

# A RESOLUTION

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

*Be it resolved by the Senate of the State of Ohio:*

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

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

WHEREAS, The Los Zheng cartel continues to operate in the PRC and Mexico and, according to intelligence professionals, maintains "the largest presence in Mexico for trafficking fentanyl and methamphetamines," but its leaders based in Shanghai have not been apprehended by PRC officials; and

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

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

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

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

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

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

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

WHEREAS, In the PRC, fentanyl receives a 10% value-added tax rebate, and several fentanyl analogues and precursors receive 13% rebates. Higher rebate rates increase the incentive to export

that product; and

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

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

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

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*President \_\_\_\_\_ of the Senate.*

Adopted \_\_\_\_\_, 20\_\_\_\_