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Senate Committee on Health, Education, Labor, and Pensions
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Chairwoman Murray, Ranking Member Burr, and members of the Committee, thank you for inviting me to testify today on the dynamic illicit drug trafficking and use environment we face in the United States, and the Administration's approach to addressing it with the urgency it demands.

Introduction

Since 2015, provisional data shows that annual overdose deaths in America have more than doubled.¹ Additionally, the COVID-19 pandemic has increased the strain on our health care system and amplified the existing difficulties in accessing treatment for substance use disorder, which has exacerbated an overdose epidemic that was already getting worse prior to the pandemic.

The Centers for Disease Control and Prevention (CDC) estimates that drug poisoning and overdoses claimed 108,809 lives in 2021 alone, which represents an American life lost every five minutes around the clock. These are our family members, co-workers, neighbors, and friends. Over the past two decades, nearly a million Americans have lost their lives to drug poisonings and overdoses, devastating their families, our communities, and our nation as a whole. Beyond these fatal overdoses over the past two decades are millions of individuals experiencing nonfatal overdoses that are overwhelming our first responders and taxing our healthcare system. And while these fatalities and nonfatal overdoses are the most visible manifestation of our crisis, underneath them are tens of millions of Americans suffering from addiction to opioids.

While this crisis has been accelerating at an unprecedented rate over the years, the impact on our economic prosperity goes even further. Research estimates the economic costs of this epidemic to be a staggering \$1 trillion a year², and up to 26% of the loss in U.S. labor force participation can be attributed to people suffering from addiction.³

This is a nonpartisan issue that touches everyone, regardless of where they live or how they vote, and it is why ending the opioid epidemic is a key part of President Biden's Unity Agenda for the Nation, which he announced during his State of the Union address. The strong support we see across our country, and across political parties, for comprehensive and meaningful solutions to the overdose crisis underscores the nonpartisan nature of this issue and the need for immediate action.

The Administration's National Drug Control Strategy

The Administration is approaching this crisis with a keen sense of urgency, prioritizing saving lives as our fundamental task. Our actions must be bold, far-reaching, and innovative while also being evidence-based, compassionate, equitable, safe, and effective. The President's inaugural *National Drug Control Strategy* is an evidence-based blueprint designed to save lives immediately, build the infrastructure our nation desperately needs to treat the enduring problem of addiction, and disrupt drug trafficking and the illicit profits that fuel it, enhancing public safety for us all. The implementation of President Biden's *Strategy* will save as many lives as possible in the near term while building our capacity to deal with untreated addiction and the global production of illicit drugs in a long-term and sustainable fashion.

As the Office of National Drug Control Policy developed this *Strategy*, the Director focused on the two fundamental drivers of this epidemic: untreated addiction, and the profit-driven production and trafficking of illicit drugs.

In the SUPPORT Act of 2018, Congress laid out key requirements for the President's *National Drug Control Strategy* that includes issuing a comprehensive, evidence-based plan to reduce both the supply of, and demand for, illicit drugs, and for illicit synthetic opioids more specifically.

The *Strategy* does precisely this while outlining a bold and innovative approach to reduce overdoses that includes measures at both the strategic and program levels to hold government accountable under the requirements of the SUPPORT Act.

The Director has identified four immediate priorities that cut across the *Strategy's* goals, which if advanced will help us save lives both in the short term while building our capacity to address this challenge in the long term:

First, the most important action we can take right now is to have naloxone, the opioid overdose reversal medication, in the hands of all those who need it without fear or judgment – especially now when three out of every four overdose deaths involve opioids.⁴ Harm reduction interventions like fentanyl test strips, naloxone, and syringe services programs that enable us to work with people who use drugs to build trust, engagement, and, most importantly, keep them alive, are proven to work and enjoy broad bipartisan support.

Expanding access to naloxone is a simple and cost-effective tool supported by strong evidence: in addition to saving lives, every dollar we spend on naloxone provides \$2,769 in benefits according to one cost-benefit analysis.⁵

Second, the President's *Strategy* lays out actions to tackle a long-standing issue: the majority of people with a substance use disorder are not getting the treatment they need. Fewer than one out of ten people in the United States who need treatment get it⁶ and we cannot accept that.

When people lack the coverage and support they need for treating and managing their substance use disorders they lose their jobs, their families, they disengage from their communities, and far too often, they lose their lives. Treatment saves lives, and everyone who needs treatment should be able to access it. Through the President's *Strategy*, we will ensure universal access to medications for opioid use disorder by 2025.

Third, the Director believes we must disrupt and dismantle the Transnational Criminal Organizations (TCOs) who produce and traffic illicit drugs by targeting their operations, illicit financial networks, and supply chains in a comprehensive and sophisticated way.

The drug production and trafficking environment we see today is vastly different than it was just a few years ago. The TCOs that sustain and perpetuate the multi-billion-dollar illicit drug business operate seamlessly across borders and cooperate with remarkable efficiency to obtain raw materials, move and launder their proceeds, and to ship their illicit products to the United States and destinations around the world. Therefore, we must commercially disrupt⁷ the global drug trafficking enterprise, first by raising a sophisticated awareness of this environment, especially among private sector entities, so we can focus our resources on the malign actors in a more precise way. Moreover, we must expand the number of tools we apply to include not only financial sanctions, but also a range of other actions to disrupt and degrade drug production and trafficking operations at best, or at the very least make it incredibly difficult and much more costly.

It is also vitally important that we maintain close and cooperative relationships with other countries where these illicit drugs and their precursors are manufactured, and do so from a perspective of common and shared responsibility. While the people of the United States see the effects of global drug trafficking in the heartbreaking realities of fatal and non-fatal overdoses, shattered families, and broken communities, we must also bear in mind that many of the dollars used to purchase those drugs— in addition from seeking to profit from harmful and addictive psychoactive substances -- often plays a role in destabilizing that country, corrupting its officials, and victimizing its most vulnerable citizens.

Mexico has become the locus of illicit fentanyl production since late 2019 and remains the country of origin for the majority of heroin and methamphetamine found in the United States.

In September 2021, the United States marked a new era in security cooperation with Mexico by establishing the U.S.-Mexico Bicentennial Framework for Security, Public Health, and Safe Communities. This comprehensive, long-term, and holistic approach to improve the safety and security of both nations has three overarching goals: Protecting Our People, Preventing Transborder Crime, and Pursuing the Criminal Networks who threaten both countries.⁸ Earlier this month, the Office of National Drug Control Policy and its partners from the Department of State traveled to Mexico, where the United States and Mexico formally committed to strengthening our work against the manufacture, trafficking, distribution, and consumption of illicit fentanyl and other synthetic drugs. Further, President Biden and Mexican President López Obrador met recently and the two heads of state reemphasized the importance of our two nations working together to address these challenges.

The United States routinely engages with the People's Republic of China to address shipments of PRC-origin precursor chemicals bound for North America, as well as to cooperatively address the numerous money laundering and illicit finance facilitators with ties to Chinese criminal organizations that enable drug trafficking.

In the past, the PRC government has been responsive to the United States' concerns about the shipment of fentanyl and its analogues directly to the United States, and PRC's actions in that regard have had a direct and positive impact. We must build upon those actions, and addressing illicit drugs precursor chemicals and associated money laundering are areas where U.S. and PRC interests align. We look forward to continuing our cooperation with the PRC government in holding responsible those individuals, anywhere in the world, who engage in this criminal enterprise.

India, another global producer and exporter of chemicals and pharmaceuticals, similarly suffers from the presence of criminal elements who traffic precursor chemicals for the manufacture of synthetic opioids and other drugs, as well as finished opioids such as tramadol and tapentadol. The United States has been working closely with India over the last several years to develop a long-term counternarcotics relationship, and earlier

this month the Office of National Drug Control Policy, along with the Departments of State and Justice, headed the third, and first in-person, United States-India Counternarcotics Working Group (CNWG) in New Delhi. The United States made it clear it is in both countries' interest to establish and maintain a relationship based upon mutual respect, shared interests, and a common desire to partner as leaders on the global issue of illicit drug production, trafficking, and use. During two days of meetings both parties reached agreement on major issues to address together and adopted a written framework to guide their collective work going forward.

The Director firmly believes we must bring the international community together to control fentanyl precursor chemicals. Earlier this year, in response to a request by the United States, the United Nations Commission on Narcotic Drugs (CND) voted to take international action and internationally control the acquisition, production, and export of three precursors used to illicitly manufacture illicit fentanyl and its analogues: 4-anilinopiperidine (4-AP), 1-(tert-butoxy carbonyl)-4-phenylaminopiperidine (boc-4-AP), and N-phenyl-N-(piperidin-4-yl) propionamide (norfentanyl). The CND also voted to schedule buprenorphine and metonitazene, two synthetic opioids, under Schedule I of the 1961 Convention on Narcotic Drugs, and eutylone, a synthetic stimulant, under Schedule II of the 1971 Convention on Psychotropic Substances. This action obligates the signatories to these conventions to establish national laws to control these substances. At the same meeting, the CND also adopted a U.S.-sponsored resolution that calls for greater cooperation among member states to prevent the diversion of chemicals not subject to international control that are diverted to illicit drug production, including so-called designer precursor chemicals.

President Biden's budget proposal includes substantial increased investments for border security and supply reduction approaches. The women and men who work every day to stop illicit drugs from coming into our country perform extraordinary work protecting our public safety and public health in challenging circumstances, and President Biden is committed to ensuring they have the tools and technology they need to get the job done.

This *National Drug Control Strategy* directs agencies to uncover financial networks and obstruct and disrupt the illicit financial activities that fund the TCOs that produce and traffic illicit drugs into the United States by strengthening every available tool, seeking new ones that will provide tangible results, and better synchronizing our efforts across the federal government to commercially disrupt this global illicit enterprise.

In support of this effort, this past December President Biden issued two Executive Orders that provide the Executive Branch enhanced architecture to better counter TCOs in this dynamic environment, and to increase our ability to negatively impact foreign persons involved in the global illicit drug trade from a financial perspective. When issuing those executive orders, the President declared that “international drug trafficking, including the illicit production, global sale, and widespread distribution of illegal drugs; the rise of extremely potent drugs such as fentanyl and other synthetic opioids; as well as the growing role of Internet-based drug sales, constitutes *an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States.*”⁹ These carefully chosen words not only speak to the high priority the President places upon this issue, but also open doors to new authorities and capabilities for the United States to address this threat in a comprehensive and sustainable fashion.

Additionally, law enforcement task forces such as Organized Crime Drug Enforcement Task Forces (OCDETF) and High Intensity Drug Trafficking Areas programs (HIDTAs) work diligently with the nation’s 94 U.S. Attorney’s Offices to disrupt and dismantle transnational organized crime by prosecuting those individuals responsible for manufacturing and distributing these deadly substances in our communities.

Through this *Strategy*, the Director and ONDCP will continue to work, both unilaterally and with other nations, to make it more difficult and more costly, in every way, for drug trafficking organizations to continue their business. This work is critical because if it is easier to get illicit drugs in America than it is to get treatment, we will never bend the curve on overdoses.

Finally, the *Strategy* ramps up our work on data and research at a time when the federal government faces important gaps in data collection and analysis related to drug policy.

We know that a past non-fatal overdose is one of the most accurate predictors of whether someone will experience a fatal overdose in the future.¹⁰ However, we currently lack consistent and timely measures of non-fatal overdoses in all jurisdictions in the United States, and this constrains our ability to identify emerging trends and act before it is too late. Building on gains already made in the timeliness and accuracy of our data will greatly increase our ability to drive and evaluate policy decisions. With this *Strategy*, the Administration is working to develop a near real-time national estimate for non-fatal overdose occurrences, along with a system to rapidly surge substance use prevention and treatment resources to those communities experiencing the greatest burdens.

In addition to these four areas, the President's *Strategy* also directs federal agencies to take actions to prevent youth substance use, support people in recovery, and advance racial equity in our drug policies across the board. The *Strategy* also expands the scope of our work to address many of the factors that affect substance use disorder including child poverty, employment, and economic opportunity, so people can reach their full potential.

A New Era for Drug Policy

Taken together, these goals, priorities, and objectives usher in a new era of drug policy that is evidence-based comprehensive, holistic, and targeted at saving lives.

This is the first time the federal government is embracing high-impact harm reduction as a tool to reduce overdoses and overdose deaths, an effort that has broad bipartisan congressional support.

Commercial disruption is a new approach that brings together our efforts in illicit finance, supply chain targeting, and international engagement as a comprehensive and sophisticated means to target TCOs, their operating capital, and their profits.

This strategy is the first in which we have delivered extensive chapters dedicated to data and criminal justice that will help us better understand our environment and deliver life-saving resources to people who interact with the criminal justice system, including evidence-based treatment for people who are incarcerated, so we can improve public health and public safety outcomes.

This is the first time we have emphasized Adverse Childhood Experiences (ACEs) and the Social Determinants of Health (SDOH) as key elements of our prevention efforts.

This is the first time we have called for making access to substance use disorder treatment universal.

And finally, we are placing a new emphasis on getting naloxone to everyone who needs it, removing outdated barriers to prescribing medications for opioid use disorder, and providing workforce opportunities for people in recovery.

This *Strategy* represents exactly what we need to do to reduce overdose deaths, ensure people can access the help they need, and disrupt the flow of illicit drugs across our borders and into our communities.

Action Now

While we are taking action now to implement the President's inaugural *Strategy*, since the beginning of this Administration, our office has led a number of efforts designed to advance Administration priorities and deal with America's opioid and overdose epidemic head on:

- CDC and SAMHSA established a \$3 million partnership to leverage CDC's National Harm Reduction Technical Assistance Center to support implementation of effective, evidence-based harm reduction programs, practices, and policies in diverse settings and decrease health disparities.
- ONDCP announced the release of the Model Law Enforcement and Other First Responders Deflection Act, a resource for states that encourages the development and use of deflection programs across the country. First responders, including law enforcement, often do not have good options when encountering people with substance use and mental health disorders, and this Model Law deflects people with these disorders away from traditional criminal justice programs when appropriate and connects them to evidence-based treatment, harm reduction, and recovery and prevention services, changing lives and reducing a burden on first responders.
- SAMHSA announced the extension of the methadone take-home flexibilities for one year, effective upon the eventual expiration of the COVID-19 Public Health Emergency. The flexibility promotes individualized, recovery-oriented care by allowing greater access for people who reside farther away from an Opioid Treatment Program or who lack reliable transportation, such as those in rural and tribal communities.
- CDC has provided \$300M+ per year through Overdose Data to Action to support 47 states, Washington, D.C., two territories and 16 high burden cities and counties in collecting high quality, comprehensive, and timely data on nonfatal and fatal overdoses and in using those data to inform prevention and response efforts, such as ensuring people are connected with the care they need, supporting health care providers and systems with overdose response efforts, and developing partnerships with public safety and first responders to improve data sharing and response.
- CDC expanded its investment in Public Health Analysts participating in the High Intensity Drug Trafficking Areas (HIDTA) program's Overdose Response Strategy.

This collaboration is helping communities reduce fatal and non-fatal drug overdoses by connecting public health and public safety agencies, sharing information, and supporting evidence-based interventions. CDC is funding public health analysts in all 50 states, the District of Columbia, the U.S. Virgin Islands, and Puerto Rico.

- The Department of Justice’s Office of Justice Programs (OJP) has provided more than \$110.7 million to reduce recidivism and support adults and youth returning to their communities after confinement. OJP also awarded more than \$300 million to help address the needs of individuals with substance use disorders, including treatment and recovery services.
- CDC and ONDCP invested in communities by expanding our investment in the Combating Opioid Overdoses through Community Level Intervention (COCLI) initiative to fund eight new projects to implement innovative, evidence-based, and scalable solutions – like the Merrimack Valley, Massachusetts “Wheels of Hope” program for persons with substance use disorder to receive rides to treatment appointments.
- Earlier this month ONDCP announced FY 2022 Drug Free Communities (DFC) Continuation funds to 646 coalitions, representing an investment by the Biden-Harris Administration of approximately \$81 million in youth substance use prevention in communities across the country. Later this summer, ONDCP anticipates awarding FY 2022 DFC new grant awards.

CONCLUSION

There is no doubt that the environment of illicit drug production, trafficking, and use, particularly as it relates to synthetic opioids, presents a daunting challenge. However, as difficult as it may be, it is not insurmountable. The Biden-Harris Administration is focused on meeting this complex national security, public safety, and public health challenge head on in a comprehensive and sophisticated way. This will not only reduce

the number of drug deaths and save American lives in the short term, but also shape our approach to addressing the broader and more enduring challenge of illicit drug use and its consequences in the years to come.

The Administration's leadership on this critical issue, the close collaboration among federal departments and agencies, and the work the members of this Committee and your colleagues in Congress have done to keep this issue at the forefront of our national consciousness are changing the trajectory of the challenge we face.

On behalf of Dr. Gupta and the men and women of the Office of National Drug Control policy, I would like to thank the subcommittee for your foresight and leadership on this critical issue, and on behalf of the Administration, ONDCP looks forward to continuing to work with you to reduce illicit drug availability, use, and the many harms they bring to American families and their communities.

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¹ Centers for Disease Control and Prevention, National Center for Health Statistics. Multiple Cause of Death 1999-2020 on CDC WONDER Online Database, released in 2021. Available at <http://wonder.cdc.gov/mcd-icd10.html>. Extracted by ONDCP on December 22, 2021.

² Ahmad FB, Cisewski JA, Rossen LM, Sutton P. Provisional drug overdose death counts. National Center for Health Statistics. 2022.

³ Federal Reserve Bank of Atlanta researcher Karen Kopecky, Jeremy Greenwood of the University of Pennsylvania and Nezh Guner of the Universitat Autònoma de Barcelona. National Bureau of Economic Research Working Paper. https://www.nber.org/system/files/working_papers/w29932/w29932.pdf

⁴ Ahmad FB, Cisewski JA, Rossen LM, Sutton P. Provisional drug overdose death counts. National Center for Health Statistics. 2022.

⁵ Naumann et al. *Drug Alcohol Depend* 2019;204:107536

⁶ Substance Abuse and Mental Health Services Administration (2021). *Key substance use and mental health indicators in the United States: Results from the 2020 National Survey on Drug Use and Health* Rockville, MD: Center for Behavioral Health Statistics and Quality.

⁷ The 21st century global economy depends upon the constant movement of money, ideas, people, and goods across international borders with incredible speed and efficiency. Drug producers and traffickers exploit this to sustain and enhance their illicit business: the provision of precursor chemicals, some of which are unregulated chemicals that can be shipped in plain sight; physically dislocated payments that include the movement of funds across borders; the internet-based sales of raw materials and finished drugs using both fiat and cryptocurrency; and the physical movement of chemicals and their finished products around the world. The vast majority of the physical and virtual terrain on which drug producers and traffickers operate such as the dark web, open social media platforms, eCommerce sites, express consignment shippers and freight forwarders, banks, cryptocurrency vendors, legitimate chemical suppliers, and pill press and die mold manufacturers, are private sector entities who likely have little to no idea they are a constituent part of an illicit business enterprise. We must commercially disrupt what has become a global illicit business enterprise that enjoys huge capital resources, routine collaboration with raw material suppliers across international borders, advanced technology to fund and conduct business, product innovation and strategies to expand markets, and in many cases centralized control and decision making. Actions include: Raising a sophisticated awareness of this environment with government and

commercial sector partners around the world, so we can sift out the unwitting from the deliberately malignant; increasing the visibility of the legal goods such as unregulated chemicals, high capacity pill presses, die molds, and pill press replacement parts, that can be diverted for illicit use; using financial tools such as sanctions to disrupt the flow of illicit proceeds to drug producers and traffickers, and deny them the operating capital they need to sustain their business; disrupt illicit drug production capacity by focusing on the chemical precursors used to make them; and expanding the tools we apply to the entire complex of drug production and trafficking, to disrupt drug production and trafficking or, at the very least, make it incredibly difficult and more costly. We must also apply those tools in a sophisticated and surgical manner, and make deliberate government-wide decisions about the long-term consequences of our short-term actions, better synchronizing the full range of tools to gain strategic results and avoid potentially negative downstream effects.

⁸ <https://www.whitehouse.gov/briefing-room/statements-releases/2021/10/08/fact-sheet-u-s-mexico-high-level-security-dialogue/>

⁹ <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/>

¹⁰ Krawczyk N, Eisenberg M, Schneider KE, et al. Predictors of overdose death among high-risk emergency department patients with substance-related encounters: A data linkage cohort study. *Annals of Emergency Medicine* 2020;75(1):1-12.