PART I

OVERVIEW: TRANSNATIONAL CRIME

PART IA

Varieties of Transnational Crimes

Transnational crimes are criminal acts and transactions that span national borders. Globalization and advances in technology have led to a vast increase in these often-complex crimes that include cybercrimes, international money laundering, and various forms of trafficking. Drug trafficking is perhaps the pre-eminent transnational crime. Ever since the Shanghai Convention in 1909, the serious threat to human well-being caused by drug abuse has led nations around the world to take action to deal with their drug problems. Indeed, for many decades drug trafficking absorbed most of the United Nations' efforts devoted to the control of transnational crimes. More recently, recognition of the wide-scale violations of human rights resulting from trafficking of humans, especially of women and children for sexual exploitation and servitude, have galvanized international cooperation. But countries whose laws have been violated do not always have an equal interest in stopping transnational crimes. For example, some poorer countries may turn a blind eye to illegal migration of their nationals seeking employment in wealthier countries. This is because the migrants often remit a large portion of their earnings back home, thus benefiting the local economy.

A 2017 report of Global Financial Integrity by Channing Mavrellis, CAMS (March 2), titled "*Transnational crime and the developing world*," illustrates that the business of transnational crime is valued at an average of $1.6 trillion to $2.2 trillion annually. Of the 11 transnational crimes (the trafficking of drugs, arms, humans, human organs, and cultural property; counterfeiting, illegal wildlife crime, illegal fishing, illegal logging, illegal mining, and crude oil theft), counterfeiting ($923 billion to $1.13 trillion) and drug trafficking ($426 billion to $652 billion) have the highest and second-highest values, respectively; illegal logging is the most valuable natural resource crime ($52 billion to $157 billion). Transnational crime is a lucrative money-making business.

Many examples of the generalizations made above can be found in the chapters (1–26) collected together in this section, which cover a wide range of transnational crimes,

as follows: international drug trafficking (Chapter 1: Mangai Natarajan); trafficking in human beings (Chapter 2: Alexis A. Aronowitz) and children (Chapter 3: Meredith Dank and Andrea Hughes); migrant smuggling (Chapter 4: Paolo Campana); the international trafficking of stolen vehicles (Chapter 5: Rick Brown and Ronald V. Clarke); small arms trafficking (Chapter 6: Theodore Leggett); trafficking in art, antiquities, and cultural heritage (Chapter 7: Simon Mackenzie); cigarette smuggling (Chapter 8: Klaus von Lampe); wildlife trafficking (Chapter 9: Justin Kurland); cyber crime (Chapter 10: Alex Alexandrou); crime and online anonymous markets (Chapter 11: Pieter Hartel and Rolf van Wegberg); cryptocurrencies and money laundering opportunities (Chapter 12: Sarah Durrant and Mangai Natarajan); money laundering (Chapter 13: David C. Hicks and Adam Graycar); international fraud (Chapter 14: Michael Levi); ransom kidnapping (Chapter 15: Stephen Pires and Rob Guerette); and child pornography (Chapter 16: Richard Wortley).

While there is no single definition for transnational crimes, in the early 1990s scholars defined transnational crimes to include offences whose inception, prevention, and/or direct or indirect effects involve more than one country. The above-mentioned crimes fit the definition, and there are other crimes that are local but have transnational impact. Some of these crimes are discussed at length in this section. They are: transnational environmental crime (Chapter 17: Rob White); industrial disasters due to corporate criminal negligence (Chapter 18: G. S. Bajpai and Bir Pal Singh); maritime crimes (Chapter 19: Gisela Bichler); maritime piracy (Chapter 20: Jon M. Shane and Shannon Magnuson); poaching of terrestrial wild animals and plants (Chapter 21: Lauren Wilson and Ronald V. Clarke); illegal commercial fishing (Chapter 22: Gohar Petrossian and Ronald V. Clarke); corruption (Chapter 23: Adam Graycar); tourist and visitor crimes (Chapter 24: A. M. Lemieux and Marcus Felson); terrorism (Chapter 25: Graeme Newman and Ronald V. Clarke); and political assassinations (Chapter 26: Marissa Mandala). These crimes have distinctive features, explanations, nature, and extent, and require transnational cooperation, legal instruments, and strategic responses to prevent them from happening.

1 Drug Trafficking

Mangai Natarajan

INTRODUCTION

Ever since the Shanghai Opium Commission in 1909, many countries around the world have found themselves grappling with problems of drug abuse and many conventions have formulated proposals to reduce the international trade in illicit substances. International collaborative efforts and policies have mostly been geared to obstructing the supply of drugs, while efforts to control demand have been left to national governments. Judged by world seizures, various forms of illicit drugs continue to be sold and used at unacceptably high levels in many parts of the world. Moreover, with the advent of globalization, drugs are traveling across borders much more commonly than they once did. Many countries without histories of drug use, particularly developing countries, are now reporting problems of abuse because they have become transit points for international drug trafficking. This has not only become a threat to public health but also to public safety and security.

Because of lucrative profits, drug traffickers will always find a way to meet the demand for drugs. Traffickers are opportunistic and can be expected to: market new drugs; seek out new routes to smuggle drugs; seek new partners among organized crime groups in different countries; exploit new manufacturing and communication technologies; recruit vulnerable individuals into the work of trafficking; and find ways to launder the proceedings. This chapter provides a descriptive account of international drug trafficking intended to assist understanding of its complex nature and of the challenges involved in its control.

DEFINITION

Drug trafficking is a crucial link in the chain between illicit drug production and consumption (World Drug Report, 1997, p. 131) and involves the following sequential stages of distribution:

- growing or producing
- manufacturing
- importing or smuggling
- wholesale distribution
- regional distribution
- street-level distribution

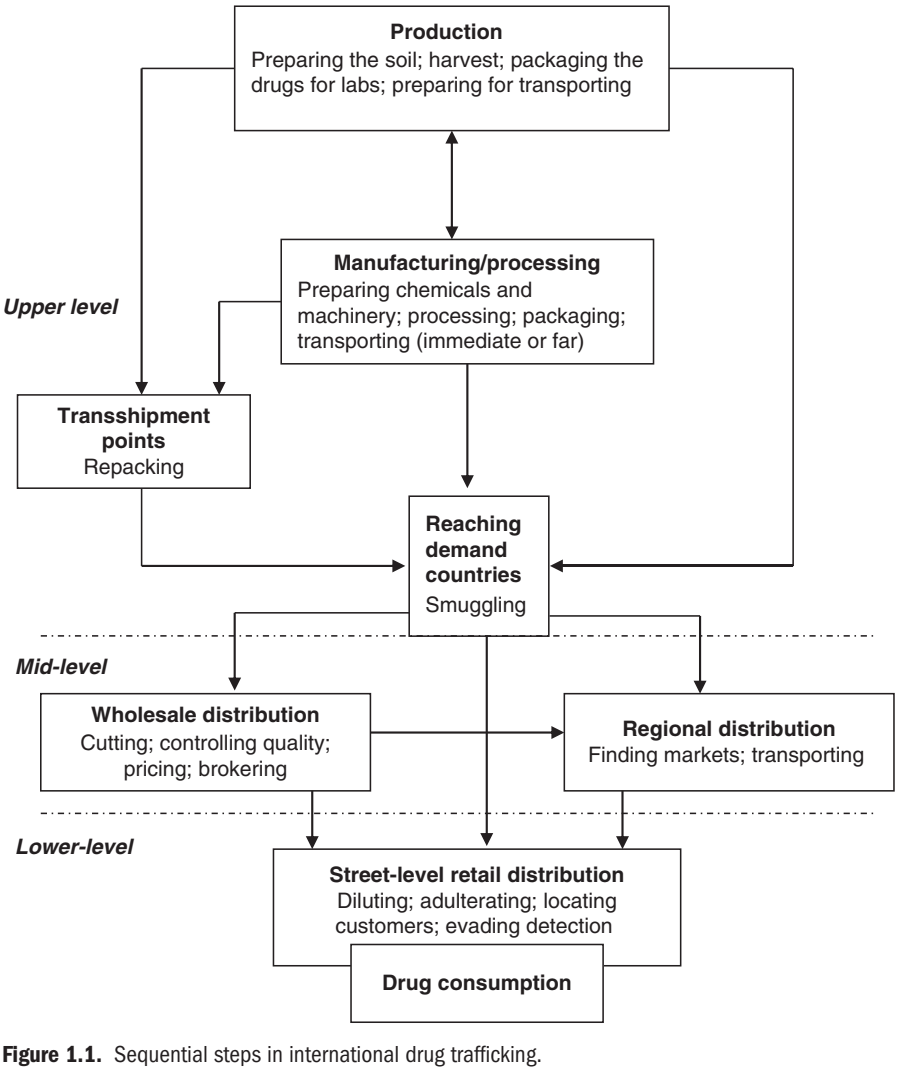

Figure 1.1. Sequential steps in international drug trafficking.

As usually defined, it does not encompass retail operations and street-level drug dealing but involves all the earlier stages in the drug distribution chain, including the tasks of production, manufacturing, smuggling, and wholesale and regional distribution that involve multi-kilo operation. Figure 1.1 distinguishes three levels of distribution as follows: upper-level drug trafficking denotes the movement of drugs in bulk from the producing countries to the demand countries; mid-level operations involve the wholesale distribution of the smuggled drugs to different regions; and lower-level distribution involves retail level sales to the consumer markets within the demand countries.

These distinctions provide the framework for understanding the mechanics of drug trafficking operations and for undertaking international, national, and local-level supply reduction strategies.

DRUG SUPPLY

According to the 2018 World Drug Report, the production of opium and the manufacture of cocaine has increased. In 2017, a total of 10,500 metric tons of opium was produced around the world. The major producers are Afghanistan, Myanmar, and the Lao People's Democratic Republic – countries that are part of the Golden Triangle and Golden Crescent. The Andes region (Colombia, Peru, and Bolivia) is the major source of supply of cocaine to world markets.

There is an emerging trend of the misuse of non-medical opioids (hydrocodone, oxycodone, codeine, and tramadol) and medical/pharmaceutical opioids (methadone, buprenorphine, and fentanyl). Hundreds of new psychoactive substances (NPSs) are also now available on the market worldwide. Amphetamine has dominated synthetic drug markets in the Near and Middle East and Western and Central Europe, but recently its manufacture has increased in North Africa and North America. The methamphetamine market is growing in East and Southeast Asia and North America and in Oceania, and now accounts for the largest share of global quantities of amphetamine-type stimulants (ATSs) seized.

According to the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA, 2018) and the European Union Agency for Law Enforcement Cooperation (EUROPOL), Belgium and the Netherlands are key countries for the manufacture of ecstasy (MDMA) in Europe. These substances are also produced in many other European countries, including Belgium, Germany, the United Kingdom, Greece, Portugal, the Nordic states, Poland, Estonia, Lithuania, and the Czech Republic. They are also produced in Australia, North America, South Africa, China, and Southeast Asian countries (where they are much cheaper to produce than in Europe), and more recently in South and Central America.

Finally, cannabis is the most widely used drug around the world. Colombia and Jamaica are now the main source of cannabis for the United Kingdom and the USA, while Morocco and Albania are the main sources for continental Europe.

Complexities of International Drug Trafficking

As can be seen from Figure 1.1, drug trafficking involves many stages of operation from production to consumption. Unlike legal international businesses, the illegal drug trade requires clandestine strategies and techniques to move the drugs from producing countries to the consumers. Understanding the ways in which drugs are trafficked (e.g., methods, techniques, and routes) and how the drug trade is organized (e.g., distribution strategies, structure of organizations, and organized crime networks) is important in finding ways to control the flow of drugs.

Variety of Methods, Techniques, and Routes Used to Transport Drugs

Globalization has greatly increased the volume of containerized trade, the frequency of international flights, the availability of international delivery services, and global access to the Internet. Depending upon the quantity and proximity of locations, illegal drugs are now finding their ways to consumer nations by air, sea, land, and postal services in the same

way as legal commodities. E-trafficking of drugs has also been reported. High-powered motorboats, bulk cargo freighters, and containerized cargo ships remain the most common methods of moving multikilo-level quantities of cocaine and heroin. However, any available method may be used. For example, small submersibles are sometimes used in Central America for transporting cocaine, and cannabis resin is transported from Morocco to Spain using goods vehicles, in cars (by ferry), or using small boats. The drugs are then transported over land to France, the United Kingdom, the Netherlands, and other European countries.

Drugs have been swallowed or hidden in body cavities; hidden on the person; packed into luggage or belongings; stashed in cars, boats, or aircraft; and hidden in seemingly legitimate freight. The US Customs and Border Control has listed some of the more unusual methods of concealment.

- Drugs surgically implanted in a man's thigh.
- Contraband hidden in a woman's wig.
- Cocaine surgically implanted in a living dog.
- Marijuana concealed in the hollowed-out boards of wooden pallets.
- Cocaine masked in the soles of shoes.
- Marijuana bundles in manmade landscaping stones.
- Drugs stashed in the manifold of an engine.
- A variety of drugs in body cavities and ingested.
- A marijuana load in the floorboard of a trailer hauling two live bears.
- Drugs concealed in new furniture.
- Marijuana hidden in metal cans disguised as food products.

The World Customs Organization (2017) reports a seizure of 142 bricks of cocaine (156 kg) in two electric generators from Chile to the seaport of Limassol, Cyprus. In March 2016, 468 kg of heroin was found in 114 out of 1800 boxes containing raisins from Iran.

VARIED ROUTES

Drug traffickers are constantly looking for new routes that are convenient and safe from interdiction. In order to increase their profits, traffickers have also developed markets for drugs in the transshipping points or countries. Consequently, there has been a surge in drug use among the general population in Nigeria and other African countries as well as in the Indian subcontinent.

Drug traffickers are undoubtedly rational actors who weigh the pros and cons of different routes to move drugs from supply to demand countries. Reuter (2014) describes three criteria they use: 1. They generally prefer countries where corruption is rife and where there are fewer law enforcement resources. 2. They prefer routes that are near to the supply or demand countries, saving them time and money. 3. They prefer countries with ready supplies of local manpower to help with the transport and distribution of drugs.

A possible fourth attractive criterion, made possible by the advent of the darknet or cryptonet, is the availability of the virtual delivery of drugs, which helps to conceal the identity of all involved parties. A recent study by Rhumorbarbe et al. (2016) found that 2700 vendors from 70 countries claimed to sell illicit drug products by this method. The drugs sold included cannabis-related products, ecstasy (MDMA), and stimulants (cocaine,

speed). According to Dolliver (2015), of the 19 countries that were identified as distinct source countries for drugs, the USA is both the number-one country of origin for drug sales on Silk Road 2 (a small darknet site that was merged after the shutdown of the larger Silk Road) and the number-one destination country.

Varieties of Trafficking Organizations and Distribution Strategies

Traffickers must develop routine ways of transacting business and the distribution systems that have been developed in some cases are highly complex. Large drug networks are organized with extensive human "trust" contacts between supply and destination points (Decker & Townsend, 2008) and with a distinct hierarchical structure similar to some business corporations. They may be controlled by so-called "kingpins" who negotiate transactions with other drug organizations. Within the networks, middle managers oversee operations on behalf of the kingpins; couriers transport drugs within and between the demand countries; and wholesalers distribute the drugs to retailers (or street dealers) who in turn supply the users. They use all available technology, including personal computers, public telephones, cell phones, pagers, and facsimile machines, in their daily operations.

The enormous profits available from drug trafficking attract a wide spectrum of participants. These range from individuals working alone to major organized crime syndicates involving a variety of ethnic groups that undertake a variety of tasks. The organized crime groups include: the Italian and Sicilian Mafia; the Neapolitan Camorra and Calabrian 'Ndrangheta; Asian Triads and Tongs; the Japanese Yakuza; Mexican cartels; the Cuban and Russian Mafias; and many other criminal groups from the Middle East, the Caribbean, and Europe. They take part in all stages of distribution (from setting up connections with the producers, to transshipping and distributing to the retailers) by networking with one another. Colombian and Italian groups supply cocaine in cooperation with other groups (e.g., Dutch, British, and Spanish) and West African, especially Nigerian, groups are also active in transporting cocaine from Africa to Europe; Balkan organized crime groups (OCGs) are emerging actors. The activities of these groups have become a major challenge for law enforcement. Analyses of 78 drug trafficking organizations prosecuted in New York City from 1985 to 2007 found four main kinds of organization – "freelance," "family-based businesses," "communal businesses," and "corporations" (Natarajan & Belnager, 1998; Natarajan, Zanella, & Yu, 2015). A high degree of specialization exists in the tasks performed by some of the trafficking enterprises in order to minimize the risks of detection and arrest (Desroches, 2005).

Not only have the changes discussed above expanded the opportunities for drug trafficking, but they have diversified these opportunities through divergence of supplies, proliferation of substances, and expansion of trafficking routes and methods. These forces have created niche markets that large established drug trafficking organizations might not be sufficiently nimble to exploit. Instead, the markets become the preserve of *ad hoc* networks of sometimes hastily formed groups of criminal entrepreneurs, who might forge business deals with first one entity and then another as opportunity dictates (Natarajan, 2006). Consistent with this view, recent research has argued that drug trafficking organizations are now more likely to consist of networks of a relatively small number of criminal entrepreneurs, with informal links between their members and a flattened hierarchy, than in the past, when they primarily

comprised large, hierarchical criminal syndicates characterized by the use of violence, threat, or intimidation.

Global Strategies to Combat the Supply and Demand of Illegal Drugs

Various international organizations have important roles in controlling drug supplies and the demand for drugs around the world. These include the United Nations International Drug Control Programme, the United Nations Educational Scientific and Cultural Organization (UNESCO), the International Narcotics Control Board (INCB), the World Health Organization, INTERPOL, EUROPOL, and the World Customs Organization (WCO). The United Nations Office on Drugs and Crime (UNODC), which functions as a global leader in this field, has extensive liaison arrangements with these agencies and with regional enforcement authorities in order to develop and strengthen cross-border and regional cooperation in apprehending traffickers and seizing drugs. Despite these global efforts and despite stringent enforcement at the street level, illegal drugs still reach the hands of millions of users.

It is difficult to set in place a unified mechanism to combat the illicit supply of drugs due to variations in legal systems, law enforcement tactics, cultures (languages and cultural practices), financial institutions and banking systems, political and economic conditions, and tolerance levels of drugs and ideologies. However, it is imperative to develop increased international cooperation in apprehending the traffickers and disrupting supplies. There is also an urgent need to develop international regulatory controls with high standards for entry in banking and financial institutions to control the money laundering of the proceeds from drug trafficking.

SUMMARY

The 2018 World Drug Report shows no evidence that the global drug problem has been reduced; instead, there has been an increase in drug production, in the range of drugs produced, and in the diversity of drug markets. Without interdiction efforts, drug supplies might have skyrocketed and so might have the numbers of users. The fundamental economic point is that so long as there is the demand, and the rewards of meeting this demand are sufficiently great, there will be criminal groups willing to supply the drugs. Globalization has increased the crime opportunities through divergence of supplies, proliferation of substances, and expansion of trafficking routes, including virtual routes. Recent research has argued that drug trafficking organizations are now more likely to consist of networks of a relatively small number of criminal entrepreneurs, with informal links between their members (Natarajan, 2006). A handful of evaluations show some positive impact of crackdowns on street-level local markets, but hardly any empirical evaluations exist of supply reduction efforts aimed at higher-level markets. This lack of scientific research is due largely to the difficulty of collecting data on the complex, constantly changing nature of drug trafficking. Finding a solution to this difficulty presents an urgent challenge to the community of researchers concerned with combating drug trafficking.

REFERENCES

Decker, S. H. & Townsend, M. (2008). *Drug smugglers on drug smuggling: Lessons from the inside*. Philadelphia, PA: Temple University Press.

Desroches, F. (2005). *The crime that pays: Drug trafficking and organized crime in Canada*. Toronto: Canadian Scholar's Press.

Dolliver, D. S. (2015). Evaluating drug trafficking on the Tor Network: Silk Road 2, the sequel. *International Journal of Drug Policy*, 26(11), 1113–1123.

European Monitoring Centre for Drugs and Drug Addiction (EMCDDA). (2018). European Drug Report 2018: Trends and Developments. Retrieved from www.emcdda.europa.eu/system/files/publications/8585/20181816_TDAT18001ENN_PDF.pdf.

Natarajan, M. (2006). Understanding the structure of a large heroin distribution network: A quantitative analysis of qualitative data. *Quantitative Journal of Criminology*, 22(2), 171–192.

Natarajan, M. & Belanger, M. (1998). Varieties of upper-level drug dealing organizations: A typology of cases prosecuted in New York City. *Journal of Drug Issues*, 28(4), 1005–1026.

Natarajan, M., Zanella, M., & Yu, C. (2015). Classifying the variety of drug trafficking organizations. *Journal of Drug Issues*, 45(4), 409–430.

Reuter, P. H. (2014). The mobility of drug trafficking. In J. Collins (Ed.), *Ending the drug wars* (pp. 33–40). London: The London School of Economics and Political Science.

Rhumorbarbe, D., Staehli, L., Broséus, J., Rossy, Q., & Esseiva, P. (2016). Buying drugs on a Darknet market: A better deal? Studying the online illicit drug market through the analysis of digital, physical and chemical data. *Forensic Science International*, 267, 173–182.

United Nations International Drug Control Programme. (1997). *World drug report*. New York: Oxford University Press.

United Nations Office on Drugs and Crime (UNODC). (2018) *World drug report 2018*. New York: United Nations.

World Customs Organization. (2017). *Illicit trade*. Brussels: World Customs Organization.