatment	43%	13
Outpatient SUD treatment	40%	12
Methadone non-legally	20%	6
Extended-release naltrexone	7%	2
None	33%	10

"Inpatient treatment and then out on the street, outpatient. I've done it all."

"I've been to treatment before. Inpatient, outpatient. And I'm currently looking to go into inpatient again."

Previous experiences with traditional SUD counseling and treatment were diverse in terms of relative treatment experiences and success. Frustration and difficulty accessing inpatient treatment were recurring themes amongst participants who were actively seeking support.

"I tried to go to rehab for two weeks. It takes an act of congress to go to rehab here if you're not in state-sentenced probation. It's an act of congress to go to rehab. It's bullshit. It's not fair. It's not. I tried and tried and tried and tried, and then they finally told me after a week and a half of trying. Oh, I got to wait 2 weeks and do an evaluation. So then after the evaluation, they decide how long it takes for me to go to rehab and how long will I be in rehab. So, it could be a 6-month wait then. I don't need rehab in 6 months. I need rehab today, but they don't want to help me. I have Medicaid of Oregon, and they don't want to help me."

"They said they don't have a bed open, so. Let's see what that goes like."

Experiences with medications for opioid use disorder

More than half of participants (57%) reported using buprenorphine from a friend or another source outside of health care or treatment environments. Half of participants reported past treatment with methadone and/or buprenorphine from medical and/or treatment systems. Only a few participants had tried long-acting naltrexone, and some had experienced positive effects with naltrexone.

More than a third of interviewees (39%, n=12) reported accessing MOUD for fentanyl use disorder (see Table 4 for MOUD experiences to address fentanyl use data).

Table 4: Use of MOUD to specifically address fentanyl use n=30

Buprenorphine	23%	7
Methadone	13%	4
Naltrexone	3%	1

Experience with methadone

Previous experiences with methadone from a treatment program were diverse; several said that it was very helpful in reducing opioid use, including fentanyl, and helped to address pain as well. However, many reported challenges maintaining treatment engagement with methadone due to difficulty with near daily transportation to a methadone clinic. Seven participants reported negative experiences with methadone treatment due to the inflexible constraints and regulations of daily, monitored dispensing. Some participants did not like how methadone made them feel or were concerned about how they would eventually stop using methadone.

"And it works for me as long as I stay on it."

"Yeah. I quit taking it after about a week just because the hassle of having to get on the bus every morning and go across town to get it. And again, because I was doing that and it was just easier here on the street. I preferred just doing meth[amphetamine] here on the street."

"I don't like it. It gets in your bones. I had too many peers with bad experiences and not being able to actually get off of it."

Fentanyl-era methadone experiences

Interviewees who accessed methadone for fentanyl use tended to describe their experiences as positive; methadone reduced craving and withdrawal. However, issues related to the burden of daily access and the inflexibility of opioid treatment programs made it difficult to continue to access methadone.

"Methadone has freed me up to behave like a human. I mean, it's supplying myself with the medication that I need to function."

"Yeah, it [methadone] was working. It made me stop doing the fentanyl, so it worked very well."

"I think the biggest thing was having to go in every day and get it. And if I missed the bus, I was screwed. It was a terrible thing. And then having to go there, it just was always hectic, always something at the window, some mistake they made that gets me held up. And I just didn't—at that stage in my detox or my thing, I don't have any patience for shit. So if any shit comes, I'm gone."

One participant recalled his own negative experience with methadone treatment protocols and urged providers to be compassionate when people using fentanyl ask for help and seek treatment:

"When they do get sick and say they're sick, take pity on them. Don't say come back tomorrow. That's a million miles away. Okay. Do something. Help them get well and tell them that's it. I take the bus to the methadone clinic from Tacoma, and I was 15 minutes late, and she [the provider] wouldn't give me my dose [of methadone]. I thank God though that she didn't give me my dose. I'd rather take drugs."

Experience with buprenorphine (common brand name: Suboxone)

Experiences with prescribed buprenorphine were also mixed. Some reported that it had helped them quit heroin in the past and that it also worked well for their pain.

"Suboxone's how I quit last time."

"I liked it because it seemed like it helped with pain a lot better than methadone does."

Negative experiences were equally represented among those who had tried buprenorphine. Participants described disliking the taste of the medication, finding it less desirable than fentanyl, or having difficulty with consistent access to the medication (e.g., finding a clinic/doctor or the hassle of filling a prescription).

"There's no point. I really don't, after a couple of times I kind of stop using it and just go back to what I was using before, because if you're going to use a substance, you probably want to use the best thing going."

Some participants had been prescribed buprenorphine while incarcerated and reported having difficulty obtaining a prescription after they were released due to cost and finding a provider.

"They put me on it for treatment [in jail]. But when I got out, it was before they had generic, so it was like \$900 a prescription, so I couldn't afford to have it. And my doctor wouldn't prescribe it to me."

Many people had tried *non-prescribed* buprenorphine that they obtained from a friend or other source, often to avoid withdrawal. Of these participants, there was a clear concern about not having a consistent and reliable source for non-prescription buprenorphine.

"Yes...some guy gave me Suboxone, I ate the whole thing and it worked so well, I have Suboxone right now. That stuff's good. It's very good. It makes you feel good and takes away the pain. That should be in the place of methadone, or heroin."

"Just like anything else. It works until it don't work no more. With the Subutex [buprenorphine without naloxone co-formulation], if you crush it up and sniff a line of it, it works a lot better than just eating it. Same with Suboxone. If you kind of square a piece of it off, and dissolve it in some hot water, and sniff it, it works better than letting it sit on your tongue. And then, just like everything else, though, there comes the aftermath. If you don't have it, you're sick, and you got to have it again."

Fentanyl-era buprenorphine experiences

Specific responses about using buprenorphine (i.e., Suboxone or Subutex) as a treatment for fentanyl use were also mixed in terms of participants' experiences, access, and attitudes. Some participants had positive experiences with buprenorphine in the past. Yet many were worried about trying buprenorphine while they had been using fentanyl due to concerns about precipitated withdrawal (withdrawal that can be triggered based on the timing, dose, and form of buprenorphine taken). Concerns about precipitated withdrawal were mentioned as a central reason why participants were hesitant to initiate buprenorphine as a treatment for their fentanyl use.

"I just wanted to cut myself off. So, I had to wait a 24-hour period before—otherwise, Suboxone makes you sick. And I couldn't do it. I couldn't stop smoking fentanyl for that long at all, so. And they said that it'd just be like—it would be like a cold or something like that, a flu or something. But nothing like if you went cold turkey. But I couldn't even imagine going cold turkey."

"I'm kind of scared to take Suboxone just because of the simple fact if I take it too soon, I'd get sicker. And so I never tried it."

Another participant described taking buprenorphine from a friend, which caused precipitated withdrawal so difficult that they said they would never try buprenorphine again:

"It was actually a really bad experience that time and I got really, really sick because I guess I didn't wait enough time. And I don't know what happened, but I got really, really sick, and it was horrible."

Some participants could not find a clinic where buprenorphine treatment was available along with the additional support they needed for their mental health. For example, two participants described successfully completing buprenorphine-mediated detox from fentanyl only to then be transferred to an inpatient program that denied both individuals the anxiety medications that they needed.¹ As a result, both interviewees described returning to fentanyl use as their only choice to prevent withdrawal.

A few other participants felt Subutex worked well for them, but that life circumstances made it difficult to stay on the medication, such as this participant explained:

"I got out of jail and then I didn't want to get back on dope again. So I was on the streets for a week, and then I went to a clinic down there and they put me on Subutex and then I had been doing well on it—then I come here [Washington State]. And they wouldn't send me with any, so I went a week with no (fentanyl) pills, yeah. So I went and got back on [fentanyl] pills for a week. I had no choice. Then as soon as I got back to the clinic, I quit doing the pills, but now, I just have shit going on..." [participant returned to fentanyl use].

He explained why Subutex worked better for him than Suboxone:

¹ Benzodiazepines are an often-used class of anti-anxiety medications. They are sedating and, if combined with opioids, can increase risk of overdose. Federal guidance cautions against withholding buprenorphine for those using benzodiazepines. (FDA, 2017).

“Subutex, you don’t—You can wait, and when you—say, if I started getting sick right now, I could take a Subutex, and it would not send me into precipitated withdrawal. So Subutex is the miracle drug, I feel.”²

Long-acting naltrexone

There were only a few participants who had tried naltrexone, and some did report neutral or positive experiences with it to address their opioid use.

“It felt like it took my urge away to smoke, but it didn’t get me high.”

“Vivitrol would be something that I’ll be interested in the future after I’m over the hump.”

However, access to and the expense of naltrexone made it a problematic treatment option for some interviewees:

“Vivitrol worked for a little while. But when I left the treatment facility...They just gave me a prescription. And it cost like \$400 to pay for it, and so I couldn’t pay for it. And so I went back to using.”

MOTIVATIONS FOR USING FENTANYL: BENEFITS AND DRAWBACKS

Motivations for fentanyl use: “Can you talk a little about why you use fentanyl?”

Participants were asked to discuss why they used fentanyl: “Talk a little about why you use fentanyl. What is good and bad about using fentanyl? What are the benefits? Is there anything that is not good about fentanyl?”

Interviewees described many reasons for why they use fentanyl, which were often overlapping and inter-related. Importantly, the reasons reflected a complex interplay of themes related to physical pain management, mental health and trauma, and housing and economic insecurity. Finally, participants talked about the role both drug supply changes and overdose risk play in their current fentanyl use and efforts to take care of themselves.

Pain management

Physical pain reduction emerged as a major reason respondents reported using fentanyl, with 70% of respondents mentioning pain management. Many respondents described having **significant and chronic pain issues** (e.g., osteoarthritis, diabetes-related pain, traumatic injuries from car crashes or work-related

² Research suggests that some people absorb sufficient naloxone from the combination buprenorphine-naloxone product to cause withdrawal symptoms. (Grande, 2022; Strickland et al., 2018).

accidents) and explained the central benefit of their fentanyl use was its ability to control their severe chronic pain.

"If it wasn't for the pain, I wouldn't be doing fentanyl at all."

"It's not just because withdrawal I'm dealing with. I'm dealing with these pain issues that I have to do or else I can't even get out of my car and go pick up the kids, or go play with the grandkids, or whatever. I just can't do these things if I'm in pain. And fentanyl definitely takes care of the pain."

Some participants said they used fentanyl after a health care provider terminated a prior opioid prescription or to manage pain that was not otherwise addressed through a health care provider. Despite its role in reducing or managing pain, however, many respondents expressed negative aspects of fentanyl such as drowsiness and other issues with drug use.

"It's just to get rid of the chest pain. I don't like how it makes you nod out. It makes you sleepy and drowsy. I like the part where it makes my chest pain go away so I can do what I need to do."

"Between some of the positives and negatives that we've discussed, it's hard to really think of a way to—it seems like a problem that's intractable in a lot of ways with the pain and suffering on one hand, and on the other hand, all the problems that come with the drug use."

Some participants identified the way that their efforts to decrease their fentanyl use, manage their pain, and avoid withdrawal interacted with the challenges of their immediate life circumstances. One participant struggled with what she described as extreme pain from cellulitis in her feet and the difficulty she has had in getting supportive medical care for this condition. Another participant noted how fentanyl use created stress on a day-to-day basis.

"I don't care either way other than the fact that I would prefer if I could actually get some pain relief from the doctor without any shit."

"You don't get to really relax when you're a fentanyl user. It's on the go, non-stop. Especially when you're homeless and you're trying to get money, it's just non-stop."

Mental health and trauma

Managing mental health and mood symptoms, negative self-image, previous **trauma**, and difficult life circumstances were reported as motivation for fentanyl use by many participants. Fentanyl was described as

a strategy to create a feeling of **numbness**, or calming, as a way to either block out previous trauma or cope with difficult circumstances.

"I seek it out to numb myself, basically. Because I'm 28 years old, but I've been through more shit than a 56-year-old woman. And it's very complicated because there is certain shit that I'm blocking out that I'm not ready to deal with yet. But if I keep letting it destroy my life like this, I'm going to die within the next week, really. I don't want that to happen, so I called to get into treatment today, so."

"Well, it's just that it just numbs my body, my mind and my body. It makes me feel really, really good. It just shuts you off from the rest of the world."

Specific mention of using fentanyl to help with day-to-day coping with **mental health challenges**, beyond "numbing out" past trauma or difficult circumstances, was also common. For example, participants talked about using fentanyl to decrease **anxiety**, address **depression**, help with **sleep**, and ease mental and physical pain of difficult life circumstances like housing insecurity and poverty.

"One of the positives for me is I believe it makes me feel like I'm invincible like nobody could actually touch me. Nobody could actually make my self-esteem go down because I struggle with self-esteem a lot. And I always care what other people think. But as soon as I take the first hit, it's gone. And I'm able to go out and work without having to worry about whatever they think of me, so."

"I probably have some type of borderline PTSD to ADHD that is—I don't know—not diagnosed or nothing, but I use fentanyl for mental stability or kind of mental security to where I'm not just bouncing off the walls."

"Feel a lot better for yourself—for myself. I feel a lot better. I don't have no bad thoughts like suicidal or things like that. Just the reason is that it gets me in a good mood to just kick it and talk to people, be social for me."

"I can sleep. Because I do meth, so I can sleep. I don't usually sleep before I smoked those blues. I didn't even sleep that much. It would be like every three days I would sleep. But now, I sleep just about every night."

Participants also described the way their life included past and present trauma. In this way, challenges with homelessness, chronic pain, and mental health combined to produce experiences of both physical and emotional trauma. Traumatic life experiences ranged from significant medical events (e.g., back injuries, nerve damage, debilitating osteoarthritis pain, coronary heart disease, seizures, work-related accidents) to

emotional and mental health challenges (e.g., loss of connection from family and children, isolation, loss of loved ones to overdose, feelings of alienation and anxiety).

"It's self-medicating. It's a preferred medication to have for self-medicating myself for the trauma that I've had or whatever else that I'm trying to get rid of."

For example, one participant described using fentanyl to cope with his current situation, saying it helped him be "released from his pain" and made living in his car not feel as punishing. At the time of the interview, he was engaged in methadone treatment and described how desperately he wanted support from his family that he was certain he would not get:

"What we do is, okay, say we're allowed back into the family, but it's scary because they're expecting—I'm even expecting to fail [treatment]. So, it's not going to last, and so we have this mentality it's just not going to last. They're going to change. Well, especially my family. They're not going to do any research, any finding out anything...They will never do it. They're so hardheaded and prideful, and that's scary because I'm so alone. I'm so fucking alone. I hate it."

Causing and coping with homelessness

As with pain control and fentanyl use, connections between **housing** and fentanyl use were complex, as some participants mentioned that fentanyl was the *cause* of their housing insecurity and others talked about fentanyl being a coping strategy in *response to* living on the street.

"My homelessness is definitely due to fentanyl use. I don't work or do anything with myself at all. So pretty much just everything...I couldn't think about going to work because what if I don't have all the dope I needed and I'm not trying to be sick at work."

"I spend more money on fentanyl than I do on getting a car or an apartment."

"The last two years, I've been homeless out here, pretty much because of fentanyl."

"Who'd be fucking sober and live out here?"

Homelessness had a variety of causes, ranging from traumatic events that produced homelessness (e.g., an accident, divorce) to more systemic issues related to challenges accessing basic necessities and services while being unhoused. For example, one participant expressed confusion about how to access services and potential employment without proper identification. Another participant who needed access to stable housing described difficulty applying for social supports that they knew they qualified for, like disability benefits.

Participants also explained that the combination of being homeless and needing fentanyl daily (some reported using more than ten times daily) to avoid withdrawal occupied a large amount of their time. They likened their fentanyl use to a fulltime occupation, leaving little time for other pursuits.

"It's just really just trying to live day to day, have a place to sleep, have clothes to wear, a change of clothes, hygiene products, and those kind of things. It's difficult enough while living on the street and having a fentanyl habit or using fentanyl to the extent that it's used by myself or a lot of people out here."

Withdrawal avoidance

Interviewees indicated the need to avoid withdrawal symptoms was another important reason they used fentanyl; more than a third of respondents said that was the main reason they continued to use fentanyl. People spoke about the higher strength of fentanyl compared to heroin and identified the intensity of withdrawal as a hurdle in their own efforts to stop or reduce their fentanyl use.

"Honestly, I use it because I don't want—so I'm not having the sickness every day. You have to or you're going to feel like shit. So that's pretty much why I use it and have used it for God knows how long. Yeah, pretty much. The fear of sickness is just—it's not fun. It's not something anybody wants to go through."

"...the second reason would just be the dependency or addiction. So, coupled together, it doesn't seem completely realistic to stop using without some sort of replacement, alternative."

"I remember I used to do heroin, and I could do a shot and last half the day. And now I do a shot of fentanyl. Within an hour, I'm ready to do another one. It's just ridiculous."

Some of the responses described a blend of enjoying the feeling they get from fentanyl that was intertwined with withdrawal avoidance:

"For the most part, I mean, I like to do it. But at the same time, I don't want to be sick. I do not—once you start feeling sick, it just does not—and just the most terrible feeling in the world. So you make sure pretty much that you don't go without."

Drawbacks of fentanyl use

Some respondents were unenthusiastic about using fentanyl and mentioned how its **availability** and **convenience** kept them deadlocked in their use.

"Up here in [city] especially, it's cheap."

"I don't know. I mean, I've said, 100 times, I've said I wish this shit [fentanyl] would just go away and heroin, I mean, I never thought I'd ever say that because heroin was just a monkey on my back. But this stuff is so bad, so far gone. So I wish it would—if we could turn back time, yeah, I wish this stuff [fentanyl] would just never have came."

Other negative aspects of fentanyl use included its risk of overdose and negative effects on family and relationships.

Overdose risk

The risk of dying from fentanyl overdose was seen as a strong drawback of fentanyl and was mentioned by several respondents.

"It's killing way too many people, good people who don't deserve to die. And it makes you a prisoner to the drug. And when you try to go without it, it feels like you're dying. And you can't move, you can't get out of bed, it hurts to breathe. It's crazy. And I think that other narcotics were addictive. This is 25 times worse."

"But the high isn't even the same. It's not as euphoric, I guess you could say. Heroin, actually you felt. But this stuff is just—and plus, if you do too much, then you're going to overdose. And the line is really, really small there. With heroin, it wasn't that. You could get away with a lot more than with fentanyl. With fentanyl, there's a very tight—if you do a little bit too much, you're going to overdose. And if you don't have somebody there with you, then sayonara."

Many people discussed that fentanyl's strength was unpredictable. This increased the risk for overdose, which conversely meant that sometimes the substance was too weak to have the desired effect.

"Because the problem is because the pills can vary in strength, whether the mixture, whether it's cut because on purpose or just on accident by how it's stirred together, and people with low tolerances aren't used to it. So when they have it, and they're used to having some pills that are strong and some that are weak, they're going to overdose because they're not use to it being—if it was a set level like where you're getting it from a dispensary where it was professionally done in a set level, and we would know what we were getting, then those people wouldn't have that problem."

Negative impact on other priorities

Many interviewees talked about fentanyl's negative impact on other priorities in their life such as relationships, employment, or housing. Fentanyl also changed how family perceived them.

"Instead of being with my family and doing this and that, doing all these things, I want to have the fentanyl to be okay to go do those things with my family and have them there, which may be a lie that I'm telling myself that I need it to go do those things with my family, but I want that fentanyl first. That's what I want to do and have before I go do anything. It's

more important than food and almost water. That's on how high of a scale it is in my priority list. And I want it, have it, or need to have it, or want to have it."

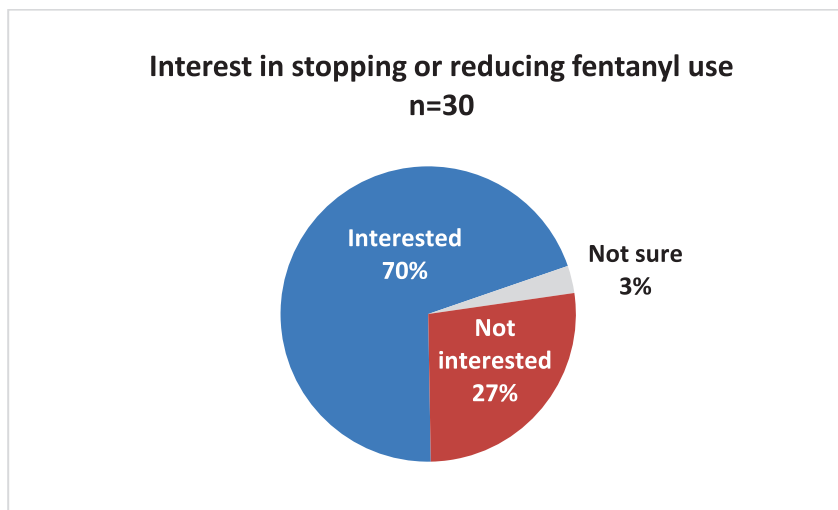
"My family definitely looks at me different because of it. I don't know, they get all scared 'n shit and (excuse my language) but they're all scared of me doing it. But it's like it's—I never expected my life to be like this."

"It's part of who I am. So, fentanyl is a big part of who I am. I was just using it actually before you walked up, had I not been using it, I probably would be a different person I'd probably be more focused on the problems that are out here. And not even talking about this...It's part of who I am so that said, I don't know who I would be if I wasn't on it."

INTEREST IN REDUCING OR STOPPING FENTANYL USE

Respondents were asked "How interested are you in reducing or stopping your fentanyl use?" with a follow up question "Are you interested in reducing or are you interested in stopping?" A majority (70%) of participants indicated an interest in stopping or reducing their use (Figure 1), and many indicated a specific timeframe for that change with reference to wanting their previous life back.

Figure 1: Interest in stopping or reducing fentanyl use



Many of the reasons for reducing or stopping fentanyl use reflected the downsides mentioned in the previous section. Participants often mentioned feeling "stuck" or exhausted from the spiral of chaotic use or wanting to achieve short- and long-term goals:

"I've just been doing this too long, and I don't want to waste the rest of my life."

"I'm tired of it, tired of the lifestyle."

"It's just stopping me from doing the things I need to do to get my life back together."

"I'm not sure because I'm stuck on the street, so I can't get out of here, and I'm not going to be sober being here... I do want to stop—I want a normal life, but I can't get it. I can't get it back again. I want to be going to work, going home, going to work, going home, going to the grocery store. I miss it."

Factors that influence readiness for change

Many expressed that they are ready to return to a non-fentanyl focused life but often don't see a clear path to get there. Interviewees described the very real tension between their desire to reduce or stop their fentanyl use and the many factors that influence their readiness to actually do so.

"It used to be we talked about it [quitting fentanyl] as if it was an eventuality. But now more and more, when we talk about it, it's almost like, "Are you ready yet?" You know what I mean?"

"I mean, everybody's going to be a little different when they're ready to stop. It's just not fun anymore. [laughter] So that's kind of where I'm at with it. And I got forced into it, and it's just not appealing. It's not as appealing—it's not as appealing as it used to be."

"I'm not giving myself a timeframe to stop, either because I want to make sure I do this successfully, my way. And I know there ain't no guarantee it'll work I know it's my best shot. And I don't want to get another drug and be addicted to that drug. I don't want to trade one drug for another. I would like to get back on my pain meds and have it supervised by a doctor the way that it was. And get off this shit once and for all."

An important factor that impacted readiness was the social context of use. Some participants described the challenge and the potential isolation of stopping fentanyl use when important **social relationships** also involved substance use.

"I feel ready, but I feel like it's something that I have to do with my partner if I seriously want to keep the relationship."

"Well, I think, a lot of it, I am waiting for my boyfriend to get on board with me. He says he's ready. But when it comes down to it—some days, we are broke or something, I'm going to be like, "Let's go right now," then he'll be able to think of an excuse of why we shouldn't go...And that's a big part about what's holding me back—I want him to come with me. I don't want to have to leave him behind. So I stay by his side doing it because he's really

about it. ...I get that feeling in my heart where I'm like, "The right thing to do is stop." But soon as I get back around him, that's not even a thought in my head anymore to stop. So, I mean, he has a large part in my decision."

"I've thought about it. I've tried a couple times, but it's just—so hard. A lot of people I hang out with are users. Just, I don't know. It's just kind of the lifestyle of the group that I hang out with. A lot of people I hang out with are very addicted too—I don't know. It would be hard, I think, especially living here, I think."

Barriers to reducing or stopping fentanyl use

Participants identified many barriers to reducing or stopping fentanyl use. These included difficulties accessing supportive medical care to transition from fentanyl to MOUD or manage pain, finding and paying for inpatient or outpatient treatment, or simply needing better life circumstances (e.g., housing, employment, a supportive community).

"To be ready to stop, I would almost be ready to stop if I had a couple of things geared up, like having someone to deal with the pain and to figure out where that is. And that's why I'm looking into getting into a treatment center that's going to be six months up to two years... Because I've done a couple that have been a month, but I want to do something longer. So, I'm looking into something that's going to be a lot longer than that. And I'm hoping they can deal with pain issues, too."

The tension between motivation to change and finding the right supports for successful change illustrates the complexity participants face in trying to stop or reduce their fentanyl use.

Not interested in stopping or reducing fentanyl

Many participants did not want to reduce or stop their fentanyl use because they did not perceive their use to be problematic. For others, the benefits of fentanyl (e.g., pain relief, coping tool) outweighed the drawbacks and the challenges in accessing care, reflecting a deep ambivalence in how some felt about their fentanyl use or ability to stop using.

"Using is no big problem for me. As I said, just here and there use. You know what I'm saying? For myself, and I always kept it like that."

"I don't feel I'm in a situation where it's got that kind of level or anywhere near that kind of power. I like weed way more. It's more of an enjoyment type of thing. It's recreational as far as that like I said I'm not out here in the middle of the night just waiting for one..."

"When I stop being homeless, I'd probably stop using so much drugs, you know. I mean it goes hand in hand just with the environment and stuff, and it helps me where I'm at. So I mean, it might go on for another six months, a year or something. But once I get the idea of what I'm supposed to do to get housing, and then go do it. And then, I'll just quit then. And then, I might need a little bit of help. But I know how to go through detox and do all that..."

"It's kind of hard because I don't want to stop, but in my mind, I know the right thing to do would be to stop. And, my kids, I have two babies. They miss me. So, it's like I want to stop for them, but I guess not enough to actually stop. So no, not really. I don't want to stop."

In addition, a few participants who were not interested in stopping or reducing their use described their strategies for managing their fentanyl use.

"I've tried to be careful about not continuing to increase my usage, so finding a usage level that's kind of sustainable and low."

PREFERRED SERVICES AND "IDEAL" CARE

Services: "What services would you want if they were easy to get?"

Participants were asked "What services would you want if they were easy to get?" and read a list of potential services (see Appendix 1). Respondents described diverse medical, health, and substance use needs and each person had a unique mix of services they felt would help them. The services that received interest from the most participants including services that helped meet basic needs such as housing, cash assistance, and phones. Other services of interest were contingency management, peer support, and harm reduction services and materials such as fentanyl test strips, access to regulated opioids (i.e., "safe supply"), "kick kits" (i.e., medications to manage detox at home), and community drug checking. Eighteen people (60%) were interested in medications for opioid use disorder.

People had the least interest or highest level of ambivalence in substance use disorder counseling and inpatient or outpatient substance use disorder treatment. People also had lower levels of interest in vaccinations and wound care, though the second may be related to the individual respondent's current lack of wounds.

Interest in contingency management

There was a high level of interest in contingency management for fentanyl use, described as "rewards for cutting back or stopping fentanyl use." In other areas of the interview, people highlighted that it would be helpful to be paid to stop using fentanyl.

"Oh, hell, yeah. That would be awesome. That would really help."

"It'd probably work for me because, as long as there's something better on the other side, I'd probably do it."

“Ideal” care

Interview participants were asked to “Describe the ideal place where you’d go to get help with your health and/or substance use.” Follow up questions explored what an ideal facility or care approach might look like, including its values, rules, resources, and general atmosphere or “vibe.” Recurring themes throughout this section of the interview were the importance of accessible and holistic care and the contrast with what care models were currently available.

Atmosphere and values

Many participants mentioned the ideal place for care would have a laidback and **welcoming** environment, offer respect and encouragement, and provide a sense of shared purpose. The space should be accessible, comfortable, and “home-like,” in contrast to sterile or medical settings.

“Just somewhere that’s welcoming, somewhere that feels not like a state building or like—somewhere just stay laidback, be yourself.”

“The ambience that would make you feel comfortable. Even something as simple as offering even some snacks and something and having like a TV where you could watch something on TV as you’re waiting to be served and like that. Anything like that to make a person feel free to be there because that’s really what you want is to have people feel free to be who they are at that moment.”

“That’s not like a facility but not an institution or something, but I don’t know. I would just think a place, should be like a house. You know what I’m saying? So you feel like—you feel like you’re at home.”

A few people spoke about the potential benefits of receiving care in a home setting or with their family.

“It’s just comfortable, and the people that I love and care about me, and they want to help me, and it’s just a good environment, and I could ask them to help me detox if I wanted to. Keep me in the house for ten days if I had to. Yeah. Make sure all my needs are met. That’s what I’m going to do, hopefully, eventually.”

Participants did not want a place with overly punitive or controlling policies. Many described previous negative experiences with controlling, judgmental, or restrictive treatment environments in the past.

“I quit going to all my doctors. Because I don’t want it on my record, because once it’s on my record, they look down on you and they hold that against you, for everything. I don’t like that. We all make bad choices in life. It’s part of growing up, it’s part of learning. It shouldn’t be held over our head for the rest of our lives.”

Ideal spaces allowed for **privacy** and a degree of **autonomy** that contribute to making the space and the approach feel less controlling. Being able to stay in the program, even with a recurrence of use, was also

seen as essential. The atmosphere and rules for the place were often discussed in contrast to previous negative experiences, especially rules that limited continued care.

"To make it where there's an actual way out and not that you're in this permanent, 'I have to live with somebody else in my room.' Under all these strict rules where everything falls apart. You mess up once, and you're just screwed. Even though you're in the treatment and relapsing is supposed to be part of the process, but you're just screwed."

"I mean, relaxed, not so pushy, more towards just trying to help, I guess. Because some of these places, you go in there, and they're trying to push you. Nobody's going to do it unless they really wanted to, so there's no need to be so pushy."

Services and supports

People described wanting holistic care to address and treat complex **medical** and **mental health** concerns, access to medications for opioid use disorder, and care navigation support. Participants emphasized that a successful approach would need to be able to help people meet their **basic needs** for things like housing, transportation, socks, food, toilets, and clean drinking water.

"Definitely housing. Housing is a big one because, again, if you don't change where you're at, nothing's going to change."

"I like the idea—how this year they came out with the information kits and the smokers' kits and stuff like that, and also, the tents. That's brought in a lot more people than they realize, just by saying, 'Hey. You guys cold? You need a blanket?' They might actually know, if they trust me enough to give me a blanket, then I can probably ask them, whether it be a plan B or drug related or just general support."

Accessibility was described as essential for the ideal place for care. Convenient locations, assistance with transportation, and affordability of treatment were mentioned as fundamental components of ideal treatment conditions. On-demand care was also seen as very important. Delays in access to care often meant that people would have difficulty starting a program.

"When they do get sick and say they're sick, take pity on them. Don't say come back tomorrow. That's a million miles away. Okay? Do something. Help them get well and tell them that's it."

Some spoke about the importance of having "something to **work** for," a sense of purpose, or simply having activities to stay busy or provide enjoyment. Offering a range of activities that can help participants build their confidence and engage their interests was suggested by several participants. The possibility of offering on-site work, or community chores, for participants was mentioned often, to build participant accountability and self-efficacy.

"Just a way to give back to the same type of place that was offering you support. So I would imagine it would also have growing food at a place like this so you could contribute to the garden or growing food or offer services or time to that.."

The other **activities** people discussed were varied and included: yoga, mindfulness, basketball, rock climbing, fishing, trips, gardens, and free puppies.

"In terms of mindfulness, yoga, acupuncture, aromatherapy, relaxation rooms, just a place where you can calm your mind and relax and kind of be at peace. I think a lot of times, a lot of people, myself included, cannot be comfortable in the world or in our bodies or experiencing life, so just a place, a reason to be more comfortable with that, with less drug use or dependence on substances, to have that comfort, I guess."

"Activities and sports and stuff you used to do before you started using drugs that you could get back into and remember why you did them in the first place before you got caught up in drugs."

A few participants discussed **safe supply** and overdose prevention sites as important resources to have available.

"In my mind, it would be safe drugs to use and a safe place to use drugs. Also, a safe place to get alternative treatments, and also a safe place to not use drugs, and a good place to detox."

Participants also described wanting practical assistance with the bridge to a **stable life after getting care** related to their fentanyl use. Even after formal treatment ends, interviewees mentioned connections to positive and supportive social networks and help accessing support services as important elements for creating lasting health improvement.

"One other thing I really liked was that our counselors talked to us about programs that now have funding and stuff that we could get into. So just keeping it focused around how to get ourselves in different networks so that we're creating new pathways. That kind of information is really useful. But also I wish they had more talk about our individual plans and what kinds of resources there are even out there now."

"Helping you to understand, just making us aware of some of these options that we have for help where you can go out. So, once we get out of the facility, where do we get the things that they're helping us with inside. So the ability to go to get stuff we're getting inside, outside."

Staffing

There was clear agreement among participants that having competent, nonjudgmental, and compassionate staff was a crucial component of an ideal care environment.

"When people are nice and understanding and they'll never make you feel like—belittle you like they're better than you or something, more people that just understood and really cared and wanted to help you."

When asked about who would work in an ideal setting, people identified these types of staff as key: people with lived experience, medical staff, and social workers or case managers.

"A psychologist, a doctor, the staff members, secretary, and the clinical workers, social workers, providers."

"I think you'd have to start with having caseworkers that would be able to bridge the gap between me and whatever services are available. I have no idea what they are. I don't know how to apply for them. My ADD, it's just so bad that from one day to the next, I can't continue with that. So if I don't have somebody like that to help me stay focused on it and figure out what I'm doing, then nothing gets done."

Having staff with lived experience of substance use was the most frequent attribute that people referenced. Many people mentioned this as important or that it had been beneficial in previous treatment experiences. Lived experience was often linked to more understanding of substance use and in contrast to providers or other treatment staff who were viewed as judgmental.

"Once I was at—one of the very first times I started methadone, my counselor, she hadn't been through nothing. And I didn't want a counselor like that, so I switched."

"To have somebody who has already been through it, to show us that there is light at the end of that dark tunnel."

"Understanding that that person could be your brother, your sister, or your mom, things like that. So yeah, that kind of understanding. Just because you haven't talked to your mom doesn't mean she's doing great or your sister or your brother is not doing great. Understanding of that."

"People that have had experience with this themselves, personally, or have had family. I don't know. Firsthand experience, or secondhand experience. It's easier to empathize and understand somebody you can relate to personally. Or I don't know. I mean, people who

actually care about the people that they're interacting with rather than the substances that they're using."

Interest in medications

Many interview respondents were interested in methadone or buprenorphine as part of their ideal care for opioid use disorder. Of people interested in a medication, the largest number expressed interest in methadone, especially if it was normalized or more accessible.

"I've heard that it's effective [methadone]. You only have to take it once a day or twice a day, and it will last all day. I'm just interested in not being in pain, and that's it, so ... I'd like to get it at the pharmacy. Get a 30-day supply ... Just to have it treated like something else, like some weird thing that you have to go into some specialized place to get every day is weird to me. It doesn't make sense ... As a medication like any other medication, yeah. Have a doctor be able to prescribe it like any other medication, but they can't."

"If they had a methadone clinic closer to my home, I wouldn't have to drive an hour and a half, two hours every day to get to it ... Or if they gave out a week doses at a time that'd be cool."

Many others expressed interested in buprenorphine; one person was interested in naltrexone. Even so, some interviewees expressed concerns about withdrawal from buprenorphine and methadone, which led to a common perception that it was better to stop fentanyl without the use of medications. People were interested in learning more about the medications, and some expressed not being knowledgeable enough to be able to pick a specific medication.

Most who were interested in medications wanted to use the medications and discontinue their use of fentanyl over time. Some said there would likely be a transition period where they continued to use fentanyl while using buprenorphine or methadone.

"Because the key is to not have to use anything else out there. And eventually, maybe not even need to use some of the things that are here, the suboxone and stuff. But that's one step at a time."

Discussion

Fentanyl has exacerbated an already deadly and debilitating overdose epidemic due to its potency and variability. The people we spoke with did not want to die, were taking steps to stay alive and healthy, and most were interested in reducing or stopping their fentanyl use.

Most people reported that they **smoked** fentanyl, while a few combined smoking with injection of fentanyl. This represents a shift from how people had previously used heroin, which was primarily injected. Several people spoke about smoking as preferable to injection and that fentanyl's strength allowed people to switch from injection to smoking. Many people viewed smoking as an overdose risk reduction strategy; they

believed that smoking allowed them to use in smaller, more controlled amounts and manage the variability of fentanyl's strength. While smoking is increasingly preferred and can reduce the risk of injection-related infections, it still carries considerable overdose risk, as shown by recent data from British Columbia where smoking was involved in 56% of illicit drug toxicity deaths in 2021 (BC Coroners Service, 2022).

The prevalence of smoking as the preferred route of administration, as documented in this study, is consistent with other research that shows a shift to smoking versus injecting fentanyl in Western coastal states (Kral et al., 2021; LaForge et al., 2022). Due to this shift, programs to support people who use fentanyl should offer, or continue to offer, safer smoking supplies. In addition, further research should evaluate the efficacy of smoking as an overdose risk reduction strategy and provide related education.

The arrival of fentanyl into the unregulated **drug market** has increased overdose risk and the severity of withdrawal for people who use fentanyl. Access to many support services and effective treatment remains difficult. **Participants reported that continuing to use fentanyl was easier and more accessible than treatment**; barriers to entry are high and options are limited. Education and support for people who use fentanyl should be expanded so people are aware of and able to navigate the available options.

Participants often described the reasons for their fentanyl use in one or more of the following ways: to address physical pain, as a strategy to mitigate withdrawal caused by opioid dependence, and/or as a coping strategy to tolerate difficult life circumstances. People often had multiple motivators for fentanyl use, suggesting that people may need a range of supports and services to address these motivators.

A key **drawback of fentanyl** was the risk of overdose and dying. Unlike in a [previous series of interviews](#) before fentanyl dominated the drug supply, fear and concern about dying from overdose was a recurrent theme. The variable presence and strength of fentanyl contributed to this concern. Most respondents were aware of the variability in strength of fentanyl pills and were taking precautions to prevent fatal overdose. This was cited as a motivation for reducing fentanyl use. For many people, fentanyl use became a priority over other essential activities in life, such as finding housing, employment, and family relationships.

Most respondents had **previous experience with substance use disorder treatment**, and previous treatment attempts were often discussed in negative terms. Participants pointed to restrictive rules and program design that resulted in a discontinuation of care and/or MOUD. Barriers to care included: the challenge of accessing SUD evaluations; finding placement in health care or SUD treatment; program rules that discontinue care (especially in methadone and housing programs); and stigma and punitive controls (e.g., not feeling welcome, rules, or being denied medical care). In addition, participants identified location, insurance, available services, and program hours as barriers to accessing care and services.

Chronic pain, homelessness, and co-occurring mental health conditions intermingle to make low barrier social services, health care, and harm reduction-based treatment access even more important. The severity and complexity of need also make it harder for current programs and facilities to serve vulnerable people like these interviewees whose multiple health and life conditions make many of them ineligible for care currently offered across the state.

Most people (70%) were interested in **reducing or stopping their fentanyl use**. This is similar to previous surveys our team conducted with SSP participants; [in 2019 82% of people whose main drug was heroin were](#)

[interested in reducing or stopping their use](#) (. While fentanyl and heroin are not the same, peoples' motivations for using them or their desire to stop using them are not radically different. If scaled, appropriate and accessible care for people who use fentanyl could have a big impact on improving health and reducing overdose deaths.

The “**ideal care**” that participants described was rich, varied, and individualized. Participants did identify the importance of offering holistic care to include addressing basic needs such as housing and medical care, in addition to substance use disorder supports and mental health. Ideal care, as described by participants, was also accessible in location, hours, and cost. It was also described in contrast to previous care attempts that were difficult to access and where people experienced judgment. The insights of these interviews suggest that care (including health care, substance use services, mental health, etc.) should be available for people when they feel ready to engage in services, rather than when they are ready to stop or decrease their fentanyl use. Rather than only considering abstinence treatment for substance use disorder, we should consider ongoing care for people who use fentanyl and create or expand programs to address these needs in a flexible, accessible setting.

Recommendations

- **Treat fentanyl as a serious public health crisis.** Services and supports to reduce overdose risk and support people who use fentanyl should be expanded immediately to save lives.
- **Ask people who use fentanyl what services and supports would help them.** People who use fentanyl are experts on their lives and can provide key insights into barriers and facilitators for improving their health and expanding life opportunities.
- **Build and support accessible programs that focus on health.** Programs should have accessible locations and hours and be flexible to meet participants' diverse needs. These needs include physical and mental health, and for many people, serious chronic pain. Programs should include harm reduction approaches, services like safer smoking and overdose prevention supplies, and staffing facilities with nonjudgmental staff who understand the challenges of substance use.
- **Meet people's basic needs.** Social determinants of health are drivers and exacerbators of fentanyl use. Programs should address people's basic needs without making it contingent upon their level of interest in stopping their substance use.
- **Provide safer smoking supplies to engage people who use fentanyl.** Most of the people we spoke with smoked fentanyl, and perceived benefits to smoking over injecting. Distribution of safer smoking supplies is a key way to engage people who use fentanyl.
- **Increase accurate information and education about methadone and buprenorphine.** People are interested in these life-saving medications but misconceptions about their efficacy keep people from starting or staying on them.
- **Consider safe supply.** Fentanyl is particularly deadly due to its potency and its variability. The people we spoke with wanted to stay alive, took steps to reduce their risk of overdose, and did not like that fentanyl was highly variable. Providing a source for regulated, quality-consistent opioids (other than MOUD) may be able to help decrease overdose deaths and provide some stability for people who use fentanyl.

Conclusions

Fentanyl use exacerbates and complicates the gap between what people want and need and what is available to **support their health**. For many interview participants, continued fentanyl use was described as a rational response to the combination of their social reality and their practical access to care. Current systems of care around housing, behavioral health, medical services, or first responder services, were not designed with the potency, risk of overdose, and robust withdrawal symptoms of a substance like fentanyl. Right now, **medical treatment for pain and support to address opioid dependence are more difficult to access than unregulated fentanyl**.

Limitations

This study and its findings are subject to a few key limitations. This was a convenience sample that is not representative of all people who use unregulated fentanyl in Washington State. The majority of survey respondents were either unhoused or unstably housed, and their responses may not reflect other groups of people using fentanyl. Most respondents were men, and the results of this may not reflect which services may be needed and desired by women or people of other genders who use fentanyl. Another limitation is that the study was conducted in Washington State, and there may be substantial differences in the drug supply in other parts of the country, such as the timing of the introduction of fentanyl and its form.

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Appendix 1

SERVICES LIST: “WHAT SERVICES WOULD YOU BE INTERESTED IN IF THEY WERE EASY TO GET?”

	Interested	Not interested	Not sure	No response
Housing	27	1	0	1
Rewards for reducing or stopping/Contingency Management	25	1	2	1
Cash assistance	24	2	1	2
Employment support	22	5	1	1
Phones	22	4	1	2
Peer support (someone with lived substance use experience)	22	4	1	2
“Kick kits” (take home detox management)	22	2	1	4
Fentanyl test strips	21	4	1	3
Safe supply	21	4	1	3
Naloxone	21	3	2	3
Drug checking (mass spectrometer)	20	6	1	2
Someone to help navigate services	20	5	0	4
Detox	20	5	1	3
Primary health care	20	5	0	4
Safe injection site/overdose prevention site	20	4	2	3
One-on-one mental health counseling	18	6	2	3
Medications to reduce opioid use (MOUD)	18	5	3	3
Help with legal issues	17	10	0	2
Help with a specific health issue	17	8	1	3
Testing for HIV/STIs/hepatitis C	16	6	4	3
Outpatient SUD treatment	14	8	2	5
Mental health medications	14	7	4	4
Wound care	13	10	3	3
Inpatient SUD treatment	12	9	5	3
Vaccinations	10	10	5	4
One-on-one harm reduction counseling*	9	13	2	5
One-on-one substance use disorder counseling	9	11	6	3

*Most participants were not familiar with the term “harm reduction counseling.”

EXHIBIT 12

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[WAMU 88.5](#)
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[PLAYLIST](#)



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HEALTH

Critics wary as China promises tighter fentanyl controls

UPDATED AUGUST 30, 2024 · 10:21 AM ET

HEARD ON MORNING EDITION



Brian Mann

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President Biden and Chinese President Xi Jinping walk together after a meeting in California last November. White House officials say that meeting has led to better cooperation on fentanyl interdiction, but some experts are skeptical.

Brendan Smialowski/AFP via Getty Images

Officials in China say new regulations will go into effect on Sept. 1 that tighten controls on the so-called "precursor" chemicals used to make street fentanyl. The powerful opioid is killing tens of thousands of people in the U.S. every year.

According to experts, chemical plants in China have emerged as major suppliers for Mexican drug cartels and other criminal gangs producing synthetic drugs, including fentanyl and methamphetamines.

The Biden administration described China's new rules - increasing government oversight on seven chemicals, including three compounds used to make illicit fentanyl - as a "valuable step forward" in the fight to curb U.S. overdose deaths.

Sponsor Message

"We're going to look for further progress on counter-narcotics and the flow of illicit synthetic drugs into the United States," said White House National Security Advisor Jake Sullivan on Thursday, during a press conference in Beijing.

In a statement earlier this month, the White House described China's latest regulations as part of a trend toward improved cooperation on narcotics that began last November when President Joe Biden met with Chinese President Xi Jinping.

"This marks the third significant [regulatory] action by the PRC since President Biden met with President Xi and resumed bilateral counter-narcotics cooperation," said National Security Council spokesman Sean Savett.

Before the resumption of counter-narcotics talks in 2023, China suspended all drug-related cooperation with the U.S. because of diplomatic tensions over Taiwan and human rights issues.

White House drug czar Dr. Rahul Gupta also praised China's decision to re-engage on drug trafficking, noting in an August 6 statement that "dozens of deadly substances have now been [regulated] by the PRC."

But drug policy experts interviewed by NPR voiced skepticism about China's new fentanyl rules, questioning whether they will be backed with meaningful enforcement.

Tighter regulations on paper. What about enforcement?

John Coyne, an expert on criminal drug markets with the Australia Strategic Policy Institute, published an essay last week critical of China's new fentanyl precursor regulations, describing them as "little more than a public-relations stunt."

Sponsor Message

According to Coyne, a wide array of chemicals that can be used in illicit drug manufacture remain unregulated in China. He also said there's evidence Chinese officials are complicit in the fentanyl trade.

"There are links between some of these [chemical] companies and Chinese government officials and in fact they advertise those links on-line," Coyne told NPR. He's not alone in voicing doubts.

Last April, investigators for U.S. House subcommittee published evidence that Chinese government agencies actually subsidize the export of fentanyl precursors, accusations Chinese officials deny.

Speaking to NPR this week, a spokesman for the Republican majority staff that conducted the fentanyl investigation said it's troubling that Chinese subsidies of chemical firms exporting fentanyl-related chemicals remain in place.

They also said their investigators found no new evidence China plans to prosecute companies feeding the criminal fentanyl supply chain. Chinese officials didn't respond to an email requesting comment.

U.S. authorities say criminal organizations based in China have also emerged as major players in the money-laundering system that allows Mexican cartels to move drug profits around the world.

In June, the White House said it was a sign of progress that Chinese officials agreed to arrest one individual in China as part of a multi-national crackdown on fentanyl money-laundering.

Speaking on background because of the sensitivity of negotiations with China, a senior Biden Administration official told NPR these latest fentanyl chemical regulations are significant because they "give us a hook to push them to do more."

"We obviously think the PRC can do a lot more," the official said. "No single step is going to solve this problem, it's a huge problem."



A photo of Makayla Cox, who died of a fentanyl overdose at age 16, is displayed among other portraits on "The Faces of Fentanyl" wall, which displays photos of Americans who died from a fentanyl overdose, at the Drug Enforcement Administration (DEA) headquarters in Arlington, Virginia, on July 13, 2022. - America's opioid crisis has reached catastrophic proportions, with over 80,000 people dying of opioid overdoses in 2023.

AGNES BUN/AFP

Putting the toothpaste back in the tube

Even if Chinese officials move to enforce regulations aimed at curbing fentanyl production, many experts said pinching off the supply of precursor chemicals may be impossible.

"It's worth trying [but] I think the most likely outcome is there's not any sustained interference with the ability to produce fentanyl," said Jonathan Caulkins, an expert on the fentanyl crisis at Carnegie Mellon University.

According to Caulkins, fentanyl precursor chemicals are relatively easy to produce and widely available. He said controlling every compound that can produce a version of fentanyl is like "putting toothpaste back in the tube."

Greg Midgette, an expert on criminal drug markets at the University of Maryland, agrees. He said identifying and curbing the sources of fentanyl chemicals would be a daunting challenge even for China's powerful bureaucracy.

"Those things are very hard to trace," he said. "We'd probably see adaptation either within China or in some other state where precursors are not as well regulated."

Still, experts told NPR it makes sense for the U.S. to maintain pressure on criminal drug cartels, their supply chains, and countries like China and Mexico where they operate. Such measures can help reduce corruption and criminal activity and bring a measure of justice, they said.

Administration officials, meanwhile, said convincing China to resume narcotics cooperation and convincing Beijing to boost regulations are part of a wider fentanyl campaign.

Other pieces of that effort include the targeting and arrest of top Mexican drug cartel leaders. Some public health experts also believe expanding health and addiction programs have finally slowed fentanyl deaths.

EXHIBIT 13

No, China isn't really suppressing its production of fentanyl precursors

23 Aug 2024 | [John Coyne](https://www.aspistrategist.org.au/author/john-coyne/) and [Liam Auliciems](https://www.aspistrategist.org.au/author/liam-auliciems/)



China has announced new controls over the production of precursor chemicals used to make fentanyl, the deadly illicit drug that's killing thousands of Americans every year. But the new controls do nothing to dismantle the domestic policies that have led to China's fentanyl dominance, and they apply to only three precursor materials out of hundreds produced, promoted and exported by China over the past two decades.

On 7 August, *The Financial Times* reported (<https://www.ft.com/content/9e2bcaaf-6acc-4c64-b8c7-99cf58120f97>) the change in China's regulation of the three precursors: 4-AP, 1-boc-4-AP and Norfentanyl. But, as the newspaper noted, UN member states agreed to those restrictions back in 2022. For almost two decades China has been a major global source country for synthetic illicit drugs or their precursors. Almost all of the methamphetamine is manufactured using precursors from China.

The new controls—a result of a cooperative agreement reached by presidents Joe Biden and Xi Jinping in November 2023—may appear to signal a commitment to counter narcotics, but China's government has been subsidising the production of fentanyl through longstanding tax rebates.

Fentanyl, a synthetic opioid 50 to 100 times more potent than morphine, is a central driver of the US overdose crisis. In 2022, it was linked to around 71,000 of the more than 100,000 reported US drug overdose deaths. Even a 2 milligram dose can be fatal.

While fentanyl and other synthetic opioids are trafficked into the US by Mexican cartels, almost all the global supply originates from China. Fentanyl is also not an outlier. As reported in a [paper \(https://selectcommitteeontheccp.house.gov/media/reports/select-committee-investigates-ccps-role-fentanyl-crisis\)](https://selectcommitteeontheccp.house.gov/media/reports/select-committee-investigates-ccps-role-fentanyl-crisis) by the US congressional Select Committee on the Chinese Communist Party, Chinese companies are the major global supplier for methamphetamines, ketamine, tramadol, nitazenes and xylazines.

That market dominance is the result of the promotion and protection of illicit pharmaceutical industries by the CCP.

The Financial Times article, written by Demetri Sevastopulo, reported that China's new controls on three precursors signal improved cooperation with the US. On the Biden–Xi agreement, a Chinese Embassy spokesperson in Washington, Liu Pengyu, said, 'China has always attached great importance to international counter-narcotics cooperation and is willing to co-operate with countries worldwide including the United States. We hope that the US side can work with China in the same direction and continue our cooperation based on mutual respect, managing differences, and mutual benefits.'

The Financial Times and Liu Pengyu overlook two inconvenient facts.

First, the CCP has not only allowed fentanyl and precursor exports but promoted them. It's alleged that, in some cases, the manufacturing operations appear to have direct government links. In leaked documents, companies boasted that the CCP owned them and that their illicit products were tax-exempt.

China has a value-added tax (VAT) system that reduces or eliminates the tax on exported goods through a 'refund rate' mechanism, incentivising companies to manufacture and export certain products. It's a trade policy tool to regulate export prices and boost international competitiveness. As far back as 2018, the VAT system is alleged to have incentivised the export of at least 17 illegal narcotics that are Schedule I controlled substances and have no legitimate purpose, including 14 fentanyl analogues. Analogues are chemically similar to existing substances, designed to mimic or alter the effects of the original while varying slightly in structure to evade legal restrictions or to enhance specific properties.

The CCP provided unusually high VAT rebates of 13 percent for synthetic narcotics, compared with the standard rebates of 3 percent, 6 percent and 9 percent for most other commodities. The select committee's report of April 2024 on the US fentanyl epidemic reported that those subsidies remained in place as recently as that time.

Further, the CCP's new controls address only three chemicals out of the hundreds produced and exported by China to make fentanyl. Synthetic opioids, such as fentanyl, can be made through various chemical processes that require specific precursors. The CCP subsidises, and has no control measures on, NPP and ANPP—the two precursors most valued by Mexican drug cartels. Not only that, but the US has begun to intercept higher volumes of boc-4-piperidone (the other fentanyl precursor that was proposed for international control), 2-phenethyl bromide (including one shipment of 660 kilograms) and para-fluorofentanyl. These findings suggest a diversification by traffickers into the illicit manufacture of more

fentanyl end products, bypassing the agreements made between the US and China. Chinese criminals used a similar approach to produce ‘novel substances’ and avoid regulatory controls. ‘Novel substances’ are designed to mimic the effects of existing illicit drugs or to produce new psychoactive effects.

Other synthetic opioids may use different precursor chemicals. The production of all synthetic illicit drugs involves complex chemical reactions that typically require specialised knowledge and equipment.

China has long claimed that it cannot control illegal activities in its chemical and pharmaceutical industries due to the difficulty of identifying manufacturers exporting synthetic narcotics. But to receive a VAT refund, a company must provide details of the name and amount of the exported substance to the government, including complete identification and sales records. The US select committee’s April 2024 report also presented solid evidence that the CCP provided monetary grants and awards to companies openly trafficking illicit fentanyl online.

Without addressing the CCP’s systemic support for illicit narcotics, the new controls on three precursors are little more than a public-relations stunt to save face and obfuscate the party’s complicity in this deadly problem. If China wants to be a good global citizen, it must remove VAT subsidies on illicit pharmaceuticals, increase regulatory oversight and domestic law enforcement’s counter-narcotics efforts, and remedy international compliance deficits for all illicit pharmaceuticals.

While Australia doesn’t, at present, have a fentanyl problem, we do have a methamphetamine epidemic. Our epidemic, like the US one, is fed by chemical precursors produced in China. It’s imperative that Australia maintains an independent sovereign foreign policy, but there’s great value in Australia and the US adopting a shared stance against China’s illicit narcotics role.

AUTHOR

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Image of a lethal dose of fentanyl: US [Drug Enforcement Administration](https://www.dea.gov/factsheets/fentanyl) (<https://www.dea.gov/factsheets/fentanyl>).

EXHIBIT 14



UNITED NATIONS CONVENTION
AGAINST ILLICIT TRAFFIC IN
NARCOTIC DRUGS AND
PSYCHOTROPIC SUBSTANCES,
1988

UNITED NATIONS

**FINAL ACT OF THE UNITED NATIONS CONFERENCE
FOR THE ADOPTION OF A CONVENTION AGAINST
ILLCIT TRAFFIC IN NARCOTIC DRUGS AND
PSYCHOTROPIC SUBSTANCES**

1. The General Assembly of the United Nations, by its resolution 39/141 of 14 December 1984, requested the Economic and Social Council of the United Nations, "taking into consideration Article 62, paragraph 3, and Article 66, paragraph 1, of the Charter of the United Nations and Council resolution 9 (1) of 16 February 1946, to request the Commission on Narcotic Drugs to initiate at its thirty-first session, to be held in February 1985, as a matter of priority, the preparation of a draft convention against illicit traffic in narcotic drugs which considers the various aspects of the problem as a whole and, in particular, those not envisaged in existing international instruments . . .".

2. In furtherance of the foregoing request, and the follow-up action by the Commission on Narcotic Drugs and the Economic and Social Council, the Secretary-General of the United Nations prepared the initial text of a draft Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. On the basis of the comments made thereon by Governments and the deliberations of the Commission on Narcotic Drugs on that draft at its thirty-second session in 1987, the Secretary-General prepared a consolidated working document, which was circulated to all Governments in April 1987 and was considered at two sessions of an open-ended intergovernmental expert group. On 7 December 1987, the General Assembly adopted resolution 42/111, which gave further instructions for advancing the preparation of the draft Convention. As the time available to the expert group had not permitted thorough consideration of all the articles, the General Assembly requested the Secretary-General to consider convening a further intergovernmental expert group, meeting for two weeks immediately prior to the tenth special session of the Commission on Narcotic Drugs in February 1988, to continue revision of the working document on the draft Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances and, if possible, to reach agreement on the Convention. At its tenth special session, held at Vienna from 8 to 19 February 1988, the Commission on Narcotic Drugs reviewed the text of the draft Convention and decided that certain articles thereof should be referred to the Conference to be convened to adopt a Convention. The Commission also recommended certain means to the Economic and Social Council to further the preparation of the draft Convention.

3. The Economic and Social Council, by its resolution 1988/8 of 25 May 1988, having recalled the preparatory work undertaken pursuant to General Assembly resolution 39/141 by the competent United Nations organs, decided "to convene, in accordance with Article 62, paragraph 4, of the Charter of the United Nations and within the provisions of General Assembly resolution 366 (IV) of 3 December 1949, a conference of plenipotentiaries for the adoption of a convention against illicit traffic in narcotic drugs and psychotropic substances". By its decision 1988/120, also adopted on 25 May 1988, the Council decided that the Conference should be held at Vienna from 25 November to 20 December 1988 and that the Secretary-General should send invitations to participate in the Conference to those who had been invited to participate in the International Conference on Drug Abuse and Illicit Trafficking, held at Vienna from 17 to 26 June 1987.

4. By its resolution 1988/8, the Economic and Social Council also decided to convene a review group for the Conference to review the draft texts of certain articles and the draft Convention as a whole to achieve overall consistency in the text to be submitted to the Conference. The Review Group on the draft Convention met at the United Nations Office at Vienna from 27 June to 8 July 1988 and adopted a report to the Conference (E/CONF.82/3).

5. The United Nations Conference for the Adoption of a Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances met at the Neue Hofburg at Vienna from 25 November to 20 December 1988.

6. Pursuant to Economic and Social Council resolution 1988/8 of 25 May 1988 and its decision 1988/120 of the same date, the Secretary-General invited to the Conference:

(a) All States;

(b) Namibia, represented by the United Nations Council for Namibia;

(c) Representatives of organizations that have received a standing invitation from the General Assembly to participate in the sessions and the work of all international conferences convened under its auspices in the capacity of observers to participate in the Conference in that capacity, in accordance with Assembly resolutions 3237 (XXIX) of 22 November 1974 and 31/152 of 20 December 1976;

(d) Representatives of the national liberation movements recognized in its region by the Organization of African Unity to participate in the Conference in the capacity of observers, in accordance with General Assembly resolution 3280 (XXIX) of 10 December 1974;

(e) The specialized agencies and the International Atomic Energy Agency, as well as interested organs of the United Nations, to be represented at the Conference;

(f) Other interested intergovernmental organizations to be represented by observers at the Conference;

(g) Interested non-governmental organizations in consultative status with the Economic and Social Council and other interested non-governmental organizations that may have a specific contribution to make to the work of the Conference to be represented by observers at the Conference.

7. The delegations of the following 106 States participated in the Conference: Afghanistan, Albania, Algeria, Argentina, Australia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belgium, Bolivia, Botswana, Brazil, Bulgaria, Burma, Byelorussian Soviet Socialist Republic, Cameroon, Canada, Cape Verde, Chile, China, Colombia, Costa Rica, Côte d'Ivoire, Cuba, Cyprus, Czechoslovakia, Denmark, Dominican Republic, Ecuador, Egypt, Ethiopia, Finland, France, German Democratic Republic, Germany, Federal Republic of, Ghana, Greece, Guatemala, Guinea, Holy See, Honduras, Hungary, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Israel, Italy, Jamaica, Japan, Jordan, Kenya, Kuwait, Libyan Arab Jamahiriya, Luxembourg, Madagascar, Malaysia, Malta, Mauritania, Mauritius, Mexico, Monaco, Morocco, Nepal, Netherlands, New Zealand, Nicaragua, Nigeria, Norway, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Saudi Arabia, Senegal, Spain, Sri Lanka, Sudan, Suriname, Sweden, Switzerland, Thailand, Tunisia, Turkey, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Uruguay, Venezuela, Viet Nam, Yemen, Yugoslavia and Zaire.

8. The representatives of the following national liberation movements, invited to the Conference by the Secretary-General, attended and participated as provided for in the rules of procedure of the Conference (E/CONF.8217): Pan Africanist Congress of Azania and South West Africa People's Organization.

9. The representatives of the following specialized agencies, invited to the Conference by the Secretary-General, attended and participated as provided for in the rules of procedure of the Conference: International Civil Aviation Organization, International Labour Organisation, United Nations Educational, Scientific and Cultural Organization, United Nations Industrial Development Organization and World Health Organization.

10. The representatives of the following other intergovernmental organizations, invited to the Conference by the Secretary-General, attended and participated as provided for in the rules of procedure of the Conference: Arab Security Studies and Training Center, Colombo Plan Bureau, Council of Europe, Customs Co-operation Council, European Economic Community, International Criminal Police Organization, League of Arab States and South American Agreement on Narcotic Drugs and Psychotropic Substances.

11. The representatives of the following interested United Nations organs and related bodies, invited to the Conference by the Secretary-General, attended and participated as provided for in the rules of procedure of the Conference: Centre for Social Development and Humanitarian Affairs, International Narcotics Control Board, United Nations Asia and Far East Institute for the Prevention of Crime and the Treatment of Offenders and United Nations Fund for Drug Abuse Control.

12. Observers from the following non-governmental organizations, invited to the Conference by the Secretary-General, attended and participated as provided for in the rules of procedure of the Conference: Baha'i International Community, Caritas Internationalis, Centro Italiano de Solidarità, Colombia Therapeutic Communities, Co-ordinating Board of Jewish Organizations, Cruz Blanca Panama, Drug Abuse Prevention Programme, European Union of Women, Integrative Drogenhilfe a.d. Fachhochschule Ffm. e.v., International Abolitionist Federation, International Advertising Association, International Air Transport Association, International Association of Democratic Jurists, International Association of Lions Clubs, International Catholic Child Bureau, International Chamber of Commerce, International Confederation of Free Trade Unions, International Council on Women, International Council of Alcohol and Addictions, International Federation of Business and Professional Women, International Federation of Social Workers, International Pharmaceutical Federation, International Schools Association, Islamic African Relief Agency, Opium De-addiction Treatment, Training and Research Trust, Pace United Kingdom International Affairs, Pax Romana, Soroptimist International, World Association of Girl Guides and Girl Scouts, World Union of Catholic Women's Organizations and Zonta International Committee.

13. The Conference elected Mr. Guillermo Bedregal Gutiérrez (Bolivia) as President.

14. The Conference elected as Vice-Presidents the representatives of the following States: Algeria, Argentina, Bahamas, China, Côte d'Ivoire, France, Iran (Islamic Republic of), Japan, Kenya, Malaysia, Mexico, Morocco, Nigeria, Pakistan, Philippines, Senegal, Sudan, Sweden, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela and Yugoslavia.

15. The Conference elected Mrs. Mervat Tallawy (Egypt) as Rapporteur-General.

16. The following Committees were set up by the Conference:

General Committee

Chairman: The President of the Conference

Members: The President and Vice-Presidents of the Conference, the Rapporteur-General of the Conference, the Chairmen of the Committees of the Whole and the Chairman of the Drafting Committee.

Committees of the Whole

Committee I

Chairman: Mr. Gioacchino Polimeni (Italy)

Vice-Chairman: Mr. M.A. Hena (Bangladesh)

Rapporteur: Mr. Oskar Hugler (German Democratic Republic)

Committee II

Chairman: Mr. István Bayer (Hungary)

Vice-Chairman: Mr. L.H.J.B. van Gorkom (Netherlands)

Rapporteur: Mrs. Yolanda Fernández Ochoa (Costa Rica)

Drafting Committee

Chairman: Mr. M.V.N. Rao (India)

Vice-Chairman: Mr. Hashem M. Kura (Egypt)

Members: The Chairman of the Drafting Committee and the representatives of the following States: Australia, Botswana, Canada, China, Colombia, Czechoslovakia, Egypt, France, Ghana, Iraq, Peru, Senegal, Spain and Union of Soviet Socialist Republics.

The Rapporteurs of the Committees of the Whole participated *ex officio* in the work of the Drafting Committee in accordance with rule 49 of the rules of procedure of the Conference.

Credentials Committee

Chairman: Mr. Edouard Molitor (Luxembourg)

Members: The representatives of the following States: Bolivia, Botswana, China, Côte d'Ivoire, Jamaica, Luxembourg, Thailand, Union of Soviet Socialist Republics and United States of America.

17. The Secretary-General of the United Nations was represented by Miss Margaret J. Anstee, Under-Secretary-General, Director-General of the United Nations Office at Vienna. Mr. Francisco Ramos-Galino, Director of the Division of Narcotic Drugs, was appointed by the Secretary-General as Executive Secretary.

18. The Conference had before it the report of the Review Group convened pursuant to Economic and Social Council resolution 1988/8 of 25 May 1988 (E/CONF.82/3). In addition to an account of the work of the Review Group, the report contained proposals submitted to the Review Group relating to the draft Convention for consideration by the Conference, and the text of the draft Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (annex II). This draft Convention constituted the basic proposal for consideration by the Conference.

19. The Conference in the course of its work divided the articles contained in the draft Convention between the two Committees of the Whole (Committee I and Committee II). Articles 1 to 5 and the preamble were referred to Committee I and the remaining articles to Committee II. The Committees of the Whole, after agreeing upon the text of a particular article, referred it to the Drafting Committee. The Committees of the Whole reported to the Conference on the outcome of their work and the Drafting Committee submitted to the Conference a complete text of the draft Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (E/CONF.82/13).

20. On the basis of the deliberations set forth in the records of the Conference (E/CONF.82/SR.1 to 8) and of the Committees of the Whole (E/CONF.82/C.1/SR.1 to 33 and E/CONF.82/C.2/SR.1 to 34) and the reports of the Committees of the Whole (E/CONF.82/11 and E/CONF.82/12) and the Drafting Committee (E/CONF.82/13), the Conference drew up the following Convention:

United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

21. The foregoing Convention, which is subject to ratification, acceptance, approval or act of formal confirmation, and which shall remain open for accession, was adopted by the Conference on 19 December 1988 and opened for signature on 20 December 1988, in accordance with its provisions, until 28 February 1989 at the United Nations Office at Vienna and, subsequently, until 20 December 1989, at the Headquarters of the United Nations at New York, the Secretary-General of the United Nations being the depositary.

22. The Conference also adopted the following resolutions, which are annexed to this Final Act:

1. Exchange of information

2. Provisional application of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances

3. Provision of necessary resources to the Division of Narcotic Drugs and the secretariat of the International Narcotics Control Board to enable them to discharge the tasks entrusted to them under the International Drug Control Treaties

IN WITNESS WHEREOF the representatives have signed this Final Act.

DONE AT VIENNA this twentieth day of December one thousand nine hundred and eighty-eight, in a single copy, which will be deposited with the Secretary-General of the United Nations, in the Arabic, Chinese, English, French, Russian and Spanish languages, each text being equally authentic.

**RESOLUTIONS ADOPTED BY THE UNITED NATIONS
CONFERENCE FOR THE ADOPTION OF A CONVENTION
AGAINST ILLICIT TRAFFIC IN NARCOTIC DRUGS AND
PSYCHOTROPIC SUBSTANCES**

Resolution 1

EXCHANGE OF INFORMATION

The United Nations Conference for the Adoption of a Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances,

Calling attention to resolution III adopted by the 1961 United Nations Conference for the Adoption of a Single Convention on Narcotic Drugs, in which attention was drawn to the importance of the technical records on international drug traffickers of the International Criminal Police Organization and their use by that organization for the circulation of descriptions of such traffickers,

Considering the machinery developed by the International Criminal Police Organization for the timely and efficient exchange of crime investigation information between police authorities on a world-wide basis,

Recommends that the widest possible use should be made by police authorities of the records and communications system of the International Criminal Police Organization in achieving the goals of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

Resolution 2

**PROVISIONAL APPLICATION OF THE UNITED NATIONS CONVENTION AGAINST
ILLICIT TRAFFIC IN NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES**

The United Nations Conference for the Adoption of a Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances,

1. *Urges* States, to the extent that they are able to do so, to accelerate steps to ratify the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances so that it enters into force as quickly as possible;
 2. *Invites* States, to the extent that they are able to do so, to apply provisionally the measures provided in the Convention pending its entry into force for each of them;
 3. *Requests* the Secretary-General to transmit the present resolution to the Economic and Social Council and the General Assembly.
-

Resolution 3

**PROVISION OF NECESSARY RESOURCES TO THE DIVISION OF NARCOTIC DRUGS
AND
THE SECRETARIAT OF THE INTERNATIONAL NARCOTICS CONTROL BOARD TO**

**ENABLE THEM TO DISCHARGE THE TASKS ENTRUSTED TO THEM UNDER THE
INTER-
NATIONAL DRUG CONTROL TREATIES**

The United Nations Conference for the Adoption of a Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances,

Recognizing that the Single Convention on Narcotic Drugs, 1961, that Convention as amended by the 1972 Protocol Amending the Single Convention on Narcotic Drugs, 1961, and the Convention on Psychotropic Substances 1971, remain the basis for international efforts in the control of narcotic drugs and psychotropic substances, and that strict implementation both by Governments and by the international control organs of the United Nations of the obligations arising from the Conventions is essential to achieve their aims,

Considering that the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances will create further obligations and financial outlays for Governments, the Commission on Narcotic Drugs, the International Narcotics Control Board and their secretariats,

Deeply disturbed by the impact of recent staffing and budgetary reductions on the capacity of both the Division of Narcotic Drugs and the secretariat of the International Narcotics Control Board to carry out fully their mandated programme of work,

1. *Urges* all Member States to take appropriate steps in the General Assembly as well as in the financial organs of the Assembly to assign the appropriate priority and approve the necessary budgetary appropriations with a view to providing the Division of Narcotic Drugs and the secretariat of the International Narcotics Control Board with the necessary resources to discharge fully the tasks entrusted to them under the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, the Single Convention on Narcotic Drugs, 1961, that Convention as amended by the 1972 Protocol Amending the Single Convention on Narcotic Drugs, 1961, and the Convention on Psychotropic Substances, 1971;

2. *Requests* the Secretary-General to take the necessary steps, within his competence, to give effect to the provisions of paragraph 1 above.

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<http://www.incb.org/e/index.htm>)

**UNITED NATIONS CONVENTION AGAINST ILICIT TRAFFIC IN
NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES**

The Parties to this Convention,

Deeply concerned by the magnitude of and rising trend in the illicit production of, demand for and traffic in narcotic drugs and psychotropic substances, which pose a serious threat to the health and welfare of human beings and adversely affect the economic, cultural and political foundations of society,

Deeply concerned also by the steadily increasing inroads into various social groups made by illicit traffic in narcotic drugs and psychotropic substances, and particularly by the fact that children are used in many parts of the world as an illicit drug consumers market and for purposes of illicit production, distribution and trade in narcotic drugs and psychotropic substances, which entails a danger of incalculable gravity,

Recognizing the links between illicit traffic and other related organized criminal activities which undermine the legitimate economies and threaten the stability, security and sovereignty of States,

Recognizing also that illicit traffic is an international criminal activity, the suppression of which demands urgent attention and the highest priority,

Aware that illicit traffic generates large financial profits and wealth enabling transnational criminal organizations to penetrate, contaminate and corrupt the structures of government, legitimate commercial and financial business, and society at all its levels,

Determined to deprive persons engaged in illicit traffic of the proceeds of their criminal activities and thereby eliminate their main incentive for so doing,

Desiring to eliminate the root causes of the problem of abuse of narcotic drugs and psychotropic substances, including the illicit demand for such drugs and substances and the enormous profits derived from illicit traffic,

Considering that measures are necessary to monitor certain substances, including precursors, chemicals and solvents, which are used in the manufacture of narcotic drugs and psychotropic substances, the ready availability of which has led to an increase in the clandestine manufacture of such drugs and substances,

Determined to improve international co-operation in the suppression of illicit traffic by sea,

Recognizing that eradication of illicit traffic is a collective responsibility of all States and that, to that end, co-ordinated action within the framework of international co-operation is necessary,

Acknowledging the competence of the United Nations in the field of control of narcotic drugs and psychotropic substances and desirous that the international organs concerned with such control should be within the framework of that Organization,

Reaffirming the guiding principles of existing treaties in the field of narcotic drugs and psychotropic substances and the system of control which they embody,

Recognizing the need to reinforce and supplement the measures provided in the Single Convention on Narcotic Drugs, 1953, that Convention as amended by the 1972 Protocol Amending the Single Convention on Narcotic Drugs, 1953, and the 1971 Convention on Psychotropic Substances, in order to counter the magnitude and extent of illicit traffic and its grave consequences,

Recognizing also the importance of strengthening and enhancing effective legal means for international co-operation in criminal matters for suppressing the international criminal activities of illicit traffic,

Desiring to conclude a comprehensive, effective and operative international convention that is directed specifically against illicit traffic and that considers the various aspects of the problem as a whole, in particular those aspects not envisaged in the existing treaties in the field of narcotic drugs and psychotropic substances,

Hereby agree as follows:

Article 1

DEFINITIONS

Except where otherwise expressly indicated or where the context otherwise requires, the following definitions shall apply throughout this Convention:

- a) "Board" means the International Narcotics Control Board established by the Single Convention on Narcotic Drugs, 1961, and that Convention as amended by the 1972 Protocol Amending the Single Convention on Narcotic Drugs, 1961;
- b) "Cannabis plant" means any plant of the genus *Cannabis*;
- c) "Coca bush" means the plant of any species of the genus *Erythroxylon*;
- d) "Commercial carrier" means any person or any public, private or other entity engaged in transporting persons, goods or mails for remuneration, hire or any other benefit;
- e) "Commission" means the Commission on Narcotic Drugs of the Economic and Social Council of the United Nations;
- f) "Confiscation", which includes forfeiture where applicable, means the permanent deprivation of property by order of a court or other competent authority;
- g) "Controlled delivery" means the technique of allowing illicit or suspect consignments of narcotic drugs, psychotropic substances, substances in Table I and Table II annexed to this Convention, or substances substituted for them, to pass out of, through or into the territory of one or more countries, with the knowledge and under the supervision of their competent authorities, with a view to identifying persons involved in the commission of offences established in accordance with article 3, paragraph 1 of the Convention;
- h) "1961 Convention" means the Single Convention on Narcotic Drugs, 1961;
- i) "1961 Convention as amended" means the Single Convention on Narcotic Drugs, 1961, as amended by the 1972 Protocol Amending the Single Convention on Narcotic Drugs, 1961;
- j) "1971 Convention" means the Convention on Psychotropic Substances, 1971;
- k) "Council" means the Economic and Social Council of the United Nations;
- l) "Freezing" or "seizure" means temporarily prohibiting the transfer, conversion, disposition or movement of property or temporarily assuming custody or control of property on the basis of an order issued by a court or a competent authority;
- m) "Illicit traffic" means the offences set forth in article 3, paragraphs 1 and 2, of this Convention;
- n) "Narcotic drug" means any of the substances, natural or synthetic, in Schedules I and II of the Single Convention on Narcotic Drugs, 1961, and that Convention as amended by the 1972 Protocol Amending the Single Convention on Narcotic Drugs, 1961;
- o) "Opium poppy" means the plant of the species *Papaver somniferum L*;
- p) "Proceeds" means any property derived from or obtained, directly or indirectly, through the commission of an offence established in accordance with article 3, paragraph 1;
- q) "Property" means assets of every kind, whether corporeal or incorporeal, movable or immovable, tangible or intangible, and legal documents or instruments evidencing title to, or interest in, such assets;
- r) "Psychotropic substance" means any substance, natural or synthetic, or any natural material in Schedules I, II, III and IV of the Convention on Psychotropic Substances, 1971;
- s) "Secretary-General" means the Secretary-General of the United Nations;
- t) "Table I" and "Table II" mean the correspondingly numbered lists of substances annexed to this Convention, as amended from time to time in accordance with article 12,
- u) "Transit State" means a State through the territory of which illicit narcotic drugs, psychotropic substances and substances in Table I and Table II are being moved, which is neither the place of origin nor the place of ultimate destination thereof.

Article 2

SCOPE OF THE CONVENTION

1. The purpose of this Convention is to promote co-operation among the Parties so that they may address more effectively the various aspects of illicit traffic in narcotic drugs and psychotropic substances having an international dimension. In carrying out their obligations under the Convention, the Parties shall take necessary measures, including legislative and administrative measures, in conformity with the fundamental provisions of their respective domestic legislative systems.
2. The Parties shall carry out their obligations under this Convention in a manner consistent with the principles of sovereign equality and territorial integrity of States and that of non-intervention in the domestic affairs of other States.

3. A Party shall not undertake in the territory of another Party the exercise of jurisdiction and performance of functions which are exclusively reserved for the authorities of that other Party by its domestic law.

Article 3

OFFENCES AND SANCTIONS

1. Each Party shall adopt such measures as may be necessary to establish as criminal offences under its domestic law, when committed intentionally:

- a)
 - i) The production, manufacture, extraction; preparation, offering, offering for sale, distribution, sale, delivery on any terms whatsoever, brokerage, dispatch, dispatch in transit, transport, importation or exportation of any narcotic drug or any psychotropic substance contrary to the provisions of the 1961 Convention, the 1961 Convention as amended or the 1971 Convention;
 - ii) The cultivation of opium poppy, coca bush or cannabis plant for the purpose of the production of narcotic drugs contrary to the provisions of the 1961 Convention and the 1961 Convention as amended;
 - iii) The possession or purchase of any narcotic drug or psychotropic substance for the purpose of any of the activities enumerated in i) above;
 - iv) The manufacture, transport or distribution of equipment, materials or of substances listed in Table I and Table II, knowing that they are to be used in or for the illicit cultivation, production or manufacture of narcotic drugs or psychotropic substances;
 - v) The organization, management or financing of any of the offences enumerated in i), ii), iii) or iv) above;
- b)
 - i) The conversion or transfer of property, knowing that such property is derived from any offence or offences established in accordance with subparagraph a) of this paragraph, or from an act of participation in such offence or offences, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such an offence or offences to evade the legal consequences of his actions;
 - ii) The concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of property, knowing that such property is derived from an offence or offences established in accordance with subparagraph a) of this paragraph or from an act of participation in such an offence or offences;
- c) Subject to its constitutional principles and the basic concepts of its legal system:
 - i) The acquisition, possession or use of property, knowing, at the time of receipt, that such property was derived from an offence or offences established in accordance with subparagraph a) of this paragraph or from an act of participation in such offence or offences;
 - ii) The possession of equipment or materials or substances listed in Table I and Table II, knowing that they are being or are to be used in or for the illicit cultivation, production or
 - iii) Publicly inciting or inducing others, by any means, to commit any of the offences established in accordance with this article or to use narcotic drugs or psychotropic substances illicitly;
 - iv) Participation in, association or conspiracy to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the offences established in accordance with this article.

2. Subject to its constitutional principles and the basic concepts of its legal system, each Party shall adopt such measures as may be necessary to establish as a criminal offence under its domestic law, when committed intentionally, the possession, purchase or cultivation of narcotic drugs or psychotropic substances for personal consumption contrary to the provisions of the 1961 Convention, the 1961 Convention as amended or the 1971 Convention.

3. Knowledge, intent or purpose required as an element of an offence set forth in paragraph 1 of this article may be inferred from objective factual circumstances.

4.
 - a) Each Party shall make the commission of the offences established in accordance with paragraph 1 of this article liable to sanctions which take into account the grave nature of these offences, such as imprisonment or other forms of deprivation of liberty, pecuniary sanctions and confiscation.
 - b) The Parties may provide, in addition to conviction or punishment, for an offence established in accordance with paragraph 1 of this article, that the offender shall undergo measures such as treatment, education, aftercare, rehabilitation or social reintegration.
 - c) Notwithstanding the preceding subparagraphs, in appropriate cases of a minor nature, the Parties may provide, as alternatives to conviction or punishment, measures such as education, rehabilitation or social reintegration, as well as, when the offender is a drug abuser, treatment and aftercare.
 - d) The Parties may provide, either as an alternative to conviction or punishment, or in addition to conviction or punishment of an offence established in accordance with paragraph 2 of this article, measures for the treatment, education, aftercare, rehabilitation or social reintegration of the offender.
5. The Parties shall ensure that their courts and other competent authorities having jurisdiction can take into account factual circumstances which make the commission of the offences established in accordance with paragraph 1 of this article particularly serious, such as:
 - a) The involvement in the offence of an organized criminal group to which the offender belongs;
 - b) The involvement of the offender in other international organized criminal activities;
 - c) The involvement of the offender in other illegal activities facilitated by commission of the offence;
 - d) The use of violence or arms by the offender;
 - e) The fact that the offender holds a public office and that the offence is connected with the office in question;
 - f) The victimization or use of minors;
 - g) The fact that the offence is committed in a penal institution or in an educational institution or social service facility or in their immediate vicinity or in other places to which school children and students resort for educational, sports and social activities;
 - h) Prior conviction, particularly for similar offences, whether foreign or domestic, to the extent permitted under the domestic law of a Party.
6. The Parties shall endeavour to ensure that any discretionary legal powers under their domestic law relating to the prosecution of persons for offences established in accordance with this article are exercised to maximize the effectiveness of law enforcement measures in respect of those offences, and with due regard to the need to deter the commission of such offences.
7. The Parties shall, ensure that their courts or other competent authorities bear in mind the serious nature of the offences enumerated in paragraph 1 of this article and the circumstances enumerated in paragraph 5 of this article when considering the eventuality of early release or parole of persons convicted of such offences.
8. Each Party shall, where appropriate, establish under its domestic law a long statute of limitations period in which to commence proceedings for any offence established in accordance with paragraph 1 of this article, and a longer period where the alleged offender has evaded the administration of justice.
9. Each Party shall take appropriate measures, consistent with its legal system, to ensure that a person charged with or convicted of an offence established in accordance with paragraph 1 of this article, who is found within its territory, is present at the necessary criminal proceedings.
10. For the purpose of co-operation among the Parties under this Convention, including, in particular, co-operation under articles 5, 6, 7 and 9, offences established in accordance with this article shall not be considered as fiscal offences or as political offences or regarded as politically motivated, without prejudice to the constitutional limitations and the fundamental domestic law of the Parties.
11. Nothing contained in this article shall affect the principle that the description of the offences to which it refers and of legal defences thereto is reserved to the domestic law of a Party and that such offences shall be prosecuted and punished in conformity with that law.

Article 4

JURISDICTION

1. Each Party:
 - a) Shall take such measures as may be necessary to establish its jurisdiction over the offences it has established in accordance with article 3, paragraph 1, when:
 - i) The offence is committed in its territory;
 - ii) The offence is committed on board a vessel flying its flag or an aircraft which is registered under its laws at the time the offence is committed;
 - b) May take such measures as maybe necessary to establish its jurisdiction over the offences it has established in accordance with article 3, paragraph 1, when:
 - i) The offence is committed by one of its nationals or by a person who has his habitual residence in its territory;
 - ii) The offence is committed on board a vessel concerning which that Party has been authorized to take appropriate action pursuant to article 17, provided that such jurisdiction shall be exercised only on the basis of agreements or arrangements referred to in paragraphs 4 and 9 of that article;
 - iii) The offence is one of those established in accordance with article 3, paragraph 1, subparagraph c) iv), and is committed outside its territory with a view to the commission, within its territory, of an offence established in accordance with article 3, paragraph 1.
2. Each Party:
 - a) Shall also take such measures as may be necessary to establish its jurisdiction over the offences it has established in accordance with article 3, paragraph 1, when the alleged offender is present in its territory and it does not extradite him to another Party on the ground:
 - i) That the offence has been committed in its territory or on board a vessel flying its flag or an aircraft which was registered under its law at the time the offence was committed; or
 - ii) That the offence has been committed by one of its nationals;
 - b) May also take such measures as may be necessary to establish its jurisdiction over the offences it has established in accordance with article 3, paragraph 1, when the alleged offender is present in its territory and it does not extradite him to another Party.
3. This Convention does not exclude the exercise of any criminal jurisdiction established by a Party in accordance with its domestic law.

Article 5

CONFISCATION

1. Each Party shall adopt such measures as may be necessary to enable confiscation of:
 - a) Proceeds derived from offences established in accordance with article 3, paragraph 1, or property the value of which corresponds to that of such proceeds;
 - b) Narcotic drugs and psychotropic substances, materials and equipment or other instrumentalities used in or intended for use in any manner in offences established in accordance with article 3, paragraph 1.
2. Each Party shall also adopt such measures as may be necessary to enable its competent authorities to identify, trace, and freeze or seize proceeds, property, instrumentalities or any other things referred to in paragraph 1 of this article, for the purpose of eventual confiscation.
3. In order to carry out the measures referred to in this article, each Party shall empower its courts or other competent authorities to order that bank, financial or commercial records be made available or be seized. A Party shall not decline to act under the provisions of this paragraph on the ground of bank secrecy.

4. a) Following a request made pursuant to this article by another Party having jurisdiction over an offence established in accordance with article 3, paragraph 1, the Party in whose territory proceeds, property, instrumentalities or any other things referred to in paragraph 1 of this article are situated shall:
 - i) Submit the request to its competent authorities for the purpose of obtaining an order of confiscation and, if such order is granted, give effect to it; or
 - ii) Submit to its competent authorities, with a view to giving effect to it to the extent requested, an order of confiscation issued by the requesting Party in accordance with paragraph 1 of this article, in so far as it relates to proceeds, property, instrumentalities or any other things referred to in paragraph 1 situated in the territory of the requested Party.
 - b) Following a request made pursuant to this article by another Party having jurisdiction over an offence established in accordance with article 3, paragraph 1, the requested Party shall take measures to identify, trace, and freeze or seize proceeds, property, instrumentalities or any other things referred to in paragraph 1 of this article for the purpose of eventual confiscation to be ordered either by the requesting Party or, pursuant to a request under subparagraph a) of this paragraph, by the requested Party.
 - c) The decisions or actions provided for in subparagraphs a) and b) of this paragraph shall be taken by the requested Party, in accordance with and subject to the provisions of its domestic law and its procedural rules or any bilateral or multilateral treaty, agreement or arrangement to which it may be bound in relation to the requesting Party.
 - d) The provisions of article 7, paragraphs 6 to 19 are applicable mutatis mutandis. In addition to the information specified in article 7, paragraph 10, requests made pursuant to this article shall contain the following:
 - i) In the case of a request pertaining to subparagraph a) i) of this paragraph, a description of the property to be confiscated and a statement of the facts relied upon by the requesting Party sufficient to enable the requested Party to seek the order under its domestic law;
 - ii) In the case of a request pertaining to subparagraph a) ii), a legally admissible copy of an order of confiscation issued by the requesting Party upon which the request is based, a statement of the facts and information as to the extent to which the execution of the order is requested;
 - iii) In the case of a request pertaining to subparagraph b), a statement of the facts relied upon by the requesting Party and a description of the actions requested.
 - e) Each Party shall furnish to the Secretary-General the text of any of its laws and regulations which give effect to this paragraph and the text of any subsequent changes to such laws and regulations.
 - f) If a Party elects to make the taking of the measures referred to in subparagraphs a) and b) of this paragraph conditional on the existence of a relevant treaty, that Party shall consider this Convention as the necessary and sufficient treaty basis.
 - g) The Parties shall seek to conclude bilateral and multilateral treaties, agreements or arrangements to enhance the effectiveness of international co-operation pursuant to this article.
5. a) Proceeds or property confiscated by a Party pursuant to paragraph 1 or paragraph 4 of this article shall be disposed of by that Party according to its domestic law and administrative procedures.
 - b) When acting on the request of another Party in accordance with this article, a Party may give special consideration to concluding agreements on:
 - i) Contributing the value of such proceeds and property, or funds derived from the sale of such proceeds or property, or a substantial part thereof, to intergovernmental bodies specializing in the fight against illicit traffic in and abuse of narcotic drugs and psychotropic substances;
 - ii) Sharing with other Parties, on a regular or case-by-case basis, such proceeds or property, or funds derived from the sale of such proceeds or property, in accordance with its domestic law, administrative procedures or bilateral or multilateral agreements entered into for this purpose.
6. a) If proceeds have been transformed or converted into other property, such property shall be liable to the measures referred to in this article instead of the proceeds.

- b) If proceeds have been intermingled with property acquired from legitimate sources, such property shall, without prejudice to any powers relating to seizure or freezing, be liable to confiscation up to the assessed value of the intermingled proceeds.
- c) Income or other benefits derived from:
 - i) Proceeds;
 - ii) Property into which proceeds have been transformed or converted; or
 - iii) Property with which proceeds have been intermingled shall also be liable to the measures referred to in this article, in the same manner and to the same extent as proceeds.

7. Each Party may consider ensuring that the onus of proof be reversed regarding the lawful origin of alleged proceeds or other property liable to confiscation, to the extent that such action is consistent with the principles of its domestic law and with the nature of the judicial and other proceedings.

8. The provisions of this article shall not be construed as prejudicing the rights of bona fide third parties.

9. Nothing contained in this article shall affect the principle that the measures to which it refers shall be defined and implemented in accordance with and subject to the provisions of the domestic law of a Party.

Article 6

EXTRADITION

1. This article shall apply to the offences established by the Parties in accordance with article 3, paragraph 1.

2. Each of the offences to which this article applies shall be deemed to be included as an extraditable offence in any extradition treaty existing between Parties. The Parties undertake to include such offences as extraditable offences in every extradition treaty to be concluded between them.

3. If a Party which makes extradition conditional on the existence of a treaty receives a request for extradition from another Party with which it has no extradition treaty, it may consider this Convention as the legal basis for extradition in respect of any offence to which this article applies. The Parties which require detailed legislation in order to use this Convention as a legal basis for extradition shall consider enacting such legislation as may be necessary.

4. The Parties which do not make extradition conditional on the existence of a treaty shall recognize offences to which this article applies as extraditable offences between themselves.

5. Extradition shall be subject to the conditions provided for by the law of the requested Party or by applicable extradition treaties, including the grounds upon which the requested Party may refuse extradition.

6. In considering requests received pursuant to this article, the requested State may refuse to comply with such requests where there are substantial grounds leading its judicial or other competent authorities to believe that compliance would facilitate the prosecution or punishment of any person on account of his race, religion, nationality or political opinions, or would cause prejudice for any of those reasons to any person affected by the request.

7. The Parties shall endeavour to expedite extradition procedures and to simplify evidentiary requirements relating thereto in respect of any offence to which this article applies.

8. Subject to the provisions of its domestic law and its extradition treaties, the requested Party may, upon being satisfied that the circumstances so warrant and are urgent, and at the request of the requesting Party, take a person whose extradition is sought and who is present in its territory into custody or take other appropriate measures to ensure his presence at extradition proceedings.

9. Without prejudice to the exercise of any criminal jurisdiction established in accordance with its domestic law, a Party in whose territory an alleged offender is found shall:

- a) If it does not extradite him in respect of an offence established in accordance with article 3, paragraph 1, on the grounds set forth in article 4, paragraph 2, subparagraph a), submit the case to its competent authorities for the purpose of prosecution, unless otherwise agreed with the requesting Party;
- b) If it does not extradite him in respect of such an offence and has established its jurisdiction in relation to that offence in accordance with article 4, paragraph 2, subparagraph b), submit the case to its competent authorities for the purpose of prosecution, unless otherwise requested by the requesting Party for the purposes of preserving its legitimate jurisdiction.

10. If extradition, sought for purposes of enforcing a sentence, is refused because the person sought is a national of the requested Party, the requested Party shall, if its law so permits and in conformity with the requirements of such law, upon application of the requesting Party, consider, the enforcement of the sentence which has been imposed under the law of the requesting Party, or the remainder thereof.

11. The Parties shall seek to conclude bilateral and multilateral agreements to carry out or to enhance the effectiveness of extradition.

12. The Parties may consider entering into bilateral or multilateral agreements, whether *ad hoc* or general, on the transfer to their country of persons sentenced to imprisonment and other forms of deprivation of liberty for offences to which this article applies, in order that they may complete their sentences there.

Article 7

MUTUAL LEGAL ASSISTANCE

1. The Parties shall afford one another, pursuant to this article, the widest measure of mutual legal assistance in investigations, prosecutions and judicial proceedings in relation to criminal offences established in accordance with article 3, paragraph 1.

2. Mutual legal assistance to be afforded in accordance with this article may be requested for any of the following purposes:

- a) Taking evidence or statements from persons;
- b) Effecting service of judicial documents;
- c) Executing searches and seizures;
- d) Examining objects and sites;
- e) Providing information and evidentiary items;
- f) Providing originals or certified copies of relevant documents and records, including bank, financial, corporate or business records;
- g) Identifying or tracing proceeds, property, instrumentalities or other things for evidentiary purposes.

3. The Parties may afford one another any other forms of mutual legal assistance allowed by the domestic law of the requested Party.

4. Upon request, the Parties shall facilitate or encourage, to the extent consistent with their domestic law and practice, the presence or availability of persons, including persons in custody, who consent to assist in investigations or participate in proceedings.

5. A Party shall not decline to render mutual legal assistance under this article on the ground of bank secrecy.

6. The provisions of this article shall not affect the obligations under any other treaty, bilateral or multilateral, which governs or will govern, in whole or in part, mutual legal assistance in criminal matters.

7. Paragraphs 8 to 19 of this article shall apply to requests made pursuant to this article if the Parties in question are not bound by a treaty of mutual legal assistance. If these Parties are bound by such a treaty, the corresponding provisions of that treaty shall apply unless the Parties agree to apply paragraphs 8 to 19 of this article in lieu thereof.

8. Parties shall designate an authority, or when necessary authorities, which shall have the responsibility and power to execute requests for mutual legal assistance or to transmit them to the competent authorities for execution. The authority or the authorities designated for this purpose shall be notified to the Secretary-General. Transmission of requests for mutual legal assistance and any communication related thereto shall be effected between the authorities designated by the Parties; this requirement shall be without prejudice to the right of a Party to require that such requests and communications be addressed to it through the diplomatic channel and, in urgent circumstances, where the Parties agree, through channels of the International Criminal Police Organization, if possible.
9. Requests shall be made in writing in a language acceptable to the requested Party. The language or languages acceptable to each Party shall be notified to the Secretary-General. In urgent circumstances, and where agreed by the Parties, requests may be made orally, but shall be confirmed in writing forthwith.
10. A request for mutual legal assistance shall contain:
 - a) The identity of the authority making the request;
 - b) The subject matter and nature of the investigation, prosecution or proceeding to which the request relates, and the name and the functions of the authority conducting such investigation, prosecution or proceeding;
 - c) A summary of the relevant facts, except in respect of requests for the purpose of service of judicial documents;
 - d) A description of the assistance sought and details of any particular procedure the requesting Party wishes to be followed;
 - e) Where possible, the identity, location and nationality of any person concerned;
 - f) The purpose for which the evidence, information or action is sought.
11. The requested Party may request additional information when it appears necessary for the execution of the request in accordance with its domestic law or when it can facilitate such execution.
12. A request shall be executed in accordance with the domestic law of the requested Party and, to the extent not contrary to the domestic law of the requested Party and where possible, in accordance with the procedures specified in the request.
13. The requesting Party shall not transmit nor use information or evidence furnished by the requested Party for investigations, prosecutions or proceedings other than those stated in the request without the prior consent of the requested Party.
14. The requesting Party may require that the requested Party keep confidential the fact and substance of the request, except to the extent necessary to execute the request. If the requested Party cannot comply with the requirement of confidentiality, it shall promptly inform the requesting Party.
15. Mutual legal assistance may be refused:
 - a) If the request is not made in conformity with the provisions of this article;
 - b) If the requested Party considers that execution of the request is likely to prejudice its sovereignty, security, ordre public or other essential interests;
 - c) If the authorities of the requested Party would be prohibited by its domestic law from carrying out the action requested with regard to any similar offence, had it been subject to investigation, prosecution or proceedings under their own jurisdiction;
 - d) If it would be contrary to the legal system of the requested Party relating to mutual legal assistance for the request to be granted.
16. Reasons shall be given for any refusal of mutual legal assistance.
17. Mutual legal assistance may be postponed by the requested Party on the ground that it interferes with an ongoing investigation, prosecution or proceeding. In such a case, the requested Party shall consult with the requesting Party to determine if the assistance can still be given subject to such terms and conditions as the requested Party deems necessary.
18. A witness, expert or other person who consents to give evidence in a proceeding or to assist in an investigation, prosecution or judicial proceeding in the territory of the requesting Party, shall not be prosecuted, detained, punished or subjected to any other restriction of his personal liberty in that territory in respect of acts, omissions or convictions prior to his departure from the territory of the requested Party. Such safe conduct shall cease when the witness, expert or other person having had, for a period of fifteen consecutive days, or for any period agreed upon by the Parties, from the date on which

he has been officially informed that his presence is no longer required by the judicial authorities, an opportunity of leaving, has nevertheless remained voluntarily in the territory or, having left it, has returned of his own free will.

19. The ordinary costs of executing a request shall be borne by the requested Party, unless otherwise agreed by the Parties concerned. If expenses of a substantial or extraordinary nature are or will be required to fulfil the request, the Parties shall consult to determine the terms and conditions under which the request will be executed as well as the manner in which the costs shall be borne.

20. The Parties shall consider, as may be necessary, the possibility of concluding bilateral or multilateral agreements or arrangements that would serve the purposes of, give practical effect to, or enhance the provisions of this article.

Article 8

TRANSFER OF PROCEEDINGS

The Parties shall give consideration to the possibility of transferring to one another proceedings for criminal prosecution of offences established in accordance with article 3, paragraph 1, in cases where such transfer is considered to be in the interests of a proper administration of justice.

Article 9

OTHER FORMS OF CO-OPERATION AND TRAINING

1. The Parties shall co-operate closely with one another, consistent with their respective domestic legal and administrative systems, with a view to enhancing the effectiveness of law enforcement action to suppress the commission of offences established in accordance with article 3, paragraph 1. They shall, in particular, on the basis of bilateral or multilateral agreements or arrangements:

- a) Establish and maintain channels of communication between their competent agencies and services to facilitate the secure and rapid exchange of information concerning all aspects of offences established in accordance with article 3, paragraph 1, including, if the Parties concerned deem it appropriate, links with other criminal activities;
- b) Co-operate with one another in conducting enquiries, with respect to offences established in accordance with article 3, paragraph 1, having an international character, concerning:
 - i) The identity, whereabouts and activities of persons suspected of being involved in offences established in accordance with article 3, paragraph 1;
 - ii) The movement of proceeds or property derived from the commission of such offences;
 - iii) The movement of narcotic drugs, psychotropic substances, substances in Table I and Table II of this Convention and instrumentalities used or intended for use in the commission of such offences;
- c) In appropriate cases and if not contrary to domestic law, establish joint teams, taking into account the need to protect the security of persons and of operations, to carry out the provisions of this paragraph. Officials of any Party taking part in such teams shall act as authorized by the appropriate authorities of the Party in whose territory the operation is to take place; in all such cases, the Parties involved shall ensure that the sovereignty of the Party on whose territory the operation is to take place is fully respected;
- d) Provide, when appropriate, necessary quantities of substances for analytical or investigative purposes;
- e) Facilitate effective co-ordination between their competent agencies and services and promote the exchange of personnel and other experts, including the posting of liaison officers.

2. Each Party shall, to the extent necessary, initiate, develop or improve specific training programmes for its law enforcement and other personnel, including customs, charged with the suppression of offences established in accordance with article 3, paragraph 1. Such programmes shall deal, in particular, with the following:

- a) Methods used in the detection and suppression of offences established in accordance with article 3, paragraph 1;
- b) Routes and techniques used by persons suspected of being involved in offences established in accordance with article 3, paragraph 1, particularly in transit States, and appropriate countermeasures;
- c) Monitoring of the import and export of narcotic drugs, psychotropic substances and substances in Table I and Table II;
- d) Detection and monitoring of the movement of proceeds and property derived from, and narcotic drugs, psychotropic substances and substances in Table I and Table II, and instrumentalities used or intended for use in, the commission of offences established in accordance with article 3, paragraph 1;
- e) Methods used for the transfer, concealment or disguise of such proceeds, property and instrumentalities;
- f) Collection of evidence;
- g) Control techniques in free trade zones and free ports;
- h) Modern law enforcement techniques.

3. The Parties shall assist one another to plan, and implement research and training programmes designed to share expertise in the areas referred to in paragraph 2 of this article and, to this end, shall also, when appropriate, use regional and international conferences and seminars to promote co-operation and stimulate discussion on problems of mutual concern, including the special problems and needs of transit States.

Article 10

INTERNATIONAL CO-OPERATION AND ASSISTANCE FOR TRANSIT STATES

1. The Parties shall co-operate, directly or through competent international or regional organizations, to assist and support transit States and, in particular, developing countries in need of such assistance and support, to the extent possible, through programmes of technical co-operation on interdiction and other related activities.

2. The Parties may undertake, directly or through competent international or regional organizations, to provide financial assistance to such transit States for the purpose of augmenting and strengthening the infrastructure needed for effective control and prevention of illicit traffic.

3. The Parties may conclude bilateral or multilateral agreements or arrangements to enhance the effectiveness of international co-operation pursuant to this article and may take into consideration financial arrangements in this regard.

Article 11

CONTROLLED DELIVERY

1. If permitted by the basic principles of their respective domestic legal systems, the Parties shall take the necessary measures, within their possibilities, to allow for the appropriate use of controlled delivery at the international level, on the basis of agreements or arrangements mutually consented to, with a view to identifying persons involved in offences established in accordance with article 3, paragraph 1, and to taking legal action against them.

2. Decisions to use controlled delivery shall be made on a case-by-case basis and may, when necessary, take into consideration financial arrangements and understandings with respect to the exercise of jurisdiction by the Parties concerned.

3. Illicit consignments whose controlled delivery is agreed to may, with the consent of the Parties concerned, be intercepted and allowed to continue with the narcotic drugs or psychotropic substances intact or removed or replaced in whole or in part.

Article 12

SUBSTANCES FREQUENTLY USED IN THE ILLICIT MANUFACTURE OF NARCOTIC DRUGS OR PSYCHOTROPIC SUBSTANCES

1. The Parties shall take the measures they deem appropriate to prevent diversion of substances in Table I and Table II used for the purpose of illicit manufacture of narcotic drugs or psychotropic substances, and shall co-operate with one another to this end.
2. If a Party or the Board has information which in its opinion may require the inclusion of a substance in Table I or Table II, it shall notify the Secretary-General and furnish him with the information in support of that notification. The procedure described in paragraphs 2 to 7 of this article shall also apply when a Party or the Board has information justifying the deletion of a substance from Table I or Table II, or the transfer of a substance from one Table to the other.
3. The Secretary-General shall transmit such notification, and any information which he considers relevant, to the Parties, to the Commission, and, where notification is made by a Party, to the Board. The Parties shall communicate their comments concerning the notification to the Secretary-General, together with all supplementary information which may assist the Board in establishing an assessment and the Commission in reaching a decision.
4. If the Board, taking into account the extent, importance and diversity of the licit use of the substance, and the possibility and ease of using alternate substances both for licit purposes and for the illicit manufacture of narcotic drugs or psychotropic substances, finds:
 - a) That the substance is frequently used in the illicit manufacture of a narcotic drug or psychotropic substance;
 - b) That the volume and extent of the illicit manufacture of a narcotic drug or psychotropic substance creates serious public health or social problems, so as to warrant international action,it shall communicate to the Commission an assessment of the substance, including the likely effect of adding the substance to either Table I or Table II on both licit use and illicit manufacture, together with recommendations of monitoring measures, if any, that would be appropriate in the light of its assessment.
5. The Commission, taking into account the comments submitted by the Parties and the comments and recommendations of the Board, whose assessment shall be determinative as to scientific matters, and also taking into due consideration any other relevant factors, may decide by a two-thirds majority of its members to place a substance in Table I or Table II.
6. Any decision of the Commission taken pursuant to this article shall be communicated by the Secretary-General to all States and other entities which are, or which are entitled to become, Parties to this Convention, and to the Board. Such decision shall become fully effective with respect to each Party one hundred and eighty days after the date of such communication.
7.
 - a) The decisions of the Commission taken under this article shall be subject to review by the Council upon the request of any Party filed within one hundred and eighty days after the date of notification of the decision. The request for review shall be sent to the Secretary-General, together with all relevant information upon which the request for review is based.
 - b) The Secretary-General shall transmit copies of the request for review and the relevant information to the Commission, to the Board and to all the Parties, inviting them to submit their comments within ninety days. All comments received shall be submitted to the Council for consideration.
 - c) The Council may confirm or reverse the decision of the Commission. Notification of the Council's decision shall be transmitted to all States and other entities which are, or which are entitled to become, Parties to this Convention, to the Commission and to the Board.
8.
 - a) Without prejudice to the generality of the provisions contained in paragraph 1 of this article and the provisions of the 1961 Convention, the 1961 Convention as amended and the 1971 Convention, the Parties shall take the measures they deem appropriate to monitor the manufacture and distribution of substances in Table I and Table II which are carried out within their territory.

- b) To this end, the Parties may:
 - i) Control all persons and enterprises engaged in the manufacture and distribution of such substances;
 - ii) Control under licence the establishment and premises in which such manufacture or distribution may take place;
 - ii) Require that licensees obtain a permit for conducting the aforesaid operations;
 - iv) Prevent the accumulation of such substances in the possession of manufacturers and distributors, in excess of the quantities required for the normal conduct of business and the prevailing market conditions.
9. Each Party shall, with respect to substances in Table I and Table II, take the following measures:
- a) Establish and maintain a system to monitor international trade in substances in Table I and Table II in order to facilitate the identification of suspicious transactions. Such monitoring systems shall be applied in close co-operation with manufacturers, importers, exporters, wholesalers and retailers, who shall inform the competent authorities of suspicious orders and transactions.
 - b) Provide for the seizure of any substance in Table I or Table II if there is sufficient evidence that it is for use in the illicit manufacture of a narcotic drug or psychotropic substance.
 - c) Notify, as soon as possible, the competent authorities and services of the Parties concerned if there is reason to believe that the import, export or transit of a substance in Table I or Table II is destined for the illicit manufacture of narcotic drugs or psychotropic substances, including in particular information about the means of payment and any other essential elements which led to that belief.
 - d) Require that imports and exports be properly labelled and documented. Commercial documents such as invoices, cargo manifests, customs, transport and other shipping documents shall include the names, as stated in Table I or Table II, of the substances being imported or exported, the quantity being imported or exported, and the name and address of the exporter, the importer and, when available, the consignee.
 - e) Ensure that documents referred to in subparagraph d) of this paragraph are maintained for a period of not less than two years and may be made available for inspection by the competent authorities.
10. a) In addition to the provisions of paragraph 9, and upon request to the Secretary-General by the interested Party, each Party from whose territory a substance in Table I is to be exported shall ensure that, prior to such export, the following information is supplied by its competent authorities to the competent authorities of the importing country:
- i) Name and address of the exporter and importer and, when available, the consignee;
 - ii) Name of the substance in Table I;
 - iii) Quantity of the substance to be exported;
 - iv) Expected point of entry and expected date of dispatch;
 - v) Any other information which is mutually agreed upon by the Parties.
- b) A Party may adopt more strict or severe measures of control than those provided by this paragraph if, in its opinion, such measures are desirable or necessary.
11. Where a Party furnishes information to another Party in accordance with paragraphs 9 and 10 of this article, the Party furnishing such information may require that the Party receiving it keep confidential any trade, business, commercial or professional secret or trade process.
12. Each Party shall furnish annually to the Board, in the form and manner provided for by it and on forms made available by it, information on:
- a) The amounts seized of substances in Table I and Table II and, when known, their origin;
 - b) Any substance not included in Table I or Table II which is identified as having been used in illicit manufacture of narcotic drugs or psychotropic substances, and which is deemed by the Party to be sufficiently significant to be brought to the attention of the Board;
 - c) Methods of diversion and illicit manufacture.
13. The Board shall report annually to the Commission on the implementation of this article and the Commission shall periodically review the adequacy and propriety of Table I and Table II.

14. The provisions of this article shall not apply to pharmaceutical preparations, nor to other preparations containing substances in Table I or Table II that are compounded in such a way that such substances cannot be easily used or recovered by readily applicable means.

Article 13

MATERIALS AND EQUIPMENT

The Parties shall take such measures as they deem appropriate to prevent trade in and the diversion of materials and equipment for illicit production or manufacture of narcotic drugs and psychotropic substances and shall co-operate to this end.

Article 14

MEASURES TO ERADICATE ILLICIT CULTIVATION OF NARCOTIC PLANTS AND TO ELIMINATE ILLICIT DEMAND FOR NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES.

1. Any measures taken pursuant to this Convention by Parties shall not be less stringent than the provisions applicable to the eradication of illicit cultivation of plants containing narcotic and psychotropic substances and to the elimination of illicit demand for narcotic drugs and psychotropic substances under the provisions of the 1961 Convention, the 1961 Convention as amended and the 1971 Convention.
2. Each Party shall take appropriate measures to prevent illicit cultivation of and to eradicate plants containing narcotic or psychotropic substances, such as opium poppy, coca bush and cannabis plants, cultivated illicitly in its territory. The measures adopted shall respect fundamental human rights and shall take due account of traditional licit uses, where there is historic evidence of such use, as well as the protection of the environment.
3.
 - a) The Parties may co-operate to increase the effectiveness of eradication efforts. Such co-operation may, *inter alia*, include support, when appropriate, for integrated rural development leading to economically viable alternatives to illicit cultivation. Factors such as access to markets, the availability of resources and prevailing socio-economic conditions should be taken into account before such rural development programmes are implemented. The Parties may agree on any other appropriate measures of co-operation.
 - b) The Parties shall also facilitate the exchange of scientific and technical information and the conduct of research concerning eradication.
 - c) Whenever they have common frontiers, the Parties shall seek to co-operate in eradication programmes in their respective areas along those frontiers.
4. The Parties shall adopt appropriate measures aimed at eliminating or reducing illicit demand for narcotic drugs and psychotropic substances, with a view to reducing human suffering and eliminating financial incentives for illicit traffic. These measures may be based, *inter alia*, on the recommendations of the United Nations, specialized agencies of the United Nations such as the World Health Organization, and other competent international organizations, and on the Comprehensive Multidisciplinary Outline adopted by the International Conference on Drug Abuse and Illicit Trafficking, held in 1987, as it pertains to governmental and non-governmental agencies and private efforts in the fields of prevention, treatment and rehabilitation. The Parties may enter into bilateral or multilateral agreements or arrangements aimed at eliminating or reducing illicit demand for narcotic drugs and psychotropic substances.
5. The Parties may also take necessary measures for early destruction or lawful disposal of the narcotic drugs, psychotropic substances and substances in Table I and Table II which have been seized or confiscated and for the admissibility as evidence of duly certified necessary quantities of such substances.

Article 15

COMMERCIAL CARRIERS

1. The Parties shall take appropriate measures to ensure that means of transport operated by commercial carriers are not used in the commission of offences established in accordance with article 3, paragraph 1; such measures may include special arrangements with commercial carriers.

2. Each Party shall require commercial carriers to take reasonable precautions to prevent the use of their means of transport for the commission of offences established in accordance with article 3, paragraph 1. Such precautions may include:

- a) If the principal place of business of a commercial carrier is within the territory of the Party:
 - i) Training of personnel to identify suspicious consignments or persons;
 - ii) Promotion of integrity of personnel;
- b) If a commercial carrier is operating within the territory of the Party:
 - i) Submission of cargo manifests in advance, whenever possible;
 - ii) Use of tamper-resistant, individually verifiable seals on containers;
 - iii) Reporting to the appropriate authorities at the earliest opportunity all suspicious circumstances that may be related to the commission of offences established in accordance with article 3, paragraph 1.

3. Each Party shall seek to ensure that commercial carriers and the appropriate authorities at points of entry and exit and other customs control areas co-operate, with a view to preventing unauthorized access to means of transport and cargo and to implementing appropriate security measures.

Article 16

COMMERCIAL DOCUMENTS AND LABELLING OF EXPORTS

1. Each Party shall require that lawful exports of narcotic drugs and psychotropic substances be properly documented. In addition to the requirements for documentation under article 31 of the 1961 Convention, article 31 of the 1961 Convention as amended and article 12 of the 1971 Convention, commercial documents such as invoices, cargo manifests, customs, transport and other shipping documents shall include the names of the narcotic drugs and psychotropic substances being exported as set out in the respective Schedules of the 1961 Convention, the 1961 Convention as amended and the 1971 Convention, the quantity being exported, and the name and address of the exporter, the importer and, when available, the consignee.

2. Each Party shall require that consignments of narcotic drugs and psychotropic substances being exported be not mislabelled.

Article 17

ILLICIT TRAFFIC BY SEA

1. The Parties shall co-operate to the fullest extent possible to suppress illicit traffic by sea, in conformity with the international law of the sea.

2. A Party which has reasonable grounds to suspect that a vessel flying its flag or not displaying a flag or marks of registry is engaged in illicit traffic may request the assistance of other Parties in suppressing its use for that purpose. The Parties so requested shall render such assistance within the means available to them.

3. A Party which has reasonable grounds to suspect that a vessel exercising freedom of navigation in accordance with international law, and flying the flag or displaying marks of registry of another Party is engaged in illicit traffic may so notify the flag State, request confirmation of registry and, if confirmed, request authorization from the flag State to take appropriate measures in regard to that vessel.

4. In accordance with paragraph 3 or in accordance with treaties in force between them or in accordance with any agreement or arrangement otherwise reached between those Parties, the flag State may authorize the requesting State to, *inter alia*:

- a) Board the vessel;
- b) Search the vessel;
- c) If evidence of involvement in illicit traffic is found, take appropriate action with respect to the vessel, persons and cargo on board.

5. Where action is taken pursuant to this article, the Parties concerned shall take due account of the need not to endanger the safety of life at sea, the security of the vessel and the cargo or to prejudice the commercial and legal interests of the flag State or any other interested State.

6. The flag State may, consistent with its obligations in paragraph 1 of this article, subject its authorization to conditions to be mutually agreed between it and the requesting Party, including conditions relating to responsibility.

7. For the purposes of paragraphs 3 and 4 of this article, a Party shall respond expeditiously to a request from another Party to determine whether a vessel that is flying its flag is entitled to do so, and to requests for authorization made pursuant to paragraph 3. At the time of becoming a Party to this Convention, each Party shall designate an authority or, when necessary, authorities to receive and respond to such requests. Such designation shall be notified through the Secretary-General to all other Parties within one month of the designation.

8. A Party which has taken any action in accordance with this article shall promptly inform the flag State concerned of the results of that action.

9. The Parties shall consider entering into bilateral or regional agreements or arrangements to carry out, or to enhance the effectiveness of, the provisions of this article.

10. Action pursuant to paragraph 4 of this article shall be carried out only by warships or military aircraft, or other ships or aircraft clearly marked and identifiable as being on government service and authorized to that effect.

11. Any action taken in accordance with this article shall take due account of the need not to interfere with or affect the rights and obligations and the exercise of jurisdiction of coastal States in accordance with the international law of the sea.

Article 18

FREE TRADE ZONES AND FREE PORTS

1. The Parties shall apply measures to suppress illicit traffic in narcotic drugs, psychotropic substances and substances in Table I and Table II in free trade zones and in free ports that are no less stringent than those applied in other parts of their territories.

2. The Parties shall endeavour:

a) To monitor the movement of goods and persons in free trade zones and free ports, and, to that end, shall empower the competent authorities to search cargoes and incoming and outgoing vessels, including pleasure craft and fishing vessels, as well as aircraft and vehicles and, when appropriate, to search crew members, passengers and their baggage;

b) To establish and maintain a system to detect consignments suspected of containing narcotic drugs, psychotropic substances and substances in Table I and Table II passing into or out of free trade zones and free ports;

c) To establish and maintain surveillance systems in harbour and dock areas and at airports and border control points in free trade zones and free ports.

Article 19

THE USE OF THE MAILS

1. In conformity with their obligations under the Conventions of the Universal Postal Union, and in accordance with the basic principles of their domestic legal systems, the Parties shall adopt measures to suppress the use of the mails for illicit traffic and shall co-operate with one another to that end.

2. The measures referred to in paragraph 1 of this article shall include, in particular:

a) Co-ordinated action for the prevention and repression of the use of the mails for illicit traffic;

b) Introduction and maintenance by authorized law enforcement personnel of investigative and control techniques designed to detect illicit consignments of narcotic drugs, psychotropic substances and substances in Table I and Table II in the mails;

- c) Legislative measures to enable the use of appropriate means to secure evidence required for judicial proceedings.

Article 20

INFORMATION TO BE FURNISHED BY THE PARTIES

1. The Parties shall furnish, through the Secretary-General, information to the Commission on the working of this Convention in their territories and, in particular:
 - a) The text of laws and regulations promulgated in order to give effect to the Convention;
 - b) Particulars of cases of illicit traffic within their jurisdiction which they consider important because of new trends disclosed, the quantities involved, the sources from which the substances are obtained, or the methods employed by persons so engaged.
2. The Parties shall furnish such information in such a manner and by such dates as the Commission may request.

Article 21

FUNCTIONS OF THE COMMISSION

The Commission is authorized to consider all matters pertaining to the aims of this Convention and, in particular.

- a) The Commission shall, on the basis of the information submitted by the Parties in accordance with article 20, review the operation of this Convention;
- b) The Commission may make suggestions and general recommendations based on the examination of the information received from the Parties;
- c) The Commission may call the attention of the Board to any matters which may be relevant to the functions of the Board;
- d) The Commission shall, on any matter referred to it by the Board under article 22, paragraph 1 b), take such action as it deems appropriate;
- e) The Commission may, in conformity with the procedures laid down in article 12, amend Table I and Table II;
- f) The Commission may draw the attention of non-Parties to decisions and recommendations which it adopts under this Convention, with a view to their considering taking action in accordance therewith.

Article 22

FUNCTIONS OF THE BOARD

1. Without prejudice to the functions of the Commission under article 21, and without prejudice to the functions of the Board and the Commission under the 1961 Convention, the 1961 Convention as amended and the 1971 Convention:
 - a) If, on the basis of its examination of information available to it, to the Secretary-General or to the Commission, or of information communicated by United Nations organs, the Board has reason to believe that the aims of this Convention in matters related to its competence are not being met, the Board may invite a Party or Parties to furnish any relevant information;
 - b) With respect to articles 12, 13 and 16:
 - i) After taking action under subparagraph a) of this article, the Board if satisfied that it is necessary to do so, may call upon the Party concerned to adopt such remedial measures as shall seem under the circumstances to be necessary for the execution of the provisions of articles 12, 13 and 16;
 - ii) Prior to taking action under iii) below, the Board shall treat as confidential its communications with the Party concerned under the preceding subparagraphs;
 - iii) If the Board finds that the Party concerned has not taken remedial measures which it has been called upon to take under this subparagraph, it may call the attention of the Parties, the Council and the Commission to the matter. Any

report published by the Board under this subparagraph shall also contain the views of the Party concerned if the latter so requests.

2. Any Party shall be invited to be represented at a meeting of the Board at which a question of direct interest to it is to be considered under this article.
3. If in any case a decision of the Board which is adopted under this article is not unanimous, the views of the minority shall be stated.
4. Decisions of the Board under this article shall be taken by a two-thirds majority of the whole number of the Board.
5. In carrying out its functions pursuant to subparagraph 1 a) of this article, the Board shall ensure the confidentiality of all information which may come into its possession.
6. The Board's responsibility under this article shall not apply to the implementation of treaties or agreements entered into between Parties in accordance with the provisions of this Convention.
7. The provisions of this article shall not be applicable to disputes between Parties falling under the provisions of article 32.

Article 23

REPORTS OF THE BOARD

1. The Board shall prepare an annual report on its work containing an analysis of the information at its disposal and, in appropriate cases, an account of the explanations, if any, given by or required of Parties, together with any observations and recommendations which the Board desires to make. The Board may make such additional reports as it considers necessary. The reports shall be submitted to the Council through the Commission which may make such comments as it sees fit.
2. The reports of the Board shall be communicated to the Parties and subsequently published by the Secretary-General. The Parties shall permit their unrestricted distribution.

Article 24

APPLICATION OF STRICTER MEASURES THAN THOSE REQUIRED BY THIS CONVENTION

A Party may adopt more strict or severe measures than those provided by this Convention if, in its opinion, such measures are desirable or necessary for the prevention or suppression of illicit traffic.

Article 25

NON-DEROGATION FROM EARLIER TREATY RIGHTS AND OBLIGATIONS

The provisions of this Convention shall not derogate from any rights enjoyed or obligations undertaken by Parties to this Convention under the 1961 Convention, the 1961 Convention as amended and the 1971 Convention.

Article 26

SIGNATURE

This Convention shall be open for signature at the United Nations Office at Vienna, from 20 December 1988 to 28 February 1989, and thereafter at the Headquarters of the United Nations at New York, until 20 December 1989, by:

- a) All States;
- b) Namibia, represented by the United Nations Council for Namibia;
- c) Regional economic integration organizations which have competence in respect of the negotiation, conclusion and application of international agreements in matters covered by this Convention, references under the Convention to Parties, States or national services being applicable to these organizations within the limits of their competence.

Article 27

RATIFICATION, ACCEPTANCE, APPROVAL OR ACT OF FORMAL CONFIRMATION

1. This Convention is subject to ratification, acceptance or approval by States and by Namibia, represented by the United Nations Council for Namibia, and to acts of formal confirmation by regional economic integration organizations referred to in article 26, subparagraph c). The instruments of ratification, acceptance or approval and those relating to acts of formal confirmation shall be deposited with the Secretary-General.
2. In their instruments of formal confirmation, regional economic integration organizations shall declare the extent of their competence with respect to the matters governed by this Convention. These organizations shall also inform the Secretary-General of any modification in the extent of their competence with respect to the matters governed by the Convention.

Article 28

ACCESSION

1. This Convention shall remain open for accession by any State, by Namibia, represented by the United Nations Council for Namibia, and by regional economic integration organizations referred to in article 26, subparagraph c). Accession shall be effected by the deposit of an instrument of accession with the Secretary-General.
2. In their instruments of accession, regional economic integration organizations shall declare the extent of their competence with respect to the matters governed by this Convention. These organizations shall also inform the Secretary-General of any modification in the extent of their competence with respect to the matters governed by the Convention.

Article 29

ENTRY INTO FORCE

1. This Convention shall enter into force on the ninetieth day after the date of the deposit with the Secretary-General of the twentieth instrument of ratification, acceptance, approval or accession by States or by Namibia, represented by the Council for Namibia.
2. For each State or for Namibia, represented by the Council for Namibia, ratifying, accepting, approving or acceding to this Convention after the deposit of the twentieth instrument of ratification, acceptance, approval or accession, the Convention shall enter into force on the ninetieth day after the date of the deposit of its instrument of ratification, acceptance, approval or accession.
3. For each regional economic integration organization referred to in article 26, subparagraph c) depositing an instrument relating to an act of formal confirmation or an instrument of accession, this Convention shall enter into force on the ninetieth day after such deposit, or at the date the Convention enters into force pursuant to paragraph 1 of this article, whichever is later.

Article 30

DENUNCIATION

1. A Party may denounce this Convention at any time by a written notification addressed to the Secretary-General.
2. Such denunciation shall take effect for the Party concerned one year after the date of receipt of the notification by the Secretary-General.

Article 31

AMENDMENTS

1. Any Party may propose an amendment to this Convention. The text of any such amendment and the reasons therefor shall be communicated by that Party to the Secretary-General, who shall communicate it to the other Parties and shall ask them whether they accept the proposed amendment. If a proposed amendment so circulated has not been rejected by any Party within twenty-four months after it has been circulated, it shall be deemed to have been accepted and shall enter into force in respect of a Party ninety days after that Party has deposited with the Secretary-General an instrument expressing its consent to be bound by that amendment.
2. If a proposed amendment has been rejected by any Party, the Secretary-General shall consult with the Parties and, if a majority so requests, he shall bring the matter, together with any comments made by the Parties, before the Council which may decide to call a conference in accordance with Article 62, paragraph 4, of the Charter of the United Nations. Any amendment resulting from such a Conference shall be embodied in a Protocol of Amendment. Consent to be bound by such a Protocol shall be required to be expressed specifically to the Secretary-General.

Article 32

SETTLEMENT OF DISPUTES

1. If there should arise between two or more Parties a dispute relating to the interpretation or application of this Convention, the Parties shall consult together with a view to the settlement of the dispute by negotiation, enquiry, mediation, conciliation, arbitration, recourse to regional bodies, judicial process or other peaceful means of their own choice.
2. Any such dispute which cannot be settled in the manner prescribed in paragraph 1 of this article shall be referred, at the request of any one of the States Parties to the dispute, to the International Court of Justice for decision.
3. If a regional economic integration organization referred to in article 26, subparagraph c) is a Party to a dispute which cannot be settled in the manner prescribed in paragraph 1 of this article, it may, through a State Member of the United Nations, request the Council to request an advisory opinion of the International Court of Justice in accordance with Article 65 of the Statute of the Court, which opinion shall be regarded as decisive.
4. Each State, at the time of signature or ratification, acceptance or approval of this Convention or accession thereto, or each regional economic integration organization, at the time of signature or deposit of an act of formal confirmation or accession, may declare that it does not consider itself bound by paragraphs 2 and 3 of this article. The other Parties shall not be bound by paragraphs 2 and 3 with respect to any Party having made such a declaration.
5. Any Party having made a declaration in accordance with paragraph 4 of this article may at any time withdraw the declaration by notification to the Secretary-General.

Article 33

AUTHENTIC TEXTS

The Arabic, Chinese, English, French, Russian and Spanish texts of this Convention are equally authentic.

Article 34

DEPOSITARY

The Secretary-General shall be the depositary of this Convention.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Convention.

DONE AT VIENNA, in one original, this twentieth day of December one thousand nine hundred and eighty-eight.

ANNEX

Revised Tables including the amendments made by the Commission on Narcotic Drugs in force as of 23 November 1992

<i>Table I</i>	<i>Table II</i>
N-acetylanthranilic acid	Acetic anhydride
Ephedrine	Acetone
Ergometrine	Anthranilic acid
Ergotamine	Ethyl ether
Isosafrole	Hydrochloric acid
Lysergic acid	Methyl ethyl ketone
3,4-methylenedioxyphenyl-2-propanone	Phenylacetic acid
1-phenyl-2-propanone	Piperidine
Piperonal	Potassium permanganate
Pseudoephedrine	Sulphuric acid
Safrole	Toluene

The salts of the substances listed in this Table whenever the existence of such salts is possible.

The salts of the substances listed in this Table whenever the existence of such salts is possible (the salts of hydrochloric acid and sulphuric acid are specifically excluded)

EXHIBIT 15



National Center for Health Statistics

U.S. Overdose Deaths Decrease in 2023, First Time Since 2018

For Immediate Release: May 15, 2024

Contact: CDC, National Center for Health Statistics, Office of Communication (301) 458-4800

E-mail: paoquery@cdc.gov

Provisional data from CDC’s National Center for Health Statistics indicate there were an estimated 107,543 drug overdose deaths in the United States during 2023—a decrease of 3% from the 111,029 deaths estimated in 2022. This is the first annual decrease in drug overdose deaths since 2018.

The data are featured in an [interactive web data visualization](#). The 2023 data presented in this visualization are provisional—they are incomplete and subject to change as more 2023 data are submitted to the National Vital Statistics System.

The new data show overdose deaths involving opioids decreased from an estimated 84,181 in 2022 to 81,083 in 2023. While overdose deaths from synthetic opioids (primarily fentanyl) decreased in 2023 compared to 2022, cocaine and psychostimulants (like methamphetamine) increased.

Several states across the nation saw decreases; Nebraska, Kansas, Indiana, and Maine experienced declines of 15% or more. Still, some states saw increases. Alaska, Washington, and Oregon stood out with notable increases of at least 27% compared to the same period in 2022.

The visualization includes:

- Reported and predicted (estimated) provisional counts of deaths due to drug overdose occurring nationally and in each jurisdiction.
- U.S. map of the percentage changes in provisional drug overdose deaths for the 12-month period ending in December 2023 compared with the 12-month period ending in December 2022, by jurisdiction.
- Reported and predicted provisional counts of drug overdose deaths involving specific drugs or drug classes occurring nationally and in selected jurisdictions.

NCHS releases both reported and predicted provisional drug overdose death counts each month. They represent the numbers of these deaths due to drug overdose occurring in the 12-month periods ending in the month indicated. Deaths are reported by the jurisdiction in which the death occurred.

DRUG TYPE*	(ESTIMATED DEATHS 2023)	(ESTIMATED DEATHS 2022)
Synthetic Opioids (fentanyl)	74,702	76,226

DRUG TYPE*	(ESTIMATED DEATHS 2023)	(ESTIMATED DEATHS 2022)
Psychostimulants (including methamphetamine)	36,251	35,550
Cocaine	29,918	28,441
Natural/semi-synthetic	10,171	12,135

**Deaths may involve multiple drugs, while others might not specify any specific drug. As a result, the sum of deaths attributed to specific drugs may not equal the total number of drug overdose deaths.*

Last Reviewed: May 15, 2024

EXHIBIT 16



SPEECH

Attorney General Merrick B. Garland Delivers Remarks Announcing Eight Indictments Against China-Based Chemical Manufacturing Companies and Employees

Tuesday, October 3, 2023

Location

Washington, DC
United States

Remarks as Delivered

Good afternoon.

Fentanyl is the deadliest drug threat the United States has ever faced. It is nearly 50 times more potent than heroin and is a nearly invisible poison. Just two milligrams of fentanyl – the amount that could fit at the tip of a pencil – is a potentially lethal dose.

I am joined today by Homeland Security Secretary Alejandro Mayorkas, Deputy Attorney General Lisa Monaco, Deputy Treasury Secretary Wally Adeyemo, DEA Administrator Anne Milgram, and Chief Postal Inspector Gary Barksdale.

We are here today to announce a series of actions we are taking to target the trafficking of fentanyl at every stage and in every part of the world.

But more important, we are here today to deliver a message on behalf of the United States government:

We know who is responsible for poisoning the American people with fentanyl.

We know who is responsible for shattering families and communities across the United States with drug poisonings and overdoses.

We know that behind the deaths of hundreds of thousands of Americans is a cartel-driven fentanyl trafficking network that spans countries and continents.

We know that this network includes the cartels' leaders, their drug traffickers, their money launderers, their clandestine lab operators, their security forces, their weapons suppliers, and their chemical suppliers.

And we know that this global fentanyl supply chain, which ends with the deaths of Americans, often starts with chemical companies in China.

Our agents and prosecutors are working every day to get fentanyl out of our communities and bring to justice those who put it there.

Recently, that work has included charging 23 Sinaloa Cartel members, associates, and leaders for their roles in running the largest, most violent, and most prolific fentanyl trafficking operation in the world.

And it has included the Department's first-ever charges against chemical companies based in China for trafficking fentanyl precursor chemicals directly into the United States.

Today, we are announcing several more actions we are taking across the government to disrupt every single aspect of the global fentanyl trafficking network.

First, in eight separate indictments in the Middle and Southern Districts of Florida, the Justice Department charged eight companies based in China, and 12 of their executives, for crimes related to the production, distribution, and importation of fentanyl, other synthetic opioids, methamphetamines, and their precursor chemicals.

As detailed in the indictments unsealed today, the precursor chemicals used to make synthetic opioids like fentanyl are primarily manufactured and distributed by China-based chemical companies.

These companies advertise the sale of precursor chemicals online, using different websites and social media platforms.

They then ship the building blocks needed to create deadly drugs all over the world.

To evade detection by U.S. law enforcement, they use fake return addresses, include fraudulent invoices that mislabel the products, and disguise the chemicals in packaging such as dog food bags.

In just one example, one of the defendants, a pharmaceutical technology company located in China, advertised fentanyl precursor chemicals, as well as xylazine, for sale online.

Drug traffickers may combine xylazine, a horse tranquilizer also known as tranq, with drugs like fentanyl in order to enhance their effects and increase their value.

But, unlike opioids, the effects of xylazine cannot be reversed by Narcan. And people who inject drug mixtures containing xylazine can develop wounds that result in disfigurement or amputation.

As detailed in the indictment, after advertising the precursor chemicals, the pharmaceutical company then shipped them to both the United States and to Mexico, including to a drug trafficker affiliated with the Sinaloa Cartel.

In one instance, a company executive specifically asked a customer, who was asking about the purchase of fentanyl precursors, “do they need fent?” – short for fentanyl.

The executive went on to recommend a specific fentanyl precursor to the customer, saying that “all Mexico customers” buy it. The executive told the customer the company would ship the precursor under a different chemical name to ensure “safe custom clearance.”

But in fact, the purported “customer” was an undercover DEA agent.

As alleged in the indictment, the company shipped 300 grams of xylazine and 43 kilograms of fentanyl precursors to the United States, where undercover DEA agents received them.

The precursor chemicals we received from this company – in just this one case – would have been enough to manufacture more than 72 kilograms of fentanyl. That amount could be used to make more than 15 million fentanyl pills – each one potentially fatal.

As the Deputy Attorney General will highlight shortly, the cases being unsealed today are part of a whole-of-government effort to attack every aspect of the trafficking of deadly fentanyl.

That effort includes not only Justice Department prosecutors and DEA [and FBI] agents, but also our partners at the Treasury Department, the Department of Homeland Security, and the U.S. Postal Inspection Service.

In a moment, Secretary Mayorkas will discuss, among other things, additional seizures of fentanyl precursor chemicals made by the Department of Homeland Security alongside its DEA counterparts.

And Deputy Secretary Adeyemo will discuss sanctions the Treasury Department is imposing today on a set of individuals and entities involved in fentanyl trafficking. That includes all of the China-based companies and individuals being charged in the Southern District of Florida today.

Tomorrow, Secretary Mayorkas, Secretary Blinken, and I will be traveling to Mexico City to meet with our government and law enforcement counterparts to discuss the most emergent, urgent threats facing our countries. Disrupting the violent cartels manufacturing and trafficking fentanyl will be at the top of the list.

In this vein, just three weeks ago, we extradited from Mexico Ovidio Guzman Lopez, a leader of the Sinaloa Cartel, and a son of the infamous El Chapo. He is one of more than a dozen cartel leaders we have indicted and extradited to the United States. He will not be the last. The United States government is focused on breaking apart every link in the global fentanyl chain.

That includes holding accountable the chemical companies that we know are fueling the fentanyl epidemic.

It is critical that the PRC government stops the unchecked flow of precursor chemicals that are coming from China.

I want to thank the U.S. Attorneys for the Middle and Southern Districts of Florida, and their incredible teams, for their work on these cases. I want to thank the DEA and FBI for their tireless efforts in making the actions we announce today possible.

And I want to thank our terrific partners from across the government.

Finally, I want to express my continued gratitude to some of the most powerful advocates I have ever met: the families who have lost loved ones to a drug poisoning or overdose.

Last week, Administrator Milgram and I spent the morning with people from across the country, who came to Washington for DEA's second annual family summit.

They came here because each had lost a loved one to a drug poisoning or overdose.

And they came here because they wanted to do everything in their power to prevent that from happening to another family.

They remind us why we fight, and why the battle is so urgent.

We will remember the victims of the fentanyl epidemic. We will pursue justice for them. And we will hold accountable those responsible for these tragedies. Thank you.

And now Secretary Mayorkas.

Speaker

[Attorney General Merrick B. Garland](#)

Topic

DRUG TRAFFICKING

Component

[Office of the Attorney General](#)

Updated October 3, 2023

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PRESS RELEASE

Notorious Mexican Cartel Leader Convicted for International Drug Trafficking and Firearms Offenses

A federal jury convicted Ruben Oseguera-Gonzalez, also known as El Menchito, today of conspiring to distribute five kilograms or more of cocaine and 500 grams or more of methamphetamine while...

September 20, 2024

SPEECH

Attorney General Merrick B. Garland Delivers Remarks at the U.S. Attorney's Office for the District of Kansas

Wichita

Thanks, Kate.

I mostly came here to thank the people who are sitting around this table who are really responsible, and the law enforcement officers risk their lives every day...

EXHIBIT 17



Drug Enforcement Administration

@DEAHQ

DEA Joins with Families Across the Country to Increase Awareness about the Dangers of Fentanyl

Noviembre 18, 2022

For Immediate Release

Contact: Media Relations

Phone Number: (571) 776-2508

WASHINGTON – This week the Drug Enforcement Administration (DEA) hosted regional family summits across the country in support of those who have lost loved ones to fentanyl poisoning.

This is the first undertaking of its kind for the DEA field divisions and builds off the momentum of this summer's Inaugural Family Summit hosted at DEA Headquarters in Arlington, VA.

U.S. Attorney General Merrick Garland and DEA Administrator Anne Milgram delivered remarks at Thursday's Family Summit in

Washington, D.C.

“The Justice Department will never give up in our effort to protect American lives,” said U.S. Attorney General Merrick Garland. “We will continue to work tirelessly to get deadly drugs -- including fentanyl -- out of our communities. And through today’s Family Summit, we will help prevent future tragedies. Your stories and your participation are indispensable to the success of this effort. We are humbled to do this work alongside you, and we stand with you in honor of your loved ones.”

“The passion, commitment and incredible work these families are doing to prevent others from experiencing the profound pain of losing a loved one to a fentanyl poisoning inspires all of us at DEA. They have made it

their mission to save lives. Their efforts are, and will remain, an integral part of DEA's outreach, prevention and education programs," said DEA Administrator Anne Milgram. "The family summits are one of the ways DEA is working to meet this moment."

According to the Centers for Disease Control and Prevention, 107,622 people died by drug poisoning in the United States in 2021. A majority of drug poisoning deaths are attributed to synthetic opioids, such as fentanyl.

The DEA regional family summits gather families who are passionate about saving lives through increased public awareness of fentanyl. These summits allow DEA to listen and learn from families as they share their personal stories. Additionally, the summits

provide participants information on national drug threats and resources available to enhance local prevention efforts.

If you are interested in information on how to get involved in future events please complete the Advocates for Change form and submit it to familyoutreach@dea.gov.

DEA has resources available to help parents and care givers talk to kids about the dangers of drug use. You can also visit the Get Smart About Drugs website.

If you or someone you know needs help with substance use or mental health disorders, please visit DEA's Recovery Resources page for list of resources.

#

EXHIBIT 18

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Portland Police Bureau

PPB Releases New Podcast on Dangers of Fentanyl (Photo)



Fentanyl_2.jpg

May 18, 2022 13:59

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The Portland Police Bureau continues to raise awareness regarding the dangers of illegally produced and sold fentanyl. Fentanyl is a synthetic opioid, and can be up to 50 times stronger than heroin and 100 times stronger than morphine. While it has a medical use under licensed professionals, over the years, fentanyl has become a cheap drug, sold in pill form, usually blue in color and often referred to as M30s. They are often stamped to resemble pharmaceutical drugs, such as oxycodone or Xanax. Fentanyl also can come in powder form and can be cut into other drugs such as cocaine, heroin and methamphetamine. According to the U.S. Drug Enforcement Agency (DEA), 42 percent of pills tested for fentanyl contained at least 2 mg of fentanyl, considered a potential lethal dose.

PPB's Narcotics and Organized Crime Unit (NOC) has seized nearly 570,000 fentanyl pills and just over 4,000 grams of power since June 4, 2021. One kilogram costs \$1,000 to produce--and just one kilogram of fentanyl has the potential to kill 500,000 people. It is sold for about \$1,300 per ounce. Pills are commonly sold for

\$5-\$10 each.

In 2022, the Portland Police Bureau has been notified of 58 confirmed overdose deaths, with 27 of them suspected to be linked to fentanyl. According to the Oregon-Idaho High Intensity Drug Trafficking Area (HIDTA), in 2021, Oregon saw 11 fentanyl-related fatal overdoses in ages 0-17 and 53 in ages 18-24.

PPB has been using its social media platform during the month of May to raise awareness regarding the dangers of buying counterfeit pills and using fentanyl.

The Bureau recently released a podcast regarding this subject. The podcast can be found here:

<https://www.portland.gov/police/news/2022/5/18/talking-beat-fentanyl-portland>

For more information, please visit: <https://www.dea.gov/resources/facts-about-fentanyl>

Photo Description: Blue fentanyl pills

###PPB###

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PPBPIO@police.portlandoregon.gov

Phone: 503-823-0830

1111 SW 2nd Ave

Portland, OR 97204

Recent Headlines:

[Man Dies at Hospital 5 Days after Shooting at NE Columbia and MLK Blvd \(Photo\)](#)

October 12, 2024 17:01

EXHIBIT 19

COUNCIL *on*
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What Is China's Role in Combating the Illegal Fentanyl Trade?

Those seeking to profit from fentanyl and governments seeking to control its supply are locked in a never-ending competition, with each new countermeasure spurring further innovation to circumvent it.

Expert Brief by Zongyuan Zoe Liu

September 12, 2024 11:09 am (EST)



A U.S. Customs and Border Protection officer weighs a package of fentanyl in San Ysidro, California. Sandy Huffaker/AFP/Getty Images

Zongyuan Zoe Liu is Maurice R. Greenberg senior fellow for China studies at the Council on Foreign Relations.

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Zongyuan Zoe Liu

Why Is China Investing In a \$1.7 Billion Canal in Cambodia?

Rush Doshi

Conflicts of Interest in Federal Contracting

Small chemical manufacturers in China have become shadow suppliers fueling clandestine labs in Mexico and beyond, churning out illicit fentanyl and fentanyl-related substances that are contributing to the global drug trade and the U.S. opioid epidemic. Despite more than three decades of China regulating the production and distribution of fentanyl and its precursors, a sprawling cottage industry of small chemical plants thrives, partly bolstered by industrial policies aimed at boosting Beijing's chemical and pharmaceutical sectors. Today, international drug cartels are increasingly turning to specialized Chinese criminal gangs for swift, cheap, and secure money laundering services.

Why are more fentanyl variants being made?

Fentanyl is a synthetic opioid that is up to fifty times stronger than heroin and one hundred times stronger than morphine. However, fentanyl is cheaper to make than many common illicit drugs, such as heroin or cocaine, and is much more profitable for drug dealers due to its lower cost. According to the U.S. Drug Enforcement Administration (DEA), one kilogram (2.2 pounds) of fentanyl sold “wholesale” can be worth \$80,000 [PDF], which can then make a profit of some \$1.6 million being sold on the street, or about twenty times the profit of heroin.

Chinese regulators have faced a challenge as new variants of fentanyl—chemically distinct enough not to be already controlled—emerged faster than they could be added to the government's list of controlled substances. Because synthetic drugs such as fentanyl

are made entirely from artificial substances, the potential manufacturing methods are limitless. In 2016 alone, sixty-three new variants were created in China, compared to just six new variants between 2012 and 2015.

Since the drug's creation in 1959, researchers have developed at least three manufacturing methods for fentanyl, each relying on different precursor chemicals (the compounds used to make the drug). Criminals have continued to adapt these processes to use a broader set of more readily available precursor chemicals.

More From Our Experts

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Rush Doshi

Conflicts of Interest in Federal Contracting

Listen for More

America's Fentanyl Epidemic: The China Connection

In May 2019, the Chinese government placed all potential fentanyl variants on the controlled substances list. Since that year, the supply of fentanyl from China directly to the United States has “decreased substantially,” according to the 2020 U.S. National Drug Threat Assessment [PDF]. However, fentanyl precursors continue to be produced in China, then shipped to Mexico and countries in Central America; these countries are the leading suppliers [PDF] of illicit fentanyl and fentanyl analogs sold in the United States.

How does China regulate the production and distribution of fentanyl?

China has had laws in place combating the illicit fentanyl trade for more than three decades. The State Council regulates the manufacture and distribution of narcotics in China, periodically publishing lists of controlled substances and chemical precursors with input from the Ministry of Public Security, the State Food and Drug Administration, and other agencies.

In 2017, after the Chinese government placed two common fentanyl-related chemical precursors under control, Chinese producers switched to selling three different, still unregulated chemicals used to make fentanyl—4-AP, 1-boc-4-AP, and norfentanyl. The United Nations added these compounds to its list of controlled substances in November 2022. (The DEA had already controlled these chemicals in some form since May 2020.)

In August 2024, Chinese authorities added 4-AP, 1-boc-4-AP, and norfentanyl to its list of controlled precursor chemicals, imposing stricter oversight over their production and sale, including by requiring exporters to obtain a license.

However, this is unlikely to solve the core problem, as criminals will continue to discover new ways to make fentanyl using other chemical precursors that also have legitimate industrial uses.

How is fentanyl used in China?

The Chinese government, as many others do, recognizes the medical need for narcotic drugs and other controlled substances. But there are not yet any clinically authorized oral dosage formulations in China. The use of fentanyl injections is strictly restricted to hospitals and requires special prescriptions. Hospitals are mandated to recycle used fentanyl transdermal patches—which still contain between 3.71 percent and 75.15 percent drug residue after three days of use—due to concerns that if discarded randomly, they are likely to pollute the environment or be used by criminals to produce illicit fentanyl.

As of December 2023, Chinese authorities granted forty fentanyl production licenses to five domestic pharmaceutical companies. These companies have been given special permission to produce fentanyl-related active pharmaceutical ingredients (APIs), injections, and transdermal patches for medical use.

By law, the designated manufacturers are only permitted to sell their products to three pharmaceutical firms: Chongqing Pharmaceutical, Shanghai Pharmaceuticals, and Sinopharm. These national wholesalers are responsible for distributing the products to authorized regional wholesalers, who directly supply medical institutions such as hospitals within their regions.

Due to their strong position in the domestic market and their regulated distribution, these licensed manufacturers are unlikely to have a substantial export surplus, although a small amount of diversion could be possible. Furthermore, none of the five domestic pharmaceutical companies with fentanyl production licenses have obtained approval by the U.S. Food and Drug Administration for their clinical-use fentanyl products. Without such approval, generic drugs cannot be legally sold in the United States. Consequently, China's licensed domestic manufacturers are not yet able to export and sell their pharmaceutical fentanyl products in the U.S. market.

In 2021, the U.S. Had More Opioid Deaths Than the Rest of the World Combined

Estimated deaths from opioid-use disorders, 2021



COUNCIL OF

What more could be done?

Obtaining support from Beijing to stop the flow of illicit fentanyl and its precursor chemicals is an important first step in addressing the supply problem of the crisis in the United States. U.S. law enforcement agencies also need the support of Chinese local governments and law enforcement agencies, especially provinces that have large numbers of chemical makers. Additionally, the Treasury Department and U.S. law enforcement agencies need to build on their existing working mechanisms with their Chinese counterparts and strengthen anti-money laundering cooperation to combat the illicit money flow associated with the drug trade. To that end, Washington and Beijing should consider establishing an anti-money laundering intelligence exchange mechanism.

The U.S. government should also encourage anti-drug cooperation among Canada, China, and Mexico, and build on existing cooperation mechanisms to establish a quadrilateral anti-drug cooperation working group.

The United States and China began cooperating on anti-drug efforts in 1985, while China and Mexico held the first working group meeting on precursor chemicals in October 2023 in Beijing. There, the two sides agreed to establish a China-Mexico Precursor Chemicals Working Group to exchange regulations, share intelligence on illegal production and trafficking of precursor chemicals, and jointly carry out law enforcement operations to crack down on transnational crimes involving precursor chemicals. That same year, the Joe Biden administration established the U.S.-Canada-Mexico Trilateral Fentanyl Committee to counter the threat of illicit fentanyl in North America.

International cooperation to combat the flow of illicit fentanyl products and the money associated with the trade is only half of the solution, as it targets just the supply side of the problem. Washington needs to be realistic and honest about the real crux of the fentanyl crisis: the incredibly high demand. If the U.S. government does not attempt to fix the country's addiction problem, there will be other synthetic drugs that fuel more overdose crises, even if international cooperation could eliminate fentanyl opioids.

Will Merrow created the map.

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EXHIBIT 20

PUBLIC SAFETY ALERT

DEA Issues Warning About Illegal Online Pharmacies </alert/dea-issues-warning-about-illegal-online-pharmacies> - DEA Issues Warning About Illegal Online Pharmacies

Facts About Fentanyl



Forms of Fentanyl Citrate

Fentanyl is a synthetic opioid typically used to treat patients with chronic severe pain or severe pain following surgery. Fentanyl is a Schedule II controlled substance that is similar to morphine but about 100 times more potent. Under the supervision of a licensed medical professional, fentanyl has a legitimate medical use. Patients prescribed fentanyl should be monitored for potential misuse or abuse.

Illicit fentanyl, primarily manufactured in foreign clandestine labs and smuggled into the United States through Mexico, is being distributed across the country and sold on the illegal drug market. Fentanyl is being mixed in with other illicit drugs to increase the potency of the drug, sold as powders and nasal sprays, and increasingly pressed into pills

made to look like legitimate prescription opioids. Because there is no official oversight or quality control, these counterfeit pills often contain lethal doses of fentanyl, with none of the promised drug.

There is significant risk that illegal drugs have been intentionally contaminated with fentanyl. Because of its potency and low cost, drug dealers have been mixing fentanyl with other drugs <<https://www.dea.gov/factsheets/fentanyl>> including heroin, methamphetamine, and cocaine, increasing the likelihood of a fatal interaction.

Producing illicit fentanyl is not an exact science. Two milligrams of fentanyl can be lethal depending on a person's body size, tolerance and past usage. DEA analysis has found counterfeit pills ranging from .02 to 5.1 milligrams (more than twice the lethal dose) of fentanyl per tablet.

- 42% of pills tested for fentanyl contained at least 2 mg of fentanyl, considered a potentially lethal dose.
- Drug trafficking organizations typically distribute fentanyl by the kilogram. One kilogram of fentanyl has the potential to kill 500,000 people.

It is possible for someone to take a pill without knowing it contains fentanyl. It is also possible to take a pill knowing it contains fentanyl, but with no way of knowing if it contains a lethal dose.

According to the CDC, synthetic opioids (like fentanyl) are the primary driver of overdose deaths in the United States. Comparison between 12 months-ending January 31, 2020 and the 12 months-ending January 31, 2021 during this period:

- Overdose deaths involving opioids rose 38.1 percent.
- Overdose deaths involving synthetic opioids (primarily illicitly manufactured fentanyl) rose 55.6 percent and appear to be the primary driver of the increase in total drug overdose deaths.

Unless a drug is prescribed by a licensed medical professional and dispensed by a legitimate pharmacy, you can't know if it's fake or legitimate. And without laboratory testing, there's no way to know the amount of fentanyl in an individual pill or how much may have been added to another drug. This is especially dangerous because of fentanyl's potency.

EXHIBIT 21

JULY 31, 2024

FACT SHEET: Biden-Harris Administration Announces New Actions to Counter the Scourge of Fentanyl and Other Synthetic Drugs

Far too many Americans have lost children, spouses, and friends to dangerous drugs like illicitly manufactured fentanyl. It is a scourge that has no geographic or political boundaries, wreaking havoc on families and communities in all parts of America. That's why since day one, the Biden-Harris Administration has made disrupting the supply of illicit fentanyl and other synthetic drugs a core priority. As part of their [Unity Agenda](#) for the nation, President Biden and Vice President Harris have taken a number of actions to combat the opioid epidemic:

- Border officials have stopped more illicit fentanyl at ports of entry in the past two fiscal years than in the previous five fiscal years combined. In just the last five months, over 442 million potentially lethal doses of fentanyl were seized at U.S. borders. The Biden-Harris Administration continues to invest in detection technology at U.S. borders, adding dozens of new inspection systems, with dozens more coming online next year.
- The Biden-Harris Administration has made [naloxone](#), a life-saving opioid overdose reversal medication, widely available over the counter, and has invested over \$82 billion in treatment – 40 percent more than the previous Administration.
- In 2021, President Biden issued an [Executive Order](#) targeting foreign persons engaged in the global illicit drug trade and has since sanctioned over 300 persons and entities under this authority, thereby cutting them off from the United States' financial system.

Due to these efforts, the number of overdose deaths in the United States has started to decline for the first time in five years. But even one death is one too many. And so today, President Biden will issue a new National Security Memorandum calling on all relevant Federal Departments and Agencies to do even more to stop the supply of illicit fentanyl and other synthetic opioids in our country. President Biden and Vice President Harris also are calling on Congress to enact legislation to increase penalties on those who bring deadly drugs into our communities and to close loopholes that drug traffickers exploit.

The National Security Memorandum

The National Security Memorandum (NSM) that the President will issue calls on all relevant Federal Departments and Agencies to do even more to stop the supply of illicit fentanyl other synthetic opioids into our country. As drug traffickers and suppliers adapt, we must do so as well. The NSM directs even more intelligence collection, even more intensive coordination and cooperation across Departments and Agencies, and even more actions to disrupt the production and distribution of illicit fentanyl. The NSM is one more step forward in the Biden-Harris Administration's continued focus on dramatically reducing the supply of illicit drugs and their precursor chemicals, and protecting American lives.

Detect and Defeat Proposal

Today, the Biden-Harris Administration is also encouraging Congress to take action to combat illicit fentanyl, including by passing the Administration's "Detect and Defeat" Counter-Fentanyl Proposal. This proposal incorporates many of the bipartisan ideas put forward by Members of Congress, and will increase the United States' ability to detect and seize illicit drugs and hold drug traffickers accountable. The proposal would give border officials the tools they need to more effectively track and target the millions of small-dollar shipments that cross our borders every day—closing a loophole that drug traffickers exploit. It would establish a nation-wide pill press and tableting machine registry so that law enforcement officials can track these machines and protect against their illicit use in producing fake fentanyl pills. And it would permanently regulate fentanyl-related substances as "Schedule I" drugs—subjecting the distribution and possession of these drugs to

heightened penalties.

Today's actions build on a series of additional steps the Biden-Harris Administration has taken to combat the opioid epidemic, including:

- Since 2021, the Justice Department has arrested and prosecuted dozens of high-level Mexican cartel leaders, drug traffickers, and money launderers, including Sinaloa Cartel's co-founder [Ismael "El Mayo" Zambada Garcia](#), Chapitos leader [Nestor Isidro "El Nini" Perez Salas](#), and [Cartel de Jalisco Nueva Generación's](#) top chemical brokers—placing dangerous drug traffickers behind bars.
- In November 2023, President Biden negotiated the resumption of [counternarcotics cooperation with the People's Republic of China \(PRC\)](#), spurring increased cooperation on law enforcement actions and ongoing efforts to shut down companies that fuel illicit fentanyl and synthetic drug trafficking and cause deaths in the United States.
- The Biden-Harris Administration has [engaged with leaders around the world to spur global action in the fight against synthetic opioids](#), established a [Trilateral Fentanyl Committee with the Governments of Mexico and Canada](#), and launched a [Global Coalition to Address Synthetic Drug Threats](#) uniting more than 150 countries in this effort.
- In 2024, the Biden-Harris Administration launched an information sharing partnership with financial institutions, law enforcement, and national security agencies as part of an ongoing effort to cut off drug traffickers' access to the global financial system and disrupt the illicit financing of the drug trade.

###

EXHIBIT 22

JUNE 18, 2024

Statement from Homeland Security Advisor Dr. Liz Sherwood Randall on New Actions to Combat Global Illicit Drug Manufacturing and Trafficking

In a coordinated action involving the United States, People's Republic of China (PRC), and Mexico, the Department of Justice announced today the unsealing of indictments against 24 individuals for their role in a money-laundering scheme on behalf of the deadly Sinaloa cartel. The PRC has informed the United States that it has taken into custody and is pursuing its own charges against one of the charged individuals, and Mexico has taken into custody another charged individual. The PRC actions build on the commitment made between President Biden and President Xi at the Woodside Summit in November 2023 to resume bilateral cooperation to combat global illicit drug manufacturing and trafficking, and the subsequent launch of a U.S.-PRC Counternarcotics Working Group. Mexico's actions reinforce the strong partnership that President Biden has established with President Lopez Obrador to counter the drug trafficking organizations that profit off the deadly scourge of illicit fentanyl. Another 20 charged individuals have already been arrested in connection with this case.

Today's action is another step in the Biden Administration's continued work to identify and track down those responsible for and supporting the trafficking of illicit fentanyl and other deadly drugs. It is also a testament to the importance and value of our international partnerships in dismantling the criminal organizations that support the manufacture, distribution, and financing of illicit fentanyl and other deadly synthetic drugs.

###

EXHIBIT 23

BROOKINGS

COMMENTARY **TESTIMONY**

China's role in the fentanyl crisis

Vanda Felbab-Brown

March 31, 2023

Editor's note: The following testimony was submitted to the House of Representatives Subcommittee on National Security, Illicit Finance, and International Financial Institutions on March 23, 2023, for the "[Follow the Money: The CCP's Business Model Fueling the Fentanyl Crisis](#)" hearing.

Dear Chairman Luetkemeyer, Ranking Member Beatty, and Distinguished Members of the Subcommittee on National Security, Illicit Finance, and International Financial Institutions of the Committee on Financial Services:

Thank you for holding this hearing entitled, "Follow the Money: The CCP's Business Model Fueling the Fentanyl Crisis." This is an important issue that deserves the attention of the House Financial Services Committee and its Members. I am honored to have this opportunity to submit this testimony as a statement for the record.

I am a senior fellow at the Brookings Institution where I direct The Initiative on Nonstate Armed Actors and co-direct the Africa Security Initiative. Illicit economies, such as the drug trade and wildlife trafficking, organized crime, corruption, and their impacts on U.S. and local security issues around the world are the domain of my work

and the subject of several of the books I have written. I have conducted fieldwork on these issues in Latin America, Asia, and Africa. In addition to studying China's and Mexico's role in various illegal economies over the past two decades, I have been directing over the past three years a new Brookings workstream on China's role in illegal economies and Chinese criminal groups around the world.

This testimony draws extensively on two detailed reports I published last year:

["China's Role in the Smuggling of Synthetic Drugs and Precursors](https://www.brookings.edu/events/chinas-role-in-the-smuggling-of-synthetic-drugs-and-precursors/)

[\(https://www.brookings.edu/events/chinas-role-in-the-smuggling-of-synthetic-drugs-](https://www.brookings.edu/events/chinas-role-in-the-smuggling-of-synthetic-drugs-and-precursors/)

[and-China's Role in Poaching and Wildlife Trafficking in Mexico](https://www.brookings.edu/events/chinas-role-in-poaching-and-wildlife-trafficking-in-mexico/)

[\(https://www.brookings.edu/events/chinas-role-in-poaching-and-wildlife-trafficking-in-mexico/\)](https://www.brookings.edu/events/chinas-role-in-poaching-and-wildlife-trafficking-in-mexico/) ."

The Brookings Institution is a U.S. nonprofit organization devoted to independent research and policy solutions. Its mission is to conduct high-quality, independent research and, based on that research, to provide innovative, practical recommendations for policymakers and the public. The testimony that I am submitting represents solely my personal views, and does not reflect the views of Brookings, its other scholars, employees, officers, and/or trustees.

Executive Summary

The structural characteristics of synthetic drugs, such as fentanyl, including the ease of developing similar, but not scheduled, synthetic drugs and their new precursors — increasingly a wide array of dual-use chemicals — pose immense structural obstacles to controlling their supply.

U.S. domestic prevention, treatment, harm reduction, and law enforcement measures are fundamental and indispensable to countering the devastating fentanyl crisis.

However, given the extent and lethality of the synthetic opioid epidemic in North America and its likely eventual spread to other parts of the world, even supply control measures with partial and limited effectiveness can save lives and thus need to be designed as smartly and robustly as possible.

Three U.S. presidential administrations — those of Barack Obama, Donald Trump, and Joe Biden — have devoted diplomatic focus to induce and impel China to tighten its regulations vis-à-vis fentanyl-class drugs and their precursor chemicals and to more diligently enforce these regulations. China, however, sees its counternarcotics enforcement, and more broadly its international law enforcement cooperation, as strategic tools that it can instrumentalize to achieve other objectives. Unlike the U.S. Government, which seeks to delink counternarcotics cooperation with China from the overall bilateral geostrategic relationship, China *subordinates* its counternarcotics cooperation to its geostrategic relations. As the relationship between the two countries deteriorated, China's willingness to cooperate with the United States declined. Since 2020, China's cooperation with U.S. counternarcotics efforts, never high, declined substantially. In August 2022, China officially announced that it suspended all counternarcotics and law enforcement cooperation with the United States.

There is little prospect that in the absence of significant warming of the overall U.S.-China bilateral relationship, China will meaningfully intensify its anti-drug cooperation with the United States. U.S. punitive measures, such as sanctions and indictments, are unlikely to change that.

While China takes counternarcotics diplomacy in Southeast Asia and the Pacific very seriously, its operational law enforcement cooperation tends to be highly selective, self-serving, limited, and subordinate to its geopolitical interests. Beijing rarely acts against the top echelons of Chinese criminal syndicates unless they specifically contradict a narrow set of interests of the Chinese Government. Chinese criminal networks provide a variety of services to Chinese legal business enterprises, including those connected to government officials and the Chinese Communist Party (CCP).

China's enforcement of precursor and fentanyl analog controls is also complicated by the challenge of systemic corruption in China and the incentive structures within which Chinese officials operate. Chinese Government officials also unofficially extend the umbrella of party protection and government authority to actors who operate in both legal and illegal enterprises as well as to outright criminal groups.

There is little visibility into China's enforcement of its fentanyl regulations. But in the case of fentanyl and its precursor chemicals, small and middle-level actors in the chemical and pharmaceutical industries also appear to be the key perpetrators of

regulatory violations and source for Mexican criminal groups. In the case of fentanyl and its precursors, Chinese triads – mafia-like organized crime groups — do not dominate drug production and trafficking.

Chinese actors have come to play an increasing role in laundering money for Mexican cartels, including the principal distributors of fentanyl to the United States — the Sinaloa Cartel and Cartel Jalisco Nueva Generación (CJNG). Chinese money laundering brokers mostly manage to circumvent the U.S. and Mexican formal banking systems. Other money laundering and value transfers between Mexican and Chinese criminal networks include trade-based laundering, value transfer utilizing wildlife products, such as protected and unprotected marine products and timber, real estate, cryptocurrencies, casinos, and bulk cash.

The increasing payments for drug precursors originating in China in wildlife products coveted there is particularly noteworthy. This method of payment engenders multiple threats to public health and safety, economic sustainability, food security, and global biodiversity. If this wildlife trafficking spreads dangerous zoonotic diseases, it could even pose a threat to national security.

But this convergence of illicit economies also provides the United States with new opportunities for intelligence gathering and law enforcement actions, even as China-Mexico law enforcement cooperation against the trafficking of fentanyl and precursor agents for meth and synthetic opioids remains minimal.

Mexican drug cartels are expanding their role into crimes against nature, and they are also increasingly infiltrating and seeking to dominate a variety of legal economies in Mexico, including fisheries, logging, and agriculture and extorting an even wider array of legal economies. For example, Mexican organized crime groups, especially the Sinaloa Cartel, seek to monopolize both legal and illegal fisheries along the entire vertical supply chain.

There may also be a growing involvement of Chinese fishing ships in facilitating drug trafficking.

And there is the possibility that Chinese fishing flotillas or individual vessels operating around the Americas and around the world may be equipped with spy equipment for collecting intelligence on behalf of China.

Just like with China, Mexico's cooperation with U.S. counternarcotics efforts is profoundly hollowed out. The March 2023 crisis in U.S.-Mexico law enforcement cooperation is merely the visible tip of the iceberg of how Mexico has eviscerated counternarcotics and law enforcement cooperation with the United States since 2019 and particularly since 2020 when U.S. law enforcement activities in Mexico became shackled and undermined by Mexican Government actions after the U.S. arrest of former Mexican Secretary of Defense Gen. Salvador Cienfuegos.

Because of the diversification of the economic portfolio of Mexican cartels and Chinese criminal networks, to focus primarily on drug seizures close to their source is no longer an adequate approach for effectively countering drug smuggling networks that send pernicious drugs to the United States or their financial systems.

Countering poaching and wildlife trafficking from Mexico and thwarting illegal fishing in Mexican and Latin American waters are increasingly important aspects of countering Mexican drug-trafficking cartels and their damaging effects in the United States and Mexico.

I submit that to attempt to ***induce better cooperation from China***, the United States should:

- continue to emphasize Beijing's interests in China's reputation as a global counternarcotics policy leader and leverage multilateral fora to do so;
- continue requesting that China take down websites that illegally sell synthetic opioids to Americans or to Mexican criminal groups;
- strengthen U.S. cooperation with allies and partners to send coordinated messages to push Beijing in preferred directions germane to law enforcement efforts, including greater monitoring and enforcement against sale of precursors chemicals

to criminal groups and more robustly and broadly-cast anti-money laundering efforts;

- engage China bilaterally and multilaterally to adopt more robust anti-money laundering standards in its banking and financial systems and trading practices;
- encourage the spread of best practices developed in the China's pharmaceutical and chemical sectors, including encouraging the industries to adopt self-regulation systems to detect and police suspicious activities, by adopting "know-your-customers" policies, not selling precursors to likely drug traffickers, and alerting law enforcement authorities about such buyers;
- be ready to sanction, including through termination of access to U.S. markets, Chinese firms that violate the best practices protocols and take further actions against those indicted by the U.S. Government;
- develop packages of leverage on prominent Chinese pharmaceutical and chemical industry officials;
- continue developing legal indictment portfolios against Chinese traffickers and their companies, and
- incentivize international partners to act seriously against Chinese drug trafficking and criminal networks.

To attempt to ***induce better cooperation from Mexico***, the United States also has new Policy tools to explore.

Designating Mexican cartels as Foreign Terrorist Organizations (FTOs) would enable intelligence gathering and strike options for the United States military, such as against some fentanyl labs in Mexico. But the number of available strike targets in Mexico would be limited and would not robustly disrupt the criminal groups. Nor would the FTO designation add authorities to the economic sanctions and anti-money laundering

and financial intelligence tools that the already-in-place designation of Transnational Criminal Organization (TCO) carries.

Moreover, such unilateral U.S. military actions in Mexico would severely jeopardize relations with our vital trading partner and neighbor and the FTO designation could significantly limit and outright hamper U.S. foreign policy options and measures.

Instead, the United States should:

- consider significantly intensifying border inspections; and
- develop packages of leverage, including indictment portfolios, against Mexican national security and law enforcement officials and politicians who undermine and sabotage rule of law cooperation with the United States.

Importantly, to effectively counter the fentanyl-smuggling actors, the United States should ***expand and smarten up its own measures against criminal actors***, including by:

- truly adopting a whole-of-government approach to countering fentanyl-smuggling entities;
- authorizing a wide range of U.S. Government agencies, including the Departments of State and Defense, to support U.S. law enforcement against Mexican and Chinese criminal actors and fentanyl trafficking and crimes against nature;
- collecting relevant intelligence on crimes against nature to understand criminal linkages to foreign governments and criminal groups and elevate such intelligence collection in the U.S. National Intelligence Priorities Framework;
- expanding the number and frequency of participation of U.S. wildlife investigators and special agents in Organized Crime Drug Enforcement Task Forces (OCDETF);
- increasing the number of U.S. Fish and Wildlife Service special agents and investigators, flatlined since the 1970s even as the value of wildlife trafficking has

significantly increased since then; and

- designating wildlife trafficking as a predicate offense for wiretap authorization.

Key Aspects of China's Role as Source of Fentanyl and Fentanyl Precursors

Synthetic opioids are the source of the deadliest and unabating U.S. drug epidemic ever. Since 1999, drug overdoses have killed over 1 million Americans,¹ a lethality rate that has increased significantly since 2012 when synthetic opioids from China began supplying the U.S. demand for illicit opioids. In 2021, the number of fatalities was 106,699;² and in 2022, it is estimated at 107,477.³ Most of the deaths are due to fentanyl, consumed on its own or mixed into fake prescription pills, heroin, and increasingly methamphetamine and cocaine.

Since the Barack Obama administration, the United States has devoted significant diplomatic capital to get China to tighten its regulations vis-à-vis fentanyl-class drugs and to more diligently enforce these regulations.

After years of intense U.S. diplomacy, Chinese President Xi Jinping announced at the December 2018 G-20 summit that China would place the entire class of synthetic opioids on a regulatory schedule.⁴ According to former and current U.S. Government officials and international drug policy and China experts, the U.S. request that China schedule an entire class of drugs that had precipitated the announcement was a significant ask within the U.S.-China bilateral relationship.⁵ China had to pass new laws to be able to do so.⁶

The United States is the only other major country that has controlled the entire class of fentanyl drugs — in the U.S. case, only on a temporary basis, a decision that the U.S. Congress has yet to make permanent.⁷

But even though China placed the entire class of fentanyl-type drugs and two key precursors under a controlled regulatory regime in May 2019, it remains the principal (if indirect) source of U.S. fentanyl. Fentanyl scheduling and China's adoption of

stricter mail monitoring has created some deterrence effects. Instead of finished fentanyl being shipped directly to the United States, most smuggling now takes place via Mexico. Mexican criminal groups source fentanyl, fentanyl precursors, and increasingly pre-precursors from China, and then traffic finished fentanyl from Mexico to the United States. Scheduling of fentanyl and its precursors in China is not sufficient to stem fentanyl flows to the United States.

China sees counternarcotics and more broadly international law enforcement cooperation as **strategic tool that it can leverage** to achieve other objectives. As Beijing's hopes for prospects of improvements in U.S.-China relations have declined, so too has China's willingness to coordinate with Washington on counternarcotics objectives.

The United States blames China for poor domestic enforcement of its regulations, inadequate actions against Chinese drug smugglers and money launderers, and insufficient regulatory oversight of its non-scheduled chemicals. Highlighting that it does not have any fentanyl abuse problem and thus that its regulatory actions are motivated purely to help the United States, China rejects Washington's claims and blames the opioid epidemic solely on America's internal failings. The extent of counternarcotics cooperation — or its absence — remains determined by the state of the U.S.-China overall geopolitical relationship, which has deteriorated over the past decade and shows few prospects for improvement. Thus, the hope that despite the geopolitical rivalry, counternarcotics could prove a domain of U.S.-China cooperation has not yet materialized.

There is **little visibility into China's enforcement of its fentanyl regulations**, but China's enforcement likely remains limited. U.S.-China counternarcotics cooperation remains fraught, and from the U.S. perspective deeply inadequate. Rejecting U.S. blame of China for the opioid epidemic and emphasizing U.S. responsibilities for that calamity, Beijing used to point to its "benevolence" in anti-drug cooperation.⁸ However, China's willingness to act on U.S.-provided intelligence to counter Chinese fentanyl- and fentanyl-precursor smuggling rings has been long limited and has significantly tapered off since 2019. ([#_ftnref1](#))

The enforcement of precursor and fentanyl analog controls is also complicated by with the challenge of **systemic corruption in China and the incentive structures within**

which Chinese officials operate. Even with President Xi's intensive anti-corruption efforts,⁹ designed mainly to consolidate his own power, eliminate independent sources of influence, and improve the image of the Chinese Communist Party (CCP), many mid-level and senior CCP officials remain rent-seeking, with their bureaucratic and power advancement still linked principally to job creation and economic growth in their jurisdictions, even if those objectives are accomplished through means that are illegal or problematic.¹⁰ Given the political power of China's chemical and pharmaceutical industries and the extent of tax revenue and jobs they generate, many Chinese officials are reluctant to monitor, investigate, prosecute, or otherwise cross significant industry players. Small and middle-level actors are more likely to become targets if and when enforcement action is taken.

But in the case of fentanyl and its precursor chemicals, **small and middle-level actors** in the chemical and pharmaceutical industries also appear to be **the key perpetrators** of regulatory violations and source for Mexican criminal groups. Moreover, given that fentanyl is a very small source of earnings for China's chemical industry, powerful Chinese industry actors have little interest in protecting fentanyl and fentanyl precursor production, beyond simply seeking to minimize any oversight into their production and business practices.

(#_ftnref2) Informally, Chinese Government officials have long become accustomed to unofficially extending the **umbrella of party protection and government authority to actors who operate in both legal and illegal enterprises as well as to outright criminal groups.**¹¹ The frequent appointments of former party officials to business boards could facilitate monitoring and oversight, but frequently enables this unofficial protection and facilitates corruption. However, this clear pattern of behavior is not centrally organized, systemically endorsed, or openly tolerated behavior. It has also been weakened by Xi's post-2012 anti-corruption drives.¹² Even so, a seemingly very dominant and all-powerful state is riddled with "bureaucratic slack," enforcement inefficiencies, and a proclivity to seek legal and bureaucratic loopholes. Moreover, different provinces often develop distinct forms of illegal bureaucratic protection, complicating uniform, systemic, and efficient application of rule of law.¹³

Overall, as with other countries such as Australia, **China subordinates its counternarcotics cooperation to the geostrategic relationship with the United States.** As the relationship between the two countries deteriorated, China's willingness

to cooperate with the United States declined. There is little prospect that in the absence of significant warming of the overall U.S.-China bilateral relationship, China would significantly intensify its anti-drug cooperation with the United States. U.S. punitive measures, such as sanctions and drug indictments, are unlikely to change that.

The evolution of China's posture toward illicit methamphetamine production in China and the trafficking of meth precursors from China provides important insights into the patterns and limitations of China's international law enforcement cooperation. As with fentanyl precursors, China emphasizes that it cannot act against nonscheduled substances.

China takes counternarcotics diplomacy in Southeast Asia and the Pacific very seriously, but its **operational law enforcement cooperation tends to be highly selective, self-serving, limited, and subordinated to its geopolitical interests.**

Nonetheless, after years of refuting international criticism for its role in methamphetamine precursor smuggling amid burgeoning meth production in Asia, China has intensified its regional law enforcement cooperation at least with some countries. It has also mounted stronger internal regulatory measures even for nonscheduled drugs and has undertaken monitoring and interdiction operations.

Yet Beijing rarely acts against the top echelons of Chinese criminal syndicates unless they specifically contradict a narrow set of interests of the Chinese Government. Chinese criminal groups cultivate political capital with Chinese authorities and government officials abroad by also promoting China's political, strategic, and economic interests.

The intermeshing and mergers between Chinese legal and illegal economic enterprises across the Southeast Asia significantly takes places in Special Economic Zones in Southeast Asia, such as the Golden Triangle Special Economic Zone (SEZ) in northern Laos near the border with Myanmar and Thailand. Various U.S. and regional law enforcement officials and international drug policy experts believe that the presence of Chinese and regional organized crime groups in the many of the Mekong region's at least 74 SEZs¹⁴ is large and that the SEZs feature extensive illegal

economies, such as drug, wildlife, and human trafficking.¹⁵ Yet it does not appear that the Chinese Government has exhibited interest in cooperating with authorities in those countries in sharing intelligence or acting against Chinese nationals in China implicated in likely criminality in the SEZs.¹⁶

Nonetheless, ***in the case of fentanyl and its precursors, Chinese triads — mafia-like organized crime groups — do not dominate drug production and trafficking.*** The trafficking of fentanyl and its precursors is conducted by a wide panoply of Chinese criminal actors, from small family-based and specialized groups to businesses that also conduct highly diverse legal trade with organized crime groups. Fentanyl and fentanyl-precursor trafficking from China does exist in stark contrast to methamphetamine trafficking in the Asia-Pacific region which is thoroughly controlled and dominated by the Chinese triads.

In the ***Western Hemisphere, Mexican drug trafficking groups, especially the Sinaloa Cartel and CJNG,*** dominate the trafficking and wholesale distribution of fentanyl and methamphetamine into the United States. They have become the principal buyers of finished fentanyl from China and India as well as fentanyl precursors and pre-precursors from both countries. Increasingly, the precursor and pre-precursor trade is the method in which the illicit transactions between China and Mexico take place,¹⁷ with fentanyl produced from the precursors and pre-precursors in Mexico.

The triads' franchise-like network organization enhances the groups' resilience and allows them to absorb considerable financial losses resulting from seizures without bankrupting the groups. The ease of production and smuggling of synthetic drugs further enhance this resilience.

Many of the Chinese smuggling networks are connected in complex ways to legal Chinese businesses. Indeed, the growth of their power in the second half of the 20th century is deeply connected to the growth of China's legal economy from the late 1970s onward. After their destruction during Mao's era, the triads in southern China resurrected themselves on the coattails of the growth of China's legal economy and businesses. But as an expert of Chinese organized crime groups put it, "it is really the synthetic drugs revolution that brought bags of money back to the triads and put a spring into their step."¹⁸

The triads' connections to China's legal economy and enterprises remain significant and essential. Like many criminal groups around the world, the triads use legal businesses as fronts for their illegal operations and money-laundering, and they plug into the infrastructure and transportation networks of legal businesses. But **they also provide a variety of services to Chinese legal business enterprises, including those connected to government officials and the CCP**, such as in the promotion and facilitation of Chinese businesses abroad, the building up of networks of political influence for China abroad, and the informal information gathering and enforcement against Chinese fugitives and Chinese diaspora outside of China, such as to prevent criticism of the regime.

China-Mexico law enforcement cooperation against the trafficking of fentanyl and precursor agents for meth and synthetic opioids remains minimal. As with the United States, China rejects co-responsibility and emphasizes that controls and enforcement are matters for Mexico's own customs authorities and other Mexican law enforcement to address. China has maintained this posture even as the presence of Chinese criminal actors in Mexico, including in money laundering and illicit value transfers (which increasingly feature barter of wildlife products for synthetic drug precursors) are expanding rapidly.

Money Laundering by Chinese Actors and Value Transfer through Wildlife Trade and Trafficking

Chinese actors have come to play an increasing role in laundering money for Mexican cartels and criminal groups across Latin America (as well as Europe) by using Chinese businesses located in Mexico, the United States, and China, and Chinese informal money transfer systems.¹⁹ These informal systems emerged in an effort to avoid banking fees and scrutiny and China's capital flight controls: China's laws allow Chinese citizens to move only \$50,000 from China abroad per year.

Drug trafficking groups, including in Latin America, are in turn flush with vast sums of hard cash, such as euros and dollars, sought after in China. The National Drug Intelligence Center of the U.S. Department of Justice estimated in 2008 that Mexican and Colombian drug trafficking groups earned between \$18 billion and \$39 billion a year from wholesale drug sales.²⁰ In 2010, the U.S. Department of Homeland Security