

STATEMENT OF CHAIRMAN ROB PORTMAN
U.S. SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Combating the Opioid Crisis:
Exploiting Vulnerabilities in International Mail
JANUARY 25, 2018

This hearing will come to order. [gavel]

Today's hearing continues the Permanent Subcommittee on Investigations' work to combat the opioid epidemic gripping our communities.

Last Congress, the Subcommittee issued a bipartisan report on opioid-related fraud and abuse in Medicare Part D.

This Congress, the Subcommittee held a hearing on the growing problem of individuals buying illicit opioids over the Internet and shipping them to the United States through the mail.

The opioid crisis continues to get worse, not better.

Just last month, the Centers for Disease Control reported that more than 63,600 Americans died in 2016 from drug overdoses.

Those overdose deaths are shocking– and heartbreaking.

Increasingly, these overdoses are due to illegal versions of fentanyl – a drug 50 times stronger than heroin.

In fact, in my home state of Ohio, fentanyl and its variations were involved in almost 60 percent of all overdose deaths in 2016.

The vast majority of illegal fentanyl is purchased online from labs in China and then shipped to the United States through the mail.

Last night, the Subcommittee released its bipartisan report on how criminals exploit vulnerabilities in international mail and use the U.S. Postal Service to ship illicit opioids into our country.

[Without objection, I move the Subcommittee's report into the record]

After our initial May 2017 hearing, we set out to find out just how easy it is to purchase fentanyl online and how it was shipped to the United States.

We discovered it is *shockingly* easy – all we had to do to was search “fentanyl for sale”.

That simple search returned hundreds of websites, many affiliated with Chinese labs, all openly advertising illegal drugs.

The field was narrowed to just six websites and we sent emails asking basic questions about how to purchase and ship fentanyl here.

These online sellers were quick to respond, unafraid of getting caught, and ready to make a deal.

They offered discounts for bulk purchases and even tried to up-sell us to carfentanil – a powerful synthetic opioid that is so strong it’s used as an elephant tranquilizer.

Ordering these drugs was as easy as buying any other product online.

I must note our Subcommittee *never* completed a purchase of drugs online – it was just too dangerous to risk exposing someone to deadly fentanyl during delivery.

But we did use the online sellers’ payment information to determine if others were buying.

Just from these six websites, we identified more than 500 payments to online sellers by more than 300 Americans totaling \$230,000, most of which occurred over the last two years.

These 300 people were located in 43 states, with individuals in my home state of Ohio, Pennsylvania, and Florida sending the most money to the online sellers.

The map behind me shows the concentrations of where most of the purchases were made.

We also asked how the online sellers would ship the drugs to us; they all preferred to use the Postal Service over private express carriers, like DHL, FedEx, and UPS.

They told us they used the Postal Service because the chances of the drugs getting seized were so insignificant that delivery was essentially guaranteed.

We were also able to track hundreds of packages related to the online purchases.

We identified *seven people* who died from fentanyl-related overdoses after sending money to and receiving packages from the online sellers.

One of these individuals was a 49-year old Ohioan from the Cleveland area who sent about \$2,500 to an online seller and received 15 packages through the Postal Service over a 10 month period.

His autopsy confirmed he died from “acute fentanyl intoxication” just weeks after he received a package from an online seller.

By analyzing more than two million lines of shipment data obtained in our investigation, we located three individuals in the United States who were likely distributing these drugs.

We identified more than 120 instances of different people sending a payment to an online seller in China and then a day or two later receiving a package from one Pennsylvania address.

The person at this Pennsylvania address was working with the online seller to domestically transship drug purchases.

Shipping data reviewed during the course of the investigation also indicated two other individuals purchased items to make pills, including pill presses, chemical bonding agents, and empty pill casings.

It is not surprising that people are ordering fentanyl online to sell; the profit margins are staggering.

Based on DEA estimates, the street value of the online transactions from just the six websites the Subcommittee investigated translates to *around \$766 million* in fentanyl pills to sell on the streets of our communities.

We are already working with law enforcement authorities to make sure these drug dealers can be brought to justice and will continue to do so after this hearing.

Our findings today show the crucial role advanced electronic data plays in protecting our country and fighting the opioid epidemic.

And also the need for legislative change.

Last year, the Postal Service only received advance electronic data on about 36 percent of the more than 498 million international packages coming in to our country.

That means last year the United States received **more than 318 million international packages** with no data, therefore no ability for CBP to target packages for screening.

For **318 million packages** we had no advanced data on who sent it, where it was going, or what was in it.

This is a massive loophole that is undermining the safety and security of our country.

In addition, the data we do get from foreign posts that we reviewed during our investigation appears to be of questionable quality.

At times, this data was nothing more than illogical lines of letters and characters entered by someone who did not understand how to construct a standard American address.

Even when CBP has the data and targets a package, the Postal Service fails to locate it about 20 percent of the time.

What we are left with is a federal government whose policies and procedures are wholly inadequate to prevent the use of the international mail system to ship illegal synthetic opioids into the United States.

In contrast, the Postal Service provides data on over 90 percent of the packages that it ships to foreign posts.

It is time for our foreign postal partners to start returning the favor and providing data for their packages.

After the September 11, 2001 terrorist attacks, collecting advanced electronic data was identified as a national priority.

In 2002, Congress required private carriers to collect this data but for the Postal Service, it was left up the discretion of the Postmaster General and the Treasury Department.

For more than a dozen years, nothing happened, leaving CBP to manually inspect targeted packages, which is the equivalent to finding a needle in a haystack.

To their credit, the Postal Service and CBP started a pilot program in late 2015 to target suspicious packages from China using advance electronic data.

But our investigation found a lack of planning, the different missions of the agencies, and personality conflicts hampered the success of the pilot.

Despite these problems, the Postal Service's head of Global Trade Compliance wrote that the pilot program allowed them to "put a positive spin" on stopping opioids.

While both CBP and the Postal Service agreed the pilot should be rolled out to all international mail facilities, they only started that after this Subcommittee held its May 2017 hearing.

We learned that this process was conveniently completed just days in advance of this hearing.

While this is a step in the right direction, it should not take a congressional investigation to get the Postal Service and CBP to do their jobs.

One part of the solution is more data.

That is why I introduced the Synthetic Trafficking & Overdose Prevention Act or STOP Act, which would require advanced electronic data on international packages shipped through the Postal Service.

The STOP Act currently has 29 co-sponsors from both sides of the aisle and I know this report and hearing will force the Senate to take action.

I want to thank Sen. Carper and his staff for working with us on this.

There's a lot more that can be done to turn the tide of the opioid addiction—but stopping these deadly drugs from ever reaching our streets is a good start.

Back home in Ohio, this is a matter of life and death.

Just in the past week, near Toledo, Ohio five individuals overdosed and three died.

It's so bad that officials issued an "opiate advisory warning" to the public begging them to stay away from what was clearly a "bad batch of opioids."

How many more people have to die before we keep this poison out of communities?

Yes, the Postal Service is in desperate need of comprehensive reform, but it is shocking that we are still so unprepared to police the mail arriving in our country.

I now turn to Sen. Carper for his opening remarks.