

**As Introduced**

**135th General Assembly  
Regular Session  
2023-2024**

**S. C. R. No. 7**

**Senator Johnson**

**Cosponsors: Senators Brenner, Cirino, Dolan, Hackett, Hoagland, Kunze, Landis,  
Lang, McColley, O'Brien, Reineke, Romanchuk, Rulli, Schaffer, Schuring, Wilkin,  
Wilson**

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**A CONCURRENT RESOLUTION**

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

**BE IT RESOLVED BY THE SENATE OF THE STATE OF OHIO (THE HOUSE OF  
REPRESENTATIVES CONCURRING):**

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 135th General 56  
Assembly of the State of Ohio, condemn the PRC's campaign of 57  
attempting to destabilize and divide the United States and the 58  
broader region through its tolerance and facilitation of the 59  
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