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Social network analysis of Australian poly-drug trafficking networks: How do drug traffickers manage multiple illicit drugs?

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ABSTRACT

International agencies report rising numbers of drug traffickers who deal in multiple drugs (poly-drug traffickers). This paper explores how product diversification is managed in three Australian poly-drug trafficking syndicates. Networks were constructed using judges' sentencing comments and social network analysis applied to examine the degree of specialisation, resource flows and management structure (if any). Each syndicate had a clear management structure, but employed a different approach to diversifying including in-house production of multiple products (Syndicate 1) and outsourcing to other syndicates (Syndicate 3). This suggests traffickers will have multiple avenues for product diversification. This may create challenges for their policing.

1. Introduction

Social network analysis (SNA) research on criminal networks typically focuses on one criminal enterprise such as motor vehicle theft and rebirthing (e.g. Morselli, 2009) or trade in illicit firearms (Morselli, 2012). This is also true in regards to SNA research on drug trafficking: with SNA tending to focus on how traffickers trade in a specific drug e.g. heroin (Bright et al., 2012; Calderoni, 2012; Giménez-Salinas Framis, 2014; Kenney, 2007; Varese, 2013). However, in recent years law enforcement agencies from across the globe have reported a convergence of criminal networks; with one of the leading areas being rising numbers of high-level drug traffickers who deal in multiple different drugs e.g. ecstasy, cocaine and meth/amphetamine (EMCDDA, 2014; Europol, 2011, 2013; National Drug Intelligence Center, 2012; United Nations Office on Drugs and Crime, 2014). Such traffickers are defined as "poly-drug traffickers": as distinct from "mono-drug traffickers" who specialise in one drug alone. It is further conjectured that the formation of 'trading portfolios' (Malm et al., 2010, p. 56) may make poly-drug traffickers more profitable, dynamic and resilient to changes in drug supply and drug law enforcement and increase their likelihood of undertaking other crimes or being poly-criminal (Europol, 2013; Rubin et al., 2013). However, to date, how product diversification occurs and whether trade in multiple illicit drugs requires a different type of network structure and control (or a different method of law enforcement) remains unanswered. This paper thus applies social network analysis to three different Australian poly-drug trafficking networks with the aim of exploring how product diversification is managed in poly-drug syndicates.

1.1. Why drug traffickers and poly-drug traffickers matter

The global trade in illicit drugs has an annual turnover of millions of dollars (Insulza, 2013; Reuter, 2014; Reuter and Greenfield, 2001; Reuter and Stevens, 2007). Compared with crimes such as people smuggling, human trafficking, firearms trafficking and cybercrime, drug trafficking is one of the most profitable forms of crime (Paoli, 2014). This is particularly true in regards to mid to high-level drug trafficking, which we define as trafficking involving wholesale distribution, importation, manufacturing, and distribution of drugs to other drug traffickers, as opposed to traffickers selling directly to users (Desroches, 2007). Moreover, despite severe criminal penalties and enforcement a large body of research has highlighted the "resilience" of drug traffickers, defined as "the ability of market participants to preserve the existing levels of exchanges between buyers and sellers, despite external pressure aimed at disrupting the trade" (Bouchard, 2007, p. 329). The resilience of drug traffickers has been attributed to a number of factors. First, drug traffickers employ multiple risk management strategies to avoid detection, including limiting the time they are in possession of drugs; spending time assessing routes; working with a small but

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trusted clientele (reducing risks of new clients); being at arm's length from activities that are most easily detectable (such as through employing people to undertake more risky elements of transactions); and/or forming links with corrupt officials to obtain an inside edge (Matrix Knowledge Group, 2007). Second, drug trafficking networks have proven to be very adaptable and flexible (Carley, 2006; Desroches, 2005; Dorn et al., 2005; Matrix Knowledge Group, 2007): changing partnerships but also modes of doing business. Some key adaptations include change in trafficking routes, suppliers, time of entry and modes of trafficking, or substitution from one drug to another (Bouchard, 2007; Decker and Chapman, 2008).

International law enforcement agencies have increasingly argued that a new mode of doing business is poly-drug trafficking: namely where drug traffickers expand their repertoire of products to deal in multiple illicit drugs. For example, the 2011 EU Organised Crime Threat Assessment identified that: "(D)rug trafficking to and within the EU is increasingly controlled by groups dealing in more than one drug to maximise profits" (Europol, 2011, p. 10). Two years later the 2013 EU Serious and Organised Crime Threat Assessment reported that poly-drug trafficking was no long "just a trend", but a common and deliberate "*modus operandi*" (Europol, 2013, p. 19). As summed up by the United Nations Office on Drugs and Crime (2014, p. 127) poly-drug trafficking can offer multiple strategic benefits to criminal networks; or conversely challenges to law enforcement.

> The nature of trafficking groups related to South-Eastern Europe continues to evolve. In the last decade, several major drug-trafficking groups, focusing exclusively on one particular market, such as heroin, cocaine or heroin precursors, have been effectively dismantled. But this monolithic approach to drug trafficking has increasingly given way to polydrug trafficking that is more sensitive to changes in the market. Groups are also using more effective forms of communication, and more sophisticated modus operandi, and are expanding into new markets, as well as building networks at all stages of the supply chain.

We have just completed the first major academic study of high-level poly-drug traffickers in the Australian context (Hughes et al., 2016). This study analysed three different types of Australian Federal Police data (on seizures, cases and linked-cases) with each showing a consistent finding: namely that compared to mono-drug traffickers poly-drug traffickers were characterised by larger quantities of drugs seized, more money seized, larger criminal networks, longer criminal histories and more involvement in other types of serious crime (Hughes et al., 2016). For example poly-drug commercial seizures were on average seven times larger than their mono-drug counterparts and poly-drug traffickers operated for 13 years, compared to four years for their mono-drug counterparts. As conjectured by law enforcement agencies our findings suggest that poly-drug traffickers may be more harmful and resilient to changes in the market. Equally importantly it suggests they may necessitate different types of law enforcement responses. However, one key unknown is how traffickers trade in multiple drugs and whether they use different methods than their mono-drug trafficking counterparts. SNA of their network structure may assist in this endeavour.

1.2. Insights from application of SNA to mono-drug trafficking syndicates

Application of SNA to mono-drug trafficking syndicates has demonstrated numerous network features, including; the number and roles of network members, the presence or absence of sub-groups, the number and nature of key facilitators (like financiers), the nature and direction of resource/information flows, power and dependency across the network, network stability and adaptive capacities to law enforcement intervention (e.g. Bright and Delaney, 2013; Bright et al., 2015a; Bright et al., 2012; Heber, 2009; Morselli, 2009). The SNA literature has showed that instances of drug traffickers operating through popularised hierarchical command and control structures with a single drug 'king-pin' and many workers are rare: the exception being Pablo Escobar and the Colombian drug trade (Kenney, 2007). Drug traffickers instead have tended to operate through alliance or 'network' models: involving loose affiliations of people who come together as and when opportunities arise, a structure that is deemed to offer both heightened security and flexibility (Bouchard, 2007; Bright et al., 2012; Malm and Bichler, 2011; Morselli, 2009). Analyses have further demonstrated that drug trafficking syndicates tend to comprise a number of small sub-groups within a larger network, and that it is facilitators, rather than 'leaders' that have the highest level of contact with network members (Bright et al., 2015a; Morselli, 2009). These are deemed key features for security. One particular example of this was shown with analysis of a NSW methamphetamine syndicate (Bright et al., 2012). The syndicate (comprised of 35 members) operated in two loosely connected sub-groups or cells that operated parallel sites of manufacturing connected by a number of facilitators and individuals whose skills were shared across the two sub-groups. The network was thus structured to both reduce ease of detection and improve adaptability to inevitable changes in drug supply. Yet, as with the majority of the SNA research on drug trafficking, whether the network, or sub-groups or members, were also involved in trafficking any other illicit drugs was unexamined. Even Morselli and Petit (2007), who conducted a social network analysis of a group that imported both cocaine and hash, did not examine the intersections between actors involved in one or both of these drugs: or factors such as potential differences in the sub-groups within the 'master network', or the differential connections to other criminal activities. That said, SNA offers a particularly appropriate method for examining overlaps and intersections across and between groups involved in one or more illicit drug trafficking activities.

1.3. Aims

This paper sought to apply social network analysis to three different Australian poly-drug trafficking networks with the aim of exploring how product diversification is managed in poly-drug syndicates. Consistent with the literature on the structure of mono-drug trafficking syndicates (Calderoni, 2012; Kenney, 2007; Varese, 2013) it was hypothesised that (1) poly-drug networks would operate using loose alliances, (2) that each network would be comprised of a number of largely non-overlapping sub-groups involved in different drugs (e.g. MDMA but not cocaine), (3) the sub-groups would be connected via key brokers, and (4) the sub-groups would share some skills, resources and members.

2. Methods

This project applied social network analysis to three Australian poly-drug trafficking networks. It commenced by selecting three networks, then building upon the methods of Bright et al. (2012) constructed networks using judges sentencing comments extracted from the Australian Legal Information Institute (Austlii) and LexisNexis AU databases and mainstream media. Finally we applied social network analysis to the entire network and each network by drug type. Ethics approval was granted for this project by the University of New South Wales HREC: HC13027.