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Hearing before the:  
**Senate Caucus on International Narcotics Control**

***“Stopping the Poison Pills:  
Combatting the Trafficking of Illegal Fentanyl from China”***

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Chairman Grassley, Co-Chairwoman Feinstein, and distinguished members of the Caucus: Thank you for the opportunity to testify today and for the longstanding efforts of this Caucus to address drug threats and to highlight the synthetic opioid driven tragedy that is unfolding in communities across this country.

We have all heard the stories of promising young lives cut short, of families bankrupted emotionally and financially working to save loved ones from addiction. Doctors, nurses, and other health care professionals are providing treatment and running prevention programs to keep more Americans from joining the long line of lives lost in this epidemic. Men and women in law enforcement are fighting global traffickers and the local drug dealers on our streets and leading interdiction efforts to prevent opioids from entering our communities. This Administration has committed resources and energy toward fighting this epidemic on all fronts. My dedicated team, the Bureau of International Narcotics and Law Enforcement Affairs (INL), is part of this larger effort. We understand that the work we do to forge partnerships and build consensus, to secure international cooperation, and to use foreign assistance to build the capacity of our partners to disrupt the flow of opioids and other illicit narcotics to our country is about one thing: saving American lives.

The opioid epidemic is the most severe drug crisis our country has ever faced, claiming tens of thousands of American lives annually. This crisis arose largely from an overreliance on prescription opioids and the increasing availability of heroin that led to rapid increases in opioid misuse. The emergence of dangerous new synthetic drugs, often mixed into supplies of other illicit drugs and trafficked through global illicit supply chains, has become a more deadly phenomenon with complex transnational linkages. The Centers for Disease Control and Prevention (CDC) estimates that more than 72,000 Americans died from drug overdoses in 2017. Over forty percent of these deaths involved synthetic opioids like fentanyl.<sup>1</sup> Between 2012 and 2016, the number of overdose deaths involving synthetic opioids increased by nearly 640 percent.<sup>2</sup> Provisional data from 2017 suggest that this trend is continuing upwards.

Criminals are developing new chemical substances at a rate faster than national and international law enforcement and regulatory frameworks can respond. Production costs are low, and drug traffickers, using low-level criminal chemists, can tailor the effects of new psychoactive substances, or NPS, to meet consumer demand. The United Nations Office on Drugs and Crime (UNODC) reports that there are currently more than 800 new known synthetic drugs, with approximately one new substance created each week. At the same time, interrupting illicit drug production has become more challenging; unlike drugs derived from plant-based crops, synthetic drugs can be produced wherever the necessary chemicals and equipment can be obtained.

Traffickers have exploited the boom in global access to information and technology to facilitate their lethal trade. Illegal drug producers exploit the relative anonymity and convenience of the Internet, including the “Dark Web,” encrypted peer-to-peer messaging applications, and other emerging information and communications technologies to aggressively

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<sup>1</sup> Centers for Disease Control (CDC), Provisional Drug Overdose Death Counts, September 12, 2018. <<https://www.cdc.gov/nchs/nvss/vsrr/drug-overdose-data.htm>>

<sup>2</sup> CDC National Center for Health Statistics, Drug Overdose Deaths in the United States 1999-2019, Figure 4, December 2017. <https://www.cdc.gov/nchs/products/databriefs/db294.htm>

market and sell their products to global clients, including directly to American drug users. Due to the extreme potency of synthetic opioids, small quantities can readily be trafficked through international mail and express consignment shipments, in addition to traditional trafficking methods, yielding substantial illicit profits. Criminal misuse of these tools makes today's illicit drug trade highly profitable and difficult to detect, investigate, and disrupt.

In October 2017, President Trump directed the Department of Health and Human Services to declare this epidemic a national public health emergency and made combating this deadly drug crisis a cornerstone of his Administration. The vast majority of emerging synthetic drugs available in the United States will continue to be produced overseas, and the methods and locations of production and trafficking will continue to diversify. It is for this reason that President Trump launched a high-level Global Call to Action on September 24 during Leaders' Week of the 73<sup>rd</sup> UN General Assembly. With participation of 129 other UN Member States, this event signaled high-level political will to combat today's major drug control crisis, particularly the threat posed by synthetic drugs.

To this end, disrupting the illicit supply chains that are causing thousands of American deaths is the Department of State's top drug control priority. We are working tirelessly – putting diplomacy and foreign assistance dollars to work to support the efforts of our law enforcement partners to stop criminals and dismantle the criminal organizations engaged in this illicit trade.

With China, a primary source of illicit synthetic drugs coming to the United States, the Department of State is building upon the commitments made during President Trump's November 2017 meeting with President Xi to deepen existing bilateral counternarcotics cooperation. Our diplomatic engagement on this front is a top bilateral policy priority and focused on securing increased cooperation from China and paving the way for our law enforcement partners to go after drug traffickers in cooperation with their Chinese counterparts. The Secretary, Deputy Secretary, Ambassador Branstad, other State colleagues and I regularly press Chinese counterparts for better cooperation. Our efforts -- and those of our inter-agency partners -- have yielded concrete results.

First, INL provides targeted funding to promote law enforcement relationships and build trust. INL supports DEA's training of officers from China's Narcotics Control Bureau (NCB) and Anti-Smuggling Bureau on specialized topics relevant to synthetic opioids, such as safe handling procedures for fentanyl. This has resulted in increased case cooperation leading to arrests, seizures, and takedowns of clandestine labs by Chinese law enforcement, keeping hundreds of kilograms of pure fentanyl off U.S. streets.

Second, on the regulatory front, with INL diplomatic and material support, DEA and China's National Narcotics Laboratory chemists now meet annually to exchange information on emerging substances, trends, and sampling standards. The exchanges, including information on drugs that are controlled in the United States but not in China, has contributed to China's control of 175 substances, including 25 fentanyl analogues and the two key precursors to fentanyl production. This includes the most recent action on August 29 by China's National Narcotics Control Commission to control 32 additional NPS. We also fund a Resident Legal Advisor from the Department of Justice, who, in consultation with subject-matter experts at DOJ, is working with Chinese counterparts on identifying a potential pathway forward towards significant

actions, such as fentanyl class scheduling in China. These efforts provide additional tools for law enforcement on both sides to go after criminals.

Third, the Department of State is engaging with China to promote effective drug demand reduction through prevention, treatment, and recovery support. Last May, Chinese officials participated in an INL-orchestrated study visit to Washington, D.C. to deepen their understanding of what is working in the treatment and prevention of drug use, and we are discussing further bilateral expert exchanges with China. These exchanges demonstrate to Chinese officials, that while we ask them to help us address supply and production, we are taking the demand side of the equation seriously. Importantly, efforts to address demand is one factor Chinese authorities are required to weigh when considering domestic controls of additional drugs requested by the United States or another country.

Finally, with China, we are actively engaging them through multilateral discussions to align efforts to combat illicit drugs, as we will do in the run-up to the March 2019 meeting of the Commission on Narcotic Drugs. INL also is working with China as we work on the development of a UN “tool kit” of laws, policies and best practices countries can adapt to improve their ability to combat synthetic drug trafficking. In addition, China participates with the United States in expert meetings convened through the International Narcotics Control Board (INCB), including those aimed at increasing cooperation with the private sector to prevent the diversion of chemicals and synthetic drugs from licit to illicit channels. Securing China’s participation and input in these processes is a major INL objective.

We understand there is a need for more cooperation with China and we continue to encourage China to use every available tool to aggressively counter the threat from illegal production and trafficking of synthetic opioids. As a next step, we look forward to participating in the Counter Narcotics Working Group meeting in early November to discuss practical ways to enhance cooperation.

Some of the synthetic opioids from China are flowing through Mexico, where traffickers sometimes mix them with cocaine and heroin before shipping them across our Southwest border. Countering this flow is part of our partnership with the Mexican government to disrupt drug production, dismantle drug distribution networks, prosecute drug traffickers, and deny transnational criminal organizations’ access to illicit revenue. We are working with Mexico to establish a clear baseline of poppy cultivation against which we can measure eradication progress and intend to advocate that the new Mexican Administration generate a data-driven counternarcotics strategy that includes alternative development support and agreed-upon benchmarks of progress.

In addition to bilateral engagement with China and Mexico, the Department of State is using multilateral channels to address the proliferation of illicit synthetic drugs, including synthetic opioids. The Department uses our diplomatic and foreign assistance tools to support real-time coordination and information sharing between law enforcement and forensic officials around the world. For example, INL supports the INCB online information sharing portals that have produced concrete results to take down drug traffickers. In 2017, for example, information derived from these information-sharing portals was used to stop ten shipments of over 500,000 liters of acetic anhydride, a primary precursor chemical used to make heroin, from illegitimate

use. The portals also helped to expose a Chinese exporter trafficking APAA, a chemical used to manufacture methamphetamine, to Europe.

This international cooperation increases the identification, detection, and tracking of synthetic drugs and precursor chemicals in illicit markets worldwide. These programs also illuminate emerging synthetic drug and precursor chemical trafficking trends and alert law enforcement and forensic practitioners to the real presence of these substances in illicit markets. In turn, law enforcement officials worldwide use this information to investigate and act on drug trafficking cases. To reduce the presence of these drugs in illicit U.S. markets, we are also working through multilateral organizations to deliver specialized training that will strengthen the capacities of key countries, such as those in the Western Hemisphere, to intercept suspicious drugs and chemicals being sold online and shipped through the mail and express consignments.

An essential component of our efforts to address these threats is to adapt the international architecture to more effectively meet these new 21<sup>st</sup> century challenges. For example, we must accelerate the rate at which these drugs are controlled at the international, regional, and national levels. Increased controls can drastically reduce the availability of these drugs for criminal purposes and will save American lives. As is the case in our cooperation with China, these international controls also can lay the groundwork for enhanced law enforcement cooperation with key nations. In March 2018, we mobilized a response to the new synthetic drug threat through the international community at the UN Commission on Narcotics Drugs (CND). With U.S. leadership, the world came together to control the deadly opioid carfentanil, plus five other fentanyl analogues. This was preceded by action at the 2017 CND at our request to control the two primary fentanyl precursor chemicals, NPP and ANPP. Recently, at U.S. instigation, the International Narcotics Control Board (INCB) issued a call to all nations to voluntarily restrict 93 new substances with no known medical use, including many fentanyl analogues.

However, international controls are only the first step. It is also imperative to ensure that countries are able to institute these treaty-mandated controls at the national level. Countries involved in the illicit trafficking of drugs require significant capacity-building support to establish the national regulatory frameworks to control drugs and precursor chemicals. For this reason, INL is training foreign law enforcement, regulatory, and forensic officials to establish the required domestic controls and to increase the identification and detection of these substances and chemicals in order to disrupt the illicit markets.

We are cognizant of the grave threat posed by synthetic drugs and the evolving nature of the illicit opioid trade, which is amplified by the rise of the internet and globalization. So, shortly after I arrived in INL, my team and I began to take a hard look at what was missing in our approach and where we need to be more adaptive to meet the dynamic threats we face. Although this process is still underway, we know that we will need to focus our efforts to improve detection and interdiction across transit routes and at key borders and, working with overseas and U.S. government partners, we will need to help our partners take on online sales and the use of cryptocurrencies. The private sector largely controls the tools of commerce upon which the traffickers operate, and therefore it is a vital part of the solution. As such, we know that we will need increased cooperation with industry to explore how we can work together to make licit modes of commerce inhospitable to criminals without encumbering legitimate entrepreneurship.

To counter the production of dangerous synthetic substances, INL is considering what additional steps it can take with international partners to prevent the diversion of legitimate chemicals for illegal uses, support partner governments' abilities to seize and dispose of diverted chemicals, and build law enforcement capacities to detect and safely dismantle clandestine labs. INL is looking at additional efforts, together with our allies, to strengthen international institutions to identify emerging threats so governments can mobilize their public health and law enforcement agencies to counter more rapidly these challenges as they arise.

INL will continue to support efforts to improve the ability of law enforcement to confront the threat posed by the online trafficking of illicit synthetic drugs and chemicals. In its training programs, INL will need to tap into U.S law enforcement expertise to provide foreign law enforcement counterparts with the skills to investigate, prosecute, and dismantle online drug vendors, including on the "Dark Web." This includes training and technical assistance on following the digital money trail when drug vendors use cryptocurrencies to facilitate transactions. The online marketplace allows direct interactions between illegal drug producers and users, subverting the hierarchical cartel organization and making it harder for law enforcement to investigate and detect them. We must continue to collaborate across the U.S. government to curb illicit online sales of synthetic drugs and precursor chemicals. To do this, INL plans to deepen relationships with our interagency colleagues to identify new opportunities for partnership and complementary interventions aimed at reducing online trafficking of drugs and chemicals.

We have started new partnerships to expand global capacities to detect and interdict synthetic drugs shipped through the mail and express consignment shipping, including by working with the Universal Postal Union (UPU) to expand the global collection and sharing of advanced electronic data (AED). This AED helps regulatory and law enforcement authorities prioritize screening to target suspicious shipments. INL also aims to broaden its cooperation with U.S. law enforcement partners to expand training and the use of technology to detect and interdict suspicious mail and shipping at international ports and other facilities, keeping them from U.S. shores. China provides the majority of AED for packages coming to the United States but more can be done to improve the quality of the information we receive.

In addition to working to reduce the availability of synthetic drugs entering the United States, INL will build upon its efforts with international partners to share research and promote best practices for prevention and treatment interventions. This includes supporting public health messaging on the risks of synthetics, assisting foreign governments in implementing evidence-based prevention, treatment, and recovery support services, and fostering the adoption evidence-based practices to reduce the likelihood of accidental exposure to dangerous synthetic drugs. INL is working with international partners to improve data collection on synthetics, including consumption trends, toxicological screening of synthetic drug profiles, and the prevalence of toxic adulterants in illicit drug supplies. The dangers and consequences of illicit synthetic drug use are global and the United States has a wealth of technical expertise that we can share collaboratively to enlist more partners in this fight.

We know this is not a uniquely American concern and many countries are already experiencing significant impacts. This crisis is a global one touching many other countries, including those in Latin America, Europe, and Africa. According to UNODC's 2018 World Drug Report, opioid misuse remains high in Africa, the Middle East, and Oceania, and it has

been expanding in Western Europe and North America. An estimated 168,000 deaths globally were directly attributed to drug use disorders in 2015, with more than 75 percent of cases involving opioids. While each region and nation faces different origins of this threat, each requiring unique solutions, there is a shared understanding of how detrimental opioid abuse can be to a society. In practical terms, this means that we are not alone and our diplomacy will focus on encouraging other impacted countries to share our commitment and dedication to tackling this issue.

Chairman Grassley, Co-Chairwoman Feinstein, and members of the Caucus, the Department of State is fully committed to fighting the new threat posed by the proliferation and new trafficking modalities of synthetic drugs, like fentanyl from China. Our team knows that this work is urgent – that this is about the health and safety of American citizens. Again, I am grateful for the interest and leadership of this Caucus and I look forward to working with you as we seek to disrupt the flow of synthetic drugs, particularly deadly opioids like fentanyl.