



SOCIAL MEDIA'S DEADLY DRUG PROBLEM

Testimony to the Subcommittee on National Security, Illicit Finance, and International Financial Institutions of the House Committee on Financial Services.

Delivered at the 23 March 2023 hearing entitled "Follow the Money: The CCP's Business Model Fueling the Fentanyl Crisis."

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Chairman Luetkemeyer and Ranking Member Beatty, distinguished members of the Subcommittee: This is my fourth time since 2019 testifying in Congress about the deadly fentanyl crisis and the ways in which social media drives it. I have to say, I'm tired of coming here to discuss this. Why are we still sitting here talking, while so many young Americans are dying.

Since my first testimony in 2019, our country has lost hundreds of thousands of people to fentanyl deaths. Among them, pictured here, we have lost **Alexander Neville**, **Jessica Filson**, **Daniel Puerta**, whose father Jaime Puerta is here today, **Giovanni Perkins**, **PVT Tyler Duncan** and **Devin Norring**, and so many more that I submitted a [memorial gallery](#) along with my testimony.

I am a co-founder and the executive director of the [Alliance to Counter Crime Online](#). We are a team of researchers, NGOs and citizen investigators that have come together to fight the deadly surge in serious organized crime activity that is taking place on surface web platforms, especially social media and eCommerce platforms and search engines.

Distinguished committee members: The tech industry will try and convince you that illegal activity is confined to the dark web. But with the way cyberspace is currently governed, many surface web platforms – in particular social media – provide much the same anonymity and a far greater reach of people as the dark web. What's more, many social media platforms provide embedded, easy to use payment systems.

Illicit groups ranging from Mexican drug cartels to Chinese Triads have weaponized social media, to move a wide range of illicit goods, including fentanyl tablets and precursor chemicals.

Our alliance has supported our members, tech whistleblowers, and victims of online crimes to file civil complaints against tech platforms. [Jaime Puerta](#), for example, is part of a group of families suing Snapchat, where his son and the other children connected with drug dealers to purchase the pills that killed them.

Distinguished committee members: I applaud the fact that you aim to target Chinese companies that are facilitating the spread of deadly fentanyl analogues in this country, and that you asked us to follow the money.

But I'm trying to figure out why you aren't also targeting the American social media companies whose algorithms spread these deadly pills to innocent buyers like Daniel Puerta and tens of thousands of other kids like him.

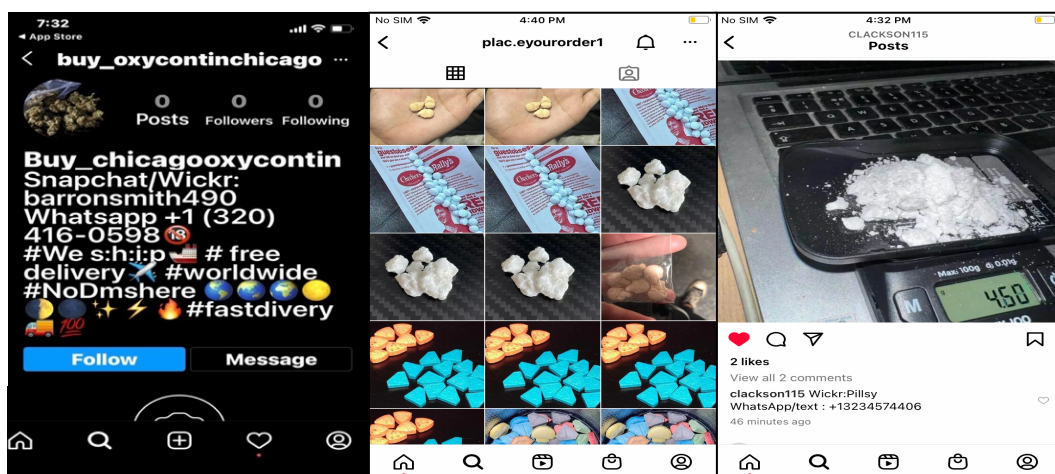
Distinguished committee members: About 300 Americans die every single day from drug-related deaths, between 70 and 80% of them from fentanyl products, many of these purchased off social media platforms.

And that's why I'm here, on behalf of ACCO and thousands of parents like Jaime who have lost children and other loved ones to this deadly scourge. We're calling on all of you to work with your colleagues in the House and the Senate to reform Section 230 of the 1996 Communications Act to address illegal activity in cyberspace.

Brick and mortar businesses operate under a duty of care to keep illegal activity off their premises. If a nightclub becomes a haven for drug dealing, it can face legal penalties and even closure. If a hotel becomes known as a place where child prostitution occurs, it too faces legal liability or closure.

Yet social media platforms like Instagram and Snapchat, which are used by a vast majority of American teens, are teeming with drug content and illegal predators. And because of a poorly crafted 1996 law, passed before smart phones, social media and algorithmic recommendation tools were invented, that content is treated as if it's protected free speech.

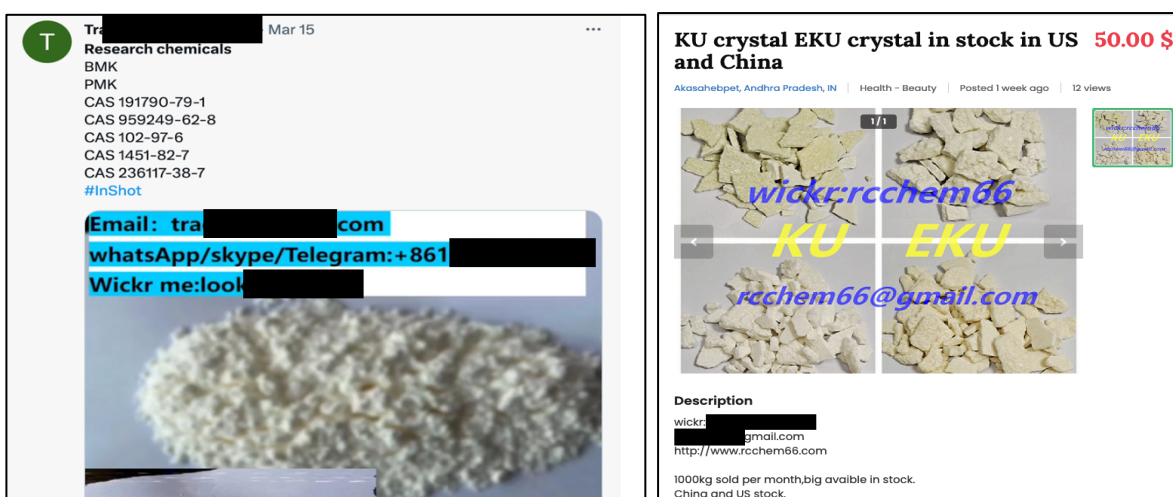
I have submitted for the record a series of screenshots that show drug dealers operating on Snapchat and Instagram. With account names like "Buy_oxycontinChicago" and "PlaceYourOrder," pictures of drugs alongside emojis widely used to represent drug sales, these accounts are unambiguous about their purpose.



Distinguished committee members: This content doesn't represent people expressing their protected right to free speech. It represents people committing felonies.

I want to know: How many more Americans have to be sacrificed on the altar of free speech before you, our elected lawmakers, figure out a way to define the difference between protected speech and criminal conduct.

This type of content is not limited to person-to-person drug sales. Social media platforms like Twitter and Facebook also feature wholesale drug sellers, many of them apparent employees of chemical manufacturers in China.



Many of these posts are openly selling banned precursor chemicals, such as the two here, offering multiple fentanyl analogues that are scheduled by the US government or other precursor chemicals.

These wholesale sellers, often operating under the claim of selling "research chemicals" have posts that are very similar to drug dealers utilizing social media. They feature pictures with embedded messages aiming to move you to another, often encrypted chat app, such as Whatsapp, Telegram or Wickr. These photo-embedded contact details are aimed at evading automated moderation systems the platforms operate. Again, this content does not represent a person expressing protected political opinions, it's selling a banned substance.

Recommendation algorithms help spread this content, making it distinct from comments posted in a chat room, or an email exchange between a group of people. The platforms' algorithms are designed to spread content that has high engagement, and drug content is highly engaging.

In [one study, led by ACCO's director of analysis Kathleen Miles](#), she created two social media accounts posing as teenage girls, one looking for drugs and one suffering from anxiety and depression. Her teen avatar looking for drugs was always just a few clicks away from drug dealers, and the avatar suffering from anxiety and depression, was fully immersed in drug content within 48 hours. The platforms, in other words, aren't just passive hosts of this content, they actively spread it.

I'm also submitting for the record a briefing the Department of Justice requested that ACCO draft to explain how and why we think our laws and policies governing cyberspace need to change to address organized crime in cyberspace.

Finally, I'm submitting a briefing paper explaining what we at ACCO describe as the toxic mix of circumstances driving the unprecedented numbers of drug-related deaths in our country.

- Outdated laws governing cyberspace led to social media platforms teeming with drugs
- Kids thinking pills sold online come from pharmacies, not realizing they are counterfeits
- Parents unaware of the risks, thinking the overdose epidemic is driven by addicts

You asked us today to "follow the money," and I'm glad you did, because that's another area where both Chinese and American tech platforms ought to be regulated differently from brick-and mortar financial institutions. A number of big platforms where fentanyl and other counterfeit products are moving have built-in payment processing systems that function just like Western Union or Zelle.

These payment systems are usually separately registered Money Service Businesses, or MSBs, that are wholly owned by the parent company, such as Meta, which owns Facebook, Instagram and WhatsApp, or China's Tencent, which owns WeChat.

Three types of criminal activity are happening through these payment platforms. They include:

1. The retail sales of drugs to end consumers of the drugs.
2. The wholesale sales of drugs from producers to street dealers; and
3. Chemical companies, mainly in China, selling pre-cursors to wholesalers.

From the research we have done at ACCO, it's apparent that most platforms are technically compliant with Know Your Customer regulations, yet the regulations do not anticipate where the



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parent company is both the owner of a Money Service Provider and a massive, data aggregator on individuals, say for example Meta wholly owning both Meta Pay and Facebook Marketplace.

Moreover, we've been told by whistleblowers at multiple tech companies that there is little to no coordination between moderators watching content, and the moderators tracking payments, despite the fact that the two are linked. Each time a drug transaction moves through an online platform, the tech company earns a small commission – these commissions add up to tens of millions of dollars of profit for the tech company. We argue that tech platforms ought to have to verify that payments they process are not linked to drug sales or other illegal activity.

Money that moves across platforms for illegal activity is not user-generated content protected by CDA 230. It's illicit activity. Moreover, this is precisely an area that your committee has jurisdiction over.

Therefore, I call on you to commission a Congressional investigation, and to subpoena major tech platforms including Meta and Tencent and have them explain whether they moderate content and payments simultaneously.

I also call on you to ask the Department of Justice to investigate whether the scale of drug activity taking place on major social media platforms - specifically Snapchat, Facebook, Instagram and WeChat -- rises to the level of a RICO violation.

Under the protections provided by Section 230, tech companies could have implemented internal controls to prevent the illicit activity I have described today from occurring but it was cheaper and easier to scale by looking the other way.

Thanks to CDA 230, tech companies were given this incredible freedom to regulate themselves, and today they have no one to blame but themselves for squandering it.

Distinguished committee members, I urge you to:

- Investigate how much money major social media firms are earning from payments related to retail and wholesale drugs sales;
- Work with the Senate to reform Section 230 adding a duty of care principle and allowing victims of undue harms to hold tech firms accountable within our justice system.

It is possible – and also incredibly urgent – that you work to regulate the Internet. Together, we can make it a safer place for all. Thank you for inviting me to testify.