



DARKNET DRUG MARKETS

# AN EXECUTIVE SUMMARY

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The reality of drug markets can be viewed as a continuum that is more varied than commonly assumed. It is therefore fruitful to revisit some drug market stereotypes. Strongly hierarchical drug markets are rather atypical for drug markets. Drug markets more often take the form of horizontal structures that consist of a wide range of individuals who move freely across the supply chain. Additionally, with regard to the persons involved, it is important to remember that offenders are not outsiders. They are part of society and transcend all demographics and their role in the drug trade is often easily fitted in their everyday (conventional) lives.

The criminal business process behind darknet drug markets roughly consists of the four consecutive steps of (1) setting up a marketplace, (2) running a marketplace, (3) selling drugs and (4) shipping drugs. Several players, from a developer and a managing administrator to a moderator who helps with maintenance and supporting customers, are involved in setting up and running a marketplace.

In so far as the actual selling of drugs is concerned, the main motives of vendors to sell drugs on darknet markets are the stability of the business channel and the lack of physical contact. The online vendor is less dependent on social network connections than an offline trader, however a good reputation remains important, because the buyer not only functions as a customer, but also provides feedback on the purchases made. This feedback, which often forms part of discussions on forums, is one of the elements that influence the purchase decision of a buyer. Additionally, research stresses the importance of trust between vendors and buyers on darknet drug markets.

In a final step, the drugs need to be shipped. This involves a transition from online to offline activities, as the actual purchased goods need to change hands from vendor to buyer. Before transportation, the suspicious physical appearance of drugs needs to be concealed. To do this, drug traders can rely on several suppliers of legal goods and services, such as a company that supplies envelopes for stealth packaging. Online sales and transportation via postal and parcel services are inseparably linked. Facilitating the illegal trade, public or private postal and parcel services and legal and illegal courier services carry out the actual delivery.

After having described the overall picture and criminal business process of darknet drug markets, the next step is to identify promising possibilities for preventative actions. A barrier model is a method of mapping a complex form of crime in a transparent manner. It identifies the steps criminals have to take to be able to commit a crime, as well as which parties and opportunities are involved. By creating a barrier model, it is possible to determine what barriers can be set up by public and private partners to effectively disrupt the work of the criminals.

**1. SETTING UP MARKETPLACE****2. RUNNING MARKETPLACE****Facilitators**

Developers  
Administrator  
Internet Service Providers

Administrators  
Moderator  
Web designer

**Opportunities**

TOR encryption software  
Decentralised markets

TOR encryption software  
Virtual offender convergence setting

**Signals**

Lifestyle mismatching income

Lifestyle mismatching income

**Partners**

Internet Service Providers

Internet Service Providers  
White hats

**Barriers**

Scientific research

3. SELLING DRUGS		4. SHIPPING DRUGS	
	<p>Moderator Vendors Buyers Cryptocurrency exchangers</p>		<p>Supplier of stealth packaging (Il)legal courier services Public postal services Private parcel delivery services Food delivery services Encrypted communication services</p>
	<p>TOR encryption software Freely accessible Culture of trust Community Prohibition of drugs</p>		<p>Sophisticated concealment Increase of parcel shipment</p>
	<p>Lifestyle mismatching income</p>		<p>Frequent ordering of consignments Modified delivery vans Increased use of bitcoin ATMs</p>
	<p>(Cryptocurrency exchangers)</p>		<p>Supplier of stealth packaging Legal courier services Public postal services Private parcel delivery services Food delivery services Customs</p>
	<p>Proactive online investigations Continuous observations</p>		<p>Educate law enforcement, customs and postal services Extend competences of postal services Inform and call-to-action of - courier and food delivery companies - social media and encrypted communication companies - stealth packaging companies - internet service providers Implement licensing regulations</p>

After applying this method to darknet drug markets, there are two domains of action and two target groups that appear to be promising in the prevention of and fight against the illegal trade in synthetic drugs through darknet drug markets.

**1. To enhance the capacities of government authorities in order to increase chances of detection**

- Create a legal framework that allows law enforcement to proactively investigate online
- Build an up-to-date body of knowledge based on continuous observations on darknet drug markets
- Educate law enforcement, customs and postal services about the latest developments
- Extend the competences of postal services to intercept and inspect suspicious items
- Encourage further scientific research into drug sources, links to offline markets, illicit money flows and the roles of organised crime in relation to darknet drug markets

**2. To engage suppliers of legal goods and services in setting up barriers that impede the criminal business process**

- Inform and call courier and food delivery companies to action concerning their role in delivering drug packages to their final destination
- Inform and call social media and encrypted communication companies to action concerning their role in facilitating communication and the coordination of the shipment of drug packages to their final destination
- Inform and call stealth packaging companies to action concerning their role in concealing drug packages so they can pass through customs and other checkpoints
- Inform and call internet service providers to action concerning their role in hosting darknet drug markets
- Implement licensing regulations applicable to suppliers of legal goods and services who consciously contribute to the criminal process