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Drug Cartels and their Links with European Organised Crime

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Introduction

Drug cartels are criminal organizations developed with the primary purpose of promoting and controlling drug trafficking operations. They range from loosely managed agreements among various drug traffickers to formalized commercial enterprises. The term was applied when the largest trafficking organizations reached an agreement to coordinate the production and distribution of drug. Since that agreement was broken up, drug cartels are no longer actually cartels, but the term stuck and it is now popularly used to refer to any criminal narcotics related organization, such as those in Colombia, Guatemala, Honduras, El Salvador, Trinidad and Tobago, Jamaica, Dominican Republic, Mexico, Afghanistan, and Pakistan. Some cartels are establishing themselves in the U.S.

Groups involved in drug trafficking to the EU cooperate with one another, sharing loads to spread both risk and costs, and with groups engaged in other activities in order to facilitate activity and to maximise profits. Cocaine is supplied to groups engaged in Trafficking in Human Beings (THB) for sexual exploitation to ensure victim compliance, while stolen vehicles are used to transport and distribute cannabis. Enhanced cooperation levels have also given rise to a barter market, in which consignments of drugs and their precursors are exchanged for stolen property, firearms and, indeed, other drugs, intensifying an informal economy which makes organised crime even less visible. The prominence of cash couriers as a means of remitting proceeds is likely also to reflect attempts at evading digital surveillance and financial transfer thresholds.

Some drug trafficking networks handle their proceeds as an illicit commodity, stockpiling cash for gradual investment, concealing cash in vehicles, and using fast launches to conduct financial transfers, while others rent out their cash couriers to other criminal groups, thereby formalising this part of the criminal business process.

Latin American Cartels (LAC) and their links within the European countries

Latin American organised crime (LA-OC) groups active in the EU are known to be engaged in crimes against property, including armed robbery and fraud, trafficking in human beings, counterfeiting of documents and Euro banknotes, extortion, kidnapping, the arms trade and money laundering . However, the principal activity in which these LA OC groups are engaged, and the one which has the greatest impact upon the security situation in the EU, is the trafficking of illegal substances, most notably the trafficking of cocaine.

Latin American organised crime groups are engaged in criminal activities affecting Member States in the EU. They have their largest impact through the trafficking of cocaine. Latin American organised crime groups dominate the supply of the drug to the European market and have settled in various EU Member States to organise and facilitate operations.

- Colombian, Peruvian and Bolivian organised crime groups, and paramilitary and terrorist groups, control cocaine the production and trade
- The symbiotic relationship between guerrilla groups and the drug industry makes it impossible to address the one without the other
- Colombian criminal groups dominate the large scale importation of cocaine into the EU, forging alliances with other OC groups operating in Europe
- Europe is the second largest market for cocaine, with more than 4 million users

Colombian criminal groups dominate the large scale importation of cocaine into the EU. Compared with the US market, they see Europe as posing a lower risk from law enforcement action and offering greater profit margins. Colombians forge alliances with other OC groups operating in Europe, and it is common for South Americans to be directly involved even in local criminal organisations as lynch pins with suppliers in cocaine producing countries, or representatives operating in transit countries. Some members of Latin American crime groups have established permanent residency in the EU, for instance in Spain or Portugal, where they run commercial enterprises such as bars, discotheques, restaurants, real estate agencies and car rental companies.

LA OC groups who have settled in Spain may choose to assimilate completely and use the country as a base of operations. These groups often include Spanish nationals. Other groups operating autonomously on Spanish territory may nevertheless keep strong attachments to their country of origin (mainly Colombia) and criminal organisations active there. These groups also often include Spanish nationals. Other LA OC groups operating in Spain do so directly from Latin America. More than half of these are active in narcotics trafficking, and almost exclusively cocaine. An estimated 70 percent of all LA OC groups with links in Spain are comprised of Spanish and Latin American nationals in equal quantities.

Regarding Spanish nationals in LA OC groups are observed to have responsibility for logistics, concealment activities and the provision of legitimate employment to divert the attention of law enforcement from activities concerned with cocaine trafficking and the trafficking of human beings. Collaboration between LA OC groups and local groups is rare. The majority of LA OC groups operating in Spain have a life cycle of less than three years, before police intervention seriously disrupts or puts an end to their activities. Less than half the number of LA OC groups under investigation in 2009 was still active by the end of the year. Latin American nationals arrested in Spain in 2009 for involvement in LA OC group activities represented around 15 percent of all suspects placed in custody. These included nationals from the Andean region and known transit countries, but also other countries: Colombia (50 percent), the Dominican Republic (9,7 percent), Argentina (6,5 percent), Brazil (6 percent), Peru (5 percent), Ecuador (4 percent), Venezuela (3,6 percent), Bolivia (2,8 percent), Paraguay (2 percent) and others (10,4 percent).

The trafficking of cocaine is a problem which impacts on every EU Member State. The proliferation of banned psychotropic drugs is a worldwide phenomenon. Every EU Member State is confronted with both the use of illegal substances and transnational organised crime activity in the supply chain, from production areas to the EU, through the involvement of LAC organised crime groups.

Concerted law enforcement efforts to combat cocaine production and trafficking in Colombia in recent years have displaced some cocaine processing activity to border areas of Venezuela. Most of the laboratories in Venezuela are used in the final stage of cocaine hydrochloride production, and are also involved in significant levels of cocaine processing. In addition, small fields of coca leaf have been identified near some laboratory sites, indicating a possible intention to develop a combined cultivation and cocaine hydrochloride production capability. There is also evidence of limited but increasing production in Ecuador along the border with Colombia. As more pressure is placed on traffickers in Colombia and elsewhere, it is likely that cultivation and production will continue to be displaced to other South American countries.

Spanish and Portuguese criminal groups continue to be the chief partners of Latin American organised crime groups trafficking cocaine to the EU, but organised crime groups in other Member States have joined in the trade. This makes the picture of Latin American organised crime involvement in cocaine trafficking in Member States country specific.

Cocaine is transported from the drug producing countries in Latin America to the EU by sea and by air. West African countries play a prominent role as transit countries. Consequently, the involvement of West African criminal groups in the trafficking of cocaine has increased. Both Latin American and European nationals are involved in trafficking activities operating from within West African countries. Cocaine increasingly enters the EU via Eastern European harbours and airports, to be further transported to Western European countries, which until now have been the main consumers.

The modus operandi chosen to successfully transport cocaine across the Atlantic Ocean are diverse and adapted continuously to avoid detection by law enforcement. Despite the arrests made each year and the seizures of sometimes substantial shipments, efforts to reduce the volume of cocaine on the EU market have not proven to be particularly effective over the years.

Real successes in the fight against Latin American organised crime activities in the trafficking of cocaine will only be achieved in conjunction with measures to effectively reduce the demand for the drug in Member States of the EU. In the meantime, increased inter agency cooperation would help to improve the amount of intelligence on LA OC groups and how they operate, a lack of which currently hampers effective pro-active and repressive law enforcement action.

Mexican cartels have gone global

Mexico's drug cartels may have found a new route through the English port city of Liverpool for smuggling South American cocaine into Britain and the rest of Europe, working closely with local gangs to distribute the drug. The English port city has become an alternative to smuggling routes in West Africa, previously the main entry point for cocaine into Europe, that are now being heavily patrolled. Mexico's Sinaloa and Los Zetas cartels dominate cocaine smuggling from South America into Europe via ports in Venezuela. The Mexican cartels have cut deals with gangsters in Liverpool who transport the drugs to other key places in the EU.

The smuggling route through the Iberian Peninsula has become too risky at this time and the alternative route via Africa has been targeted by authorities, forcing the cartels to move their operations north to England, that's why Liverpool's port is becoming a hub for cocaine trafficking. The huge volume of container shipping that makes the Mersey one of the "busiest thoroughfares" in the world.

It is important to underline that the Mexicans are shifting their operations. Mainly the cartels are beginning to traffic to the UK, but also Spain. The cocaine is in containers and the main port of entry is Liverpool. Also, the new routes and tendencies in cocaine smuggling through the EU ports sparked a war between rival gangs.

Sinaloa cartel members and their links with Spain: (open sources)

Spanish police working with the FBI have recently halted an attempt by a major Mexican drug smuggling and distribution ring to establish a European operation. Four suspected Sinaloa cartel members, including an alleged cousin of the group's notorious leader, have been arrested in Madrid.

The cartel wanted to make Spain a gateway for operations in Europe, even carrying out test runs using shipping containers without drugs. But investigators managed to monitor many of the group's activities and intercepted a container carrying 373 kilograms of cocaine in late July before moving in to make the arrests.

Jesus Gutierrez Guzman, Rafael Humberto Celaya Valenzuela, Samuel Zazueta Valenzuela and Jesus Gonzalo Palazuelos Soto were arrested near their hotels in the Spanish capital. Jesus Gutierrez Guzman is alleged to be the cousin of Joaquin Archivaldo Guzman, known as "El Chapo," the leader of the cartel and Mexico's most wanted man. Since escaping prison in 2001, Joaquin Archivaldo Guzman has run the Sinaloa cartel, one of Mexico's two most powerful drug organizations, from a series of hideouts and safe houses across Mexico.

This OCG has earned billions of dollars moving tons of cocaine and other drugs north to the United States. In recent months, the Sinaloa cartel and its allies have been waging a brutal war against the paramilitary Zetas cartel across Mexico, often carrying out mass killings that have left hundreds of dismembered bodies dumped in public places.

LAC OCG in Italy

The Sicilian port city of Palermo has for centuries been an entry point for goods – both legal and illegal – coming into Europe, recently is used by Mexico's ruthless drug cartels as a conduit to bring drugs to the European market. A 10-year investigation by Italian authorities earlier this year revealed ties between Italian groups and Mexican drug traffickers to move shipments of cocaine across the Atlantic Ocean. Mexican cartels are expanding their reach across the Atlantic as the Colombian drug trafficking organizations and have slowly been phased out of the trade. The Italian-Mexican connection is clear and demonstrates the degree to which Mexico has become a vital actor not merely in the U.S. cocaine supply chain, but in the global drug trade.

Also, with a kilogram of cocaine estimated at over \$63,000 in Italy, compared to the average price of between \$28,000 and \$38,000 in New York, the cartels see Europe as a lucrative and untapped market.

The U.S. Drug Enforcement Agency (DEA) recently announced documented links between Mexican cartels and criminal groups in Mozambique, the Democratic Republic of the Congo, Ghana, and Nigeria. The Sinaloa Cartel is also known to have ties not only in Europe but throughout Latin America, Africa, Asia and Australia, where a booming trade has developed in the country's cities.

The European cocaine demand, which has risen dramatically in the last decade, paired with burgeoning trafficking routes through West Africa and Europe, has allowed Italian organized crime groups to comfortably climb in bed with the Mexican cartels.

The role of West Africa

West Africa has become a major trans-shipment platform for cocaine trafficking because of its strategic location between Latin America and markets in the EU, its fertile economic and political environment for managing trafficking activities and the absence of government effectiveness and the rule of law. West African criminals are not only facilitating the trafficking of cocaine towards the EU, but actively participating as both contributors and competitors.

The route via Africa has quickly evolved into a major path for cocaine destined for European and expanding African markets. West Africa has become an important transshipment platform for cocaine trafficking, due to its strategic location between Latin America and markets in the EU and its fertile environment for managing trafficking activities. Cocaine trafficking between West Africa and Europe is facilitated by historical ties: Ghana and Nigeria with the UK, Côte d'Ivoire with France and Cape Verde with Portugal.

West Africa's role as a platform for cocaine trafficking is significant, even though 2008 and 2009 saw a decline in such activity. This may reflect heightened international awareness of the threat of cocaine trafficking via West Africa, political developments in the area (which may stimulate OC activity but also impact on OC's perception of the area as safe), or breaches of trust between Latin American and African traffickers.

Cocaine entry points in the EU

Balkan and Eastern European countries have become additional stops on trafficking routes for cocaine destined for the EU.

The Iberian Peninsula (Spain and Portugal) is considered the main entry point for cocaine into the EU. However, cocaine enters the EU also via other countries, in particular Belgium, France, Italy, the Netherlands and the UK, from which it is further distributed to other EU Member States or retailed for local consumption. More recently countries in the Balkans and Eastern Europe (where cocaine consumption is lower than in West-European countries) have become stops on trafficking routes for Latin American cocaine destined for the EU. Criminal groups active in the Balkans and Eastern European countries make use of long established trafficking routes which have traditionally facilitated the trafficking of other commodities, including cannabis, cigarettes, heroin, and human beings.

The North East criminal hub in and around the Baltic countries is used for the ultimate distribution of drugs in the Nordic countries. Cocaine shipments, mainly from Ecuador and Colombia, transit Latvia en route to destinations in Scandinavia and Russia. The arrest in Ecuador in May 2009 (as part of operation 'Baltic Strike') of the leader and several accomplices of a Latvian organised crime group, on suspicion of organising the shipment of approximately 4000 kg of cocaine from Ecuador to the EU, serves as an illustration of the relevance of Latvia in cocaine trafficking to the EU and links between Latvian and Latin American traffickers.

European organised crime groups involved in the trafficking of cocaine

- European OC groups engaged in the trafficking of cocaine are often of mixed composition and include South or Central American nationals

- A number of European OC groups are engaged in end-to-end trafficking from source to destination
- European OC groups are represented in both drug production and transit countries

Spanish and Portuguese criminal groups continue to be the main partners of Latin American criminal groups trafficking cocaine to the EU. Other OC groups, however, have also played a part in this lucrative trade. Criminal groups involved in international cocaine trafficking are becoming increasingly diverse, are engaged in fluid cooperation structures and employ variable key members and specialists. This makes the picture volatile, complex and country specific.

OC groups active in cocaine trafficking in EU Member States are often of mixed composition, incorporating one or more South or Central Americans with contacts in cocaine producing countries. These contacts, however, could also be established and maintained by local criminals visiting producing countries. There are increasing indications that criminal groups with links to cocaine trafficking elsewhere within or outside the EU are becoming active in trafficking towards the EU. Those involved are typically West Africans and Eastern Europeans. Some Balkan crime groups have sourced cocaine from South America, including from Argentina and Brazil. These Balkan crime groups are believed to supply cocaine to Turkish crime groups in exchange for heroin. Some Turkish organised criminals, a number of whom are involved in heroin trafficking, also have the ability to source cocaine directly from South America to supply Europe and the UK. Italian organised crime groups also have established a strong position in the trafficking of cocaine towards the EU. Intelligence and investigative activities have revealed that the 'Ndrangheta has established direct relationships with Colombian traffickers and developed contacts with other domestic and international OC groups, with a view to establishing temporary forms of association which will in time be capable of handling drug supply, storage and sale. In addition, the Camorra controls their own supply channels and trafficking networks, including operational bases in Spain and other EU Member States such as the Netherlands. British traffickers are increasingly travelling to meet Colombian groups in their home country to source cheaper cocaine, giving them greater control of shipments and profits, albeit with higher transportation costs and greater risk of detection.

The outlaw motorcycle gangs (OMCGs), Hells Angels and Bandidos, are represented with chapters in Denmark, as they are in several South American countries. In Denmark these gangs are heavily involved in organised crime, especially the import and distribution of illegal drugs. They are believed to be connected to large quantity imports of cocaine from South America, through Spain and the Netherlands to Denmark.

The UK says that overall the traditional distinction between international importers and UK-based wholesale suppliers is becoming blurred, with some of the latter travelling to mainland Europe to arrange their own importations. The scale, spread and fragmented nature of the drug trade allows a large number of organised criminals, and also those at a lower level, to operate successfully and make considerable profits. However, it also makes it difficult to acquire and then maintain a full and detailed understanding of how each aspect of the trade works and what the overall picture looks like. British organised criminals, some based overseas, are active at all levels of the UK drugs trade, from importation to street-level distribution. Some of the more significant ones deal directly with suppliers in source countries. Time spent in prison presents criminals with opportunities to form associations, including with those who provide access to overseas supplier networks.

Key points about drug trafficking

Diversification – increasing poly-drug distribution, and a plethora of new routes

- Container shipments a prominent transport method
- Expansion of the Western Balkans as a transit and logistical hub
- South East Europe at the convergence of Balkan and Black Sea routes
- North West hub remains a key EU distribution centre
- Possible links between cocaine trafficking and terrorist activity
- Emergence of 65 new synthetic drugs in the last two years
- Prominence of West African, Albanian speaking and Lithuanian groups, and Outlaw
- Motorcycle Gangs (OMCGs).

Key future issues

Development of an Eastern Mediterranean Sea Route (Suez Canal-Black Sea-Odessa) is possible on the basis of identified traffic to the Mediterranean via Suez, a burgeoning Black Sea heroin route, and cocaine transport to the Black Sea ports.

Whilst trafficking via West Africa seems to have been somewhat curtailed by law enforcement activity in 2009, political instability in countries such as Côte d'Ivoire may prove fertile ground for further organised crime infiltration in the longer term, reinforcing the region's role as a hub for cocaine transit to the EU.

Cocaine supply to and via the EU is likely to be affected by the continued growth of consumption in the Russian Federation and Asia. Wholesale prices in these markets in 2008 were more than double those recorded in Europe. Should this marked contrast persist, diversion of cocaine to more lucrative markets may result in more sustained shortages in the EU. In turn this is likely to prompt a further surge in the consumption of synthetic stimulants. A further expansion of large scale indoor cannabis cultivation in the EU is anticipated.