Exposing Australia’s poly-drug trafficking networks

Caitlin Hughes,¹  David Bright², Jenny Chalmers¹  & Michael McFadden³

¹ National Drug and Alcohol Research Centre, UNSW Australia
² Faculty of Arts and Social Sciences, UNSW Australia
³ McFadden Consultancy

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Context: The challenge of poly-drug traffickers

- It has long been recognised that illicit drug traffickers can and do trade in multiple drugs i.e. can be “poly-drug” (e.g. Gordon, 2001; Matrix, 2007)
- Yet, for a range of reasons, both methodological and conceptual, the extent, nature and implications of poly-drug traffickers are not well understood
- One key cause: the great majority of policy, research and law enforcement continues to focus on single illicit drugs or modes of trafficking (e.g. ACC, 2014; Bright et al, 2012; Degenhardt et al., 2004; Fowler et al., 2007)
- Increasingly problematic as:
  - Apparent rise in the diversification of drug traffickers (particularly high level drug traffickers); choosing to deal in multiple different drugs (EMCDDA, 2014; Europol, 2011, 2013; National Drug Intelligence Center, 2012; United Nations Office on Drugs and Crime, 2014)
  - Conjectured that this may be a “deliberate modus operandi” (Europol, 2013, p. 19) that may make such traffickers more profitable, dynamic, and resilient (Europol, 2013; Rubin, Pardal, McGee, & Culley, 2013)
Objectives and hypotheses

Our goal: to provide the first detailed examination of poly-drug trafficking in Australia focusing on the activities of high level traffickers (importers and wholesale distributors)

Sub-objectives:
1. Trends in the extent and nature of poly-drug trafficking
2. To use social network analysis to explore how product diversification is managed in high-level Australian poly-drug trafficking networks

Consistent with the literature on the structure of mono-drug trafficking networks (Calderoni, 2012; Kenney, 2007; Varese, 2013) it was hypothesised:

a) poly-drug networks would be comprised of largely non-overlapping sub-groups involved in different drugs (e.g. MDMA but not cocaine),
b) the sub-groups would be connected via key brokers,
c) the sub-groups would share some skills, resources and members.
Methods

- Network selection
  - Initial list of 29 networks
  - Final sample selected by law enforcement advisory group (3)
- Data sources:
  - Judges’ sentencing comments - proven approach for conducting SNA (Bright & Delaney, 2013; Bright et al., 2012; Le, 2013)
  - Supplemented by domestic and international media reports
- Network construction and analysis:
  - Identified all known actors
  - Identified what specific drug each actor was involved in (e.g. MDMA) and links and roles by drug type
  - Constructed maps using Visone (Version 2.7.1)
  - Analysed features such as:
    - The degree of specialisation into sub-networks (e.g. MDMA versus cocaine)
    - Key brokers
    - Management structure (if any)
Network 1: Small scale involved in MDMA, methamphetamine and cannabis

- Poly-drug syndicate that operated from 2005 to 2006

- Included three inter-related drug businesses:
  - Trafficking of MDMA ("ecstasy") – primary business
  - Manufacture and trafficking of methamphetamine
  - Smaller scale trafficking of cannabis

- The syndicate operated across Victoria; including Melbourne and three large regional cities. It also had links to Sydney (the site from where MDMA was imported).

- It transacted in wholesale amounts to mid-level traffickers. For example MDMA was sold in quantities of 100s, 1000s, or up to 5000s of pills.
Network 1: differentiated by role but not drug
Network 1: showing involvement in MDMA, methamphetamine and/or cannabis

Key:
- Pink: MDMA
- Black: Methamphetamine precursor
- Blue: Methamphetamine end-product
- Green: Cannabis
Network 1: Summary

• This illustrates that contrary to expectations this poly-drug network did not operate in discrete drug sub-networks
• There was also centralised decision making about what drugs were dealt with and when
• But, it did involve different and complementary roles across the three drug networks
• Moreover, there were multiple apparent benefits of poly-drug trafficking including:
  – a high level of sharing of people, resources and skills across the entire network
  – re-investment of revenue from one drug into the other
  – cross-pollination of ideas
  – risk sharing in importation (such as the meth supplier who could get MDMA and vice versa).
Network 2: Large scale involved in MDMA, cocaine, precursors and money laundering

- High level syndicate that operated during 2007-2008
- Involved in importation and trafficking of MDMA (the primary business), cocaine and precursors (pseudoephedrine and MSG), and money laundering.
- Operated across six countries (Australia, Belgium, Colombia, India, Singapore and Hong Kong) and trafficked drugs in five states of Australia: Victoria, NSW, Tasmania, South Australia and the ACT.
- The exact scale of the operation was difficult to measure but the syndicate successfully imported over 1.2 million MDMA pills from Europe, and is purported to have supplied MDMA to 60% of the country and to have laundered over $11 million. However, the syndicate was most infamous for its involvement in an attempt to import 4.4 tonnes of MDMA, which was worth an estimated $440 million at the street level.
- In spite of the huge losses ($10 million from MDMA alone) the network still made a profit over this period (of at least $1.75 million).
Network 2: differentiated by role but not drug
Network 2: showing involvement in MDMA, precursors, cocaine and/or money laundering

Key:
- **MDMA**
- **Methamphetamine precursor**
- **Cocaine**
- **Money laundering**
Network 2: showing key brokers
Network 2: Summary

- Syndicate two was a much more complex network.
- It had a high level of sub-groups: e.g. one drug only.
- What was not shown was that often these were actually based on alliances with different ethnic groups: again consistent with much more of new alliances to bring in new expertise.
- But connecting that were both key brokers and a clear management structure with central and sub-managers to ensure communication across the network.
- Clear evidence of skills and resource sharing, including funds and knowledge on how best to evade detection - i.e. use of piggyback method; where illicit drugs were hidden in the container of a legitimate freight transfer company then imported via Melbourne ports.
Conclusion and implications

• This affords the first insight into the structure, function and drivers of Australian poly-drug trafficking networks
• Contrary to our hypotheses the networks were structured in different ways: ranging from a hierarchical wheel structure to hybrids with more overlapping to non-overlapping sub-groups, connected via key brokers.
• That this emerged from a random sample was particularly noteworthy and suggests that there is not going to be ‘one’ simple method for product diversification in poly-drug trafficking
• But, there do appear to be common features of this type of activity:
  • First, all of the networks either used sub-groups or role divisions by drug
  • Second, they all had a clear management structure: one or two layers. This is contrary to much of the social network literature (Heber, 2009; Malm & Bichler, 2011; Morselli, 2009; Williams, 2001) but is more consistent with the structure of Mafia networks (Calderoni, 2012; Varese, 2013).
  • Third they all showed resource and skill sharing
Implications

- This leads us to suggest that for poly-drug trafficking will show:
  - Some form of specialisation by drug
  - Some form of management in order to enable coordination across the different commodities
  - A high level of sharing of resources and skills
  - Through doing so such traffickers will pose added risk:
    - Ability to reinvest revenue across the businesses
    - Cross-pollination of ideas
    - Increased flexibility/adaptability to changes in supply
    - Increased resilience to law enforcement
    - Ability to capitalise on existing infrastructure (e.g. brokers, suppliers, trade routes) and explore new business ventures involving other drugs and other criminal activity
  - All suggest a need for increased attention to this form of activity
Thank You

Caitlin Hughes
National Drug and Alcohol Research Centre
T: 02 9385 0132
E: caitlin.hughes@unsw.edu.au