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STATE BUREAU OF INVESTIGATION

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ROBERT SCHURMEIER
DIRECTOR

MEMORANDUM

TO: Joint Legislative Oversight Committee on Justice and Public Safety
Legislative Commission on Methamphetamine Abuse

FROM: Robert Schurmeier, SBI Director

RE: 2017 Annual Report on Methamphetamine Laboratories in North Carolina

Date: March 1, 2018

Pursuant to General Statute 90-113.64, which reads "Beginning with the 2011 calendar year, the State Bureau of Investigation shall determine the number of methamphetamine laboratories discovered in the State each calendar year and report its findings to the Joint Legislative Oversight Committee on Justice and Public Safety and to the Legislative Commission on Methamphetamine Abuse by March 1, 2012, for the 2011 calendar year and each March 1 thereafter for the preceding calendar year. The State Bureau of Investigation shall participate in the High Intensity Drug Trafficking Areas (HIDTA) program, assist in coordinating the drug control efforts between local and State law enforcement agencies, and monitor the implementation and effectiveness of the electronic record-keeping requirements included in G.S. 90-113.52A and G.S. 90-113.56. The SBI shall include its findings in the report to the Commission required by this section. (2011-240, s. 4; 2015-241, s. 16B.5(b).)"

During calendar year 2017, the North Carolina State Bureau of Investigation responded to two hundred and thirty-two (232) clandestine drug laboratory incidents throughout North Carolina, as compared to the three hundred and seventy-six (376) incidents in 2016. Two hundred and twenty-one (221) of these labs were methamphetamine laboratories. Forty-one (41) children were removed from homes where methamphetamine was being manufactured in 2017, down from seventy-three (73) children in 2016. The counties with the largest number of lab incidents in 2017 were Onslow (21), Rowan (15), Johnston (14), Iredell, (10), Stanly (10), Wayne (9), Harnett (9), Wake (8) and Sampson (8). The counties with the largest increase in lab incidents from 2016 were Onslow, Davidson, Cabarrus, Rowan, and Madison.

Methamphetamine lab responses decreased in 2017 for the fourth year in a row. There are two predominant reasons for this decline. First, is the increasing availability of methamphetamine that is manufactured in Mexico and is smuggled into the United States. Mexican manufactured

methamphetamine, often referred to as “ice,” is readily available across North Carolina and is therefore relatively inexpensive. Methamphetamine ice is also a high quality product, in some cases around 99%-100% pure. Second, is the abuse of opiates and opioids due to the increasing availability of prescription pain pills, heroin, and fentanyl. Many law enforcement resources are currently focused on opioid investigations because of overdoses in North Carolina communities.

Over the counter cold and allergy products containing pseudoephedrine remain the main precursor utilized in all of the methamphetamine drug laboratories that were seized in 2017. The most common method for obtaining pseudoephedrine products is by purchasing them from retail pharmacies. According to N.C.G.S. 90-113.52, retailers are required to electronically submit pseudoephedrine sales information into the National Precursor Log Exchange (NPLEx) database. Mandatory reporting of pseudoephedrine sales became effective on January 1, 2012. This law restricts the amount of pseudoephedrine that an individual can purchase to 3.6 grams per day and 9 grams in a 30-day period. If a purchaser attempts to exceed these purchase limits, NPLEx generates a stop sale alert, designated as a “block,” which allows retailers to stop unlawful purchases at the point of sale. During calendar year 2017, NPLEx blocked 38,554 sales of 51,748 boxes of products containing pseudoephedrine. This was a decrease from 43,815 sales of 58,833 boxes in 2016. The NPLEx database prevented 136,782 grams of pseudoephedrine from being sold, which could have been converted to 125,839 grams of methamphetamine in clandestine labs in 2017. The amount of pseudoephedrine blocked using the NPLEx stop sale feature could have been used to make more than 301 pounds of methamphetamine. NPLEx data shows that 3,816,617 grams of pseudoephedrine were sold in North Carolina in 2017, down 4.4% from the 3,992,289 grams of pseudoephedrine sold in 2016. The NPLEx database contains several features which aid law enforcement officers in the identification of individuals who are purchasing pseudoephedrine for the purpose of manufacturing methamphetamine, and oftentimes leads to the discovery of methamphetamine labs.

Evidence found at methamphetamine labs and information from interviews indicate that methamphetamine manufacturers utilize loosely organized groups of individuals to supply the pseudoephedrine needed to manufacture methamphetamine. Individuals who supply pseudoephedrine to methamphetamine manufacturers are often referred to as “smurfs.” Smurfs purchase products containing pseudoephedrine and recruit others to purchase pseudoephedrine which they give to the “cook” in exchange for methamphetamine or money. Using others to purchase pseudoephedrine, known as “smurfing,” is a way to obtain large amounts of pseudoephedrine in spite of current purchase restrictions. Smurfing can involve one individual or a group of individuals who operate together in a city, multiple cities, multiple counties, or multiple states depending on the size and scope of the manufacturing operation. Smurfs make counterfeit identification cards or steal identification cards from friends and relatives to make illegal purchases of pseudoephedrine. In many cases, cooks and smurfs pay strangers to purchase pseudoephedrine for them. Smurfs are used not only to supply cooks with pseudoephedrine, but also other materials needed to manufacture methamphetamine such as lithium batteries, camping fuel, and instant cold packs. Significant amounts of pseudoephedrine and other chemicals needed in the manufacturing process can be obtained in this manner.

The State Bureau of Investigation continues to lead methamphetamine manufacturing conspiracy investigations which target methamphetamine cooks, those who supply pseudoephedrine, and other precursor chemicals. These investigations are worked jointly by the SBI and local law

enforcement agencies. Furthermore, these investigations have led to the arrest and convictions of more than 190 individuals over the past several years. Such long term conspiracy investigations require a significant amount of resources due to the number of interviews and debriefs which are required. The SBI remains committed to dedicating resources to these manufacturing investigations because they are an effective way to make a positive impact on drugs, violence, thefts, and the environment in local communities.

The “one pot,” or “shake and bake” method of manufacturing methamphetamine continues to be the primary method of manufacturing in North Carolina and throughout the United States. Approximately 89% of the methamphetamine labs discovered in North Carolina in 2017 were related to the ammonia method, which includes the one pot method. This method produces methamphetamine within a couple of hours and requires no specialized equipment. All of the required chemicals are readily available at local retail stores. One pot labs are very dangerous and extremely flammable, combining lithium metal, ammonium nitrate, lye, and pseudoephedrine with organic solvents like camping fuel, or ether in a plastic bottle under high pressure. These labs present a danger to both the cook making the methamphetamine, as well as to law enforcement officers and other first responders tasked with responding to and dismantling them.

The SBI is the only agency in North Carolina with a unit of agents specially trained and equipped to dismantle, render safe, take evidentiary samples, and neutralize hazardous waste from methamphetamine lab sites. SBI Clandestine Laboratory Response Unit agents also provide for the safe transportation and disposal of methamphetamine lab waste throughout the state at no cost to local law enforcement agencies. As a result, the SBI assists every local law enforcement agency in North Carolina with methamphetamine labs in their jurisdictions. The SBI continues to train agents and local law enforcement officers throughout the state on how to identify and respond to methamphetamine labs. Many of these agents and local officers are certified to assist the SBI’s Clandestine Laboratory Response Unit agents in the safe dismantling and disposal of meth labs. The SBI continues to provide annual mandated recertification training to all law enforcement officers in North Carolina, who maintain a “clan lab certification,” at no cost. The SBI serves as the statewide administrator of the NPLeX database, and trains local law enforcement officers how to use NPLeX in methamphetamine laboratory investigations.

Attachments: 2017 State Map of Clandestine Lab Incidents

Prepared by: Kelly W. Page

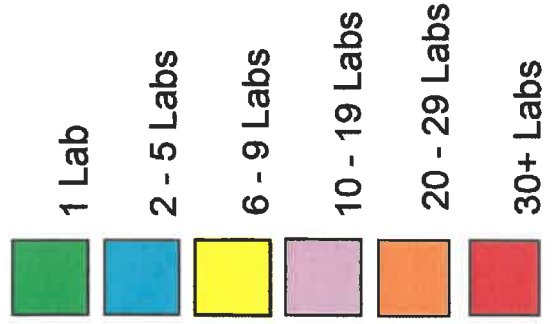
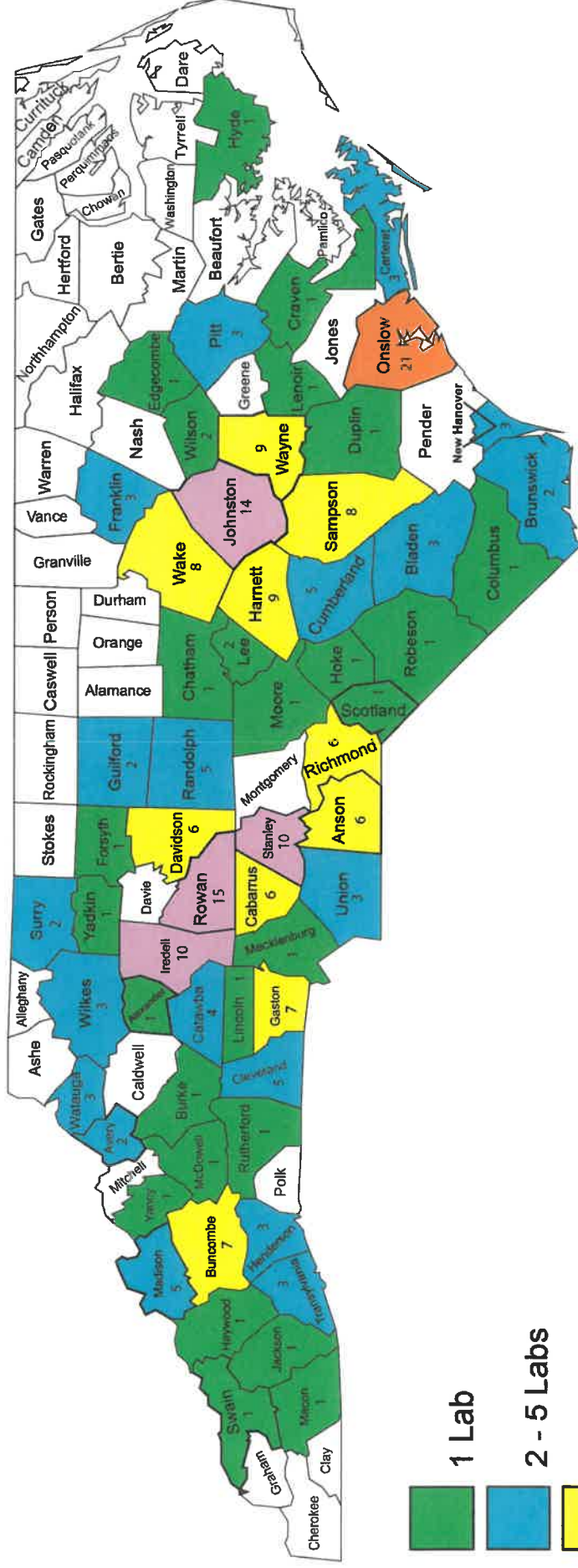
Assistant Special Agent in Charge
North Carolina State Bureau of Investigation



Clandestine Lab Responses

Total : 232

As of December 31, 2017



**North Carolina
State Bureau of Investigation**