Congress of the United States House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY 2157 RAYBURN HOUSE OFFICE BUILDING WASHINGTON, DC 20515–6143 MAJORITY (202) 225–5074 MINORITY (202) 225–5051 https://oversight.house.gov

March 13, 2024

The Honorable Anne Milgram Administrator Drug Enforcement Agency 600 Army Navy Dr Arlington, VA 22202

Dear Administrator Milgram:

The Committee on Oversight and Accountability (the Committee) is investigating the Chinese Communist Party's (CCP or Party) chemical warfare¹ seeking to poison America with fentanyl, and how the Drug Enforcement Agency (DEA) is responding. Characterized as China's "deadly export" to the United States,² fentanyl has emerged as a leading cause of death in the U.S.,³ killing tens of thousands of people a year.⁴ The PRC is "pouring highly addictive and unpredictable illicit drugs," specifically, fentanyl, "into the American bloodstream – killing tens of thousands a year, destroying families and communities."⁵ The CCP has facilitated this influx of highly addictive fentanyl into the U.S. that has killed more Americans in a year than eight years of war in Vietnam combined.⁶

¹ Cleo Paskal, *Friends of China have huge influence on Capitol Hill: Grant Newsham*, Foundation for Defense of Democracies (Apr. 8, 2023). ("Consider that Chinese origin fentanyl killed about 70,000 Americans last year...This chemical (or drug) warfare that the PRC is waging on us has been incredibly successful. It's weakening the United States and causing immense social harm and economic costs. Just like "war" is intended.").

² Sean O'Connor, *Fentanyl: China's Deadly Export to the United States*, Staff Report, U.S.-China Economic and Security Review Commission (Feb. 1, 2017).

³ Gabrielle Sierra, *America's Fentanyl Epidemic: The China Connection*, Council on Foreign Relations (Oct. 25, 2023).

⁴ Col. Grant Newsham, When China Attacks: A Warning to America 135 (2023).

⁵ Id.

⁶ Statista, *Number of Military Fatalities in all Major Wars Involving the United States from 1775 to 2023* (last visited Jan. 16, 2024), http://www.tatista.com; National Institute on Drug Abuse, *Drug Overdose Death Rates* (last visited Jan. 16, 2024), http://www.nida.nih.gov.

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Broader Committee Investigation

The Committee is conducting oversight of the federal government's work to protect the American people from CCP "political warfare"⁷ and nefarious influence operations. For decades, the CCP has sought to infiltrate and influence every aspect of American society.⁸ The CCP's goal is plain: defeat the "main enemy," which counterintelligence officials have identified as America.⁹ The fronts are multiple; according to the CCP itself: "[t]he battlefield will be everywhere."¹⁰ And the tools are myriad, with the "united front"¹¹ leading as one of the PRC's¹² "magic weapons,"¹³ as described by General Secretary Xi Jinping,¹⁴ to advance the Party's aim of global domination. ¹⁵ United front work (UFW), which may be executed by the United Front Work Department (UFWD) or elsewhere in the Party, is a "unique blend of engagement, influence activities, and intelligence operations" that the CCP uses to "influence other countries' policy toward the PRC and to gain access to advanced foreign technology." ¹⁶ UFW "generally involves covert activity and is a form of interference that aids the CCP's rise." ¹⁷ United front "networks" are used "to carry out relationship-focused influence campaigns through a multitude of proxies."¹⁸

⁷ Political warfare "seeks to influence emotions, motives, objective reasoning, and behavior of foreign governments, organizations, groups, and individuals in a manner favorable to one's own political-military objectives." Mark Stokes, Project 2049, *The People's Liberation Army General Political Department: Political Warfare with Chinese Characteristics* (Oct. 14, 2013).

⁸ See generally Constantine C. Menges, China The Gathering Threat (2005); Report of the Select Committee on U.S. National Security and Military/Commercial Concerns With The People's Republic of China ("Cox Report") (Jan. 3, 1999); Robert Spalding, War Without Rules (2022); Newsham, *supra* note 4; Kerry K. Gershaneck, Political Warfare: Strategies for Combating China's Plan to "Win without Fighting" (2020); *see also* Larry Diamond and Orville Schell, *China's Influence & America's Interests: Promoting Constructive Vigilance*, Hoover Institution (2019).

⁹ Menges, *supra* note 8; Gershaneck, *supra* note 8 ("The PRC is engaged in war against the United States. It is not mere competition or malign influence, but war by PRC definition."); Newsham, *supra* note 4 at 60 (The CCP "seeks global domination" and "will fight its main enemy, the United States, to achieve it.").

¹⁰ Qiao Liang and Wang Xiangsu, *Unrestricted Warfare: China's Master Plan to Destroy America* (Beijing: PLA Literature and Arts Publishing House, Feb. 1999) (military colonels describing twenty-four varieties of warfare). ¹¹ "While the CCP's United Front Work Department has functional responsibility for these [warfare] operations and activities, PRC united front work is a task of all CCP agencies and members." Gershaneck, *supra* note 8 at 22. ¹² It is essential to understand that Xi Jinping has removed any "veneer of separation between the [CCP] and the Chinese state." Gershaneck, *supra* note 8 (quoting Ann-Marie Brady, *Exploit Every Rift: United Front Work Goes Global*, in David Gitter et al., *Party Watch Annual* Report, Center for Advanced China Research (2018)).

¹³ Ann-Marie Brady, *Magic Weapons: China's political influence activities under Xi Jinping*, Wilson Center (Sept. 18, 2017); *see also* The Select Committee on the Chinese Communist Party, *Memorandum: United Front 101*, https://selectcommitteeontheccp.house.gov/sites/evo-subsites/selectcommitteeontheccp.house.gov/files/evo-media-document/uf-101-memo-final-pdf-version.pdf.

¹⁴ Alex Joske, *The party speaks for you: Foreign interference and the Chinese Communist Party's united front system*, Australian Strategic Policy Institute (2020) (quoting Xi Jinping at 2015 Central United Front Work Meeting).

¹⁵ See, e.g., Newsham, *supra* note 4 at 43 ("The People's Republic of China may settle for dominance rather than occupation, but it does indeed aim to rule us all.").

¹⁶ United Front 101 Memo, *supra* note 13 at 1.

¹⁷ Joske, *The party speaks for you, supra* note 14.

¹⁸ Alex Joske, Spies and Lies: How China's Greatest Covert Operations Fooled the World (2022) at 63.

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Despite years of false promises to the West, the CCP openly seeks to achieve its destructive ambition. In 1999, two People's Liberation Army Air Force colonels authored Unrestricted Warfare, which has been described as a strategic military vision for the PRC to defeat America through political warfare.¹⁹ Retired Brig. Gen. Robert Spalding, who has served in senior positions in strategy and diplomacy with the U.S. Departments of Defense and State for decades, characterizes the book as "the main blueprint for China's efforts to unseat America as the world's economy, political, and ideological leader," which "shows exactly how a totalitarian nation set out to dominate the West through a comprehensive, long-term strategy that includes everything from corporate sabotage to cyberwarfare to dishonest diplomacy; from violations of international trade law and intellectual property law to calculated abuses of the global financial system."²⁰ Kerry Gershaneck, former counterintelligence officer who wrote a seminal book on combatting PRC Political Warfare, has explained that Unrestricted Warfare details CCP use of "any methods" where "the boundaries between war and non-war and between military and nonmilitary affairs [have] systemically broken down."²¹ To successfully combat these highly organized and pervasive warfares spawned by China, federal agencies must first recognize and understand them.

The CCP "know[s] the strength of the American people, of the American idea, and that's why China has launched so many warfares to try to weaken us, divide us, and get us to hate ourselves and each other."²² Retired Col. Grant Newsham, former U.S. Marine Liaison Officer to the Japan Ground Self-Defense Force and U.S. Foreign Service Officer, has advised that "the way out of this is to rediscover why we are an exceptional country, get to know each other better, and fight side by side."²³

As all Americans are targets of the PRC's warfare,²⁴ federal agencies have responsibilities to (1) conduct outreach to citizens about the dangers they may encounter, and (2) provide appropriate incentives for Americans to proactively protect themselves—their communities, schools, houses of worship, businesses, finances, food, and more—from the threat. Federal agencies must prepare Americans to "take action."²⁵ To stop the CCP's "destructive

¹⁹ Gershaneck, *supra* note 8.

²⁰ Spalding, War Without Rules, *supra* note 8 at xii; *see also* Robert Spalding, Stealth War at 12-13 (2019) (*Unrestricted Warfare* "should be required reading for all branches of the US government and for business leaders, because it outlines, in no uncertain terms, the strategy behind China's policies," including stating that the "new principles of war" are "no longer 'using armed force to compel the enemy to submit to one's will,' but rather are 'using all means, including armed force or non-armed force, military and non-military, and lethal and non-lethal means to compel the enemy to accept one's interests."").

²¹ Gershaneck, *supra* note 8 (quoting Qiao Liang and Wang Xiangsu, *supra* note 10).

²² Newsham, *supra* note 4 at 341.

²³ Id.

²⁴ "The Three Warfares, the traditional foundation of PRC political warfare, include public opinion/media warfare, psychological warfare, and legal warfare." Gershaneck, *supra* note 8. It "requires efforts to unify military and civilian thinking, divide the enemy into factions, weaken the enemy's combat power, and organize legal offensives." Elsa Kania, *China Brief: The PLA's Latest Strategic Thinking on the Three Warfares*, Jamestown Foundation (Aug. 22, 2016).

²⁵ Spalding, War Without Rules, *supra* note 8 at 214.

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actions," retired Brig. Gen. Spalding advises that it will "take macrolevel strategic changes by our government, but also microlevel actions by individuals, businesses and other civic institutions."²⁶ The Committee is surveying each agency's role to secure Americans and their communities.

Congress has recognized the threat posed by the PRC for some time. Notably, in 1999, the U.S. House Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China concluded that in the preceding decade, the PRC used a "variety of techniques including espionage, controlled commercial entities, and a network of individuals that engage in contact with scientists, business people and academics" as part of its warfare operations.²⁷

With varying degrees of effort and success, federal agencies have sought to address the CCP's attack on what Col. Newsham has aptly described as "[t]he core of America."²⁸ However, the threat is grave and work must be done across agencies to protect America.²⁹ Peter Mattis, former staff director of the Congressional-Executive Commission of China and counterintelligence analyst at the CIA counsels that

Only by being clear in public about the actions and intentions of the Chinese party-state, and being publicly accountable for the actions the U.S. government takes in response, will the United States be able to address Beijing's challenges while upholding our democratic commitment to fair, transparent justice for all Americans.³⁰

To this end, the Committee is conducting this investigation and implores each federal agency to uphold its duty to the American communities for whom they are responsible.

CCP Drug Warfare via Fentanyl

As part of its unrestricted warfare³¹ against America, the CCP seeks to use fentanyl to weaken America. Reportedly, "[h]ow the drug is made, shipped and distributed appears to be an

²⁶ *Id.; see also* Peter Mattis and Matt Schrader, War On the Rocks, *America Can't Beat Beijing's Tech Theft With Racial Profiling* (July 23, 2019) ("The U.S. government's difficulties in telling a convincing story about the Chinese Communist Party point to a[n] important step: addressing a serious lack of 'China literacy,' both within the enforcement portions of the federal bureaucracy, and in U.S. society as a whole.").

²⁷ Menges, *supra* note 8; *see generally* Cox Report, *supra* note 8.

²⁸ Newsham, *supra* note 4 at 33.

²⁹ See Newshan, *supra* note 4 at 309 ("We need to know, value, protect and build the strengths of the United States of America, and shed the light of truth on the corruption, in every sense of the word," of the CCP. "That could mean in discussions with family, community, at school or wherever that understanding needs bolstering." Education courses on PRC political warfare would benefit "[a]ny decision-makers who work with China."); *see* Gershaneck, *supra* note 8 (outlining such courses to "build[] internal defenses").

³⁰ Mattis and Schrader, *supra* note 26.

³¹ See generally Liang & Xiangsu, supra note 10.

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effort facilitated by China at every level."³² A synthetic drug of Chinese origin, fentanyl is fifty times more potent than heroin and one hundred times more potent than morphine.³³ In 2019, U.S. and Mexican authorities seized enough fentanyl to kill the entire population of the United States more than three times over.³⁴ In 2023, the DEA seized more than 78.4 million fentanyl-laced fake pills and nearly 12,000 pounds of fentanyl powder, equivalent to over 388 million lethal doses of fentanyl.³⁵ Already in the early months of 2024, there have been 2.4 million fentanyl pills seized and over 501 pounds of fentanyl powder seized, representing over 23.9 million deadly doses.³⁶

In an interview with former Director of the Special Operations Division at the DEA, Derek Maltz, when asked whether he thinks China is making a concerted effort to expand fentanyl and its precursor chemicals with knowledge of the devastating effects it has on Americans, he says: "Yes 100%. I don't have proof to go to court and convict them on this, but if you look at Chinese unrestricted warfare, they're using all the tools of their national power to destroy and destabilize their adversary, America. They're taking total advantage of the weaknesses in our country–the lack of security and policies to keep this stuff out of our country. So yes."³⁷ In response to former President Trump telling General Secretary Xi Jinping to slow the fentanyl flow in 2018, Xi replied "We don't have a drug problem in China."³⁸ As Col. Newsham explains, Xi's response makes clear that he can control drugs domestically in China, and is "channeling the chemical warfare agents – in true 'unrestricted warfare' fashion."³⁹

This effort is largely executed via CCP criminal organizations⁴⁰ known as triads. Triads and their corporate fronts work with distributors in Canada and Mexico to smuggle fentanyl and its precursors into the U.S.⁴¹ Chinese chemical manufacturers export a range of fentanyl products to the United States: raw fentanyl, fentanyl precursors, fentanyl analogues, fentanyllaced counterfeit prescription drugs, pill presses, and other machinery necessary for fentanyl production.⁴² Tied to both the united front⁴³ and corporations based in China, triads would not

³² Kristine Frazao, *Fentanyl crisis deliberate attempt by China to weaken US, new book says,* NBC Montana (Feb. 27, 2024) (quoting Government Accountability Institute President Peter Schweizer on his book "Blood Money: Why the Powerful Turn a Blind Eye While China Kills Americans").

³³ Part II. The Plan to Counter China, Heritage Foundation (Mar. 28, 2023).

³⁴ Id.

 ³⁵ DEA Fentanyl Seizures in 2024, U.S. Drug Enforcement Administration (last visited Feb. 13, 2024).
³⁶ Id.

³⁷ *The Cartel Connection: Derek Maltz Sheds Light on the Border & Fentanyl Pandemic*, Federal Newswire (Oct. 26, 2023).

³⁸ Newsham, *supra* note 4 at 139; *see also The Cartel Connection: Derek Maltz Sheds Light on the Border & Fentanyl Pandemic*, Federal Newswire (Oct. 26, 2023).

³⁹ Id.

⁴⁰ *Id.* at 140.

 ⁴¹ Calvin Chrustie & David Luna, *The Growing Harm of Cross-Border Illicit Trade Vectors and Threat Convergence to Canada's National Security*, International Coalition Against Illicit Economies (Nov. 27, 2023).
⁴² O'Connor, *supra* note 2 at 6.

⁴³ See generally, Royal Canadian Mounted Police, Project Sidewinder, RCMP (Jun. 24, 1997).

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"exist without the direct cooperation and protection of the [Chinese] state security services."⁴⁴ Col. Newsham explains that "[t]he CCP police can do whatever they want . . . The fact that the Chinese regime doesn't ban fentanyl entirely – much less go after producers the way it goes after Uighurs, Christians, Falun Gong, or Hong Kongers – suggests the CCP is glad America is awash in fentanyl."⁴⁵

Moreover, an open-border policy facilitates the smuggling of fentanyl into the U.S., causing drug overdose deaths throughout the country.⁴⁶ More than 25,000 pounds of fentanyl was seized at the U.S.-Mexico border in 2023.⁴⁷ Chinese fentanyl precursors are the number one source of Mexican-developed fentanyl.⁴⁸ Almost all fentanyl in the U.S. comes from the PRC via Mexico and Mexican drug gangs, with Chinese criminal organizations being described as the "backbone" of drug cartels.⁴⁹ The CCP is also involved in the money laundering aspect of the business, helping drug gangs launder their earnings.⁵⁰

Triads are able to execute these drug warfare operations because they "work very hard at ingratiating themselves with police, government officials and politicians." ⁵¹ It has been explained by former national security officials that "[t]he easiest way" for triads to infiltrate a society to carry out their goals is "by making substantial donations to charitable organizations, joining service clubs, donating funds to universities, sometimes obtaining honorary doctorate degrees, or contributing to political parties."⁵²

Chinese corporations market fentanyl precursors to Mexico for their sale and distribution in the U.S., purposefully perpetuating the fentanyl crisis.⁵³ Attorney General Merrick Garland acknowledged that "the global fentanyl supply chain, which ends with the death of Americans, often starts with chemical companies in China."⁵⁴ In one illustrative example, Hubei Amarvel

⁴⁴ Vanda Felbab-Brown, *China Role in the Fentanyl Crisis*, Brookings (Mar. 31, 2023); Newsham, *supra* note 4 at 140.

⁴⁵ Newsham, *supra* note 4 at 138.

⁴⁶ Newsham, *supra* note 4 at 136.

⁴⁷ Sierra, *supra* note 3.

⁴⁸ See Heritage Foundation, *supra* note 33.

⁴⁹ Newsham, *supra* note 4 at 31; Hollie McKay, *Chinese cartels quietly operating in Mexico, aiding US drug crisis,* Fox News (Nov. 12, 2020).

⁵⁰ Newsham, *supra* note 4 at 135; *see also* Kristine Frazao, *Fentanyl crisis deliberate attempt by China to weaken US, new book says*, NBC Montana (Feb. 27, 2024) (quoting Government Accountability Institute President Peter Schweizer stating that "[t]he money from the drug cartels in Latin America they used to launder it from South American banks. They now order it from Chinese state banks which have very, very tight currency controls. So this is not happening by accident. It's absolutely happening with the complicit involvement with the Chinese government.").

⁵¹ Edward Timperlake & William C. Triplett II, *Year Of The Rat: How Bill Clinton Compromised U.S. Security for Chinese Cash* 90 (1998) (quoting "Triads and Other Asian Organized Crime Groups," by Royal Canadian Mounted Police officer Garry W.G. Clement and Canadian Immigration Control Officer Brian McAdam, 1994). ⁵² *Id.*

⁵³ See O'Connor, supra note 2.

⁵⁴ Timperlake & Triplett II, *supra* note 51.

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Biotech (Amarvel), a Chinese based manufacturer of fentanyl precursors, was indicted in June 2023 for allegedly engaging in blatant online advertisement and smuggling of fentanyl precursors to the United States and Mexico.⁵⁵ Over a period of eight months, Amarvel shipped over two hundred kilograms of fentanyl precursors to North America, smuggling the concealed chemicals in either dogfood or motor oil packaging.⁵⁶

Major American media outlets only occasionally report that the PRC is a key source, and that the CCP could unilaterally shut down the fentanyl flow.⁵⁷ "The U.S. media often downplay or ignore the fentanyl bloodbath, and even more so its source, as they're seemingly afraid to mention the C-word: China."⁵⁸ It has been reported that the DEA has difficulty "pars[ing] the fact that the drugs are coming from the PRC with the approval—actual or tacit—of the Chinese government."⁵⁹ Additionally, one former American intelligence officer who operated in Asia for many years has stated that "[t]he DEA and the rest of the U.S. government. . . live in a bubble, and the Chinese and others simply tell them what they expect to hear."⁶⁰ Even the Mexican government, in May 2023, has revealed evidence tying illegal shipments of fentanyl directly to China.⁶¹

To protect its own population, the PRC has strengthened its regulations governing chemical and pharmaceutical production, yet PRC law enforcement and drug investigators remain unable or unwilling to regulate the high volume of drugs and chemicals the country produces.⁶² Reportedly, Chinese exporters replace and modify chemicals in circulation as quickly as they are banned.⁶³ China argues that America's fentanyl problem stems from our population's "unrelenting demand" for it,⁶⁴ which is convenient for them given the fact that they flooded the U.S. with this highly addictive drug.

Col. Newsham has articulated exactly how the CCP is hitting America where is hurts, in our families and communities.⁶⁵ He details that around half of the deaths linked to fentanyl are young people of military age, which shrinks an already small candidate pool in the U.S.⁶⁶ He notes that it is estimated that "for every drug death, there are ten addicts."⁶⁷ American families, local first responders, emergency services, hospitals, and local economies all suffer from fentanyl addiction.⁶⁸ Additionally, "[p]rivate sector employers, including manufacturers trying

⁶⁷ *Id.* at 141.

⁵⁵ US v. Hubei Amarvel Biotech, LTD, 23 CRIM 302, (SDNY, 2023).

⁵⁶ Id.

⁵⁷ Newsham, *supra* note 4 at 73.

⁵⁸ *Id.* at 136

⁵⁹ Id. at 139.

⁶⁰ Id.

⁶¹ BBC, Mexico claims proof of Chinese fentanyl smuggling, BBC (May 5, 2023).

⁶² O'Connor, *supra* note 2 at 11.

⁶³ Id.

⁶⁴ Janis Mackey & Jennifer Jett, U.S. and China to hold high-level talks aimed at curbing the fentanyl crisis, NBC News (Jan. 26, 2024)

⁶⁵ Newsham, *supra* note 4 at 144.

⁶⁶ Id. at 140.

⁶⁸ Id.

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to reestablish themselves, often have trouble finding workers who can pass a drug test or are otherwise unaffected by addiction."⁶⁹ Col. Newsham argues that this makes "chemical (fentanyl) warfare more effective by making sure manufacturing (and jobs) don't come back to America."⁷⁰

It is evident that the CCP is attempting to use fentanyl to weaken our nation and attack American society. To help the Committee understand how the DEA is working to combat the rapid inflow of fentanyl from China into our country, the Committee asks for a staff briefing before March 20, 2024. This briefing should address:

- 1. How DEA strives to inspire and equip Americans to strengthen their communities, innovate, and create the technologies and phenomena that will secure a strong and prosperous future for our nation;
- 2. How DEA leadership ensures from the top down that all DEA employees are aware of CCP warfare and influence operations against America, and are equipped to address them wherever they arise;
- 3. DEA's outreach to the American public and media regarding CCP drug warfare operations;
- 4. DEA outreach to police, government officials, politicians, and other community leaders to ensure that they are not compromised by triads or other CCP-backed criminal organizations;
- 5. DEA's plan and approach to counter CCP drug warfare and triad smuggling in the U.S.;
- 6. DEA's collaboration with and education of local, state, and federal law enforcement, including the U.S. Customs and Border Patrol and the U.S. Coast Guard, regarding the trafficking and smuggling of fentanyl originating from, in part or in whole, the PRC;
- 7. DEA collaboration with the PRC to tackle fentanyl exportation, smuggling, and fentanyl precursors;
- 8. DEA collaboration with Canadian and Mexican counterparts to counter smuggling from triads and other CCP-backed groups; and
- 9. Any DEA programs that incentivize collaboration or cooperation in any way to combat CCP drug warfare from any individuals or groups, including the following: local, state, and federal law enforcement and agencies; defendants in criminal cases; Canadian and Mexican law enforcement and governments.

To schedule the briefing, or if you have questions regarding this request, please contact the Committee on Oversight and Accountability staff at (202) 225-5074.

⁶⁹ Id.

⁷⁰ Id. at 79.

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The Committee on Oversight and Accountability is the principal oversight committee in the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. Thank you in advance for your cooperation with this inquiry.

Sincerely,

omer James Comer

Chairman Committee on Oversight and Accountability

cc: The Honorable Jamie B. Raskin, Ranking Member Committee on Oversight and Accountability