

Written Statement by

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Before the United States House of Representatives Committee on Financial Services  
Subcommittee on National Security, Illicit Finance, and International Financial Institutions

Hearing on  
**“Follow the Money: The CCP’s Business Model Fueling the Fentanyl Crisis”**  
March 23, 2023

Chairman Luetkemeyer, esteemed members of the committee thank you for allowing me to testify today regarding the poisoning of nearly 1 million Americans. My name is Jason Grellner, and I retired after a nearly 30-year career as a law enforcement officer in Missouri. I spent most of my career specifically focused on narcotic enforcement. I served as President of the Missouri Narcotic Officers Association and as a long-time board member of the National Narcotic Officers’ Associations’ Coalition.

Opioid and now synthetic opioid poisoning is the leading cause of accidental death in the United States overtaking car accidents nearly a decade ago. But this is no accident. Drug trafficking organizations know exactly what the impact on individuals and communities will be, and the overall trend has the hallmarks of a planned attack on the United States by terrorist organizations, narcostates and world powers bent on destabilizing and weakening the United States. Drug abuse in the United States has always had an element of one person’s greed preying on another person’s illness, with yet another person getting rich off of the ill-gotten gains. This attack will not be stopped by merely attempting to treat the sick in our own country or by fighting this threat from inside our own borders. This overwhelming and intentional push of deadly poison into our communities is an immediate threat to our national security and deserves an immediate commensurate response.

It is anticipated that statistics may show another 140,000 Americans died from Fentanyl or one of its many synthetic derivatives last year alone. That will be on top of the 107,000 Americans who were killed in 2021. Synthetic fentanyl is largely manufactured in Mexico from ingredients sourced in China. Chinese companies have been supplying the United States with cheap, synthetic drugs across the internet for the past 20 years. Illicit manufacturers circumvent DEA and FDA regulations by changing the chemical make-up just enough to offer a slightly different experience to the user, while getting around federal law. It should come as no surprise that when China “cracked down” on synthetic fentanyl distribution it made no difference to worldwide synthetic opioid sales. Chinese organized crime under the “watchful eye” of the CCP began selling the components instead of the final product. Both the Sinaloa

and Jalisco New Generation Cartels immediately began manufacturing the poison in multi-kilo batches within days.

Cartels easily buy kilos of precursor chemicals from China-linked middlemen and now operate with impunity at western Mexican ports to ensure quick delivery. A kilo of Chinese precursors may cost \$200 but can be sold in New York for \$3 to \$5 dollars for only 2 milligrams of an unknown fentanyl mixture. The profit on that kilo can reach \$1 million dollars. That money is used to pay dealers, mules, stash houses, security, bribes, money laundering, and to buy power and influence. The recent conviction of Genaro Garcia Luna, Mexico's former Public Safety Secretary, shows the height of influence the cartels wield in Mexico. The question that comes to mind when a Mexican official is indicted in the US is why? If there is enough evidence for charges and conviction in the US, why has the Mexican government not engaged in seeking justice their own? Mexico is a narcostate open for business with any foreign power or terrorist organization willing to pay for their political influence and the costs of dealing with US border controls.

Contests over control of northbound US border entries by the cartels is a source of violence in Mexico. The US border and ports of entry are controlled by individual cartels and are channels for drugs and humans moving north and guns and currency moving south. Mexican cartels have long struggled with money laundering and the transfer of US greenbacks converted to pesos. As partnerships with Chinese organized crime groups grew, laundering drug proceeds seemed to become easier. These Chinese organizations also use the money to buy influence with rich and powerful members of the CCP. Essentially, they are selling US dollars to Chinese nationals so they can purchase property with cash in the United States. They also enable yuan to be exchanged for pesos in a much quicker and less costly manner through the sale of Chinese goods or precursor sales. All of this is happening under the "watchful" eye of the Chinese government.

With an estimated \$60B dollar a year illicit industry thriving on our southern border, no single solution will end this problem which has been brewing since the 1800's. In February of this year, 128,777 individuals were caught crossing the US/Mexico border. Of those, 16 were on the FBI terrorist watch list. Sixteen watchlisted individuals in one month, and those were just the people who were caught. Mexico and China do not have the best interests of the United States or its citizens in mind. Let's put this in perspective: if a foreign country had infiltrated the United States with terrorist agents and released ricin or anthrax that killed over 100,000 Americans in a single year, what would our response be?

There is not a single silver bullet solution to this problem. Just as in any confrontation, the winner is the entity that attacks from as many angles as possible. Federal policy has trended toward addressing the demand side of the equation over the past decade as this epidemic has skyrocketed. The data and empirical evidence clearly show that this approach is not working, and we will never rehabilitate our way out. Just as with COVID, we didn't just wait for people to get sick and treat the ill, we pushed for a vaccine to prevent the virus from taking

hold. We need strong prevention efforts in schools and community organizations to drive up the perception of harm, while forcing use rates down.

We need a renewed commitment to funding state and local drug task forces, which are the most potent tools we must address drug trafficking networks. State and federal funding for task forces has declined in recent years just as trafficking and overdose deaths have skyrocketed. We must recognize and embrace the importance of focused drug law enforcement. To stop any force there must be an equal and opposing force. The collision of those two forces creates friction, and friction can be ugly and cause immense amount of heat. But without that opposing force the driving force does not end and only grows stronger.

The federal government – and the Mexican government – must work as hard to identify and neutralize key Mexican Drug Cartel figures as they did with al Qaeda, ISIS and Taliban conspirators in the past two decades. We must freeze assets and restrict business dealings with foreign banks and companies that profit from these organizations. Congress should give federal law enforcement and armed forces the means necessary to meet the threat directly in the Cartel terrorist strongholds no matter where they might be.

In closing, I want to thank the Committee for examining this important topic that's killing hundreds of individuals daily across our nation. We must not accept another child dying in a school bathroom or a loved one on the street or in their home from a drug poisoning. We must do more and the time to act was yesterday. Thank you, and I look forward to your questions.