



State of North Carolina

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March 12, 2013

North Carolina Senate President Pro Tempore Phil Berger
North Carolina House of Representatives Speaker Thom Tillis
Co-Chairs, Joint Legislative Commission on Governmental Operations

Senator Stan Bingham
Senator Thom Goolsby
Senator Buck Newton
Representative James Boles, Jr.
Representative Leo Daughtry
Representative John Faircloth
Representative Pat Hurley
Co-Chairs, Appropriations Subcommittees on Justice and Public Safety

Greg Olley, Ph.D.
Chairman, Commission for Mental Health, Developmental Disabilities and Substance Abuse Services

North Carolina General Assembly
Raleigh, North Carolina 27601-1096

Re: Report on Number of Methamphetamine Laboratories for 2012

Dear Members:

In accordance with N.C. Session Law 2011-240, Section 4, please find the attached report which provides the number of methamphetamine laboratories discovered in the State for calendar year 2012.

Thank you for the opportunity to provide this information. We would be happy to respond to any questions you may have regarding this report.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kristi Hyman", with a long horizontal flourish extending to the right.

Kristi Hyman
Chief of Staff

cc: Honorable D. Craig Horn, NC House of Representatives
Kristine Leggett, NCGA Fiscal Research Division
Greg McLeod, SBI



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NORTH CAROLINA
STATE BUREAU OF INVESTIGATION
DEPARTMENT OF JUSTICE

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GREGORY S. MCLEOD
DIRECTOR

2012 Annual Report on Methamphetamine Laboratories in North Carolina
Legislative Commission on Methamphetamine Abuse

During calendar year 2012, the North Carolina State Bureau of Investigation has responded to four hundred and sixty (460) Methamphetamine Drug Laboratory incidents throughout North Carolina. This represents a 33% increase over the three hundred and forty-four lab (344) incidents in 2011. Over the counter Pseudoephedrine products were the main precursor utilized in all of the Methamphetamine Drug Laboratories that were seized. Statewide, 120 children were removed from homes where meth was being manufactured last year, up from 82 in 2011.

On January 1, 2012, N. C. House Bill 12 provided for the Electronic Monitoring of all pseudoephedrine sales at pharmacies. This new system is known as the National Pseudoephedrine Log Exchange (Nplex). Prior to this system, North Carolina law only required that a written log of the sales be maintained. This new control measure allows law enforcement to monitor illegal sales more effectively and efficiently. The NPLEX system now connects North Carolina with three neighboring states and 20 others nationwide, making it harder for meth cooks to skirt the law by crossing state lines or shopping at multiple pharmacies.

During calendar year 2012, the Nplex system has blocked approximately 54,000 sales of more than 66,000 boxes of medicines containing pseudoephedrine. The Nplex system has potentially prevented more than 155,000 grams of pseudoephedrine from potentially being converted to methamphetamine by illegal drug manufacturers. The amount of pseudoephedrine blocked could have been used to make 277 pounds of meth. This has been achieved through the stop sale feature of the system which allows retailers to block unlawful purchases at the point of sale and provides law enforcement with valuable information in real time.

The most common method for obtaining pseudoephedrine products is through purchases from retail pharmacies. Law enforcement has recognized from evidence found at methamphetamine lab sites, investigations, and intelligence, that although restricted, cold and allergy medicine containing pseudoephedrine is being illegally obtained through the technique known as "smurfing." This is the practice of purchasing the legal allowable amount of products containing pseudoephedrine at one retail outlet and then attempting purchases at other stores that in total do not exceed the daily or monthly legal limit. This can be done by one individual or a group of individuals operating together in one city, multiple cities, multiple counties, or multiple states depending on the sophistication of smurfing in any particular region. Significant amounts of pseudoephedrine can be obtained this way. In North Carolina, investigators commonly see "smurfers" travel to multiple counties and the states of Virginia, Tennessee, Georgia, and South Carolina to purchase pseudoephedrine. Of particular concern to law enforcement is the fact that smurfers are increasingly not utilizing their own identification, but instead are using multiple means of identification. They commonly utilize identification cards of friends and relatives to make illegal purchases. Many individuals that have been arrested for organized illegal pseudoephedrine purchases have been found to be in possession of dozen of stolen or borrowed licenses from multiple states.

The Office of National Drug Control Policy, through its National Methamphetamine and Pharmaceuticals Initiative has stated that “sufficient evidence now exists to support the conclusion that smurfing is at epidemic proportions across the country with states in various stages of “smurfing sophistication.” The State Bureau of Investigation, in conjunction with local law enforcement agencies, has conducted numerous investigations that have identified smurfing groups operating throughout North Carolina. These groups are in turn providing pseudoephedrine for the purpose of the manufacturing of methamphetamine.

The “One Pot” method has contributed significantly to the increase in the number of methamphetamine laboratories in North Carolina and throughout the United States. Approximately 73 percent of the meth labs discovered in North Carolina in 2012 used the “One Pot” method. This method is much faster, requires no specialized equipment and all the required chemicals are readily available through common retail outlets.

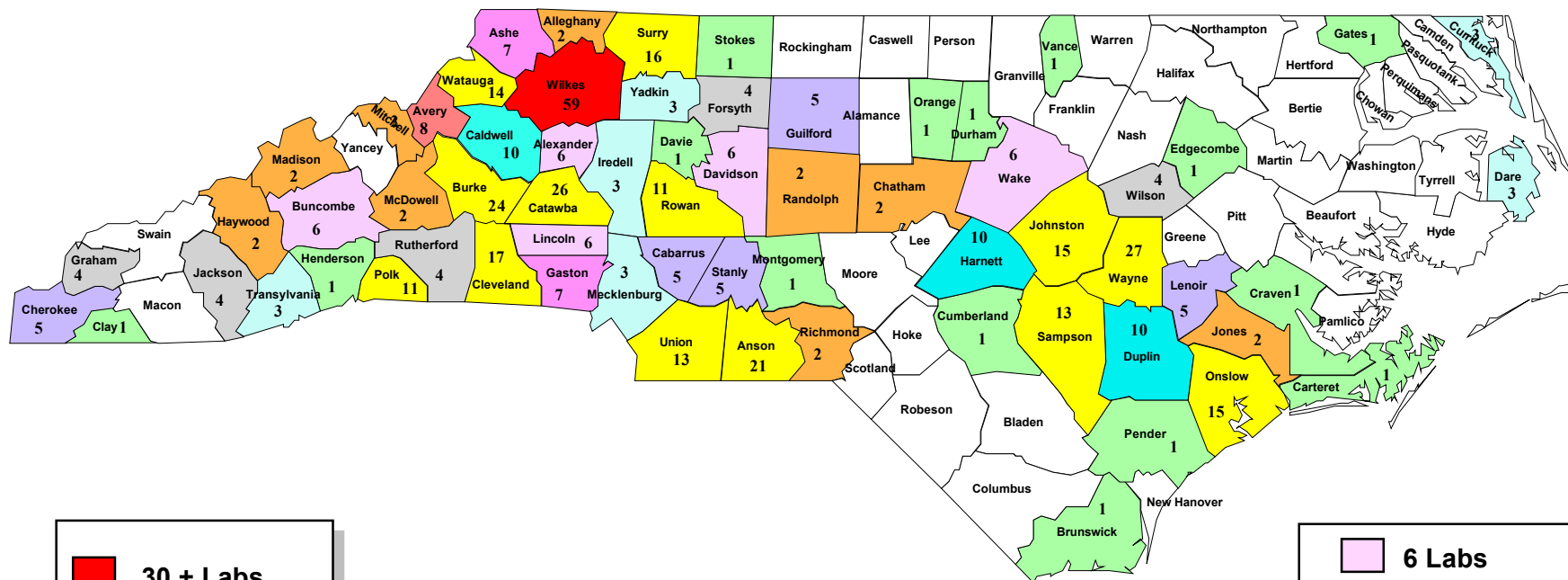
The SBI is the only agency in North Carolina with agents who are specially trained and equipped to dismantle meth labs safely. Five SBI agents currently work full-time responding to meth labs, two fewer agents than in 2007 due to state budget cuts. To meet the increased work load, the SBI has trained other agents throughout the state to assist in the dismantling and disposal of meth labs on top of their full-time assignments. SBI agents also provide safe disposal of meth lab waste at no cost to local law enforcement. Under the program launched last March, SBI agents and trained local officers remove, neutralize and package meth lab waste and SBI agents then transport it to one of eight container sites across the state for pickup and destruction by a hazardous waste contractor. In addition to busting more labs, the added agents would expand investigations into meth manufacturing and distribution.

Attachments: 2012 State Map of Meth Lab Incidents
2002-2012 Labs by the Year Chart
Children Affected by Meth Labs by the Year Chart

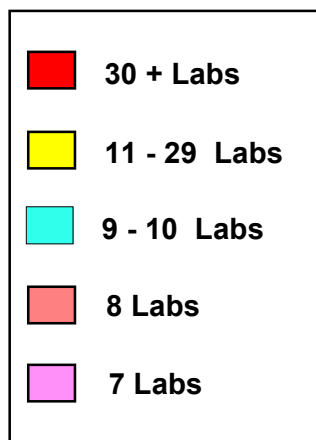
Prepared by: Van W. Shaw
Deputy Assistant Director
North Carolina State Bureau of Investigation

Total: 460

(As of December 31, 2012)



**North Carolina
State Bureau of Investigation**

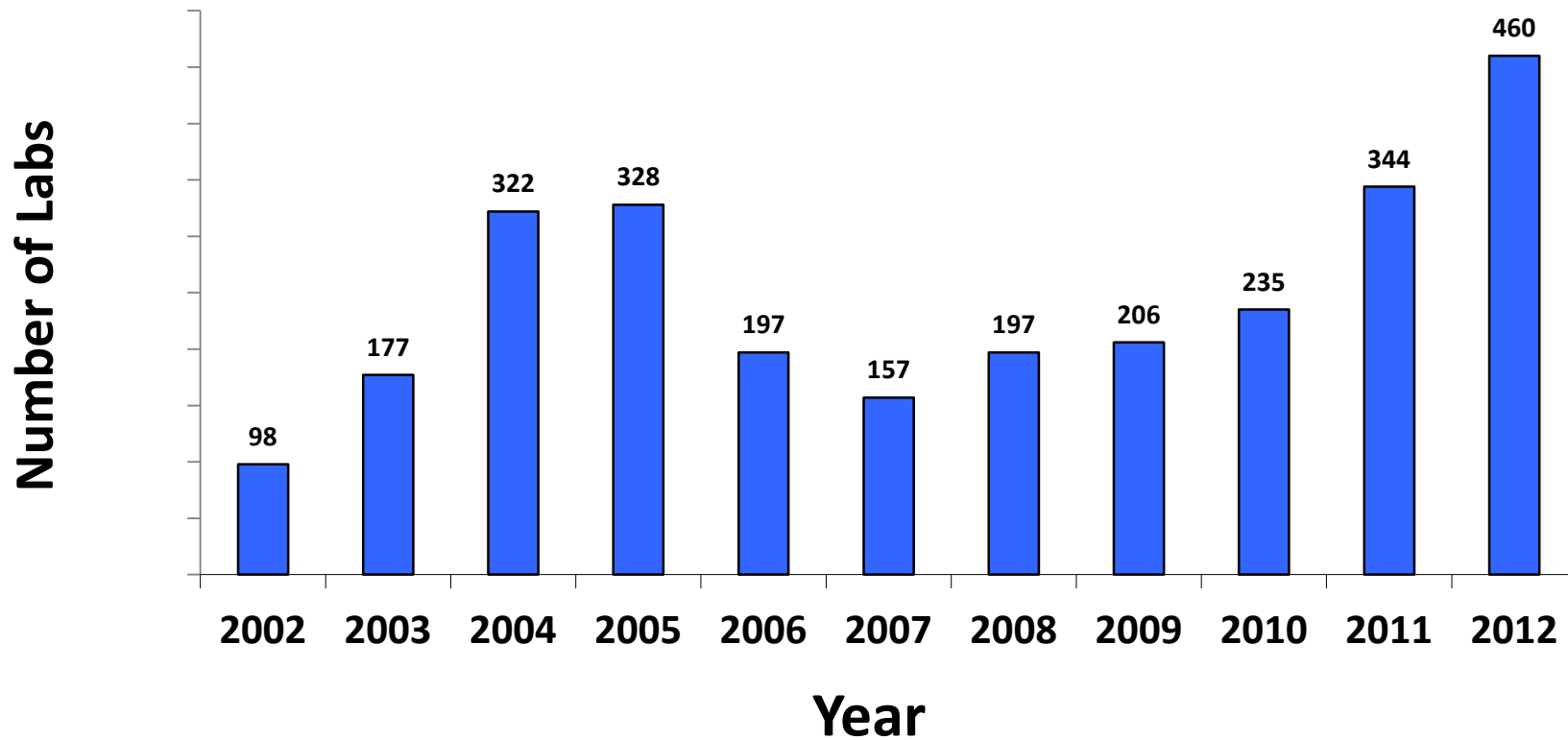




SBI CLANDESTINE LABORATORY RESPONSES

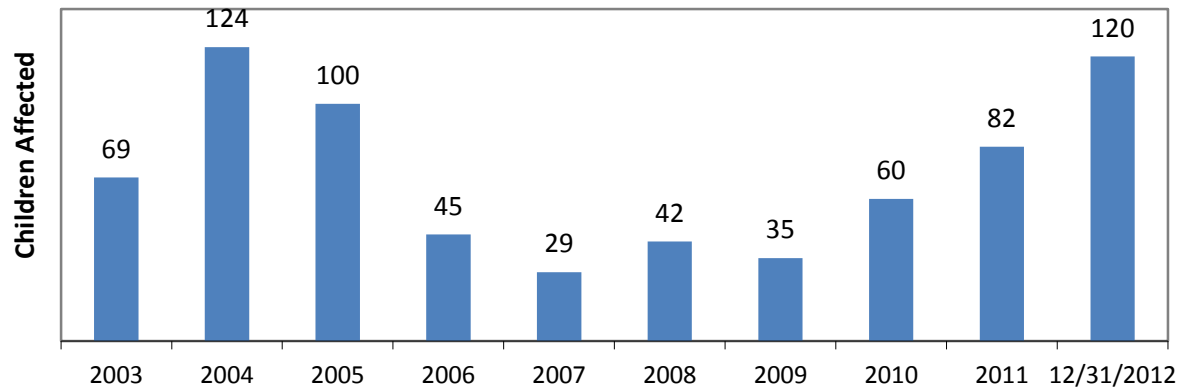
2002 - 2012

Updated: 12/31/2012





NC SBI CLANDESTINE LAB CHILDREN AFFECTED / INJURED



YEAR	Number of Children Affected / Injured
2003	69
2004	124
2005	100
2006	45
2007	29
2008	42
2009	35
2010	60
2011	82
12/31/2012	120