

Illegal drug markets in Sweden

A study of smuggling, street dealing, internet sales and buyers

**The Swedish National Council for Crime Prevention (Brå) -
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English summary of Brå report 2021:10

Summary

This report is based on a study of illegal drug markets in Sweden that was conducted by the Swedish National Council for Crime Prevention (Brå) on behalf of the Swedish government. Brå's investigation provides a broad picture of actors and organisational forms involved in drug trafficking – ranging from smuggling to distribution, street dealing, internet sales and buyers in different markets.

Methods and material

The report is based on a review of intelligence documents and preliminary investigations regarding illegal drug trafficking, as well as interviews with actors in the illegal drug market (mainly dealers, smugglers and distributors), experts and officials from the Swedish Police Authority, Swedish Customs and the Social Services, including handlers.¹ Brå has also processed and analysed quantitative information from the police's intelligence mappings of Darknet² buyers, sales numbers on Darknet, and mappings of where street markets are situated.

Three overall changes in Swedish illegal drug markets

The report shows that the trade in narcotics has changed since Brå's last studies of the illegal market (Brå 2005:12, Brå 2007:4, Brå 2007:7). Three overall changes have been identified. The first change concerns drug smuggling to Sweden.

This study shows that the contacts between Swedish criminal networks and actors in other countries have, in recent years, been facilitated by new organisational patterns. Smuggling has been streamlined due to the relocation of Swedish organisers in key transit countries. The drug supply chain has been shortened, and the opportunity to import narcotics is open to a broader range of criminal networks than before. Larger consignments are being imported – mainly with the help of legal companies working in the freight industry.

The second important change concerns an increasing ambition among criminal networks to control local street markets in certain suburban areas. Previously, such territorial claims were regarded as unusual. Today, however, they have both a practical and symbolic significance. The competition for

¹ Handlers are police officers who work in the Swedish Police Authority's and Swedish Customs' intelligence departments. Their role is to obtain information from criminal sources.

² Darknet is a part of internet that can be accessed via specific encrypted security solutions. For a more detailed description, see the *Sales via the internet* section.

“ownership” of certain streets and locations entails a greater level of conflict, and networks in major towns expanding and dispersing their activities to other locations in Sweden.

The final change concerns the accessibility for buyers. New online sales platforms have been established (on Darknet and open internet sites), while social media and encrypted apps have simplified customer recruitment and marketing for street dealers. Certain delivery methods have become more common in recent years, such as home delivery and postal delivery. These delivery methods and sales forms enable people – without prior contacts with dealers – to buy illegal drugs without being detected by the judicial system.

The basis of Brå’s assessment of these overall changes is presented below.

Several actors control the drug distribution chain

The study shows that more smuggling networks, than before control the entire drug supply chain. Around 87 actors have been identified in Brå’s review of the intelligence and investigation material. The capacity of the actors to smuggle narcotics varies according to a number of criteria, including level of organisation, capacity for violence, breadth of the contact network, and how many parts of the distribution chain they exert control over.

The actors involved in smuggling are part of either fragmented or consolidated drug supply chains. The fragmented chains include several different actors that specialise in different elements – either smuggling, distribution or selling to customers. A consolidated chain, on the other hand, consists of a single criminal network that is responsible for the smuggling as well as the distribution and dealing in different areas in Sweden. The narcotic actors, police officers and customs officials interviewed state that such consolidated chains are more common now than they were before. Among those who strive to control the entire distribution chain, two criminal networks stand out – Swedish networks based in suburban districts and international networks with relocated members established in Sweden.

Smuggling facilitated by Swedish relocated organisers

One of the reasons that an increasing number of criminal networks are able to control the entire drug supply chain is the development of transnational organisational structures. In recent years, a greater number of Swedish criminals have become established as organisers in European transit countries (primarily Spain and the Netherlands) and in countries where drugs are produced. The main transit countries have areas that can be characterised as ‘hubs’ – international trading locations where large consignments of illegal drugs are brought in, stored and sold on. According to the narcotics

distributors, customs officials and police officers interviewed, these Swedish organisations purchase large quantities of cannabis, cocaine, amphetamines and narcotics-classified pharmaceuticals on behalf of criminal networks in Sweden, and coordinate the transportation to Sweden. The use of legal companies in the freight industry (trucks and containers) is a recurring phenomenon.

A smuggling operator's capacity to import large amounts of illegal drugs to Sweden is of key importance to their status within Swedish criminal environments. Networks that have their own associated organisers present in other countries have a higher ranking and have better business opportunities in Sweden. Contacts and collaboration between leading individuals within the criminal environments are extensive. Encrypted communication devices play a key role in the process. The ability to make payments for consignments outside of the conventional financial system (for example, by exploiting currency exchange agencies, informal payment providers, and transactions in cryptocurrencies) is another important requirement.

Online sales constitute a small part of the entire market

The report presents different measurements that can be used to estimate the total supply of illegal drugs sales in Sweden – the development of pricing trends, confiscation of narcotics by the judicial system, intelligence mappings, reported cases of the illegal production of narcotics, and investigations concerning the number of users of narcotics in Sweden. Together, these provide a rough estimate of the size of the illegal drug market and its development over time. Several indicators suggest an increase in the supply of narcotics in Sweden during the past ten years.

Internet sales have become established in Sweden during the past decade. Internet selling involves the placing of orders for drugs on the internet, which are then delivered by the postal service. One important requirement for selling via the internet is that postal workers do not have the right to notify crime-fighting authorities if consignments of narcotics are discovered in domestic post.

Internet sales constitutes a relatively small part of the total market (between 3 and 14%) – it is, however, a growing market. On the dominant Swedish-language trading site on the Darknet, the turnover has increased by 675 per cent – from SEK 4 million per month in September 2014 to SEK 31 million per month in July 2020. The number of sellers has not increased to the same extent. The average annual turnover per seller has therefore increased from around SEK 600,000 (2014) to SEK 1.9 million (2020).

Drug trafficking in different parts of the country

One of Brå's assignments was, according to the commission from the government, to analyse the organisation of open street sales and internet sales. The concept of open street sales refers to drug trafficking at locations which are well known as sites where new buyers can find vendors. Brå's study of these phenomena was restricted to a) open street sales in socially vulnerable areas³, and b) Darknet marketplaces.

A geographical analysis shows that street sales and purchases via the Darknet occur in different locations around the country. In southern Sweden, and in Skåne in particular, there are considerably more identified locations with open street sales than in northern parts of Sweden – both in terms of quantity and per capita. The number of Darknet buyers is overrepresented in northern Sweden in relation to the size of the population. The report also shows that many Darknet buyers live in areas of student housing in university towns, both in northern and southern Sweden.

The geographical patterns presumably reflect the market relationship between supply and demand. In southern Sweden, there is a greater supply of narcotics, and the prices are generally lower. A vast majority of the locations for open street sales identified are found in the vicinity of key border crossings for smuggling traffic, in areas with several competing criminal networks, and in close proximity to a larger customer base in metropolitan areas. In northern Sweden, drug prices are higher, the geographical distances are greater, and the access to illegal drugs is more limited. These circumstances may be some of the factors that incite people in the north of Sweden to place their orders for illegal drugs on Darknet marketplaces.

Drug phone dealing accounts for the majority of sales

The report presents information on how open streets sales in socially vulnerable areas, as with other forms of drug dealing in these areas, is organised and carried out. One general conclusion is that street dealing presumably accounts for a smaller part of the market in socially vulnerable areas. According to the sellers and distributors of narcotics interviewed for this study, most transactions are initiated through contacts in mobile phones and encrypted apps – not on the street. In the report, this form of selling is referred to as drug phone dealing. This type of dealing targets customers both in the actual residential area and in other locations. Drug phone delivery services include meeting the customers at pre-arranged locations and home deliveries.

³ The classification of socially vulnerable areas is performed by the Swedish Police Authority, and is based on an assessment of an area's socio-economic status and criminals' impact on the local community (Noa 2017, 2019).

For the dealers, the choice of sales form (street dealing or drug phone dealing) depends on their level of establishment in the market. Young and unestablished vendors may start their career on the streets, but with the aim of gaining contact with customers and pursuing further sales over the phone. When a fair amount of customers has been recruited, the street dealer can turn to drug phone dealing. Another way to recruit new customers is via activity on social media platforms. Some drug dealers interviewed by Brå describe the recruitment of customers in several arenas simultaneously as hard work. Others said that the customer base expands organically – meaning that existing customers will always introduce new customers.

Both street dealing and drug phone dealing entail long, stressful days and a lot of work, according to interviewees. Established dealers can, however, turn their phones off at a certain time of the evening, and only sell to reliable customers. The most established dealers may also rent out or sell their mobile phones. A drug phone containing many and reliable contact details may be worth between SEK 50,000 and SEK 500,000. For this reason, drug phones can be stolen or represent a source of conflict.

Control of local markets

The report shows that the drug trafficking in socially vulnerable areas is often ‘controlled’ by criminal networks that claim to ‘own’ that area. Control of the area is established by means of various types of crime. Many of the networks identified in Brå’s review of the intelligence and interview material may be described as multicriminal. In addition to drug trafficking offences, around one third of the cases reviewed also involved suspected weapons offences, violent crime, murder/attempted murder, extortion, theft, robbery, money laundering, perverting the course of justice and/or the smuggling of other goods.

Interview data reveals that the sale of narcotics in socially vulnerable areas is often conditional on the dealer buying and selling drugs that are supplied or sanctioned by the dominant criminal network in the area in question. This involves the narcotics that the network itself has imported into Sweden or that are bought from distributors based in Sweden. If narcotics are acquired in other ways, compensation is often paid to the leading individuals in the dominant network. In return, dealers are often provided with a certain degree of protection and assistance in the resolution of conflicts.

The system resembles a franchise agreement, whereby individual entrepreneurs pay a certain sum and must follow the rules in order to open a store and sell the brand’s products. Different types of illegal drugs are regulated to different extents. Cocaine and cannabis are clearly regulated, according to several of the interviewees. Narcotics-classified pharmaceuticals and ecstasy can, however, often be sold without demands for compensation.

The strategic importance of ‘owned’ locations

The report shows that a network’s ability to control locations in socially vulnerable areas plays an important role in several parts of the drug distribution chain – the smuggling, the distribution, the storage and the selling. People associated with networks with large capacity for intimidation⁴ can deal and store drugs relatively openly and accessibly, without risk of being robbed or being reported by the public to the police. Having control of the sale of narcotics results in there being relatively secure outlets for the importing and purchasing of large consignments of narcotics. The visible dealing contributes in turn to signalling the network’s presence within the area. It is seen as representing both a shop window for the customers and a manifestation of strength towards competing groups and the local community.

Some areas are considered to have stable conditions for dominance, whilst others are characterised by recurring conflicts over power and territory. Several of the interviewees – both perpetrators and police officers – estimate that the control over different areas has tended to change more rapidly during recent years. The report shows that there are different perceptions of whether or not the increasing number of shootings in Sweden has been caused by the desire to seize control of local drug markets. Several of the perpetrators interviewed contend that the conflicts cannot be described as a battle over narcotics and money – according to them, since there are enough customers for everybody. According to them, an overriding pursuit of power and the decreasing use of the resolution of conflict via mediation are the cause of the gun violence. The dealers and drug distributors interviewed state that violence is now used at an earlier stage of the conflicts, and that this is due to a greater number of unstructured networks based in suburban districts are becoming involved in drug trafficking. In addition, some actors have limited capacity when it comes to distributing drugs outside their own area. It therefore becomes important for them to ‘own’ their area in order to be able to conduct business. The significance of these locations as a brand for the criminal networks may also aggravate the conflicts.

The competition for locations may also result in an increase in other types of crime in the area (robbery, thefts and extortion), as well as networks in the major towns dispersing their activities to other locations in Sweden. Towns in northern Sweden are cited as new attractive markets for networks that are based in Stockholm, Gothenburg or Malmö. Collaboration and contacts are therefore just as important as violence and conflict in order for narcotics businesses to expand.

⁴ Capacity for intimidation concerns how afraid members of the public are of specific individuals or criminal networks (Brå 2016:12).

Different conditions online

Brå's study shows that the conditions for online markets differ from those that apply in socially vulnerable areas. The internet market is built on established and personally unidentifiable payment and review systems, instead of street capital and enforced collection of payments. The dealers remain anonymous to the buyers, and compete for customers through service, quality and price. Administrators on Darknet platforms request a certain percentage of the transactions, may forbid the sale of certain preparations, and do not allow advertising for other websites. Within this framework, dealers are free to decide how and to whom they sell their narcotics.

The study shows that internet dealers tend to be established on several digital platforms simultaneously (Darknet, open websites, forums, social media and encrypted apps). Similarly to street dealers, they also invest in service, customer relations and security measures. The dealers interviewed state that they strived to run sales on their internet accounts as a business. Most of the dealers who feature in the reviewed police investigations and court rulings do not have direct links to criminal environments. One reason for this is differences in the drug supply chain. A considerable part of the narcotics that are sold on Swedish websites have probably been purchased from international Darknet websites – and not from Swedish distributors and criminal networks.

The online dealers often work alone, or with the help of a few close associates. It is likely that significantly more internet sellers are women, compared to street dealers. There are however indications that the internet market is undergoing a process of increased professionalisation. The small-scale dealers have encountered competition from better organised criminal networks.

The Darknet marketplaces also function as a wholesale market for established distributors and street sellers. Brå's study shows that the prices of almost all types of narcotics are lower on the dominant Swedish Darknet site Flugsvamp. Several of the street dealers interviewed state that they have made purchases on the Darknet in order to supplement their own stock. Most purchases made on the Darknet, however, concern smaller volumes that are bought by the consumers.

Different customer groups?

The range of illegal drugs that are available and sold vary between the different markets. On the illegal drug market as a whole, it is obvious that cannabis sales have the biggest turnover. Brå's processing of data from Darknet sales, however, shows that classified pharmaceuticals were the

preparations that sold the most, and ecstasy accounted for a greater share of sales than cocaine and heroin combined. On the basis of these differences, we have examined whether the Darknet market has a different customer base than the street market. A population of 10,477 identified Darknet buyers (identified during the years 2014–2018) has been compared to all 41,177 people who were suspected of minor drug offences (personal use or possession) during 2018.

The analysis shows that most Darknet buyers were men (85 and 84%, respectively), and three quarters were aged between 20 and 39 years. A significantly higher share of the Darknet buyers had a Swedish background (87%), compared with those suspected of minor drug offences (59%).⁵ Almost all of the Darknet buyers identified (96%) had Swedish citizenship, whilst one in five of the suspects did not have Swedish citizenship.

As a whole, those suspected of minor drug offences had poorer socio-economic conditions than those identified as Darknet buyers. However, both groups lived under poorer conditions than the population as a whole. A larger share of the Darknet buyers identified had an annual income that exceeds the national average, compared to the drug suspects. Around 68 per cent of the Darknet buyers (in the age range 25–64 years) had been in gainful employment during 2018, compared to 59 per cent of the drug suspects. Darknet buyers generally had a higher level of education than those suspected of minor drug offences. Around 25 per cent of them had commenced education at university level, compared to 9 per cent of the narcotics suspects. Of the suspects of minor drug offences, 38 per cent only had primary school level education. A considerably greater proportion of the suspects had also been suspected of other offences.

These differences can be interpreted as an indicator that different markets have, to some extent, different customers. Online platforms may to a larger extent attract customers that prefer other types of drugs and who have an interest in the technological security solutions. The results can, however, also be interpreted in line with an assumption that the suspects of minor drug offences and the Darknet buyers belong to the same broad customer group. The differences between the two populations, however, show which buyers are most often detected and investigated by the judicial system – individuals with a lower level of education, with lower income, with a lower level of involvement in employment, education or training, and with a non-Swedish background, and those who are involved in other forms of crime. The Darknet buyers have only been observed in conjunction with intelligence

⁵ Swedish background here refers to a person who was born in Sweden, with at least one Swedish-born parent. A person with a non-Swedish background is a person who was not born in Sweden, or who was born in Sweden but with two non-Swedish-born parents.

mappings, and were not therefore (in contrast to the drug suspects) detected as part of a criminal investigation. One possible conclusion is that the identified Darknet buyers may be closer to being a representative cross-section of those who buy illegal drugs in Sweden today than those who are detected and prosecuted by the judicial system.

Brå's assessment

Brå's commission also includes to "propose how measures taken by the judicial system and the community could be strengthened in order to reduce access to narcotics". The report presents proposed measures relating to digital communication, smuggling, the criminal controlling of areas, and the long-term provision of knowledge. Below follows a brief description of some of these proposals.

Digital communication

The novel forms of communication technologies are of key importance to all forms of the narcotics trade. Many dealers sell drugs in several arenas simultaneously, and encrypted apps are a common tool. Brå therefore advocates training initiatives for the local police areas concerning how evidence can be sought on different digital platforms.

Mobiles and other digital devices that are confiscated by the police and customs services are often password-protected. The information on these devices can only be accessed by unlocking them, which is expensive. Each local police area is therefore allocated a fixed number of licences, which give them the right to order a certain quantity of unlockings of password-protected devices per year. In several of the police investigations studied, telephones and computers had not been examined, due to the lack of resources. Since the investigation must demonstrate an intention to transfer ownership of the narcotics to a buyer, the level of suspicion might not exceed that of possession when a mobile remains locked. More licences for the local police areas to unlock storage devices could therefore represent an important contribution to the investigation stage.

The Act regarding Secret Reading of Data (prop. 2019/20:64, SFS 2020:62) provides Swedish Customs and the Swedish Police Authority with the possibility to, in real time, access encrypted data and traffic to digital devices within the framework of a police investigation or intelligence operation that concerns a crime for which the minimum punishment is 2 years' imprisonment. This means that, under certain circumstances, the authorities can document communication in the encrypted apps that are frequently used in drug trafficking, as well as in online sales and street markets. This legislation is time-restricted, and is due for evaluation by 2025.

The Act regarding Secret Reading of Data may only be used against individuals whose identities have been established. It is not appropriate for use in intelligence mappings and cases in which the authorities have reason to suspect serious crime, but where the only name available is an alias. Neither do the current regulations enable reading communication for the purpose of conducting intelligence mappings in encrypted networks, such as Encrochat, Anom or Sky ECC. The Swedish government has passed a committee directive (Ministry of Justice 2021a) for an investigation that will include an analysis of the conditions for the storage and collection of data from tech companies that provide encrypted chat tools (such as WhatsApp and Messenger)⁶. Brå considers the coming investigation and evaluation to be important, and states that the above-mentioned challenges should be taken into account within the framework of this work.

Smuggling

One precondition for the illegal trade in narcotics is that large volumes can be transported into Sweden across the national border. It is therefore of key importance that there are improvements in the conditions for Swedish Customs to work against this transnational crime by means of strengthened border protection and collaboration with the police. The opportunity for Swedish Customs and the Police Authority to gain insight into parts of the drug supply chain that precede crossing the borders to Sweden is dependent on access to information about the actions of Swedish and non-Swedish perpetrators in other countries. The establishment of more liaison officers in key transit and production countries could be one way to improve the level of knowledge.

Brå's study shows that it is not uncommon that networks involved in importing and smuggling also control the street dealing in socially vulnerable areas. The investigation and intelligence work is, however, divided between two different authorities, whose work focuses on different parts of the distribution chain. A continual exchange and increased sharing of information – primarily between Swedish Customs and the Swedish Police Authority's national department for operations (Noa) – should increase the opportunity for them to combine forces in order to tackle key criminal networks. Brå therefore suggests that new structures for continual cooperation and the exchanging of intelligence information relating to narcotics should be considered.

This report also shows that certain currency exchange agencies and informal payment providers are exploited in drug trades and in transactions between criminals. It could therefore be justified to make it easier for the Financial Supervisory Authority to conduct unannounced inspections at these agencies.

⁶ The directive uses the term "number-independent interpersonal communication services".

Today, a stronger degree of suspicion is required in order for the Financial Supervisory Authority to be able to conduct pre-announced inspections, and there is no possibility of conducting unannounced checks. Brå therefore advocates that additional authorisations for the Financial Supervisory Authority should be considered.

Criminal-controlled markets

The report shows that a key part of the drug trafficking is based in residential areas that are characterised by economic segregation, social problems and security problems. A significant part of the distribution is concentrated in these areas, although the actual dealing is considerably more widespread. These circumstances indicate that broader initiatives may need to be adopted in order to tackle the drug trade in vulnerable residential areas. Brå emphasises the importance of an increased police presence that is guided by distinct strategies. At a local level, there are variations in the extent and expression of the problems. This report has, for example, shown that there are large differences between southern and northern Sweden. In order to be able to formulate effective measures, it is therefore of key importance to produce local analyses and mappings (Brå 2018), which can often require specialist skills. Information sharing between intelligence agencies, police regions and local police areas could be of particular significance in areas dominated by groups that are based in, or have strong links to, criminal networks in other parts of the country.

It is also important that people involved in illegal drug trafficking are given opportunities to leave the trade. The study shows that the absence of alternatives and the continual cycle of debts and payments are considered to be significant factors in locking people in the market. The question of whether there should be a national responsibility with regard to initiatives to help people to extricate themselves from criminal networks and profitable crime is currently under preparation, including identifying the forms that such responsibility might take. Brå would particularly like to emphasise the importance of allocating sufficient resources to the municipalities' social initiative groups to facilitate defection among young people, in accordance with knowledge-based approaches (National Board of Health and Welfare 2020).

Long-term provision of knowledge

Brå also stresses that it is important that the Swedish Police Authority allocates sufficient resources for the mapping of online sales and places for street dealing to ensure that development over time and differences that exist within the country can be examined. Brå also suggests that the Public Health Agency considers including questions about how narcotics are acquired in the existing self-reporting surveys or in special studies, within the framework

of the assignment to review existing and new data sources (Ministry of Health and Social Affairs 2021). Knowledge of the relative proportions of customers that buy drugs from a street dealer and those that acquire drugs in different ways could also represent an important contribution to the authorities' analyses and prioritisations, as well as information on whether contact was initiated on social media, on the Darknet or on the street.