

## **Introduction**

My name is Beau Euton and I am here to speak on behalf of State Armor in favor of House Concurrent Resolution 11.

State Armor is a non-profit organization focused on developing and implementing state solutions to global security threats. House Concurrent Resolution 11 appropriately condemns one of the most malicious forms of asymmetric warfare being conducted against the United States.

State Armor believes that the fentanyl flooding into Ohio and into the United States is an intentional act of asymmetric warfare conducted as a part of the CCP's broader campaign to displace the US as the leading global power.

State Armor furthermore believes that this Resolution makes clear that the CCP is involved in asymmetric warfare with the United States. As a result, it is important for Ohio to take steps to curtail malicious foreign actors within the state, which includes policies to limit Ohio's state government relationship with the PRC in areas such as state critical infrastructure, telecommunications, higher education, government procurements and state supply chains.

## **Background**

The People's Republic of China (PRC) led by the Chinese Communist Party (CCP) plays the leading role in the international production and distribution of illicit fentanyl. Despite the CCP's maintenance of an unprecedented, dystopian techno-surveillance system at home, CCP party leaders make as if they are helpless to stop fentanyl production and distribution. The CCP has weak regulation of fentanyl precursor production, a permissive attitude to money laundering, allowance for Chinese national drug kingpins. China refuses to cooperate with U.S. law enforcement efforts to stop the flow of fentanyl.

The Chinese Communist Party is intentionally flooding the United States with illicit fentanyl, a synthetic opioid that is 50-100 times more potent than heroin according to the [DEA](#). Fentanyl was responsible for more than two-thirds of a record 110,000 overdose deaths in the US in 2022, according to the [CDC](#). Also according to the [CDC](#), the number of people who died from a drug overdose in 2021 was over six times the number in 1999. There were 23 times as many people who overdosed on fentanyl in 2022 than in 2013.

Fentanyl is involved in [81 percent](#) of all overdose deaths in Ohio. Ohio had a synthetic opioid death rate of 35.8 per 100,000 people in 2021, the [eighth-highest](#) in the nation and nearly four times higher than the state's [homicide rate](#).

America's domestic safety, security, and prosperity is threatened by the Chinese government in many ways—fentanyl is but one part of a form of asymmetrical warfare practiced by the Chinese Communist Party. Still, the acute risk posed by fentanyl degrades communities nationwide, urban and rural, rich and poor.

## Recent events

The problem has become so apparent that on October 3, the [United States Department of Treasury](#) announced sanctions upon 25 China-based firms and individuals involved in the production of precursor for fentanyl. In response to Treasury's sanctions, Attorney General Merrick Garland stated:

*We know who is responsible for poisoning the American people with fentanyl...We know that this network includes the cartels' leaders, their drug traffickers, their money launderers, their clandestine lab operators, their security forces, their weapons suppliers, and their chemical suppliers...And we know that this global fentanyl supply chain, which ends with the deaths of Americans, often starts with chemical companies in China.*

The [Department of Treasury](#)'s October action came after a May 3rd announcement to sanction 17 Chinese and Mexican entities and individuals for their role in the proliferation of equipment used to “impress counterfeit trade markings of legitimate pharmaceuticals onto illicitly produced pills, often laced with fentanyl, frequently destined for U.S. markets.”

Just last week, [investigative journalists in Maine](#) discovered an unclassified DHS memo that detailed the existence of over 270 illegal drug production sites spread across rural Maine and operated by Asian Transnational Criminal Organizations. The criminal rings discovered in Maine are run by Chinese nationals.

Finally, seizures of fentanyl [skyrocketed](#) by 164% from 2020 to 2022, and it's still going up. Fentanyl seizures of 21,846 pounds through August 2023 were already 55% higher than the 2022 total of 14,104 pounds.

It's worth noting that just two milligrams of fentanyl, equal to 10-15 grains of table salt, is a lethal dose.

## Fentanyl Distribution

China has consistently [remained](#) the primary country of origin for illicit fentanyl trafficked into the United States. Although some regulations were adopted in China that scheduled both fentanyl and some fentanyl precursors in 2019, these regulations did little to limit China's ongoing role in the international fentanyl trade. China remains the primary source of fentanyl precursors supplied to several Mexican cartels, particularly the Sinaloa and Jalisco cartels. The DEA has identified two primary methods through which fentanyl is trafficked into the United States: direct deliveries through international mail and trafficking across the U.S. - Mexico border.

Fentanyl precursors are distributed to the Sinaloa and Jalisco cartels for production into illicit fentanyl which is then trafficked into the United States. In 2021, the deputy chief of foreign operations for the DEA described this flow of precursors as an “unlimited, endless supply” from China to Mexico.

This distribution is facilitated by the Zheng DTO (drug trafficking organization), colloquially known as the Zheng cartel.

Efforts by U.S. law enforcement to collaborate with the Chinese government on investigation and enforcement efforts have proven ineffective. In 2019, even the Chinese government characterized cooperation on fentanyl enforcement as “extremely limited.” Then in [August 2022](#), *China announced that it was completely ending its cooperation with US law enforcement on counternarcotics.*

### **Selective Surveillance State**

China’s surveillance state is unparalleled. China [contains](#) 16 of the top 20 most surveilled cities in the world. [Over half](#) of all surveillance cameras in use in the world are in China. Advanced artificial intelligence technology can [track faces](#) across the country, tracking movement in a database that contains names, ages, marital status, and records of CCP membership. China imposes dystopian “social credit scores” upon broad swaths of their citizenry to reward and punish behaviors based upon the whims of the regime.

Yet, China struggles to stifle the production, advertisement, distribution, and facilitation of payment for fentanyl precursor. The reality is that China *chooses* not to enforce sanctions on criminal actors, despite overwhelming evidence of their awareness of these cartel operations.

[Testimony](#) submitted by Brookings Institute to the Subcommittee on National Security, Illicit Finance, and International Financial Institutions of the Committee on Financial Services stated that the Chinese government extends party protection and authority to “actors who operate in both legal and illegal enterprises as well as to outright criminal groups.”

Brookings’ scholar noted that, unlike the United States, China “*subordinates* its counternarcotic cooperations to its geostrategic relations... Beijing rarely acts against the top echelons of Chinese criminal syndicates unless they specifically contradict a narrow set of interests of the Chinese Government.”

### **Recommendation to Pass Resolution No. 11 and Ohio’s Engagement with the PRC/CCP**

State Armor supports the passage of House Concurrent Resolution No. 11 to condemn the PRC’s campaign to destabilize and divide the United States through the intentional and protect Ohio from the Chinese Communist Party.

State Armor also supports broader state efforts to curtail malicious foreign actors within the state in order to protect state critical infrastructure, telecommunications, higher education, government procurements and state supply chains.