

## **Fentanyl Sanctions Act Summary:**

This targeted sanctions legislation would give U.S. law enforcement and sanctions officials more tools to combat the trafficking of opioids into the United States. The legislation would direct the President to publicly identify foreign traffickers of opioids on an annual basis and use a number of precision economic and financial sanctions policy tools to cripple their operations, including denying access to U.S. markets, freezing their assets and blocking transactions with U.S. financial institutions.

Specifically, the legislation would:

- Require imposition of sanctions on drug manufacturers or others in China who knowingly provide synthetic opioids to traffickers, transnational criminal organizations like those in Mexico who mix fentanyl with other drugs and traffic them into the U.S., and financial institutions that assist such entities.
- Urge the President to commence diplomatic efforts with U.S. partners to establish multilateral sanctions against foreign opioid traffickers.
- Authorize new funding to U.S. law enforcement, sanctions targeteers, and intelligence agencies, including in the Department of Treasury, Department of Defense and Department of State, to combat the foreign trafficking of opioids.
- Establish a Commission on Synthetic Opioid Trafficking to monitor U.S. efforts and report on how more effectively to combat the flow of synthetic opioids from China, Mexico and elsewhere.

## **Background:**

- The most recent estimates from the Centers for Disease Control and Prevention show that from August 2017 through August 2018 more than 48,000 people in the United States died from an opioid overdose, with synthetic opioids (excluding methadone) contributing to a record 31,900 overdose deaths. While drug overdose deaths from methadone, semi-synthetic opioids, and heroin have leveled off or decreased in recent months, overdose deaths from synthetic opioids have continued to increase. State-by-state data on Opioid-Related Overdose Death Rates can be found here.
- The dramatic rise in fentanyl overdose deaths represents the newest and most devastating wave of the opioid epidemic. The opioid epidemic began with prescription opiates, the second wave involved heroin, and the latest third wave involves fentanyl and other synthetic opioids. New research indicates that this new wave has been driven by supply primarily from illicit actors in China and Mexico.
- The fentanyl epidemic has been driven by drugs trafficked into the United States primarily from China and Mexico. China is the world's largest producer of illicit fentanyl, and fentanyl analogues. From China, those substances are shipped primarily through express consignment carriers, international mail or by other means directly to the United States, or, alternatively, shipped directly to transnational criminal organizations in

Mexico. Some officials estimate that China is responsible for over 90 percent of the illicit fentanyl found in the U.S.

- The majority of illicit fentanyl from China seized via international mail facilities is shipped in purities of over 90 percent, whereas the majority of fentanyl seized overland into the United States from Mexico is seized in purities of less than 10 percent. A single kilogram of fentanyl (2.2lbs) purchased in China carries the potential of being lethal for five hundred thousand people.
- The Department of Justice and the Department of the Treasury used the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901 et seq.) to sanction the first synthetic opioid trafficking entity in April 2018. No synthetic opioid trafficking entity has been sanctioned since.
- Insufficient regulation of synthetic opioid production and export in China continues to contribute to a flood of opioids into the United States.
- Following a commitment to the U.S. at the G-20 in December, Chinese regulators announced on April 1, 2018 that a wider range of fentanyl derivatives would be declared controlled substances in China by May 1, 2019. This change is a major step in the right direction. However, China already has problems enforcing its current drug laws and continues to deny that its illicit fentanyl producers are a major source of illicit opioids in the U.S. Strict implementation and enforcement will be key, as China has a long history of failing to live up to agreements with U.S.
- China must move forward with an aggressive plan to enforce its announced new laws. China should work with the U.S. to further regulate its pharmaceutical industries and coordinate closely with U.S. law enforcement agencies to stem the flow of fentanyl trafficking. China should commit to an aggressive enforcement plan in the ongoing U.S.-China negotiations.
- Providing law enforcement and intelligence agencies with additional resources and targeted sanctions tools to combat opioid trafficking will help stem the flow of opioids and encourage foreign governments to increase their enforcement capacity. This includes providing sanction tools that can be used against chemical and drug manufacturers in China who are operating in a largely unregulated environment, and acting to supply illicit traffickers with synthetic opioids.
- Certain experts believe that public pressure resulting from the sanctions contributed to the Chinese government's decision to ban flakka (a synthetic drug) a strategy the U.S. could replicate today with illicit fentanyl.