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Fentanyl Isn't Just Smuggled In From Mexico. It Also Arrives Duty Free By Mail

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A US Customs and Border Protection agent weighs a package of Fentanyl ...arrived by U.S. mail. ... [+] AFP VIA GETTY IMAGES

Fentanyl isn't only arriving in the U.S. by your standard-fare drug smuggler, hiding it in suitcases and the back seat of a go-fast boat

from Mexico bound for San Diego. It's still coming in via U.S. mail and other international shippers. And it comes in duty-free. Barring drug-sniffing dogs at Customs and Border Protection (CBP) facilities catching the wayward package shipped usually from China and Mexico, duty-free entry remains a small but active way of getting the killer drug to addicts nationwide.

"CBP continues to see bad actors seeking to exploit the increasing volumes of de minimis shipments to transit illicit goods, including fentanyl and the precursors and paraphernalia used to manufacture it," a spokesperson for CBP told me. De minimis is a Customs trade provision that allows for duty-free entry of all goods if priced under \$800. CBP said that in fiscal year 2022 (beginning Oct 1 and ending Sept 30), most package seizures by Customs agents were from de minimis mail, including seizures for narcotics.

Although the CBP did not specify the source of these packages, Mexico and China are the top two, with China long known as the go-to spot for the raw materials and equipment used to make fentanyl in a lab.

Equipment such as pill presses, used by drug cartels for turning powder into consumable pills, were often seized at CBP mail rooms. Some 80% of those seizures came from duty-free entry, Brandon Lord, executive director of the trade policy and programs directorate, said on Sept. 11 at the National Customs Brokers & Forwarders Association of America conference.

Lord told [International Trade Today](#), a niche publication about the business of Customs, that members of his team recently visited nearly a dozen different independent [Customs brokers](#) who had written up more than one so-called Entry Type 86 file regarding de minimis qualified mail packages to say that they found fentanyl.

CBP said that drug seizures of mail packages for fiscal year 2023 ending in August were rising to 2020 levels, the worst ever year for duty-free drugs in the U.S. Some 551,159 pounds of drugs were captured, and while this number is going to be less than 2022's 656 thousand pounds, fentanyl has seen an increase in shipments by mail. CBP seized 25,600 pounds of it as of August 2023, versus 14,699 pounds in all of fiscal year 2022.



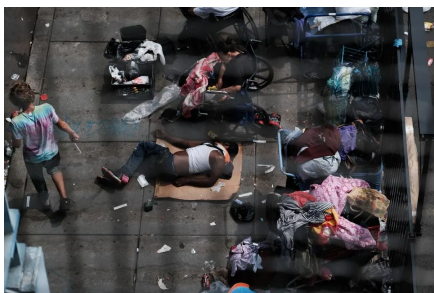
It's not just fentanyl. An officer from the US Customs and Border Protection, Trade and Cargo ... [+] AFP VIA GETTY IMAGES

China Fentanyl Policies Fail. Mexico's Non-Existent.

In May 2019, China banned all fentanyl-class drugs' production, sales, and exports unless special government licenses were issued for professional pharmaceutical companies selling directly to hospitals. China's crackdowns have done little to halt the flow of fentanyl to the United States, which is done by mail and – primarily – via Mexican drug trafficking groups. The cartels there all source fentanyl precursor and pre-precursor chemicals from China, where they then synthesize them into fentanyl and smuggle it into the United States. The main way it gets in is through people crossing

the border or vehicles crossing the border, including legal crossings that have gone unchecked at border checkpoints in California.

According to a [2022 Brookings report](#), the worst for mail-ins was during the lockdown years of Covid. People were alone at home and couldn't get to the streets so easily and discovered the ease of duty-free shipping. Between October 2020 and September 2021, a record number of Americans — 104,288 — died of drug overdose, fentanyl counting for the vast majority of those deaths. “The United States hoped,” an international diplomat told Brookings off the record, “that it could schedule its way out of the opioid epidemic. That has not happened.”



From Philadelphia to San Francisco, ruined by drugs from Mexico and China. How much more can these ...

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While the direct smuggling of fentanyl to the U.S. from China by mail has declined dramatically since, massive flows continue to the U.S. from Mexico. And Chinese drug suppliers are key. Mexican criminal groups synthesize fentanyl from Chinese precursor chemicals –

known as key starting materials (KSM KSM 0.0%) in pharmaceutical vocabulary— most of which are dual use and used to make legitimate medicines. This means that the widespread utility of those KSMs in global pharmaceutical production, and China's main source of those supply chains, means there is no global appetite for “scheduling” vast numbers of precursor and pre-precursor agents as illegal.

In March, a Department of Homeland Security official who wished to remain anonymous told me, “I'm not saying people still don't order it online, but the business model shifted so we are now seeing it coming in through the southwest border – mostly pedestrian and

cars. We are already going to surpass last year's volume and the year has just started. That's not to say we don't still screen international mail. We have seizures of that. We find opioids, precursor chemicals, equipment like pill pressures mostly because the actual fentanyl is smuggled in through the southern border."

Meanwhile, U.S.-China counternarcotics cooperation continues to struggle. The U.S.-Mexico one seems completely non-existent.

In an article on Sept. 30, the New York Times [NYT +0.4%](#) [quoted](#) a woman named Andrea Cahill who said she lost her 19-year-old son Tyler to a fentanyl overdose. She believes the governments of Mexico and China should be punished for the drug's flow into the United States

Back to the duty-free shipment of drugs, fentanyl actually comes in a distant fourth, though it is the only one on the rise versus a year ago, along with cocaine. No. 1 is marijuana, and No. 2 is crystal meth. Cocaine is No. 3 and [fentanyl is No. 4.](#)



An officer from the US Customs and Border Protection, Trade and Cargo Division finds drugs shipped ... [+] AFP VIA GETTY IMAGES

Was Worse During Covid & Before, But Still A Problem

Covid ruined everything.

By the end of 2020, drug overdoses and “accidental deaths” were the leading cause of death for those under 44, [according to the Center for Disease Control](#). No. 2 was suicide, climbing from No. 4 in the 1980s and 1990s.

The trend of e-commerce helped push drugs online. E-commerce sales in the U.S. benefit greatly from the de minimis provision. In 2018, the Senate released a [report](#) called “Combatting the Opioid Crisis: Exploiting Vulnerabilities in International Mail” which showed web pages where people could order narcotics directly from China. This report ultimately led to a Homeland focus on this issue. And when it really ballooned in 2020, Homeland and CBP cracked down on it and now say it is no longer the growth story it once was.

But they all know it is still there.

The duty-free drug packages are a risk for de minimis, already in the crosshairs in both the Senate and in the House. There are at least [three bills](#) out there that will [ban China](#) from receiving de minimis benefits.

Easy access to killer drugs in the mail when American cities are looking increasingly zombified makes it easier for those bills to pass. Hawkishness on China makes it doubly easy to sell this legislation, even if it hurts the likes of Amazon [AMZN +0.9%](#) and other e-commerce players that import duty-free from China daily.

China’s publicly traded companies like Pinduoduo, owners of Temu, the “shop like a billionaire app,” face the headwind of a de minimis law that would make it more costly for Temu to ship here. The same goes for Shein, which is not publicly traded but is a big



Rep. Earl Blumenauer, D-Ore. is one of the main leaders on legislation to kill de minimis for China. ...

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Silicon Valley holding. Sequoia Capital's spin-off, Sequoia Capital China, is an investor in both Temu and Shein. FedEx FDX -0.6% and United Parcel Service UPS +0.2% stocks also face the risk of a change to de minimis.

There is also risk for Mexico that many may not be considering.

When a new government takes over in Washington in January 2025, there is a chance that even a Democrat would have had enough of this as their home cities look particularly dystopian, something even the worst neighborhoods in the developing world don't look like by comparison. Mexico has provided no help to the U.S. on the border crisis. It has proven to be an unreliable ally in stopping drug smuggling or taking out their drug cartels like the Colombians did with the Medellin and Cali cartels in the 1990s. Where is Mexico on this?

The more fentanyl remains a problem for American cities, the more probable it is to see deteriorating relations with Mexico. If one were to put that on a 10 scale, with 10 meaning total deterioration and we are now at a level 1, how hard is it to imagine at least a 5? I don't think it is hard at all if this keeps up.

Drugs by land. Drugs by sea. Drugs duty-free by mail.

The consensus is that Mexico's government prefers the U.S.. Still, a worsening relationship over the border and drug crisis would turn Mexico to China. There are no other world powers in its vicinity that it could see itself partnering with. China's presence is increasing in Mexico, so much so that Mexico is putting tariffs on

some Chinese goods (though this is highly limited and does not seem to include free trade zones).

Either way, de minimis entry is a problem. The question is whether those who make the rules on that will consider the benefits and ease of duty-free shipping from China, and Mexico, are worth the risks associated with it. And they are many, not just drugs, which are only a small part of the overall drug flow coming into this country.

So far this year, CBP has seen a significant increase in the volume of small packages entering the U.S., as compared to FY20 – FY22.

As of August 31, 2023, the most recent numbers by CBP, de minimis volumes have increased 38% over FY22 totals, equaling approximately 950 million small packages. How CBP agents can track all of these things is unknown, though they say they can do it.

In FY22, over 70% of narcotics seizures, over 80% of counterfeit goods (intellectual property theft like fake Nikes), and approximately 85% of health and safety seizures have occurred in the de minimis environment, according to CBP.

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