

DECEMBER 23, 2013

HEROIN'S POISONOUS PATH TO NORTH JERSEY: PART 2

In Sunday's Part One of The Record's three-part series on the heroin trade in North Jersey, we focused on the pipeline that delivers blocks of pure heroin from Colombia through Mexico and into the United States. Today we look at the local nerve centers of the state's dope-peddling industry — the dozens of sites around New Jersey where heroin is transformed into tens of thousands of tiny doses to be sold to opiate addicts from all walks of life.



Inside suburban drug mills, a grimy, lucrative business

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New Jersey drug agents have seen plenty of bizarre sights when busting heroin mills, the sunless, foul-smelling assembly lines where laborers spend hours on end grinding up raw heroin and spooning it into \$5 street bags.

They've seen trash bags filled with coffee grinders that fried out after being used thousands of times to pulverize the drugs into sniffable powder; they've confiscated tens of thousands of tiny glassine envelopes stamped with cheeky brand names like Barack Obama, DEA and Lady Gaga; and they've seized Build-A-Bear stuffed animals sliced open at the belly to



PHOTOS COURTESY OF NEW YORK SPECIAL NARCOTICS PROSECUTOR
Heroin mills are turning up in quiet North Jersey neighborhoods. Raids uncover assembly-line operations that use coffee grinders, powder mixtures and glassine envelopes.



Packaging ready to be filled with \$5 doses, left, a toy bear cut open where it was stuffed with raw heroin, and wads of cash from sale of the processed drugs to distributors.

PHOTOS COURTESY OF NEW YORK SPECIAL NARCOTICS PROSECUTOR

reveal freshly smuggled wads of the raw narcotic. They've walked in on middle-aged drug packagers clad only in underwear – to prevent stealing – and surgical masks – to keep them from getting high from the airborne powder.

But for local investigators, one case stands out: an April 2011 raid on a new suburban two-family home on Grandview Place in Fort Lee, a quiet green cul-de-sac near the George Washington Bridge, less than 1,000 feet from a school. There, investigators found a woman at a kitchen table, stamping glassine bags filled with heroin while her preschool-age daughter sat nearby eating cereal. She was among a dozen Dominican immigrants who had been bused in from the New York City overnight by minivan to work the 12-hour shifts needed to meet what cops call “a ravenous demand” for opiate drugs.

“They can make a lot of money doing these jobs,” sometimes up to \$500 a day to work at a table, said Lawrence Williams, a top state police detective who oversees North Jersey’s anti-drug unit. “The people who run them are very smart and organized, and they like steady workers.”

Heroin mills have become a major focus of the state police and other law enforcement officials who are trying to get drugs off the streets of North Jersey. But the micro-factories are relatively easy to set up and often difficult for authorities to identify. In recent years, more and more have cropped up in quiet suburban neighborhoods around North Jersey, in places like Fort Lee and Ridgely Park and Maywood, a development that alarms the authorities, who believe the best way to disrupt supply is to kill off the mills.

They are the linchpin of the heroin trade, where

a cartel’s raw product meets local distributors. It is there where the stakes are the highest, because there is so much product and so much cash. A kilo of raw heroin worth \$70,000 wholesale, received by a local cartel contact in the United States, is processed at mills into at least \$140,000 worth of doses, parceled out in bulk to mid-level distributors, whose workers sell it on the streets. It is a delicate supply chain, and while the return on investment is great, so is the risk.

Breaking a drug mill like the one on Grandview Place takes weeks of coordinated work by multiple law enforcement agencies, according to Williams and a dozen other drug investigators interviewed. Participants include the state police, Drug Enforcement Administration agents, detectives from Bergen and Passaic counties and sometimes out-of-state groups like the Pennsylvania State Police, or the Office of the Special Narcotics Prosecutor for New York City.

Such was the case when the red-brick Grandview Place site was blitzed on April 29, 2011. The leads that led to the raid were generated on the Manhattan side of the George Washington Bridge, according to New York officials. The bridge has become a key artery for New York heroin wholesalers looking for quiet places in the North Jersey suburbs to set up mills and process their wares.

Leads often come from confidential informants looking to bargain their way out of long prison terms by turning on confederates. From time to time, a tip comes from a rival mill operator looking to put a competitor out of business.

And sometimes tips are pure chance. One former federal agent recalled a case in which a trash col-

lector told investigators about a house where dozens of coffee grinders were regularly put out with the trash. Sure enough, the house was a heroin mill.

The Grandview Place mill was first identified after New York agents saw a minivan routinely collecting Dominican immigrants from a street corner in the Washington Heights section of Manhattan. Investigators followed the van to Fort Lee and watched as it pulled into the garage of a clean-looking, three-story house with windows covered by black trash bags.

In the raid that followed, 10 workers were arrested, including the mother of the young girl eating cereal, who was charged with child endangerment. Agents seized 5.5 pounds of unprocessed heroin, \$50,000 in cash and all the usual trappings of a small-scale heroin processing operation.

The presence of Dominican mill workers was not unusual. When Colombian cartels began funneling heroin and cocaine into the United States, through the Caribbean, some Dominicans in the U.S. were brought into the drug trade. Today, even as more of North Jersey's heroin comes over the border from Mexico, drug trafficking organizations continue to recruit heavily among large Dominican populations in the suburbs of North Jersey and in Manhattan.

Bridget G. Brennan, the special narcotics prosecutor for New York City, said mill operators hire from the Dominican communities because they would be unlikely to break the code of silence, for fear of retribution against them and their families.

"This keeps the operation very tight," she said.

Round the clock

Heroin processors choose nondescript rented residences like the Grandview Place home because they can comfortably run 24-hour-a-day operations without drawing the attention of neighbors or police for several months before moving on to a new space.



Heroin packets seized in Fort Lee and at a meeting place for workers in New York City.

Inside, workers sat at a 6-foot-long table methodically folding thousands of glassine envelopes filled with heroin and taping them shut. Cans of Red Bull energy drink were near at hand to keep them going during hour after hour of the tedious work, authorities said.

At a separate table, the men in charge of the mill used sieves and pestles to stir ground heroin with milk powder. Two men with tiny spoons filled the empty glassine envelopes with a minute dose – enough for a high that will last about an hour. The bags were stamped with logos from McDonald's, Adidas, Best Buy and Budweiser, authorities said.

While Paterson remains a hub for heroin processing and sale, authorities say more mills like the one on Grandview Place are invading the suburbs. And it's not just a matter of

convenient geography and cheap, secure real estate. The trend is intimately connected to the recent sharp increase in opiate addictions among middle-class New Jersey residents. The demand is there, and the supply has followed.

Until a few years ago, state police in North Jersey were focused more on cocaine than heroin. Then, in 2007 – as prescription pill addiction and heroin abuse began to rise nationally – a heroin mill was uncovered in a residential area of Elizabeth, a two-family home operating as a full-scale assembly line. It was "emblematic," Williams said, signaling a shift in heroin packaging to the suburbs.

State police and New Jersey DEA agents have broken up more than 50 mills over the past decade – about half of them in suburban locations – and seized a combined total of about 1,000 kilos of raw heroin, according to an analysis of data provided by both agencies.

Generally, pure heroin arriving in New Jersey is collected by a distributor, often with ties to Mexican or Colombian syndicates and to local criminal elements, who bridges the divide between South American producers and dealers.

"Once it comes into New Jersey or New York,

the heroin will be parceled out to table-top operations,” said Gerard McAleer, who led the Newark’s DEA office from 2006 to 2010 and is now chief of detectives for the Middlesex County Prosecutor’s Office.

Given limited resources, New Jersey officials have made breaking up the table-top operations a priority. More and more this means going beyond the streets of Paterson, a hub of regional heroin trafficking, to the small-town streets in Bergen, Hudson or Essex counties, where the idea of a heroin mill next door is as unimaginable as it is chilling.

Handfuls of these mills are uncovered every year in North Jersey:

■ In December 2005, DEA agents seized 4.5 pounds of heroin and \$150,000 in cash from an apartment in Ridgefield Park.

■ In June 2010, a kilogram of heroin and paraphernalia were found in an Elmwood Park house where 10 workers packaged the drug for street sales.

■ In January 2011, five men were arrested and 2 kilos of heroin were seized from a mill in West New York.

■ In December 2011, investigators found a heroin mill in Belleville operating under the oversight of an Elizabeth street gang and seized 2 kilos.

■ In December 2012, officials found \$6 million worth of heroin and crystal methamphetamine in a suburban home in Cliffside Park, less than 1,000 feet from an elementary school. A New York man was arrested with 2 kilos of heroin packed into the soles of his shoes and strapped around his waist, and 16 more pounds of the drug were found inside ready to be milled.

■ In May, a tiny mill on South Elm Street in Maywood was raided and a backpack-toting heroin dealer arrested as horrified neighbors watched. Inside the tidy ranch-style home, investigators



PHOTOS COURTESY OF NEW YORK SPECIAL NARCOTICS PROSECUTOR
Heroin and packaging materials inside the Fort Lee home where a room was used for what police say was a heroin mill.

seized 85 bricks – more than 4,200 doses – of heroin.

“Our philosophy here is to target the source of the supply,” Williams said. “It’s like gasoline. It comes into this country in different ways – on barges, trains, trucks. We hit the refineries of the heroin trade. If you knock out a refinery, there’s going to be a supply issue.”

But table-top operations like the one on Grandview Place in Fort Lee are nimble, well-managed businesses run on tight budgets with an eye for security.

“You have to know what you’re doing to set up a mill,” Williams said.

The goal is a consistent product that addicts can depend on.

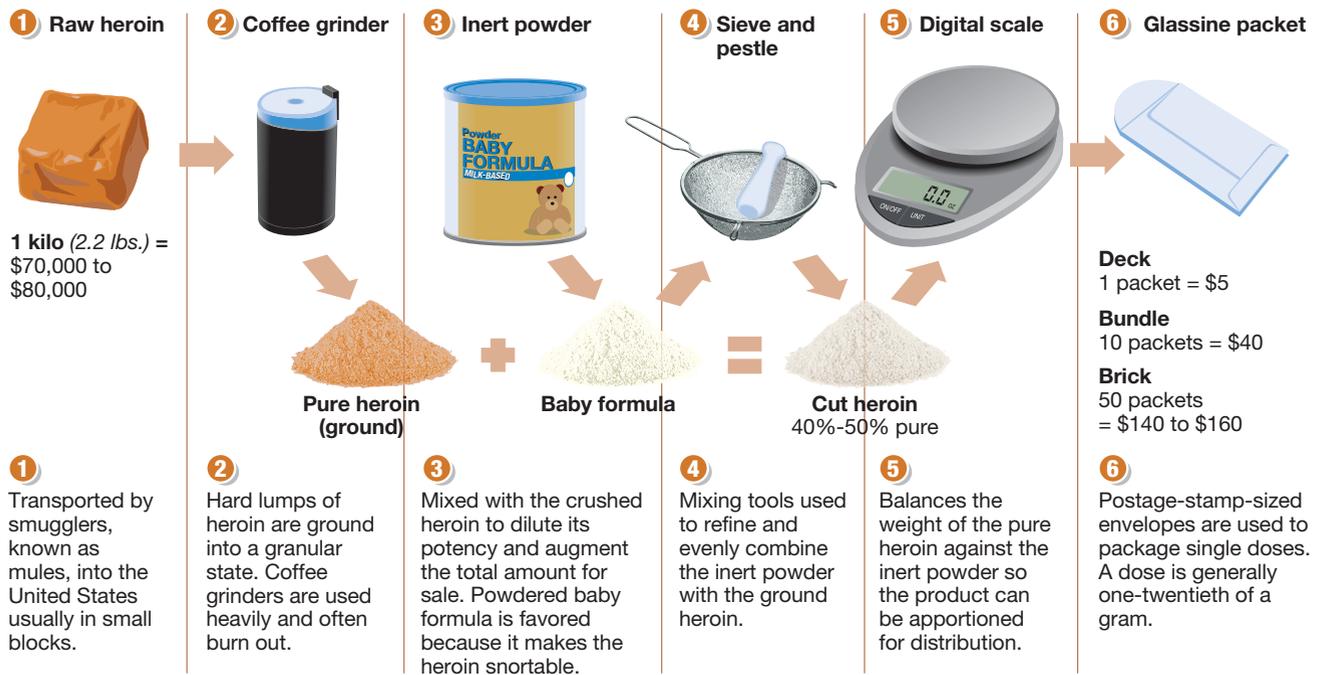
“If you put a beat package out there on the street, you will go out of business,” Williams said. “It is the purest form of capitalism.”

Highly profitable

Peddling heroin in New Jersey is “astonishingly profitable,” as one law enforcement official put it. A mill operator can make a \$40,000 to \$60,000

How a heroin mill works

In assembly line fashion, workers process and package raw heroin for sale on the street:



Source: New Jersey State Police

R.L. REBACH/STAFF ARTIST

profit from 1 kilo.

Here's how, according to police experts:

A kilogram of pure heroin, straight from South America, is worth \$60,000 to \$80,000, wholesale; in heroin mills, this pure kilo is ground to a fine powder, cut with diluents such as baby formula or milk powder and measured into individual doses.

Most heroin sold to users in New Jersey is about 50 percent pure, 10 times as strong as it was several decades ago.

Once diluted, a kilo makes about 50,000 single doses, or "decks," weighing 0.02 gram apiece – about what would fit on a salt spoon – and packaged in small glassine envelopes.

Those decks are folded into thirds, stamped with a brand mark, and organized into groups of 10, called "bundles." Five bundles make a "brick," and each brick is wrapped with colorful magazine pages to make the product look sexy.

The process results in 1,000 bricks – or 50,000 doses – of street-ready heroin from the original kilo. The owner of the table then sells the bricks wholesale for \$125 to \$150 a brick (\$2.50 to \$3.00

a deck) to a large-scale heroin distributor who, in turn, sells smaller amounts of bricks to street dealers.

A mill operator who sells all of his bricks rakes in \$125,000 to \$150,000. Factoring in his original \$60,000 to \$80,000 investment, plus \$10,000 for labor costs, \$10,000 for items like rent and gasoline, and \$1,000 for materials still leaves a profit margin of \$39,000 to \$64,000 per kilo.

"If a good-sized mill puts out 2,000 bricks a week ... you are talking an easy \$100,000 of profit a week for the mill owner," one state official said.

Mill work is far from glamorous. Police describe raids on apartments where the air is saturated with the stench of heroin and sweat.

The materials generally include a handful of electric coffee grinders – Krups is the brand of choice, considered more durable, according to state police. Tables often have glass tops, so nobody can slip product into their pockets. Then there are the small glassine envelopes, stamps, scales, sealable plastic bags and magazines to wrap their bricks in.

Heroin stamps change frequently, but they are

usually names with cultural currency – like LeBron James or Versace. There was a time when stamps identified a brand, a certain dealer or mill. But now mills, like the one on Grandview Place, will have 20 stamps at a time: It is part of the business model and for security. This makes it hard to find the source of a cache of drugs, or even the source of a single fatal overdose.

“You have to have street criminal intelligence,” said Bergen County Prosecutor John L. Molinelli, whose office has pursued murder charges against people who supply heroin to somebody that results in death. “You couldn’t do it based merely on the stamp, because stamps are so common now.”

Key to the trade is anonymity: Local processors use false names and third-party cars. The sites are temporary places of business, managed by somebody with connections to the cartel and to local criminal networks, and staffed by part-time workers working 12-hour shifts. Some mills go the extra mile, providing their staff with showers, cots and takeout.

Mills keep ledgers, scrawled in haphazard code, detailing the supply, the workers, who enters and leaves, who owes what to whom. Inside, the workers have distinct jobs: one measures the heroin with a small spoon, a “stamper” brands each package.

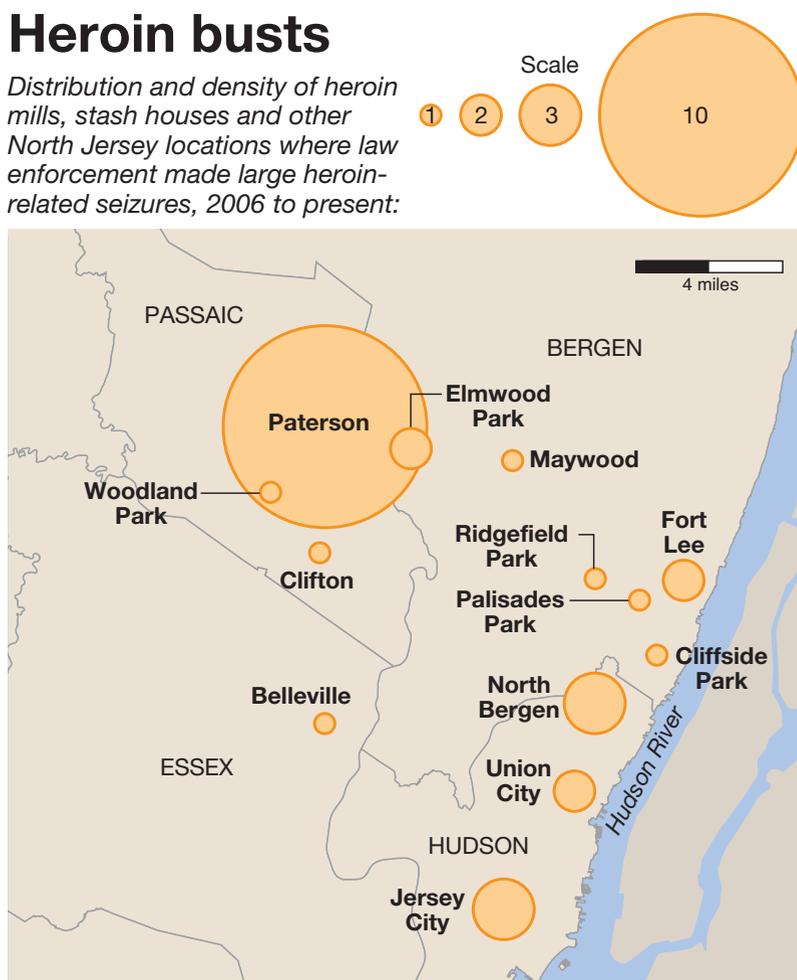
Mill workers, often poor immigrants, earn \$300 to \$500 a day, depending on their task or experience level.

“It’s dangerous and unhealthy just going into these places,” a police official said.

Take, for instance, heroin extraction labs found in Roselle in 2006. There a chemist used methylene chloride, a volatile and toxic industrial solvent, to extract heroin from the plastic lining of luggage sent from Colombia. The heroin was converted into a semi-liquid form, passed through a strainer, then put into an oven and cooked into a solid. Afterward it was ground into powder.

Heroin busts

Distribution and density of heroin mills, stash houses and other North Jersey locations where law enforcement made large heroin-related seizures, 2006 to present:



Source: Staff research

R.L. REBACH/STAFF ARTIST

Gangs get involved

Once the heroin has been packaged, it is sold in large quantities to criminal organizations, including street gangs, for sale in cities and suburbs. This is the level of the drug trade most familiar to Americans – local drug lords, corner hustlers and their clientele. It is also where the vast majority of arrests take place.

Several recent busts demonstrated the scale and nature of these drug organizations.

Between 2010 and 2011, Passaic County, Paterson police and the DEA arrested more than 170 people as part of a sweep of gangs in Paterson – including members of the Fruit Town Brims, a branch of the Bloods street gang that operated in the 4th Ward of Paterson. They had weapons, all

sorts of drugs and cash. According to the 2012 indictment, the Fruit Town Brims were selling roughly \$50,000 a week worth of heroin, cocaine, ecstasy and marijuana in the city's 4th Ward.

In October, a Paterson investigation uncovered a drug ring run by members of the Sex Money Murda branch of the Bloods; many of the street-level dealers arrested had hundreds of bags of heroin and abundant cash reserves on them. The police also arrested 17 buyers, mostly young adults from the surrounding suburbs.

Paterson is a regional hub for the drug trade, drawing customers from New York and Pennsylvania as well as Bergen and Passaic counties. Thousands of bricks, each made up of 50 doses, are sold on the streets of Paterson each week.

"You'll see street-level and mid-level distribution, selling 200 bricks at a time," said Hector Carter at the Bergen County Prosecutor's Office.

The city's 4th Ward is also a hub of gang activity, with branches of Bloods, Crips and Latin Kings, sometimes doing business together. Gangs still run much of the street-level sales of heroin in Paterson. But the control is often loose: There are independent dealers, freelancers, seasonal workers, officials said. Some people might be merely affiliated with a gang, others might be freelancers.

In November 2012, state investigators dismantled an organization that pumped millions of dollars' worth of heroin out of mills in Paterson. The investigation, called "Operation Dismayed," uncovered a network led by Segundo Garcia, 36, of Prospect Park and Wilfredo "Willie" Morel, 39, of Paterson. The two men obtained heroin in large quantities and oversaw its processing – supplying kilos of the drug each week to other suppliers and large-scale dealers in North Jersey, New York, Pennsylvania, and Washington, D.C.

During the bust, investigators searched several houses in Paterson, seizing 3 kilos of bulk heroin, a kilo of cocaine, another kilo of heroin packaged for sale, and \$255,000 in cash, according to authorities.

The state Attorney General's Office estimated that the group "moved" or sold 2 kilos of raw heroin each week. Garcia, a Dominican national, served five years in federal prison for drug dealing beginning in 2000 – he was deported, but reen-

tered the U.S. illegally and allegedly established his distribution network in Paterson.

That network had roots in Paterson, Prospect Park, Jersey City and New York, according to the July 2013 indictment. The raw heroin was manufactured into doses at mills for local distribution on a "routine and almost daily basis," according to the indictment. The heroin was then transported using two taxi drivers, who also moved members of the enterprise and packages of cash around New Jersey, according to the indictment. So-called "managers" then distributed the heroin to street-level dealers.

Garcia pleaded guilty to first-degree possession charges this month and faces up to 15 years in prison; he had originally been charged with the first-degree crime of leading a narcotics trafficking network, which carries a possible life sentence.

Once the drugs get to the street level, it is up to the local dealers to move their product. Dealers send out blast text messages to their regular customers from disposable "booster" phones, devices purchased without a contract that can be discarded. Or they simply wait for the line of cars coming in from the suburbs.

Some come to Paterson to buy in bulk, returning to their suburban towns to resell the heroin and turn a profit. In Paterson, one brick will go for around \$140.

In Hackensack, Englewood and Teaneck, a brick can go for more than \$200, Carter said. Or entrepreneurial dealers might buy in bulk in Paterson, then sell in the suburbs of North Jersey – Tristan Rodas, an 18-year-old from Glen Rock, was arrested twice this year for allegedly selling Paterson heroin to local users, taking a profit. Carter said some suburban distributors have gang affiliations.

As state officials noted in a July report called "Scenes From an Epidemic," advances in technology and the growth in demand among suburban users means that "a bag of heroin is now only a text message away."

Funding for this project was provided by the George Polk Grants for Investigative Reporting at Long Island University.
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