



**CITY OF NOVI CITY COUNCIL**  
**MARCH 10, 2025**

**SUBJECT:** Approval to modify the Memorandum of Understanding to provide accounts payable and light accounting services to Michigan High Intensity Drug Trafficking Areas (HIDTA) and authorize the Mayor to sign a Memorandum of Understanding after review and final approval of the City Attorney and City Manager.

**SUBMITTING DEPARTMENT:** Finance

**KEY HIGHLIGHTS:**

- The Novi Police Department has been involved with the Michigan HIDTA for nearly 15 years.
- City of Novi Finance Department has been performing accounts payable duties for HIDTA since July 2023
- MOU for additional accounts payable services

**BACKGROUND INFORMATION:**

Since July 2023, at the request of Michigan HIDTA Deputy Director David Molloy, the City of Novi Finance Department has been performing accounts payable and light accounting duties for the Michigan High Intensity Drug Trafficking Areas (HIDTA). The HIDTA program was created by Congress in 1988. The HIDTA program is a federally funded grant program administered by the Office of National Drug Control Policy (ONDCP) within the Executive Office of the President of the United States.

The Novi Police Department has been involved with the Michigan HIDTA for nearly 15 years. They have Novi PD Task Force Officers assigned to three of the HIDTA initiatives; two with the Drug Enforcement Administration and one with the Federal Bureau of Investigation. Director of Public Safety/Chief of Police Erick Zinser serves as a voting member on the Michigan HIDTA Executive Board as a representative of the Michigan Association of Chiefs of Police.

The Michigan HIDTA receives approximately \$4.0 million in federal funds annually to assist the region in the mission of reducing drug trafficking and drug production. The

City of Novi has managed approximately \$614,000 of these funds since July of 2023. The Michigan HIDTA has asked the City if we would be willing to manage an additional \$1.1 million in funds currently being administered by the Michigan State Police. Early estimates indicate this would be approximately 35 additional invoices per month. The City would be responsible for paying the invoices for HIDTA as we have done since 2023.

HIDTA then will submit the request for reimbursement from the Federal level. Once the request is approved (usually less than 14 days), the local government (Novi) is reimbursed for the payments directly from the Federal government.

**RECOMMENDED ACTION:** Approval to modify the Memorandum of Understanding to provide accounts payable and light accounting services to Michigan High Intensity Drug Trafficking Areas (HIDTA) and authorize the Mayor to sign a Memorandum of Understanding after review and final approval of the City Attorney and City Manager.

# MEMORANDUM



**TO:** VICTOR CARDENAS, CITY MANAGER  
**FROM:** CARL JOHNSON, FINANCE DIRECTOR  
**SUBJECT:** ACCOUNTING SERVICES FOR HIDTA  
**DATE:** MARCH 4, 2025

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Since July 2023, at the request of Michigan HIDTA Deputy Director David Molloy, the City of Novi Finance Department has been performing accounts payable and light accounting duties for the Michigan High Intensity Drug Trafficking Areas (HIDTA). The HIDTA program was created by Congress in 1988. The HIDTA program is a federally funded grant program administered by the Office of National Drug Control Policy (ONDCP) within the Executive Office of the President of the United States.

The HIDTA program coordinates and assists Federal, State, Local and Tribal law enforcement agencies to address regional drug threats with the purpose of reducing drug trafficking organizations (DTOs), Money Laundering Organizations (MLOs), drug production, and the violent crime associated with drug trafficking throughout the United States. They also work with local community coalitions to assist in creating Drug Free Communities through treatment, prevention, and educational resources. The Office of National Drug Control Policy oversees 33 regional HIDTAs covering all 50 states, Puerto Rico, the United States Virgin Islands, and the District of Columbia. See attached flyer for additional information on the program.

The Novi Police Department has been involved with the Michigan HIDTA for nearly 17 years. They have Novi PD Task Force Officers assigned to three of the HIDTA initiatives; two with the Drug Enforcement Administration and one with the Federal Bureau of Investigation. Director of Public Safety/Chief of Police Erick Zinser serves as a voting member on the Michigan HIDTA Executive Board as a representative of the Michigan Association of Chiefs of Police.

The Michigan HIDTA receives approximately \$4.0 million in federal funds to assist the region in the mission of reducing drug trafficking and drug production. The agency does not receive funds in advance of spending. The program is a reimbursement basis only. All HIDTA programs must contract with a state, county, or local government to assist with cash management.

The local government entities are responsible for paying the current invoices and payroll for HIDTA. HIDTA then submits the request for reimbursement from the Federal level. Once the request is approved (usually less than 14 days), the local government is reimbursed for the payments from the Federal government.

Of the \$4.0 million total grant allocated, approximately \$1.8 million is managed by Washtenaw County to provide payroll services, the Drug Enforcement Administration (DEA) assists with paying \$450,000 of vendors invoices and the Michigan State Police (MSP) handles another \$1.1 million.

Since 2023, the City of Novi has successfully managed over \$614,000 of Michigan HIDTA vendor payments with the understanding there could be additional payments in the future. Feedback from the vendors/payees has been very positive for the City of Novi.

In February 2025, Deputy Director Molloy contacted the City of Novi and inquired if we would be interested in managing the \$1.1 million currently being handled by the MSP. Early estimates indicate this would be an additional 35 invoices per month for the Finance Department to process. The Michigan HIDTA Finance Section performs the collection and review of required background documentation (i.e. justification memorandum, funding request, invoice review, etc.) and sends the documentation to the Finance Department for payment.

We will work with the Michigan HIDTA and our City Attorney to update the existing Memorandum of Understanding codifying the services to be rendered and a mutually agreed upon payment structure.



# HIDTA Works

The goals of the HIDTA program are to:

- Disrupt the market for illegal drugs by dismantling and disrupting drug trafficking and/or money laundering organizations; and
- Improve the efficiency and effectiveness of HIDTA initiatives

Created by Congress in 1988, the High Intensity Drug Trafficking Areas (HIDTA) Program coordinates and assists Federal, State, Local, and Tribal law enforcement agencies (LEAs) to address regional drug threats with the purpose of reducing drug trafficking and drug production in the United States.

The HIDTA program oversees 33 regional HIDTAs in all 50 states, Puerto Rico, the United States Virgin Islands, and the District of Columbia. With HIDTA presence in over 600 counties across the country, an estimated two-thirds of Americans live in a HIDTA-designated county.

With the increasing availability of Mexican-produced methamphetamine, the number of methamphetamine laboratories operating in the United States has declined sharply.

**66 dismantled**  
Methamphetamine labs dismantled by HIDTA

**7 "Super labs"**  
Producing over 10 pounds of meth in a single "cook"



Traffickers also operate laboratories to manufacture synthetic drugs and to convert certain substances to more potent forms of the active ingredient, primarily marijuana into cannabis oil. Of those, HIDTA initiatives dismantled

**7 manufacturing DMT** • **4 manufacturing fentanyl**  
**3 manufacturing PCP** ♦ **1 manufacturing MDMA, LSD, Amphetamines and Alprazolam**

HIDTA initiatives dismantled **137 conversion labs** that were transforming cannabis to "sooty oil," "wax," or "hashish" and **17 labs** converting powder methamphetamine to crystal methamphetamine.

**254,364 HIDTA deconfliction systems performed**. These are event deconflictions, actions that alert agencies when their tactical operations are occurring in the same general location and time frame as operations by other agencies.

**1,070,618 compared pieces of case information** looking for connections between cases.



### Amount of illegal drugs removed from our communities

**4.1m**  
Units of fentanyl  
**6.5+ Tons**  
Heroin  
**1000+ Lbs**  
Prescription drugs

**4 Tons**  
Fentanyl powder

**2,120 Tons**  
Marijuana plants and products  
**162 Tons**  
Powder cocaine and crack  
**110 Tons**  
Meth: Powder and crystal



**22,620+**  
Federal agents, state, local, and tribal law enforcement officers, analysts, and support personnel took part in 66 HIDTA initiatives

**Over 69%**  
Of those participants were from state, local, or tribal agencies

**99%**  
Of agents and officers that were surveyed, reported that HIDTA assistance was useful



**27,345**  
Investigations provided with analytics supported by HIDTA analysts in 2020

**48,142**  
Officers, agents, analysts, and support staff trained by HIDTA on drug-related subjects

**3,953**  
Law enforcement agencies participated in the HIDTA event deconfliction systems in 2018

**97%** (up from 2018)  
Positive results from follow-up surveys about HIDTA training



**HIDTA-funded prosecutors indicated**  
**10,380** individuals prosecuted  
**12,432** persons and obtained  
**6,091** convictions in 2018



**268,687**  
Vape cartridges



**28,502**  
Removed firearms off the street



**93,511**  
Arrests



**37,676**  
Apprehended fugitives involved with drug trafficking, violent crimes gangs, other major crimes



**8,658**  
Investigated drug trafficking and money laundering organizations

**3,014**  
Disrupted or dismantled drug trafficking or money laundering organizations

**69%** of the DTOs/MLOs were part of an international or multi-state operation

**\$17.6 Bil**  
Wholesale value of illicit drugs removed from the marketplace

**\$827.7 Mil**  
Seized in Cash  
Approaching 3 times the Federal funds appropriated

**\$2.8 Billion**  
In "other" assets from traffickers  
**\$8.2 Bil**  
seized in drug proceeds since 2010 by HIDTA



**67%** in 2018  
Of the U.S. population are included in a designated high intensity trafficking area (HIDTA)

**19.6%** in 2018  
Of U.S. counties are also included in designated HIDTAs

**ROI: \$68.18 for every HIDTA \$1 budgeted in 2020**

This equation is based off the combined value of the illegal drugs seized and the cash and assets taken from traffickers

\*excluding funding for treatment and prevention

MEMORANDUM OF UNDERSTANDING

AGREEMENT BETWEEN CITY OF NOVI AND HIDTA, FOR HIDTA TO PAY TO CITY OF NOVI COST ALLOCATION

WHEREAS; the National High Intensity Drug Trafficking Areas ("HIDTA") program is a federally funded program created to bring together federal, state and local law enforcement organizations to coordinate and synchronize drug enforcement strategies; and administered locally by the Michigan HIDTA; and

WHEREAS; The Michigan HIDTA's mission is to reduce drug trafficking, related violent crime and money laundering in the HIDTA region, which includes Oakland County; and

WHEREAS; under the federal guidelines for HIDTA, a local unit of government must agree to become HIDTA's sponsoring agency and fiduciary agent; and

WHEREAS; the City will perform accounts payable functions and light accounting duties on behalf of HIDTA. This includes establishing a fiduciary account for expenditures on behalf of HIDTA as well as running financial reports, if requested.

WHEREAS; upon receipt of a properly documented payment request from HIDTA, the City will remit payments as requested by HIDTA. HIDTA will request reimbursement to the City for payments made on its behalf by the City. Within fourteen (14) days of remitting payment on behalf of HIDTA, the City shall receive reimbursement from the Office of National Drug Control Policy.

INDIRECT COST; Michigan HIDTA will pay the City of Novi an indirect cost of \$75,000 annually for services provided by the City on its behalf. The indirect cost will be paid to the City on July 1<sup>st</sup> of each year. Should the City provide services prior to July 1, 2025, a monthly fee will apply of \$6,250.

TERM OF AGREEMENT; This agreement is effective April 3, 2023, and will remain in effect as long as the City of Novi serves as the fiduciary for the Michigan HIDTA.

AMENDMENTS; Changes mutually agreed upon by the City and HIDTA will be incorporated into this Agreement by written amendments signed by the parties.

EXTENT OF CONTRACT; This agreement represents the entire agreement between the parties and supersedes all prior representations, negotiations or agreements, whether written or oral, pertaining to the City of Novi.

MICHIGAN HIGH INTENSITY  
DRUG TRAFFICKING AREAS

CITY OF NOVI

By: \_\_\_\_\_

By: \_\_\_\_\_

Ranaldo Ollie, Executive Director

Justin P. Fischer, Mayor

Witnessed By: \_\_\_\_\_

Witnessed By: \_\_\_\_\_