

As Reported by the Senate Community Revitalization Committee

135th General Assembly

Regular Session

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S. R. No. 240

Senator Johnson

Cosponsors: Senators Brenner, Cirino, Dolan, Hackett, Hoagland, Kunze, Lang,

McColley, O'Brien, Reineke, Romanchuk, Rulli, Schaffer, Schuring, Wilkin,

Wilson

A RESOLUTION

To condemn the People's Republic of China for its 1
role in the global drug trade, especially in its 2
capacity as the largest point of origin of 3
fentanyl smuggled to the United States. 4

BE IT RESOLVED BY THE SENATE OF THE STATE OF OHIO:

WHEREAS, The People's Republic of China (PRC) has adopted a 5
permissive and indifferent attitude toward rampant money 6
laundering and drug trafficking taking place within its borders; 7
and 8

WHEREAS, According to the U.S.-China Economic and Security 9
Review Commission, "the DEA [Drug Enforcement Administration] 10
reported [in 2020 that] it informally asked its Chinese 11
counterparts for assistance with the [Xianbing] Gan 12
investigation but did not receive Chinese support despite 13
multiple requests"; and 14

WHEREAS, The Los Zheng cartel continues to operate in the 15
PRC and Mexico and, according to intelligence professionals, 16
maintains "the largest presence in Mexico for trafficking 17
fentanyl and methamphetamines," but its leaders based in 18

Shanghai have not been apprehended by PRC officials; and 19

WHEREAS, Admiral Craig Faller has testified to the U.S. 20
Congress that the PRC is "at least tacitly supporting" money 21
laundering activity associated with the global drug trade; and 22

WHEREAS, John Tobon, the Chief of the Homeland Security 23
Investigations office in Honolulu, claimed, "The amount of money 24
coming out of China via the underground banking system is so 25
significant that it would be virtually impossible for a 26
government that has as much control of their people as the 27
government of China to not be aware of how it's happening"; and 28

WHEREAS, The PRC has been slow to respond to U.S. requests 29
for access to investigate potential sites of illegal chemical 30
production, often allowing operations to escape detection; and 31

WHEREAS, According to the Congressional Research Service, 32
"On August 5, 2022, in response to House Speaker Nancy Pelosi's 33
visit to Taiwan, the PRC's Ministry of Foreign Affairs announced 34
the PRC's formal suspension of U.S.-China cooperation in five 35
areas, including counternarcotics"; and 36

WHEREAS, The PRC has implemented economic incentives that 37
encourage the production and distribution of fentanyl, along 38
with its analogues and precursors; and 39

WHEREAS, The "New and High Technology Enterprise" 40
designation by the PRC has allowed companies like Yuancheng and 41
5A Pharmatech Co., which distribute fentanyl, to enjoy financial 42
incentives and preferential tax policies; and 43

WHEREAS, Yuancheng also has been a beneficiary of economic 44
programs and initiatives sponsored by the PRC's Ministry of 45
Science and Technology, including the Torch Program, the Spark 46
Program, and the Innovation Fund; and 47

WHEREAS, In the PRC, fentanyl receives a 10% value-added 48
tax rebate, and several fentanyl analogues and precursors 49

receive 13% rebates. Higher rebate rates increase the incentive 50
to export that product; and 51

WHEREAS, To the extent that the PRC is involved directly in 52
enabling the global drug trade, the PRC does so as a means of 53
facilitating destabilization and division in the United States 54
and across the region more broadly; now therefore be it 55

RESOLVED, That we, the members of the Senate of the 135th 56
General Assembly of the State of Ohio, condemn the PRC's 57
campaign of attempting to destabilize and divide the United 58
States and the broader region through its tolerance and 59
facilitation of the global drug trade; and be it further 60

RESOLVED, That the Clerk of the Senate transmit duly 61
authenticated copies of this resolution to the members of Ohio's 62
Congressional delegation, Secretary of State Antony Blinken, and 63
the news media of Ohio. 64