



# UNODC

United Nations Office on Drugs and Crime



## Drug trafficking via the darknet

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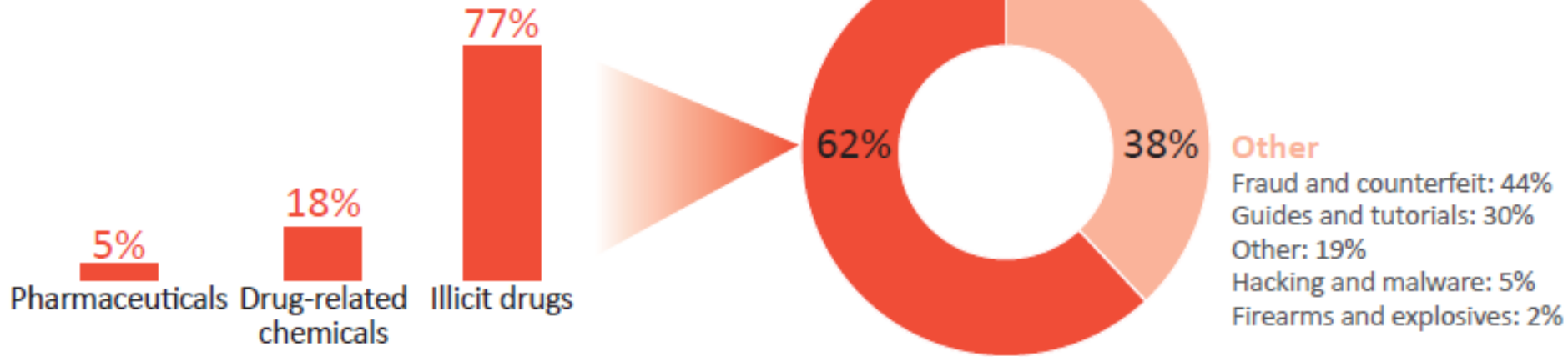
23 October 2018



- Identity of darknet users is hidden (TOR - “The Onion Router”)
  - Trading platforms where drugs can be purchased, alongside other commodities and services
  - Crypto-currencies, e.g. bitcoins (> 1,000)
  - Delivery by post or private parcel services
- 4-10% of the information on the ‘surface web’ vs. ‘hidden web’ (including the ‘darknet’) contains 90-96% of global information available on the Internet
- **drug trafficking**: the single most important illegal activity done via the darknet



## Importance of drugs and drug-related chemicals for the darknet (based on listings on the main darknet markets)

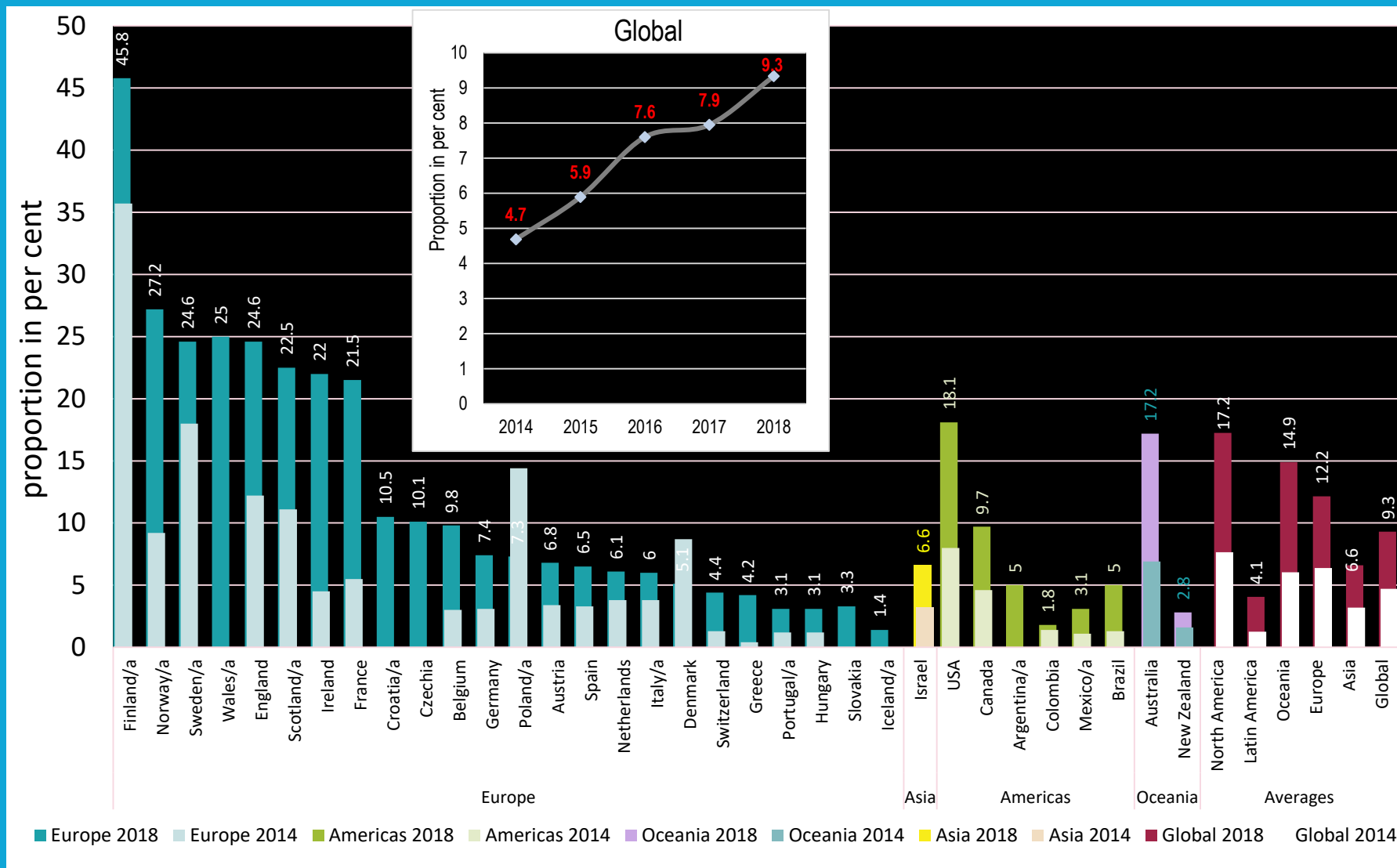


Source: EMCDDA and Europol, Drugs and the darknet, November 2017, p. 15.

Note: Based on active listings data from AlphaBay, Dream Market, Hansa, TradeRoute and Valhalla darknet marketplaces, spanning from the launch of each marketplace to 21 August 2017 (or market closure).

Source: EMCDDA/Europol, Drugs and the darknet, 2017

## Proportion of internet using drug users purchasing their drugs via the darknet, 2014 and 2018 (or latest year<sup>a</sup>)



a/ Closest year available used instead of 2014 or 2018. Source: Global Drug Survey (GDS)



**Anonymity**

**Lower threat to personal safety**

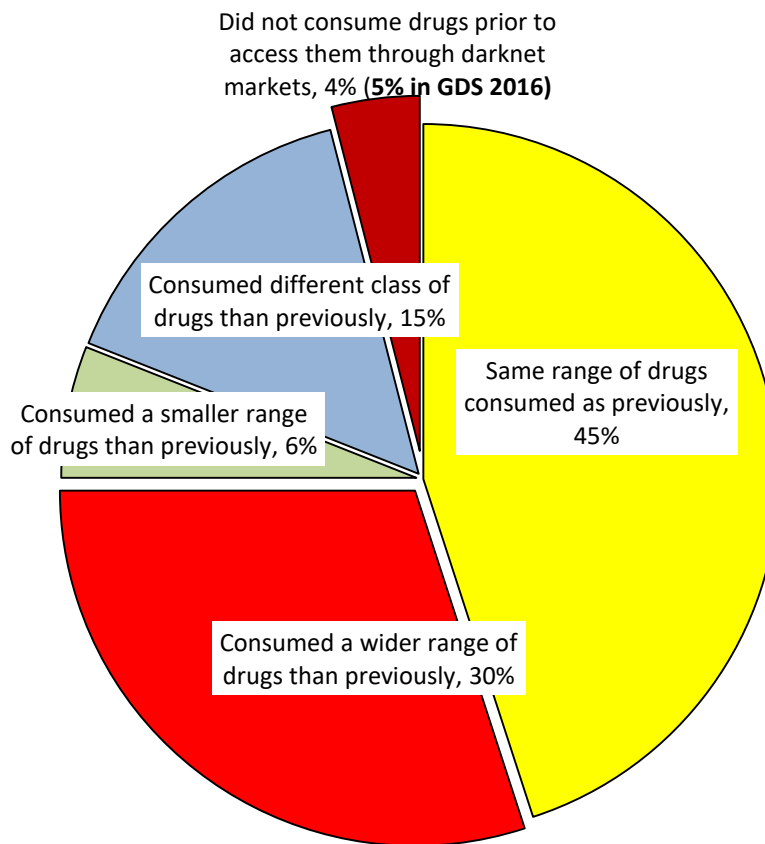
**Perceived better quality (less variability) and are more readily available**

**Perceived lower risk of arrest**

- Drug users ready to pay a *premium price* to buy drugs via the darknet
- But also **potential to attract new consumers** (well integrated into society)

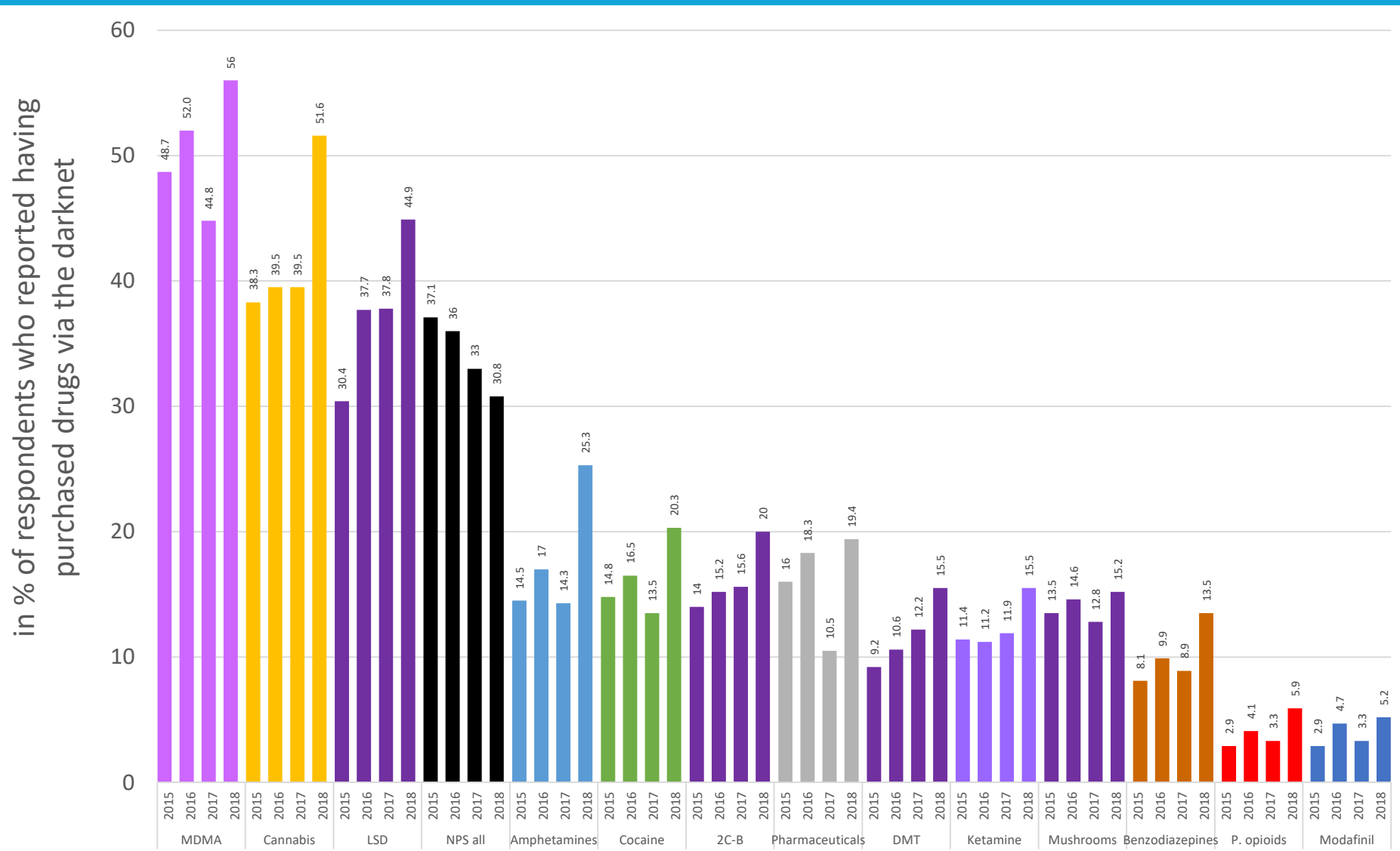


## Has accessing drugs through the darknet affected the range of drugs consumed?



Source: Global Drug Survey 2015

## Drug purchases via the darknet, 2015-2018



## Comparatively small revenues but fast increasing

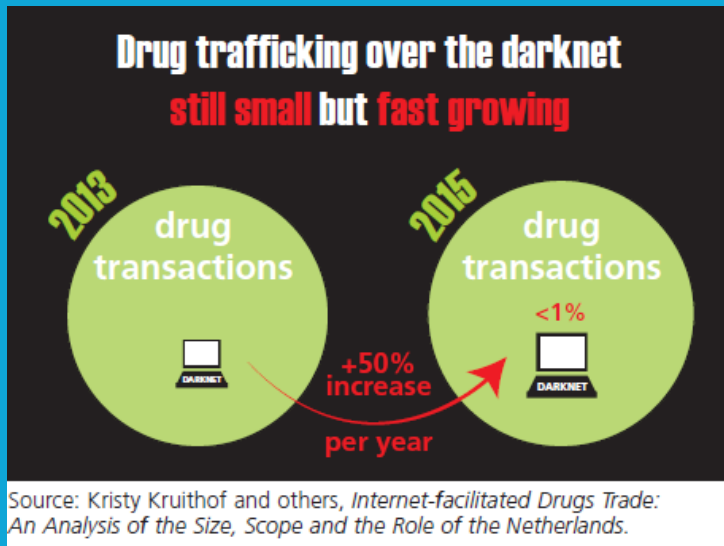
16 major darknet markets Nov. 2011-Feb. 2015  
(EMCDDA/Europol)

\$44 million per year

AlphaBay  
(EMCDDA/Europol)

Jan. 2015-July 2017

\$73 million per year



8 major darknet markets Jan. 2016 :  
\$170-\$300 million per year (RAND Europe)

→ equivalent to 0.1%-0.2% of US and EU  
retail drug market

Transactions rose 2.6 fold or 50% per year  
(Sept 2013 – Jan 2016)

Sources: EMCDDA/Europol, *Drugs and the darknet*, 2017; Rand Europe, *Internet-facilitated drugs trade* (data from 8 crypto-markets: AlphaBay, Cryptomarket, Dark, Dreammarket, French, Hansa, Nucleus, Python) using DATACRYPTO (web crawler/scrapper software); EMCDDA, 'European Drug Report. Trends and developments,' Lisbon 2016 and ONDCP, *What America's Users Spend on Illegal Drugs: 2000-2010*, Feb. 2014.



Estimated (conservative) retail value of the illicit drug market in the EU, 2013

Drug type	Annual (EUR)	Market share
Cocaine	€5.7bn	23%
Heroin	€6.8bn	28%
Amphetamines	€1.8bn	7%
Cannabis	€9.3bn	38%
Ecstasy	€0.7bn	3%
<b>Total</b>	<b>€24.3bn</b>	<b>100%</b>

\*Amphetamines and cocaine

Estimated retail value of the illicit drug market in the USA, 2010

	billion US\$	market share
Cannabis	41	38%
Cocaine	28	26%
Heroin	27	25%
Methamphetamine	13	12%
Total	109	100%
Range	69-171	
Other drugs	2 (in 2000)	<2%

Estimated minimum past month revenues from eight crypto-markets, Jan. 2016

	Revenues in last month	%
Cannabis	\$4,436,803	31%
Stimulants*	\$3,461,023	24%
Ecstasy-type	\$2,262,850	16%
Prescription	\$2,185,147	15%
Psychedelics	\$1,020,059	7%
Opioids	\$751,021	5%
Other drugs	\$71,457	1%
	\$2,683	<1%
<b>Total</b>	<b>\$14,194,043</b>	<b>100%</b>

Source: RAND Europe.

## Darknet

- Over-representation of **ecstasy**
- Under-representation of **heroin**



## Practical challenges

technical equipment

combination of expertise in internet/darknet and drug markets

## Legal challenges

responsible jurisdiction

sharing of information

under-cover agents

use of 'malware'

prevent destruction of digital evidence

access to user accounts

use of accounts of former drug vendors

secrecy of mail

seize bitcoins

react fast and cooperate effectively



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**THANK YOU  
FOR YOUR ATTENTION**



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