

Written Statement by

Jason Grellner
Executive Board Member
Missouri Narcotics Officers' Association

Before the United States House of Representatives Committee on Financial Services
Subcommittee on National Security, Illicit Finance, and International Financial Institutions

Hearing on
“Follow the Money: The CCP’s Business Model Fueling the Fentanyl Crisis”
March 23, 2023

Chairman Luetkemeyer, esteemed members of the committee thank you for allowing me to testify today regarding the poisoning of nearly 1 million Americans. My name is Jason Grellner, I am a retired 27-year veteran of law enforcement with over 20 years of that time in state and federal narcotics investigations. The last six years has been spent securing one of the largest healthcare organizations in the United States and witnessing first hand the devastating effects of synthetic opioids like fentanyl on Missouri communities.

Opioid and now synthetic opioid poisoning is the leading cause of accidental death in the United States overtaking car accidents a decade ago. But this is no accident. This is a planned attack on the United States by terrorist organizations, Narcos States and world powers bent on destabilizing and weakening the United States. Drug abuse in the United States has always been a factor of one man’s greed preying on another man’s illness with yet another getting rich off the ill-gotten gains. This attack will not be stopped by merely attempting to treat the sick in our own country or from fighting this threat from inside our own borders. This is an immediate threat to our national security and deserves an immediate response.

It is estimated that another 140,000 Americans will die from Fentanyl or one of its many synthetic derivatives in 2023. Synthetic fentanyl that is manufactured in Mexico from ingredients sourced in China. Chinese companies have been supplying the United States with cheap, synthetic drugs across the internet for the past 20 years. Circumventing DEA and FDA regulations by changing the synthetic drugs chemical make up just enough to offer a slightly different experience to the user, while usurping federal law. It should come as no surprise that when China “cracked down” on synthetic fentanyl distribution it made no difference to worldwide synthetic opioid sales. Chinese organized crime under the “watchful eye” of the CCP began selling the components instead of the final product. Both the Sinaloa and Jalisco New Generation Cartels immediately began manufacturing the poison in multi kilo batches within days.

Cartels easily buy kilos of precursor chemicals from China and now operate with impunity at western Mexican ports to ensure quick delivery. A kilo of Chinese precursors cost \$200 but can be sold in New York for \$3 to \$5 dollars for 2 milligrams of an unknown fentanyl mixture with a profit of \$1M dollars. That million dollars is used to pay; dealers, mules, stash houses, security forces, bribes, money laundering, and to buy power and influence. The recent conviction of Genaro Garcia Luna, Mexico's former Public Safety Secretary, shows the height of influence the cartels wield in Mexico. The question that comes to mind when a Mexican official is indicted in the US is why? If there is enough evidence for charges and conviction in the US, why has the Mexican government not engaged in their own justice seeking? Mexico is a Narcos State open for business with any foreign power or terrorist organization willing to pay for their political influence and US border control.

Cartel control of ports of entry at the US border is the most hotly contested and largest predictor of violence in Mexico. The US border and ports of entry are controlled by individual cartels for drugs and humans moving north and guns and currency moving south. Mexican cartels have long struggled with money laundering and the transfer of US greenbacks converted to pesos. This was made much easier after the partnership with Chinese organized crime. Through new and innovative schemes cartels who used to do business with Columbia and Nicaraguan money laundering organization now have a new partner with China. These Chinese organizations also use the money to buy influence with rich and powerful members of the CCP. Selling US dollars to Chinese nationals so they can purchase property for cash in the United States. This allows for Yen to be transferred to pesos in a much quicker and less costly manor through the sale of Chinese goods or precursor chemical sales. All of this under the "watchful" eye" of the Chinese government. Adding to this ease in washing money is the multiple states that have defied federal law and indulge in the money grab of state legalized marijuana. These "cash" businesses with less than adequate accounting measures make an easy target for narcotics traffickers looking to move cash into the US banking system. Many banks have used the relaxing of CTR filings when dealing with marijuana businesses allowing cash deposits above \$10k. Money entering the legal banking system is converted to yen, pesos, or euros moments later.

With an estimated \$60B dollar a year industry thriving on our southern border, no one solution will end this problem which has been brewing since the 1800's. That kind of money and power also draws other attention. In February of this year, 128,777 individuals were caught crossing the US/Mexico border. Of those, 16 were on the FBI terrorist watch list. Sixteen in one month, and those were just the ones that were caught. Mexico and China do not have the best interest of the United States or its citizens in mind. Let's put this in perspective; if a country had infiltrated the United States with terrorist agents and released ricin or anthrax that killed 1 million Americans what would our response be?

There is not a single silver bullet to this problem. Just as in any confrontation, the winner is the entity that attacks from as many angles as possible. ONDCP needs to be less one

sided in its current approach to this epidemic. We will not rehabilitate our way out of this issue, we have no medical cure for death. We should take a page from our COVID response, we didn't just wait for people to get sick and treat the ill, we pushed for a vaccine to prevent the virus in the first place. We knew that waiting for people to get sick and setting up "safe COVID administration sites" wasn't going to end the pandemic. We need strong prevention efforts in schools and community organizations to drive up the perception of harm, while forcing use rates down. We need a renewed commitment to funding state and local drug taskforces. Law enforcement is simple physics, to stop any force there must be an equal and opposing force. The collision of those two forces is friction, friction can be ugly and cause immense amount of heat. Without that opposing force however the driving force does not end and only grows stronger. State and local drug taskforces identify local threat actors with ties to multi-national drug trafficking organizations needed by their federal partners. The federal government must work as hard on identifying terrorist assets with Mexican Drug Cartels as they did with ISIS and Taliban conspirators in the past decades. Freeze assets, restrict business dealings in foreign banks and companies profiting from these organizations. Give federal law enforcement and armed forces the means necessary to go direct to threat with these terrorists' strong holds no matter where they might be.

In closing, I want to thank the Committee for examining this important topic that's killing hundreds of individuals daily across our nation. We must not accept another child dying in a school bathroom or a loved one on the street or in their home from a drug poisoning. We must do more and the time to act was yesterday. Thank you, and I look forward to your questions.

Respectfully,

Lieutenant (Retired)

Jason J. Grellner