European perspectives against emerging trends in illegal drug production and trafficking

Regional Workshop on JITs and CDs, Tbilisi, Georgia

Zoltán Nagy
Head of EU Drugs and Organised Crime Unit
Operations Directorate
EUROPOL
In this presentation

- Europol’s facts and figures
- Europol’s supporting tools and services
- Illegal drugs in the EU - Emerging threats
- NPS and fentanyl
- Europol’s support to JITs
- New challenges
- Europol’s new drugs strategy
Europol’s „Core“

1. Operational Support
2. Expertise
3. Data Storage
4. SIENA
5. Liaison Bureaux
Pyramid of operational objectives

- Operational support
- Analytical support
- Information exchange
Operational Services

We connect:
- 24/7 information handling and cross-checking
- Cross-Match Reporting
- Operational meetings

We analyse data:
- In-depth analysis, SNA
- Financial analysis & asset recovery
- Operational Analysis

We support actions:
- On-the-spot support, action days (Mobile Office),
- Technical support (dismantling illegal labs)
- 24/7 operational centre and coordination
- Forensic support (e.g. UFED)
- Experts support (Forensic, IT, Financial Intelligence, etc.)
SIENA – for operational information-exchange

- Secure → Dedicated virtual private network
- Confidential → Access restrictions through handling codes
- Comprehensive →
  - Europol
  - MS Liaison Bureaux at Europol
  - Europol National Units (ENU) in MS
  - Europol National Contact Points (NCP) in third states/organisations
  - Other national competent authorities (regional, customs, gendarmerie...)
Analysis Work Files (AWF)

- Framework for operational cooperation, created to deal with live operational data
- An **AWF** is an information processing system for the purpose of crime analysis defined as the assembly, processing or use of data with the aim of assisting in criminal investigations. An AWF may contain numerous **Analysis Projects**
- **Analysis Projects** are dedicated to a specific crime area, crime group or phenomenon
- **Two Analysis Workfiles:**
  - Serious & Organised Crime (AWF SOC)
  - Counter-Terrorism (AWF CT)
Temporary data files = for all information related to one criminal event or phenomenon for the purpose of analysis

Goals of (criminal) analysis:
- Go beyond the known facts using complex IT techniques and tools
- Develop hypotheses
- Identification of information gaps
- Dissemination analytical reports: description of criminal organization, roles and responsibilities of its members, relationships between the members, modus operandi, ...

Criminal analysis provides guidance
Europol’s central criminal information and intelligence database covering all of Europol’s mandated crime areas

Quick reference to data on serious international crime available in Member States / Third Parties

To detect possible hits between different investigations
Europol Platforms for Experts – for networking

- For all specialist areas
- Web-based or VPN access
- Access by invitation only
- More than 9,500 registered users from more than 85 countries
- Wide range of expertise by more than 50 online communities, like
  - Special tactics
  - Witness Protection
  - Forgery of money
  - Strategic analysis
  - Digital Forensics & Investigations
Operational coordination + support

Operational centre and coordination rooms

Universal Forensic Examination Tool

Mobile Office
### Types of Europol support – a snapshot

| Expertise, information | • Europol platform for experts (EPE), Europol Information System (EIS)  
• Specific websites such as Euro Check Web-site, EU Most Wanted, FIUnet  
• Forensic laboratory |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Logistical             | • Operational coordination rooms  
• Videoconferencing  
• International expert networks |
| Analytical             | • Europol Analysis System  
• Strategic Analysis – SOCTA, i-OCTA  
• Operational analysis – Financial analysis, Social Network Analysis, Geo-mapping |
| Financial              | • Financing of operational meetings/actions  
• Flash money, confidence buy, Informant Reward, rental costs  
• Financing of special equipment, technical investigation |
| On the spot            | • Mobile office – remote access to Europol’s databases  
• Technical examination of equipment and illegal products  
• Universal forensic extraction device (UFED) for mobile devices |
Operational cooperation also with: US, Canada, Australia, Colombia, Interpol
Europol in numbers - 2016 vs. 2017

1 005 610 SIENA Messages
869 858 SIENA Messages

1 000 staff and rising
102.2 Million Budget

1 485 Operations supported
205 Operational Meetings

1 027 SOC > 458 CT operations
929 SOC > 127 CT operations

2 461 037 EIS Searches
1 636 838 EIS Searches

More than 25 million objects in databases

564 248 EIS CT Objects
15 525 EIS CT Objects

46 063 EIS persons linked to terrorism
8 500 FTF in databases
Key criminal activities of the OCGs

- Drug Trafficking: 35%
- Organised Property Crime: 12%
- Trafficking in Human Beings: 7%
- Excise Fraud: 7%
- Migrant Smuggling: 10%

*Source of data: SOCTA 2017
DRUG TRAFFICKING

THE LARGEST CRIMINAL MARKET IN THE EU

Drug market generates

\~24\ EUR billion/year in profits

>35% of the criminal groups active in the EU are involved in the drug market

419 previously undetected New Psychoactive Substances reported in the EU for the first time over the past five years.

OCGs linked to drugs

75% are involved in trafficking more than one drug

65% are involved in other criminal activities
The EU's priorities for the fight against organised and serious international crime between 2018 and 2021

- To (1) disrupt the activities of Organised Crime Groups (OCGs) involved in the wholesale trafficking of cannabis, cocaine and heroin to the EU,
- To (2) tackle the criminal networks involved in the trafficking and distribution of multiple types of drugs on EU markets,
- To (3) reduce the production of synthetic drugs and New Psychoactive Substances (NPS) in the EU and to dismantle OCGs involved in their production, trafficking and distribution.
- To (4) disrupt OCGs involved in environmental crime, more particularly wildlife and illicit waste trafficking.
Global factors affecting the EU Drugs market

- **Significant increase** in Europe and neighbouring countries of both indoor and outdoor cultivation of *cannabis*; increase in potency levels

- **Significant increase** in illicit production of *cocaine* in Colombia and trafficking the drug to Europe; recent seizure of a single 7 tonne consignment

- **Significant increase** in illicit production of *heroin* in Afghanistan and unprecedented large scale trafficking of the drug to Europe

- **Significant increase** in scale and sophistication of *synthetic* drugs in Europe and wide proliferation of *NPS*
Cannabis trafficking

- Cannabis is the most widely used drug in Europe
- High demand sustains a diversity of suppliers and routes
- Cannabis resin is increasingly imported from Afghanistan via the Balkan route.
- Organised crime is increasingly involved in the production and distribution of cannabis as a low-risk, high-profit activity
- Albania is the main source of herbal cannabis
Cocaine flood into Europe

- Europe’s most commonly used stimulant
- High prevalence of use (recreational mainly) is largely restricted to some western and southern EU States (ES and UK)
- Seizure data show increase of availability in EU (historical records for countries like BE more than 38 tonnes in 2017)
- Colombia again as main producer
- EUR 5.7 billion retail market
- More OCGs involved than any other criminal activity in the EU (most common)

Emerging trend: online trade/ Darknet

*Europol Unclassified - Basic Protection Level*
Significant individual cocaine seizures in Europe, January 2016- November 2017*

*latest 500 cocaine seizure cases; Source: UNODC (AOTP) and Paris Pact, Drug Monitoring Platform (DMP).
• The heroin market is **the second largest** illicit drug market in the EU - estimated at **6.8 billion** euro per year

• Recent signs of **increase availability**

• More often very large, **unprecedented heroin consignments seizures** within and beyond the EU, exceeding 500/1000 kg

• **Trafficking routes** to Europe are diversifying (South Caucasus, Black Sea, East & West Africa, Balkan route)
<table>
<thead>
<tr>
<th>Year</th>
<th>Poppy cultivation Ha</th>
<th>Opium production T</th>
<th>Heroin production T</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>328.000</td>
<td>9000</td>
<td>640</td>
</tr>
<tr>
<td>2016</td>
<td>304.800</td>
<td>6380</td>
<td>448</td>
</tr>
<tr>
<td>2015</td>
<td>221.000</td>
<td>4800</td>
<td>300</td>
</tr>
<tr>
<td>2014</td>
<td>182.000</td>
<td>3300</td>
<td>180</td>
</tr>
</tbody>
</table>
HEROIN TRAFFICKING AND PRODUCTION

THE EU ILLEGAL HEROIN MARKET

- **OGs** - Turkish, Pakistani, Iranian and Albanian origin dominate the Heroin trafficking

- Europe is an important source of **Acetic Anhydride**

- **Heroin Labs** (!)

- Russian and Ukrainian heroin **markets** are larger than the EU one and their significance determine **trafficking routes**
HEROIN TRAFFICKING AND PRODUCTION
TRAFFICKING ROUTES FROM AFGHANISTAN

- **BALKAN ROUTE**: Iran → Turkey → Europe

- **NORTHERN ROUTE**: Central Asia & Russian Federation

- **SOUTHERN ROUTE**: known as south-ward (via Iran)

- **AFRICA**

  **Southern Caucasus region** as an alternative transit hub for the trafficking of large quantities of heroin from Iran via the Black Sea to the EU; mainly facilitated by members of Turkish-Iranians-Georgians OCGs.
HEROIN TRAFFICKING
THE NORTHERN ROUTE TO RUSSIA VIA CAR
• Large seizures in Caucasus show that there is the Caucasian Route - an alternative corridor smuggling drugs passing through Southern Caucasus, via Azerbaijan, Armenia, Georgia - Black sea and connecting to Balkan route

• In this context the Balkan and Caucasian routes gained new significance – trend is evidenced by large seizures; annual transit volume is estimated at 170 T
**Afghanistan** is the world`s largest illicit producer of opium and Europe`s main heroin supplier

To process opium into heroin, large quantities of precursor chemicals and additional chemicals are required.

All **acetic anhydride** has to be imported as there are no known production facilities and **no reported legitimate use of the chemical in Afghanistan**
Prices of best quality acetic anhydride in Afghanistan - 2016-2017

Source: UNODC World Drug Report 2017
**Modus operandi**

Acetic anhydride is diverted within the EU by various criminal groups from

- legitimate companies
- using false documentation and
- false companies
Heroin revival – latest trends

- Large heroin supply and seizures in the EU
- Increasing prevalence of Iranian / Turkish OCGs
- Iranian trucks via the Black Sea corridor and the Balkan route
- High price for Acetic Anhydride - significant increase in AA diversion in the EU - big multi-tonnes seizures across the Balkan region
- Several heroin laboratories in the Netherlands
The European market for synthetic drugs

Key issues:

- Highly dynamic, complex and developing market
- Organised crime and changing business models
- Problems associated with use (high-dose product, increased use of methamphetamine, changes in routes of administration)
- Illicit production and precursors
- Environmental impact – chemical waste dumping sites
- Trafficking within and outside the EU
Illicit production of synthetic drugs in Europe
Illicit production of synthetic drugs in the EU

The Netherlands and Belgium remain the key producers of synthetic drugs
- Small to mid-scale production in various European countries
- Vast majority of the EU production is destined for internal markets

Use of conversion laboratories to convert legitimate chemicals into precursors
- China remains the main source

Production in Africa and distribution via the European Union
- Methamphetamine
Where are synthetic drugs produced in the EU?

- **MDMA**
  - Netherlands and Belgium

- **Amphetamine**
  - Large-scale: Netherlands, Belgium
  - Mid-scale: Poland, Baltic states, Bulgaria
  - Smaller-scale: Germany, Turkey

- **Methamphetamine**
  - Czech Republic
  - Baltic States
  - Bulgaria
  - Netherlands (occasionally)

Note: Data reported to Europol by national authorities using the ERISSP tool.
Source: Europol.
Politie ontdekt speciaal geprepareerde bestelbus voor dumpen drugsafval in Moergestel.avi
New psychoactive substances identified — Europe, 2005–2017
Fentanyl – an epidemic in the making

- Availability of fentanyl and its derivatives (synthetic opioids) has increased significantly in recent years as a result of bulk production in China (main source country) and online sale

- Trafficking to the EU for distribution on Darknet markets

- Reports of serious harm, particularly acute poisonings often resulting in deaths have increased significantly

- Use of post and parcel services

- Significant single vendor impact
High potency products – reflection on seizures

New synthetic opioids and hallucinogens
Very small amount can produce many ‘doses’

HOW MUCH PURE DRUG IS NEEDED TO MAKE 10 000 DOSES?

Carfentanil 0.1 g
3-Methylfentanyl 2.5 g
25I-NBOMe 5 g
PB-22 100 g
Amphetamine 100 g
Cocaine 200 g
MDMA 750 g

European Monitoring Centre for Drugs and Drug Addiction
Fentanyl sold as, or mixed, with other drugs

- Reported in both North America & Europe
- Linked to deaths – but may go unobserved
- In EU: evidence to suggest sold as heroin, amphetamine, cocaine, and found in fake medicines (analgesics & benzodiazepines)
- Users at risk – though lack of tolerance, lack of access to naloxone, co consumption with other CNS depressants or consumption of larger doses etc.

Opioid sold as heroin (WEDINOS, March 2016)

Opioid sold as amphetamine (WEDINOS, July 2016)
Available in various forms

- Acryloylfentanyl as a case study
- Likely to increase risks of accidental exposure


Denmark May 2006

Slovenia August 2016

Finnland Sep.

Seizure of nasal sprays containing acryloylfentanyl (Swedish Police, 2016)
Europol’s support in JITs

• Advantages of a JIT & Terminology

• Principles of Europol’s participation in JITs

• Europol’s products and services applied to JITs

• Europol & Eurojust cooperation in JITs

• Financial support to JITs
Advantages of a JIT

• Information shared directly between JIT members without need for formal requests

• Ability to request investigative measures between team members directly, dispensing the need for MLA (including coercive measures)

• Members to be present at house searches, interviews etc. in all jurisdictions covered, helping to overcome i.e. language barriers
Advantages of a JIT

• Ability to coordinate efforts on the spot and for informal exchange of specialised knowledge

• Ability to build mutual trust between practitioners from different jurisdictions

• Ability for EP/EJ to be involved with direct support

• Ability to secure potential available funding
Principles of Europol’s participation in JITs

• “direct liaison” with other JIT team members and directly providing information from Europol’s databases to other team members

• Information obtained by EP official may be input in EP’s databases

• **No immunity** for EP official’s in a JIT

• Administrative implementation of EP official shall be laid down in a JIT arrangement
SUPPORT AVAILABLE from Europol & Eurojust

- Suitable Case for a JIT
- (Pre-)Drafting JIT Agreement
- Sharing of previous experience
- Funding of meetings
Europol assistance to JIT (1)

JIT preparation phase

• Identification of suitable investigation/s based upon information position, in particular when already related to project activity at Europol
• Provision of international strategic overview and operational analysis
• Operational meetings
• Identification of appropriate terms of support
• Assistance in drafting the formal agreement/OAP
• Close cooperation with Eurojust
JIT execution phase

- Providing a communication platform for information exchange, Europol Liaison Officer network and operational partners
- Provision of operational support (Mobile Office; on the spot assistance)
- Access to Europol Information System and Analysis System
- Provision of operational analysis support
- Financial support for investigations
- Logistical support (IT, language, meetings, etc.)
Europol assistance to JIT (3)

Expertise/Knowledge/Forensic Support

• Drug expert systems like the Ecstasy (EELS) and Cocaine Logo System (ECLS), the laboratory comparison system (EILCS) and laboratory dismantling including tactical advice
• Technical and forensic examination of counterfeit banknotes and payment cards plus illicit print shop dismantling including tactical advice
• Analysis of electronic data seized from computers, cell phones or skimming devices (eg UFED)
• Facilitation of cross-border criminal asset tracing and seizure (ECAB)
• Financial Criminal Information Centre (FCIC)
• Forensic investigation and on the spot assistance on Internet and high technology
Operational & Technical support

Technical support and advice given during the dismantling of drug production units/clandestine laboratory

Technical and expertise support during drug crime scene investigation and recovery of evidence
Example of investigative approach: Europol Illegal Laboratory Comparison System (EILCS)

- Database
  - Photos of equipment, materials and chemicals used in dismantled synthetic drug production units + chemical waste dumpsites
- Approx. 1400 locations and 180,000 photos
- Identifies the same equipment and chemicals seized in different production sites
  - For backtracking
  - Detection of new trends and developments
  - For targeting facilitators and higher level criminals
  - For forensic comparison
Equipment and Chemical Labels
Cooperation with Industry
EILCS – targeting facilitators
EILCS examples
New challenges

- Increasing organisational and technical complexity
- Specialisation of groups
- Globalisation and technology are accelerating the rate of change in the drug market
- Increasing role of the dark net
- New Psychoactive Substances represent a significant challenge at global level
- International carrier companies are increasingly abused
- The changing nature of the opioid problem – heroine revival

- Growing threat of synthetic opioids

- Cocaine availability is on the rise

- Cannabis: largest share of the illicit drug market

- NPS: now over 620

- Most sales on darknet markets are drug-related
Mid-term assessment of the EU Drugs Strategy 2013-2020 by RAND Co.:

A lot has been done – but clearly not enough.

Law enforcement cooperation appears to be improving but with no meaningful impact on the problem.

No signs of reduction in supply, no real increase in drug seizures, and the number of drug-related offences continue to increase.

Strategic challenge to change the old school dynamism and way of cooperation between EU law enforcement.

Need for more involvement of Europol in providing overall coordination and facilitation of cooperation through enhanced services and tools.
• **EU SOCTA 2017**: illicit drug supply is the largest criminal market in the EU; more than 1/3 of the identified criminal groups are involved in drug crimes (+/- 2000 groups);

• **Eurojust’s assessment 2014**: less than 2% of criminal assets are being seized in the EU MS;

• Synthetic drugs: increasing threat to public health;

• **On-line trade** of drugs is increasing;

• **EU Policy Cycle 2018-2021**: drug crimes are **priority**.
Fentanyl: Reducing the risk of occupational exposure in law enforcement personnel

READ ME FIRST

The fentanyl family of highly potent opioid drugs. While a small number of them are used as medicines, due to the psychoactive effects they cause, such as euphoria, they are also used as replacements for heroin and other illicit opioids.

Over the past few years there has been a significant increase in the availability of fentanyl on the drug market in Europe as a result of bulk production in China and their online sale. Reports of deaths involving drug users have also substantially increased. Typically, the fentanyl is sold openly as 'legal' replacements to illicit opioids, and, unknown to users, they are mixed with or sold as heroin and other illicit opioids. In some cases they are also used to make counterfeit (fake) medicines, and, to a lesser extent, mixed with or sold as other illicit drugs such as cocaine.

Due to their high potency, fentanyl can rapidly cause life-threatening poisoning (overdose) in users by blowing their...
Europol’s new drug strategy

- Establishment of **Operational Task Forces** in Europe to tackle current and emerging drug crime phenomena (e.g. the rise of fentanyl, with a specific focus on dark net sales)

- Other Task Forces to tackle the significant consignments of heroin and cocaine being targeted at Europe via specific trafficking corridors, and well established by organised criminal groups
Europol’s new drug strategy

- Key components include:
  - Financial intelligence/investigation, asset tracing and confiscation of proceeds of crime
  - Development and expansion of public – private partnerships (parcel – post / courier and internet providers, telecommunications industry)
  - Better cooperation between law enforcement
  - EU Drugs & Organised Crime Unit at Europol
Thank you for your attention!