HEROIN IMPORTATION AND HIGHER LEVEL DRUG DEALING IN AUSTRALIA

OPPORTUNISTIC ENTREPRENEURIALISM

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of the Degree of Doctor of Philosophy

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ABSTRACT

This thesis investigates the behavioural and interactive elements of heroin importation behaviour. Almost all heroin consumed in Australia is imported. Thus the people who conduct the importing and their behavioural characteristics are an important point of focus. The thesis argues too little is known of illegal drug importation and higher level drug deal offending beyond stereotypes and that the lack of publicly available, independent research means there is ill-informed public and political debate and a very narrow evidence-base on which policy and strategy can be based.

Review of available literature led to identification of a number of gaps in knowledge about heroin importation offending and these provided a framework for the focus of investigations. The thesis uses data triangulation to increase the validity of the findings. The findings are based on agency data and semi-structured interviews with informants in Australia, Thailand and Hong Kong. The characteristics of offenders detected importing heavy weights of heroin are contrasted with those importing lighter weights.

A number of understandings arise from the findings including some that are supported by other research. As well there are a number of new findings which challenge current concepts and stereotypes and have implications for policy and strategy aimed at supply reduction.

KEYWORDS

DECLARATION

This is to certify that:

(i) the thesis comprises only my original work towards the PhD,

(ii) due acknowledgment has been made in the text to all other material used, and

(iii) the thesis is less than 100,000 words in length, exclusive of tables, graphs, bibliographies and appendices.

Signed . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
Lorraine Rose Beyer

This version of the thesis has had data from incarcerated heroin importer interviewees deleted. This was at the request of the National Drug Law Enforcement Research Fund of the Australasian Centre for Policing Research, who funded the interviews as a separate study. This means that the present thesis can now be freely accessed.
ACKNOWLEDGEMENTS

Undertaking a thesis on this subject was never going to be easy and there are many people who helped to turn it from an interesting idea into a reality. Firstly I would like to thank Professor Nick Crofts who was then Director of the Centre for Harm Reduction at the Burnet Institute. Nothing seems impossible to Nick and he gave me encouragement when the idea was in its infancy. Thanks to my supervisor Dr Steve James who has always had faith in my ability to get things done and see them through. Although not my first choice of topic for a doctoral thesis Steve thought I could do it and spurred me on providing encouragement and a sympathetic ear along the way.

I would like to thank Australian Customs who saw value in the thesis and provided access to their detection data. I would also like to thank the following agencies who also provided assistance: Australian Federal Police; Australian Crime Commission; Commonwealth Department of Health and Aged Care; Commonwealth Department of Public Prosecutions, New South Wales; Hong Kong Customs and Excise Department; Hong Kong Police Force; Office of the Narcotics Control Board, Thailand; Royal Thai Customs; Royal Thai Police Force; United Nations International Drug Control Program (Thailand); and the University of Hong Kong.

Many people gave up their valuable time to participate in interviews and I thank each of them very much. There was considerable interest in the research from the interviewees and a willingness by all of them to help improve understandings in this area of criminological research. Many interviewees were especially keen to help because they wanted the thesis to clarify the many pervasive misunderstandings and inaccuracies that exist around the offending.
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Finally I would like to thank my husband Peter. His unwavering support made undertaking this doctoral degree so much easier than it might have been. Thanks also to my children Maxine and Russell who had to hold the fort while mum was away and accommodate a mum whose mind was elsewhere – especially during the last three months of writing.
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<th>Description</th>
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<tbody>
<tr>
<td>ABCI</td>
<td>Australian Bureau of Criminal Intelligence</td>
</tr>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
</tr>
<tr>
<td>ACS</td>
<td>Australian Customs Service</td>
</tr>
<tr>
<td>ACC</td>
<td>Australian Crime Commission</td>
</tr>
<tr>
<td>AFP</td>
<td>Australian Federal Police</td>
</tr>
<tr>
<td>ANAO</td>
<td>Australian National Audit Office</td>
</tr>
<tr>
<td>AUSTRAC</td>
<td>Australian Transaction Reports and Analysis Centre</td>
</tr>
<tr>
<td>FATF</td>
<td>Financial Action Task Force</td>
</tr>
<tr>
<td>FTR</td>
<td>Financial Transaction Reports Act 1988</td>
</tr>
<tr>
<td>HI</td>
<td>Indicates a quote is from a Heroin Importer interviewee</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>Human Immunodeficiency Virus/Acquired Immune Deficiency</td>
</tr>
<tr>
<td>IDU</td>
<td>Injecting Drug Users</td>
</tr>
<tr>
<td>LE</td>
<td>Indicates a quote is from a Law Enforcement interviewee</td>
</tr>
<tr>
<td>MHI</td>
<td>Major Heroin Importer Cohort (import 5kg or more of heroin)</td>
</tr>
<tr>
<td>MIN</td>
<td>Master Index Number</td>
</tr>
<tr>
<td>NCA</td>
<td>National Crime Authority</td>
</tr>
<tr>
<td>NDLERF</td>
<td>National Drug Law Enforcement Research Fund</td>
</tr>
<tr>
<td>NSB</td>
<td>Narcotics Suppression Bureau</td>
</tr>
<tr>
<td>NSW</td>
<td>New South Wales</td>
</tr>
<tr>
<td>NT</td>
<td>Northern Territory</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>ONCB</td>
<td>Office of the Narcotics Control Board</td>
</tr>
<tr>
<td>OHI</td>
<td>Other Heroin Importer Cohort (import less than 5kg of heroin)</td>
</tr>
<tr>
<td>QLD</td>
<td>Queensland</td>
</tr>
<tr>
<td>SA</td>
<td>South Australia</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Scientists</td>
</tr>
<tr>
<td>TAS</td>
<td>Tasmania</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNDCP</td>
<td>United Nations International Drug Control Programme</td>
</tr>
<tr>
<td>VIC</td>
<td>Victoria</td>
</tr>
<tr>
<td>WA</td>
<td>Western Australia</td>
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The Harvard system of referencing has been used throughout.

CHAPTER ONE: INTRODUCTION

Context

On the television news law enforcement officers can be seen posing before bricks of heroin stacked on tables – their various agency logos are prominently displayed. Another seizure of heroin has been achieved and we are told heroin supplies to Australia have been significantly disrupted. Very occasionally in such reports we might see a glimpse of the offenders – usually handcuffed, grimy and cowed and Asian in appearance. Besides these occasional glimpses into illegal drug importation offending though, what is really known about the offence of heroin importation and what is known about the individuals who commit these offences? The answer is very, very little. Almost exclusively what is available for public consumption is the sensational and stereotypical foci presented in the media and which in Australia, has stood in place of tested knowledge in the public arena.

Australia’s drug policy operates under a prohibitionist regime that complies in broad terms with the relevant United Nations declarations and conventions. The efficacy of a prohibition policy is contestable and many have argued that it is the illegal status of drugs rather than the drugs themselves that has caused the most harm. This thesis however is not designed as a critique of prohibitionist policies. Rather the thesis will identify and discuss the characteristics and behaviours associated with the phenomena of heroin import offending and stripped of its (usual) moralistic and sensationalist overlays. The thesis does this through an impartial and pragmatic investigation of available data and the experiences of individuals who have been able to observe the phenomena at close quarters. The findings are discussed in terms of current understandings developed from other research and through the knowledge that underpins operationalisation of Australia’s anti drug trafficking regime.
Heroin importation is a particularly complex offence. Its counteraction requires inter-country and inter-agency cooperation at a number of levels. Additionally the offending itself may be multi-layered and involve a wide range of activities - grow, manufacture, package, transport, import and distribute - requiring various degrees of skill. Various too are the motivations of the different players – grower or financier, economic survival or political and financial power. For farmers opium crops may provide a subsistence or supplementary income in areas where opportunities may be extremely limited. For others the illegal drug trade may be about power or maintenance of a lavish lifestyle or it may be about paying debts.

Throughout the late 1980s and 1990s heroin has been the illegal drug most visible on the streets and most topical in the media in Australia and has generated enormous concern in the Australian community. Estimates of cost to Australia of illegal drugs in terms of health, social welfare and criminal justice as well as the associated losses in productivity and costs of criminal activity, is considerable. Estimates are in excess of $AU6 billion per annum (Collins and Lapsley 2002). Offshore too heroin is problematic for Australia because its production has implications for the prosperity and economic and political stability of a number of neighbouring countries.

**Rationale**

Almost all heroin consumed in Australia is imported. As such heroin must cross the Australian border before reaching consumers (Australian Bureau of Criminal Intelligence 2002). This and the fact that it is at the border where greatest supply reduction outcomes are obtained (see Table 1), means the Australian border is a most important point of focus for the supply reduction efforts of law enforcement in Australia. As can be seen in Table 1 number of Commonwealth and Australian Customs Service (Customs) seizures of heroin are very low in comparison to state and territory police – only 0.5% to 0.03%. However they have accounted for approximately 70% of the total weight of heroin seized across Australia annually. Average weight of heroin for state and territory seizures is approximately 10 – 20 grams – varying across years, while average weight per seizure for Australian
Federal Police (AFP) (excluding heroin detected by Customs) varies between 600 - 5,800 grams per seizure. Customs detections – which are made most usually at the Australian border - yield the most heroin per seizure, averaging 4,800 and 20,300 grams per detection. (Note that often Customs and Federal Police work together in detections, particularly those that are detected in transit to Australia. These statistics show the importance of a focus on detections prior to or at the Australian border. They also illustrate how difficult detection of heroin is once it has successfully crossed the border and entered the domestic market.

### Table 1 Average Weight per Seizure, by Agency and Year

<table>
<thead>
<tr>
<th>Year</th>
<th>State and Territory law enforcement agencies</th>
<th>Commonwealth law enforcement agencies (excluding Customs)</th>
<th>Australian Customs Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N of detections</td>
<td>Total weight (kgs)</td>
<td>Av. weight per detection</td>
</tr>
<tr>
<td>1997/98</td>
<td>6,851</td>
<td>103</td>
<td>0.015 kg</td>
</tr>
<tr>
<td>1998/99</td>
<td>8,966</td>
<td>180</td>
<td>0.022 kg</td>
</tr>
<tr>
<td>1999/00</td>
<td>**</td>
<td>-</td>
<td>0.022 kg</td>
</tr>
<tr>
<td>2000/01</td>
<td>2,651</td>
<td>248</td>
<td>0.011 kg</td>
</tr>
<tr>
<td>2001/02</td>
<td>1,194</td>
<td>57</td>
<td>0.055 kg</td>
</tr>
</tbody>
</table>

Sources: Australian Bureau of Criminal Intelligence Illicit Drug Reports, Australian Federal Police Annual Reports and Customs Statistical Bulletins.

*One seizure in 1998/99 of 390 kilograms represents 77% of Customs seizures and one seizure in 2001/02 of 379 kilograms represents 90% of Customs seizures in those respective years.

**State seizures are not reported separately by ABCI in this year.

Some figures vary between different agencies’ reports and counting methodologies may vary between agencies and years. Thus this table is a guide only.

Within Australia there is high government priority on the problem of illegal drugs and consequently considerable support for research. This has resulted in a growing body of research-based literature on illegal drug use and illegal drug markets generally. However, while drug research has flourished very little in Australia or anywhere in the world, has focussed on illegal drug importers and higher level drug dealers. Even less has focused specifically on heroin. Two comprehensive national and international drug literature searches found that the majority of Australian drug literature published in peer-reviewed journals was concerned with investigating the extent, harms and patterns of alcohol and other drug use. Almost no research has been published in the areas of criminal justice and in comparison to alcohol and poly-drug use, very little drug-specific research.

had been conducted in Australia. While 46% of publications focused on alcohol and 22% on poly-drug/non specific drugs, only 5% (twenty publications) were concerned specifically with heroin (National Drug Research Strategy Committee 1999). Similarly, a study conducted by the Macfarlane Burnet Centre as part of its comprehensive examination of illegal drugs in the context of ethnic backgrounds, found little research into heroin importation and wholesale distribution and none specific to Australia (Beyer and Reid 2000).

Internationally there have been only a handful of studies that have investigated the higher end of the drug chain and in Australia only two related studies have been conducted (Ovenden, Loxley and McDonald 1995; Beyer 2004). The absence of independent research and academic inquiry for illegal drug importation offending appears paradoxical in the context of extensive other illegal drug research, and statistics that point to importation being where greatest leverage occurs for government’s supply reduction efforts. While focus at the user end of the drug chain reflects the strong government priority on harm minimisation this focus seems to have excluded research at the importation and higher level dealing end of the drug chain and issues related specifically to supply reduction.

While operational and intelligence information exists internally within Australia’s law enforcement agencies, reports are most often given a security rating that precludes access by the public. What data is publicly reported is primarily to do with the logistical aspects of the importation – weights and value of drugs seized, production methods, routes and geography, drug purity, concealment and transport methods. Law enforcement annual reports and reported information provided to bodies such as the former Australian Bureau of Criminal Intelligence (ABCI, now part of the Australian Crime Commission) reveal the extent of this focus. The mechanics of the offending are important but they represent only part of the picture.

While there has been some focus on ethnic background of offenders by law enforcement little other characteristic data has been reported. With the exception of some information on convicted individuals shown in the former National
Crime Authority (NCA) Annual Reports, publicly available information about numbers or characteristics of import offenders is virtually non-existent. Arrested and, or convicted drug importation offenders are reported within the ‘provider’ statistical category together with the much more numerous street level sellers. Thus subsumed, they are invisible.

Lack of publicly reported data about illegal drug importation offending may perhaps be related to the fact that there are no universally agreed or consistent working definitions or predetermined sets of characteristics or criteria for high level or major illegal drug offenders, or for organised crime. General definitions are in place where targeting of ‘high level’ and ‘organised crime’ is a high priority or a fundamental objective of an agency or branch. Surprisingly however there appears at agency level to be few attempts to systematically rate or categorise complexity or sophistication of organisation(s) or roles or status of the various offenders in the offence and thus assess extent to which agency objectives are met. For example, a poorly educated petty criminal who has been hired on a per day basis to unload a load of heroin and who has no knowledge outside this role, may be described as a ‘high level’ importer on the basis of being involved with a large quantity of heroin. Should such a person be considered a high-level import offender? Such issues and definitions do not appear to be clearly established.

A late 20th Century maxim has been that law enforcement practice and policy should be based on evidence – that is “evidence-based policing”. As is the case for other criminal offending it is essential that not only are aspects of the offence itself examined, but so too the characteristics of the individuals committing the offences. Knowing the initiations, motivations and circumstances by which people become involved in importation of illegal commodities and knowing what types of people may be more susceptible to involvement would assist in more accurately targeting preventive and deterrent programs. Such information also has policy and practice implications for detection.

Government and agency statistics and operational intelligence data cannot take the place of independent research that can examine the myriad complex
behavioural and organisational issues surrounding heroin importation offending and which can give insight and understandings to what is a very complex offence. Presently, in the absence of a developing body of knowledge into illegal drug importing and other high level drug offending it is difficult to assess whether Australia’s current understandings and responses remain in step with, or are the most effective responses to changes in the offending environment.

It is the contention of this author that it is not possible to understand, develop or rationally debate policy and practice about illegal drug importation without publicly available information and independent research. It will be argued that the secrecy that continues to obscure heroin importation and other illegal drug importation offending is counter-productive to the agencies and the Australian community and not reasonable in a climate of transparent government, performance based assessments and evidence based policy and practice.

The political and economic environment in which illegal drug importation offending has occurred has been relatively static throughout the 1970s and 1980s. However, enormous changes in political, trade and economic environments have occurred during the 1990s and these continue to evolve at a rapid pace. International borders and economies have been redefined, trade patterns changed and technology, methods of transport, communication and finance have been revolutionised by digital technology. It is thus very important to re-examine and if necessary reconstruct our understanding of the complex cross-border trade in illegal drugs. It may be that traditional law enforcement approaches may need to be rethought or it may be that current strategies are still appropriate.

**Research Questions**

This thesis has taken up the challenge of untangling some of the complexities of heroin importation offending and describing the characteristics and behaviours of Australia’s major heroin importers and issues surrounding the offending. The research has focused on the organisational, humanistic and behavioural aspects of heroin import offending. The current thesis will assist to fill a significant gap in
knowledge about the nature and dynamics of heroin importation offending. Examination of available literature has helped to identify themes and specific gaps in knowledge that will be used to develop the conceptual framework of the research. The three themes to be examined are:

1. Offender Characteristics;
2. Organisational Characteristics; and
3. Perceptions and Behaviours (i) Focus on Importers and (ii) Focus on Law Enforcement.

More specifically the thesis will identify: the nature of relationships between the offenders; the various roles involved in the offending; size and sophistication of the organisation; level of violence; cultural backgrounds and networks of offenders; perceptions of risk of detection; and the characteristics of those detected and those who remain out of reach of law enforcement. Findings are discussed in terms of how they compare with other research findings and what the results may mean for policy and responses to this most difficult and complex of offences.

Note that the original version of this thesis contrasted the findings from law enforcement interviews with findings from interviews with incarcerated import offenders. Offender data was collected with funding from the National Drug Law Enforcement Research Fund and permission to use it in the present thesis was denied and has thus been removed.

**How the Research Questions will be Answered**

The investigation commences with an examination of existing literature up to a cut off point of 2002. This process helped identify themes and gaps in knowledge and assisted formation of the conceptual framework for the study and focus areas for investigation.

Data triangulation has been used to maximise the validity of the findings. Three sources of data have been used to explore the research questions.
1. Data collections of the Australian Customs Service for heroin importers detected between 1990 and 1999. These were divided into two cohorts – one of individuals detected importing five kilograms or more of heroin into New South Wales (NSW), and the other of individuals detected importing quantities of heroin less than five kilograms Australia-wide;
2. Semi-structured interview data from highly placed narcotics and drug law enforcement personnel in Australia and in the traditionally connected countries of Hong Kong and Thailand.

**How the Thesis is Constructed**

The present chapter has outlined why heroin importation offending is a particularly important area for independent study at this historical point and in the wake of enormous changes that have occurred globally over the previous decade, including reconfiguration of international boundaries, shifts in countries’ politics, developments in global trade, and developments technology and so on.

The thesis continues in Chapter Two with a description of the international and national context in which heroin importation occurs. It does this by providing background information on the regional drug trade and the market in Australia. Australia’s response to illegal drug offending is discussed and an outline of the agencies tasked to responding to the offending is given.

Chapter Three identifies and discusses relevant literature up to the cut off date of 2002. Literature sources sought to inform and guide this thesis are those that have focused on the social and organisational aspects of illegal drug importation offending and on the characteristics of the individuals involved. This leads to identification of a number of gaps in knowledge and a number of themes and focus areas for exploration. Chapter Four, the Methodology Chapter, describes the data collection and analysis and outlines some of the difficulties that were overcome in order to conduct a thesis in this difficult field of inquiry.

Chapter Five, Six and Seven report the Findings. Each chapter focuses on one of the three themes identified from the literature review: 1) Characteristics of Heroin
Importers 2) Organisational Characteristics; and 3) Perceptions and Behaviours. Chapter Five reports the demographics, ethnic backgrounds and lawful business and work backgrounds of heroin importers. Chapter Six Identification of the organisational characteristics of Australian heroin importers. Chapter Seven looks at behaviours and perceptions of law enforcement personnel. The findings are very dense. However in Chapter Eight they become more refined during the course of the discussion within the context of other research and understandings. Chapter Nine concludes the thesis with identification of a number of specific conclusions reached on the basis of the findings and in light of their implications in the context of current understandings.

**Conclusion**

For many reasons, it is essential that the offence of illegal drug importation is examined and understood. A generally defined and generally understood problem is difficult if not impossible to address effectively. A problem examined from a range of different perspectives and which has been teased apart and its component parts and complexities segmented and defined would be expected to enhance the success of strategies designed to counteract the offending and to improve the ‘evidence base’ for policy makers.

When the problem and all its component parts are more clearly understood through the application of rigorous research - additional to agency ‘intelligence’, political rhetoric and media speculation - decisions about the best ways to respond may be more apparent and broader based solutions more confidently attempted.

The present thesis provides a clear, broad knowledge base about Australia’s heroin importers that will establish a basis for further work in the field. It is hoped the findings will generate debate and stimulate further research in the area to assist our better understanding of the offending and of the most efficacious ways to respond. In sum the author provides knowledge and insights into heroin import offending in Australia from a variety of different perspectives and
cultures. The author demonstrates that research independent of law enforcement may be usefully conducted into illegal drug import offending without jeopardising law enforcement operations or national security.

The thesis will argue that rather, independent inquiry is an essential adjunct to law enforcement-generated intelligence and knowledge in the construct of the problem, in its measurement and in the development of most appropriate policy and practice to achieve the desired outcomes. The next chapter provides some background information, much of which has contributed to current understandings of the offence of heroin importation.
CHAPTER TWO: BACKGROUND

This chapter provides background information to the offence of heroin importation and law enforcement responses to it. The chapter includes a description of the international and national contexts in which heroin importation occurs.

**What is Heroin?**

Heroin is a derivative of morphine, which is the main active ingredient of opium. Opium use has been recorded for many centuries. Modern use of heroin commenced in the sixteenth century. Mixed with alcohol and spices the medicine was named laudanum, after the Latin word ‘laudandum’ meaning something worthy of praise. Laudanum was claimed to cause:

. . . promptitude, serenity, alacrity and expediteness in dispatching and managing business, assurance, ovation of the spirits, contempt of danger and magnanimity . . . it prevents and takes away grief, fear, anxieties, peevishness, fretfulness . . . it lulls, soothes and . . charms the mind with satisfaction, acquiescence, contentation and equanimity (Jones 1700, quoted in Carnworth and Smith 2002: 5)

Until a century ago opium and its derivatives were considered a positive benefit to mankind: “one of the great benefits given to us by God” (Carnworth and Smith 2002: 5) and, prior to the Pharmacy Act of 1868 any one could buy or sell it in Britain. Laudanum’s popularity remained high until the 19th century when concern about addiction to opium began to grow in a number of countries including the United Kingdom (UK) the United States of America (USA) and Australia. Campaigns against the abuse of imperial power through trade in opium and possibly in the wake of the increasing availability of alternative drugs - convinced the UK, USA, Australia and many other governments of the need to regulate. The restrictions on opium supply and its use appear to have been relatively successful until about the 1980s – although data is sparse (Carnworth and Smith 2002).
Global Markets

Production and Trade Environments

There are three main areas of illegal opium poppy production in the world from which heroin is derived: the Golden Triangle (South-east Asia); the golden Crescent (Afghanistan and Pakistan); and Latin America (Columbia and Mexico). Countries with largest production of heroin are considered to be Afghanistan, Myanmar and Laos. Myanmar may be responsible for up to 80% of all production in South-east Asia (US Department of State 2000) with raw opium production in 1999 estimated at 895 tons. Laos produced 124 tons, Thailand eight tons and Vietnam two tons of raw opium (UNIDCP 2001: 9). Manufacture of opium poppy into heroin is commonly conducted in small, mobile laboratories in the countries where the opium is grown. Ten kilograms of raw opium manufactures into about one kilogram of heroin (Illicit Drugs Unit, Customs).

Production levels for opium crops and patterns of trafficking have fluctuated from time to time in response to climatic and political conditions. The drought in Myanmar in the late 1990s for example contributed to lower opium production levels, as has surrender of key heroin organisers (Treeratt et al 2000). Production in Afghanistan was reduced under the Taliban political regime and now appears on the increase as political conditions have changed. London based ‘DrugScope’ estimates Afghan opium production in 2002 was 1,900 – 2,700 tonne, up from 185 tonne the previous year (Reuters News 10/10/02). In Europe the European Union has meant criminal enterprises can more easily cross borders and the confusion and reorientation of political and economic life in the former Soviet states is considered to have formed the basis for a high level of organised crime. The St Petersburg area and the Baltic States for example are considered to now be strategic areas for smuggling drugs, goods and illegal refugees (Martens 1997). The number of drug trafficking rings in Russia has been estimated to have increased by 85% over the last decade, with Russian law enforcement confiscating 75 tonnes of drugs, including almost 3.5 tonnes of heroin in 2001. The bulk of heroin in Russia appears to have had its origins in central Asia (Interfax news agency, Moscow 2002).
Other global illegal markets are opening up in South Africa. South Africa’s burgeoning foreign trade has attracted international crime syndicates and legitimate investors alike with capital inflows for portfolio investments growing from $1.1 billion in 1993 to $13 billion in 1998. South Africa is now considered to be a regional and international hub for drug trafficking (Mail and Guardian/All Africa Global Media 2002).

The illegal drug importing environments in other parts of the world are suspected to be very different from that of Australia and the Asia/Pacific region. For example it is estimated 80% of heroin seized in Australia comes from Myanmar and Laos in the Golden Triangle (ABCI 2002) while heroin consumed in Europe and the USA originates primarily from the Middle East and Columbia. In 2000 about 59% of heroin seized by USA Federal authorities was of Colombian origin (NACLA 2002).

Throughout the 1990s many countries in the Asia Pacific Region – Cambodia, China, Lao, Myanmar, Thailand and Vietnam - showed impressive economic growth with some increasing their annual Gross Domestic Product (GDP) by eight to twelve percent (UNIDCP 2001) compared with the world as a whole increase of 3.2% in the 1980s, and 2.5% in the 1990s (Keelty 2001). The recession of 1997 resulted in partial collapse of financial sectors and massive commercial sector bankruptcies, withdrawal of foreign capital and public unrest calling for political and social reforms. As a result governments in the sub region have been forced to drastically change priorities. With insufficient financial resources, high unemployment, and inadequate administrative and legal systems these countries have become again, increasingly vulnerable to criminal enterprises (UNIDCP 2001). Politically and socially unstable countries tend to become bases for trans-national criminal organisations which are considered to play a pivotal role in the drug trafficking industry (Williams and Black 1994).

In return for their support [of the heroin trade] the facilitators often receive a financial reward. When the corruption involves high-level government figures, whole economies may ‘benefit’: it has been reported, for instance,
that some countries might have paid off foreign debt, including to institutions such as the International Monetary Fund and World Bank, using earnings from the illegal drug trade (Griffith 1993, quoted in Morrison 1997: 3)

Anti-narcotics experts credit the transformation of the previously ramshackle settlement of Pangsang in Myanmar into a town with “wide metalled streets, grand hotels, casinos, massage parlours and . . . electricity . . .”, to money made from drugs (Agence France-Presse 2002:1). In the context of countries ravaged by war and poverty it is probably not reasonable to expect production countries to put the ‘war on drugs’ above other priorities.

The health of Western drug addicts must seem unimportant when confronted with mass malnutrition and a non-existent health service (Carnworth and Smith 2002:67).

In many cases villages may have no other viable means of making an income (ABCI 2000).

Traditionally Hong Kong has been considered a transit point for heroin destined for Australia. However, this view is changing since Hong Kong tightened up its law enforcement and financial systems and structured overlapping systems and bodies to minimise money laundering and internal corruption. Another factor that may have reduced the necessity and attractiveness of both Hong Kong and Bangkok as transit points is the opening up of China which has made it much easier to ship illegal drugs direct from Chinese ports than was previously the case.

Table 2 gives a summary of Asia Pacific countries’ estimated heroin production levels and quantities of heroin seized by law enforcement. The table also provides some domestic drug user statistics and blood borne virus estimates together with an indication of the type of approach the various countries’ governments have taken to respond to their domestic illegal drug problems.
### Table 2 Heroin Production, Seizures and Related Factors

<table>
<thead>
<tr>
<th>Country</th>
<th>Heroin production and transit</th>
<th>Seizures of heroin</th>
<th>Number of domestic drug users as at 2001</th>
<th>Domestic HIV/AIDS prevalence among injecting drug users</th>
<th>Most popular drugs used domestically</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodia</td>
<td>Low production • High transit</td>
<td>Not known</td>
<td>No estimates</td>
<td>2.8% of all 15-49 year olds (169,000)</td>
<td>Broad: heroin, cannabis, amphetamine and inhalants</td>
<td>Low laws/ enforcement • Low health approach</td>
</tr>
<tr>
<td>China</td>
<td>Low production • High transit</td>
<td>5,364kg (1999)</td>
<td>860,000 registered drug users; 6-7 million unofficial estimate</td>
<td>Estimates range between regions: from 1-80% of injecting drug users positive. 600,000 – 1 million IDUs</td>
<td>Broad: heroin, cannabis and amphetamine</td>
<td>Becoming high laws/ enforcement • Medium health approach</td>
</tr>
<tr>
<td>Laos</td>
<td>High production: 124 ton of raw opium grown (1999) 210kg (2000) • High transit</td>
<td>Not known</td>
<td>63,000 opium addicts 1.6% of pop 15yrs &amp; over. 2nd highest opiate consumers per capita after Iran</td>
<td>Prevalence is low: 717 2% of these are injecting drug users</td>
<td>Broad: heroin, cannabis, methamphetamine. (Mode of ingestion is mainly inhale and swallow)</td>
<td>Becoming high laws/ enforcement • Low health approach</td>
</tr>
<tr>
<td>Myanmar</td>
<td>High production: 895 ton of raw opium grown (1999) • High transit</td>
<td>273kg (1999) 171kg (2000)</td>
<td>300,000 – 500,000</td>
<td>Estimates range between states: from 63% - 90% of injecting drug users positive. 150,000 – 250,000 IDUs</td>
<td>Broad: heroin, opium, amphetamines, cannabis</td>
<td>Medium to low laws/ enforcement • Low health approach</td>
</tr>
<tr>
<td>Thailand</td>
<td>Low production: 8 ton of raw opium grown (1999) • High transit</td>
<td>4,000kg (1999)</td>
<td>2 – 3 million – 5% of pop (2000)</td>
<td>50% of injecting drug users positive HIV/AIDS</td>
<td>Amphetamines in urban areas (Yabaa) A 1,000% increase in users between 1993 and 2001. Heroin in rural areas</td>
<td>High laws/ enforcement • Medium health approach</td>
</tr>
<tr>
<td>Vietnam</td>
<td>Low production: 2 ton of raw opium grown (1999) • High transit</td>
<td>60kg heroin &amp; 567kg opium (2000)</td>
<td>185,000 – 200,000</td>
<td>65% of HIV/AIDS positive were injecting drug users 104,000-185,000 HIV/AIDS positive</td>
<td>Heroin, amphetamines</td>
<td>High laws/ enforcement • High health approach</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>No production • Traditionally transit</td>
<td>340kg (2000)</td>
<td>36,384</td>
<td>14% of IDUs HIV/AIDS positive</td>
<td>Heroin</td>
<td>High laws/ enforcement • High health approach</td>
</tr>
</tbody>
</table>

Sources: Reid and Costigan 2002; UNIDCP 2001; ABCI 2002.
Note: One hectare of opium crop yields an average of approximately 11.5 kilograms of heroin (Cheurprakobkit 2000). Ten kilograms of raw opium makes approximately one kilogram of heroin (Illicit Drugs Unit, Customs - unpublished).

The 1990s have seen extraordinary changes in trade flows, patterns of migration, tourism, politics and economics and advances in globalisation and technology. An enormous variety of electronic payment systems are currently being developed around the world with many particularly attractive to money launderers being highly mobile and transactions virtually untraceable (Morris 2000). Just as legitimate businesses have become more global in their search for new markets, new suppliers and new opportunities and have developed security in transnational cooperation, it is expected that so too have illegal commodity traders. Response of illegal traders to environmental change is considered to be toward loosely formed, shifting and overlapping teams and net-works that are bound by complex webs of internal and inter-group relationships (Galeotti 2000). It is considered probable that a cloak of legitimacy is the important factor in taking full advantage of the trafficking opportunities currently unfolding (Morrison 1997). If they exist the traditional, hierarchal types of illegal drug import organisations would be expected to have undergone some fairly significant changes in the 1990s in order to take advantage of the changing economic, political and technological environment. Linked syndicate organised crime is possibly becoming more common throughout the world now than previously:

Just as legitimate business has become globalised, so too has organised crime: finding new markets, suppliers, opportunities and security in trans national cooperation. The result is a growing trend towards 'post-industrial Mafias', as organised crime abandons the old models, the disciplined hierarchies of the Mafia family or Yakuza gang. Instead organised crime is becoming characterised by loose, shifting and overlapping teams and net-works, bound by their own complex webs of internal and inter-group relationships, from strategic alliances to service provision (Galeotti 2000: 34)
Purity Levels

Purity level of heroin is often mistakenly assumed to indicate the extent to which dilutants or adulterants have been mixed in, either to bulk the heroin out to increase profits, or for more depraved reasons in the case of dangerous additives. In the past heroin purity was used as a gauge of how high up the chain the heroin was at time of seizure in the belief that heroin was more diluted the lower down it was in the chain. This relationship is no longer considered to be a valid assumption. Heroin that records 60% purity may actually contain 40% of other opium alkaloids that have been produced during manufacture, rather than being fillers added further down the drug dealing chain (Coomber 1997b). Forensic evidence in the United Kingdom found that purity levels in heroin seized by Customs at the point of import and purity levels at street level actually varied little. This finding adds weight to the hypothesis that adulteration and, or dilution is not as common a practice as has previously been supposed. Where additives have been found they appeared to occur once and very high up the chain of distribution, rather than at street level (Coomber 1997b).

National average purity level of seized heroin in Australia in 1998/99 was 65%, up from 57% purity in 1997/98 (ABCI 2000). This may indicate a change in the processing of the raw materials into heroin rather than being an indication of diluting practices. However, during periods when heroin is less available it does appear that fillers may be used. The ABCI (2002) reported a sharp reduction in heroin purity dating from the time the shortage of heroin was first observed in Australia in December 2000, particularly in seized quantities of less than 2 grams. In NSW purity levels of seized heroin during the half year to December 2000 were approximately 52% pure, while in the half year following purity level had plummeted to around 35%. Purity levels on this basis appear to be correlated to demand levels and quantity of heroin available at consumer level.

Some dangerous impurities have been reported in analysed heroin in South Australia, including cleaning agents, caffeine and coffee (ABCI 2000). However, in a survey of street level dealers in the United Kingdom, Coomber (1997c) found that dilution and contamination of heroin were both rare. Profits were more
likely to be maximised through bagging and selling smaller quantities, or by skimming off small amounts and selling underweight bags. The few street dealers who did dilute their heroin used benign substances such as glucose and lactose. Despite research showing that the adding of dangerous impurities is extremely rare, it remains an enduring ‘urban myth’ – even among heroin sellers themselves. Drug dealers’ reasons why adulteration of illegal drugs was rare were either, humanitarian/ethical or rational. For example many dealers did not consider they would ever sink so low as to adulterate drugs to deliberately harm people, while from a purely pragmatic point of view it was not considered good for business to gain a reputation for selling bad heroin nor to kill off the customers (Coomber 1997c).

This growing body of evidence, which turns conventional thinking about adulteration/dilution practices on its head, also potentially impacts on policy. Images of evil deeds (dangerous adulteration) permit the perpetuation of the demonisation of both illegal drugs (as being more dangerous than they already are) and of the drug dealer as being a self-serving, depraved individual capable of any act (Coomber 1997c: 80).

It may be that the adulteration of drugs with dangerous substances has more to do with urban myth than with reality. Dilution is relatively rare and where it occurs it is of a relatively benign character. Many of the impurities revealed in analysis are a by-product of the manufacturing process.

**Profit**

Profits to be made through importation of heroin to Australia are huge.

1. Raw opium from Hill-tribe farmers is sold to merchants for about $75 per 1.6kg. (Ten kilograms of raw opium (about $450 to the farmer) plus chemicals is required to make 1 kg of heroin.)

2. Heroin is pressed into 700gram blocks, or units, each worth about $2,500 - at wholesale price in Myanmar.
3. Once across the border and in Thailand, the value of the 700gram block rises to between $4,800 and $7,500.
4. In Bangkok the same 700gram block will be worth $7,400 to $9,200.
5. In Australia the 700gram block will have a value of $75,000 – $85,000 wholesale, then $180,000 at the highest retail level.
6. At the lowest, street retail level, value is $30 per .02 grams or, $1 million per 700 grams (Lintner 2002: 333).

No other commodity in the world increases that much in value when transported from one point to another, which makes the drug trade one of the most lucrative global businesses (Lintner 2002: 333).

**The Australian Heroin Market**

**Geography**

Australia is an island continent with a coastline of approximately 37,000 kilometres. Australia is made up of six states and two territories and has a population of approximately 20 million, within an area of 7,692,030 square kilometres - an area about the size of Europe (Australian Bureau of Statistics 2002). The eastern states of Victoria and New South Wales (NSW) are the most densely populated states. As at June 2001, Victoria had a population of 4.8 million within 227,420 square kilometres and NSW a population of approximately 6.5 million people, within 800,640 square kilometres.

**Entry of Heroin**

Heroin is not produced or manufactured in Australia with the exception of a small amount of “home bake” (ABCI 2002). A discussion of the amount of heroin in Australia is therefore also a discussion of the amount of heroin crossing the border into Australia. Australia, as an island continent has the sea as a natural
barriers. However the size of its border means there may be many opportunities for entry.

... Australia has become the most lucrative destination for heroin produced in the Asia-Pacific region, rivalled only by Canada’s west coast. It is also relatively easy to smuggle drugs into Australia, a huge island country with a long coastline and many international airports (Lintner 2002: 308).

Heroin is imported to Australia via a number of transit points including Vietnam, China, Thailand, Cambodia and Taiwan and enters through a number of Australian ports (ABCI 2000). The majority of detections of very large weights of heroin by Australian law enforcement have occurred in NSW. In 2000/01 this trend continued with 98.5% of the national total of heroin being detected in NSW. On successful entry the heroin is brokered and distributed (Dobinson 1989).

The Domestic Heroin Market

There is no national consensus about the amount of heroin entering Australia or of the size of the market overall (ANAO 2002). It has however, been estimated that the value of Australia’s heroin import trade is in the region of $1.5 to $3 billion Australian dollars per year (Fraser 1998). Calculations based on law enforcement arrest and seizure figures are problematic because by definition they do not include number of offences, offenders, syndicates or amounts of heroin not detected.

Given heroin’s easy availability and low price in Australia throughout the 1990s it can be hypothesised that at that time, quantities crossing the border were easily able to keep up to demand. The National Drug and Alcohol Research Centre found that gram price for heroin fell from $450 per gram in 1997, $400 in 1998 and $300 in 1999 (Dwyer and Rumbold 2000). Lowest price reported in Australia has been $240 per gram in New South Wales in 1999 (Mc Ketin et al 2000). Price reductions may mean that demand for heroin is reducing in relation to the amount
available, or it may mean the quantity of heroin being imported is keeping up with, or overtaking levels of demand. The latter appears to be the case (AIHW 1999).

Quantities of heroin being imported into Australia can be somewhat estimated on the basis of estimated consumption patterns. However, there are a number of factors that make it enormously difficult to establish the size of the Australian heroin user population, or size of the market that services it: lack of a register of addicts; the illegal nature of the heroin ‘industry’; significant penalties; and lack of legislative protection for research that would support more in depth and accurate research investigations, are some of the factors that work against accurate estimations. However estimates of the number of addicts and amount of heroin consumed daily, may be gauged through methods such as needle exchange rates and by social surveys. (Of course this method is flawed because there are a number of unknown variables and variances that cannot be factored into the calculation.) Estimate of the number of dependent heroin users in Australia has been put at between 67,000 and 92,000 people. This is nearly seven people per 1,000 of the population aged 15 – 54 years. This estimate is similar to that in Britain – seven people per 1,000 population. In the European Union rates vary across countries between three and eight people per 1000 population aged 15 to 54 years (Hall et al 2000).

According to key informants in Dwyer and Rumbold’s (2000) study, regular heroin users consume between one quarter to one half a gram of heroin per day. Using user and consumption estimates based on:

- estimated grams consumed per day (Dwyer and Rumbold 2000);
- times the estimated number of addicts (Hall et al 2000);
- divided by 1,000 (to convert to kilograms);
- times 365 days,

gives an estimate of the kilograms of heroin consumed in Australia per year. As almost all heroin consumed in Australia is imported, this will also provide an estimate of the amount of heroin imported into Australia.
Estimated *minimum* consumption of heroin is seventeen kilograms per day in Australia (assuming 67,000 addicts use one quarter of a gram each per day). Over a twelve month period a minimum of 6,115 kilograms of heroin is estimated to be consumed/imported into Australia. That is: 6.115 metric tonnes per year.

Estimated *maximum* consumption of heroin is forty-six kilograms of heroin per day in Australia (assuming 92,000 addicts use half a gram each per day). Over a twelve month period a maximum of 16,790 kilograms of heroin is estimated to be consumed (and imported) into Australia. That is: 16.79 metric tonnes per year. In conclusion size of the heroin market in Australia is not known and estimates vary widely. It is likely however that the market varies from year to year between six and seventeen metric tonnes consumed per year.

Money and commodities may be traded for heroin, including stolen goods (Stevenson and Forsythe 1998) making it even more difficult to calculate expenditure in Australia on illegal drugs. However, if exchange of drugs is assumed to be on a monetary basis, consumption expenditure by heroin users may be estimated. Assuming a consumption of a quarter of a gram of heroin per day at $100 per quarter gram (Dwyer and Rumbold 2000), minimum expenditure on heroin at street level in Australia during the latter part of the 1990s would be approximately $6.7 million per day, or $2.445 billion annually. Maximum expenditure on heroin at street level is estimated at $9.2 million per day, or $3.358 billion annually. This works out as approximately $506 per annum for every man, woman and child in Australia. In the USA it was estimated that in the year 1998 (the last year studied), about $12 billion was spent on heroin by users in that country (NACLA 2002).

Another way of estimating the size of the heroin ‘industry’ is to look at estimates related to money laundering. Money laundering is the process by which illegal sources of money are introduced into an economy and used for legitimate purposes. Money laundering does not include illegally obtained money that is spent on every day purchases, but rather, that amount which is set aside in a form in which it can be re-liquidated later (Walker 1995). NCA estimate the extent of money laundering in Australia at $3 to 9 billion per annum (NCA 2002). The Organisation of Economic Cooperation and Development has estimated that the
annual global figure for the laundering of illegal drug money exceeds $1,100 billion (cited in Walker 1995).

Money laundering has been called the crime of the 1990s and such hype is justifiable. The sums involved are stupefying. In 1996, the International Monetary Fund hazarded $US500 billion as a likely world-wide figure, with $US400 billion from drug profits. The real total could be $US1 trillion (Huck 1998:32).

Intelligence sources estimate the total amount of drug-generating money re-injected into the world economy annually to be about $350 - $400 billion (Mangold 2000: 1)

AUSTRAC estimates $A655 million was sent out of Australia in 1995 to South-east Asian drug producing countries. It is assumed that a large proportion of this was used to fund the importation of narcotics into Australia (Hadgkiss 1998). AUSTRAC analysis of International Fund Transfers by country of origin and destination for 1993 and 1994 found that there was a gap not explained by net exports of merchandise from Australia. There was a total net outflow of funds to South and Central American drug producing countries of around $15 million per year and to South-east Asian drug producing countries of around $640 million per year. Outflows to known European tax havens was $3.1 billion and to Asian illegal drug transit/finance markets $2.4 billion. Inflows from other tax haven countries to Australia totalled $7.7 billion (Walker 1995).

The Financial Action Task Force named fifteen countries in its first public disclosure of states refusing to co-operate in anti money laundering strategies. They included: the Bahamas, Cayman Islands, St Vincent and the Grenadines, St Kitts and Nevis, Dominica and Panama, the Cook Islands, Nauru, Niue, Philippines and the Marshall Islands (Guardian Service 2000).

Looked at together, all the calculations help build up a picture of the size of this hidden industry. Even if all the estimates are inaccurate it is still clear that there are enormous profits to be made in the heroin ‘industry’. Adding to profits too is
the fact that the trade enjoys an unregulated market place and no associated taxes and charges.

A reduction in the amount of heroin at street level became apparent in Australia from December 2000 (Weatherburn et al 2002). While timing of this shortage corresponds to lower production levels in opium producing countries, there has not been a shortage of heroin in other consumer countries which would be expected if lower production was the reason for Australia’s reduced supply. One explanation may be that there has been a business decision by a major importer(s) to change their destination country and concentrate on other markets, or a decision to cease trading altogether. The shortage may be a result of suppression efforts by law enforcement agencies and governments – two large weight seizures occurred in the two years prior to the shortage. However, large seizures have occurred in previous years without effecting street price, purity or availability and law enforcement strategies have not changed significantly in recent years in ways that might account for a visible reduction in supply at street level. The heroin shortage in Australia in the early 2000s is not the subject of this thesis. However it warrants further investigation by researchers in particular for its effect in the market place and on users, and for its potential to teach something about what contributes to “visible difference” supply reduction.

**Australian Law Enforcement**

Each of the eight states and territories that make up Australia has their own police force who operates within state and territory boundaries and under state and territory laws. The Australian Federal Police (AFP) has jurisdiction across Australia and operate under Commonwealth (Federal) laws. The Australian Customs Service and the Australian Crime Commission are also Commonwealth law enforcement agencies with jurisdiction throughout Australia.

Australian Federal Police (AFP) is responsible for detecting and investigating Commonwealth drug offending – primarily offences involving importation. Customs detects illegal drug importations as part of its wider border protection
operations - in this role it is responsible for detection of all types of contraband goods. However, Customs is not responsible for the subsequent investigations of the illegal drug importations they detect. When illegal drugs are detected at the border Customs notify AFP who then ‘officially’ seize the drugs, conduct the investigation and present the offender before the Australian courts. Where offences involve more than one state or territory and, or a mix of state and Commonwealth laws, law enforcement officers may work together in joint task forces or in other ways. The Australian Crime Commission (ACC), formerly the National Crime Authority (NCA), is a separate investigative body with its own enabling legislation (see the Australian Crime Commission Establishment Bill 2002). Police from various jurisdictions may be seconded to work there from time to time on joint operations. Below is a brief summary of each of the agencies with a role in responding to heroin importation offending:

Customs must balance the facilitation of legitimate movement of people, goods, vessels and aircraft, with detection and deterrence of “unlawful activity at the border” (Customs 2000c: 2). Australian Custom’s border management goal is to provide: “effective border management that, with minimal disruption to legitimate trade and travel, prevents illegal movement across the border, raises revenue and provides trade statistics” (Australian Customs Service 2000b: 26). Clients of Customs include Australia’s Department of Agriculture, Fisheries and Forestry; Department of Foreign Affairs and Trade; Department of Immigration and Multicultural Affairs; Department of Environment and Heritage; Department of Transport and Regional Services; Attorney General’s Department and Australian Federal Police.

In 2000/01 Customs processed more than 17.9 million people entering or leaving Australia, 1,527 small craft movements, 4.2 million air cargo consignments and over 1.3 million sea cargo consignments (Australian National Audit Office 2002). As it is not desirable from an economic/business perspective - or indeed logistically possible - to search every person and item arriving in Australia, Customs engage in targeted searches based on risk indicators and profiles developed from Intelligence holdings. They also have a number of liaison officers based in countries overseas.
The AFP was established by the Australian Federal Police Act of 1979. AFP are responsible for the investigation of Commonwealth offences and functions include enforcing laws relating to drug trafficking, fraud against government revenue and expenditure, and other forms of organised crime and politically sensitive matters including corruption (AFP 2001). AFP works in partnership with state and territory police, the National Crime Authority (NCA, now the ACC), other government agencies and international law enforcement agencies. AFP has thirty-three liaison officers located in twenty-one overseas countries. Engagement with law enforcement partners in other countries in the Asia Pacific region is considered to be very important in responding to trans-national crime: “It is important because law enforcement agencies, particularly in drug source countries, are not resourced to the same degree as in developed countries [like Australia]” (AFP 2001: 4). The AFP provides networking opportunities through sponsorship of regional seminars and provides strategic assistance and training to other law enforcement agencies in the region.

The National Crime Authority (NCA) (now the Australian Crime Commission) was an independent statutory authority established in 1984. Its original establishment followed a series of enquiries that heightened public awareness and concern about organised crime in Australia (NCA 2002). NCA has a specific charter to investigate ‘complex organised crime’ on a national basis. Most commonly investigated offences include drug importation, cultivation, manufacture and trafficking, money laundering, large scale organised fraud and revenue evasion, bribery, extortion and violence.

The reasons for the establishment of the NCA are as valid today as in the early 1980s, if not more so . . . The threat of organised crime strikes at Australia’s economic strength and competitiveness (NCA 2002).

The NCA, now ACC, comprises seconded police officers from other law enforcement agencies although it has special powers of its own. It conducts independent and joint agency investigations. The Australian Bureau of Criminal Intelligence (ABCI) is now part of the Australian Crime Commission. It is a non-

operational arm whose role is to enhance and facilitate the exchange of information and intelligence between law enforcement agencies in Australia (ABCI 2002). The Office of Strategic Crime Assessment (OSCA) is also now part of the Australian Crime Commission. It too is a non-operational arm whose role is to provide federal government with annual assessments and forecasts of the criminal environment, to monitor significant developments and coordinate Commonwealth law enforcement assessment priorities.

The Australian Transaction Reports and Analysis Centre (AUSTRAC) was established in 1989 under the Financial Transaction Reports Act 1988 (FTR), and is part of the Commonwealth Attorney General’s Department. AUSTRAC is concerned with preventing and detecting money laundering, major crime and tax evasion offences. AUSTRAC is Australia’s anti-money laundering regulator and financial intelligence unit. It oversees compliance of the reporting requirements of the FTR Act and collects and analyses information received from the financial sector, gambling sectors and members of the public prior to distributing this knowledge and information to its partner agencies. These include the Australian Customs Service, Australian Federal Police and Australian Transaction Reports and Analysis Centre (AUSTRAC 2002). AUSTRAC acts as a “bridge between government and the financial sector in the important task of making our economy resistant to money laundering and the crimes from which it springs” (AUSTRAC 1997: Director’s overview). In 2001/02, AUSTRAC received 7,809 suspect transaction reports (AUSTRAC 2002).

State and territory police are responsible for detecting and investigating drug offending that occurs within their state and territory boundaries. Every beat police officer is responsible for upholding drug laws. There are also specialist drug squads and units within each state police agency who respond primarily to the more serious middle-level of the drug market. Where state police detect evidence of importation or other Commonwealth offences these are referred to AFP. State police may work jointly with task forces within AFP and NCA.
Activity

All federal and state and territory law enforcement agencies have their own specialist Intelligence sections. Law enforcement intelligence data is used for a variety of purposes including: tactical purposes that fulfil immediate law enforcement objectives; operational purposes that allow better planning and deployment of resources by line managers; and for strategic purposes including long-range forecasting and policy development (Australian Customs Service 2000d). Law enforcement activity is largely led by information that has been collected by operatives in the field and tactical intelligence is based largely on previous law enforcement activity and focus. Collection, collation, analysis, evaluation and dissemination of Intelligence is one of the key tools used by law enforcement in targeting major heroin importers and distributors.

Persons charged with importation of illegal drugs generally appear before a committal hearing in the Magistrates’ Court, followed by a trial in a higher court. This may be followed by an Appeal. Persons arrested for importation and distribution of heroin at every level of the drug chain, are merged in the published statistics under the one classification - ‘provider’ offenders. Consistently over the years provider arrests have represented about one third of all heroin offence arrests. Nearly two thirds of heroin arrests are for possession or administration of the drug for personal use – that is ‘consumer’ offences (see in Table 3).

Table 3: Heroin Related Arrests in Australia, by Year

<table>
<thead>
<tr>
<th>Type of Heroin Offence</th>
<th>1997/98</th>
<th>1998/99</th>
<th>1999/00</th>
<th>2000/01</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N.</td>
<td>%</td>
<td>N.</td>
<td>%</td>
</tr>
<tr>
<td>Consumer/user</td>
<td>7,242</td>
<td>70</td>
<td>10,607</td>
<td>74</td>
</tr>
<tr>
<td>Provider/deal &amp; import</td>
<td>3,124</td>
<td>30</td>
<td>3,734</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>10,366</td>
<td>100</td>
<td>14,341</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: ABCI 2000 and 2001

In the year 2000/01 it can be seen that arrest numbers fell overall. Greatest reduction was among arrests for using drugs. Provider arrests on the other hand remained relatively static. It is not known what caused the lower arrest rate
among users. The greatest reduction does correspond to the period of observed reduction in availability of heroin at street level (dating from December 2000), however the reason for fewer user arrests in the 2000/01 period may equally be due to factors such as law enforcement priority shifting.

In five years from 1996/97 to 2000/01, a total of 395 heroin seizures were made by Commonwealth law enforcement agencies (exclusive of State law enforcement agency seizures). Of these, about half were the result of Customs detections at the Australian border (see in Table 4).

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Number of Commonwealth Heroin Seizures</th>
<th>Number and Proportion of Seizures that are Customs Detections</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996/97</td>
<td>103</td>
<td>62 60%</td>
</tr>
<tr>
<td>1997/98</td>
<td>64</td>
<td>29 45%</td>
</tr>
<tr>
<td>1998/99</td>
<td>71</td>
<td>25 35%</td>
</tr>
<tr>
<td>1999/00</td>
<td>78</td>
<td>39 50%</td>
</tr>
<tr>
<td>2000/01</td>
<td>79</td>
<td>28 35%</td>
</tr>
<tr>
<td>Total</td>
<td>395</td>
<td>183 46%</td>
</tr>
</tbody>
</table>

Sources: AFP Annual Reports and Customs Statistical Bulletins

Greatest weights of heroin are seized in Australia are detected at the Australian border. (See also in Table 1.) Between 1996/97 and 2000/01, 1,660 kilograms of heroin was seized by Commonwealth law enforcement agencies of which nearly 80% was detected by Customs at the Australian border (see in Table 5).

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Weight of Commonwealth Heroin Seizures</th>
<th>Weight &amp; Proportion that are Customs Detections</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996/97</td>
<td>178</td>
<td>168 94</td>
</tr>
<tr>
<td>1997/98</td>
<td>196</td>
<td>138 70</td>
</tr>
<tr>
<td>1998/99</td>
<td>542</td>
<td>508 94</td>
</tr>
<tr>
<td>1999/00</td>
<td>495</td>
<td>269 54</td>
</tr>
<tr>
<td>2000/01</td>
<td>249</td>
<td>218 88</td>
</tr>
<tr>
<td>Total</td>
<td>1,660</td>
<td>1,301 78</td>
</tr>
</tbody>
</table>

Sources: AFP Annual Reports and Customs Statistical Bulletins

As seen previously estimated minimum annual consumption of heroin in Australia has been calculated at approximately 6,115 kilograms. Therefore if law...
enforcement seizes 600 kilograms of heroin per year this represents 10% of estimated minimum total heroin entering Australia.

Outcomes of Law Enforcement Activity

A considerable amount of money is expended in Australia on responses to illegal drugs with greatest proportion spent on law enforcement. Evaluations of the cost effectiveness of law enforcement activities are however not generally available. Nor are evaluations of inter-agency relationships or studies that show the nexus between activities undertaken and the achievement of agencies’ goals and desired outcomes. The 1997 United Nations World Drug Report estimated that Australian Federal and State government expenditure in response to illegal drugs was $620 million. Eighty-four percent of this is allocated to law enforcement, 6% to treatment and 10% to prevention and research (The World Drug Report 1997). It was estimated that in 1989 $300 million was expended on illegal drug law enforcement in Australia, and it is possibly twice that sum in 2000 (James and Sutton 2000). AFP for example were allocated $43.4 million additional funds in 1998/99 from the Australian “Tough on Drugs” initiative for development of mobile ‘strike force teams’ targeting high-level illegal drug importers, development of a law enforcement cooperation program for the Asia-Pacific region and a national heroin signature program (AFP 1999: 19).

There are many interacting issues that may affect price, purity and level of supply of heroin. Thus it is difficult to say categorically that law enforcement activity has or has not been an influencing factor when variations are observed. After controlling for extraneous influences Weatherburn and Lind (1997) found no link between large heroin seizures and price, purity, availability or overdose of heroin in Australia. Similar findings have been observed in Canada (McIlroy 2003). Despite increasingly large quantities of heroin being seized by law enforcement during the 1990s, street level markets remained impervious with price of heroin steadily decreasing and overdoses increasing. Since 2000 however the availability of heroin has decreased visibly (Rouen et al 2001). Given that large seizures of heroin and arrests were made throughout the 1990s with no observed
change to street level supply, it seems unlikely law enforcement activity has been
the influential factor in the shortage of heroin observed in the early 2000s.
Weatherburn et al (2003) observed a number of positive outcomes from the
shortage including a fall in overdoses and no obvious increase in crimes
traditionally linked with drug addiction.

At street level, drug market disruption by police has been observed to have many
negative consequences (Maher et al 1998). This may not however be the case for
nation-wide supply reduction efforts in Australia as indicated by the findings of
Weatherburn et al (2003). This supports a contention that priority should be given
to research and efforts focused on point of importation of heroin and perhaps also
to preceding points off-shore. (Negotiation and cooperation with source and
transit countries in the region is an important area, currently being developed by
Australian law enforcement (Parnell 2003).)

While some countries’ law enforcement agencies have been able to reduce opium
crops and heroin production and prevent transit of drugs through their countries,
these have tended to result in expansion and development into other countries
using other routes.

Pressure on Hong Kong and Turkey led to expansion in the
Golden Triangle, pressure on Pakistan to expansion in
Afghanistan (Carnworth and Smith 2002: 66).

Therefore successful prohibition policies have had negative affects including
pushing the growing of opium into more and more remote and fragile eco
systems to avoid detection and resulting in forest clearing and land contamination
to the extent that it has the potential to undermine legitimate markets (Carnworth
and Smith 2002).

**Regional Law Enforcement**

Thailand and Hong Kong have traditionally been the countries Australian law
enforcement has worked with in efforts to reduce supply of heroin to Australia.
Thai law enforcement is faced with a heroin problem that includes production and transit offences, as well as domestic consumption. The Royal Thai Police Force is a national, centralised agency that comes under the Ministry of Interior. It is organised along two function lines – administrative and operational. Line operation is divided into seven main bureaus: Metropolitan Police; four Provincial Police Bureaux covering the seventy-six provinces of Thailand – (each of which have their own bureaux responsible for drug enforcement); the Central Investigation Bureau; and the Border Patrol Police. In 1994 there were 140,000 operational and 60,000 support officers. A Narcotics Suppression Bureau was established in 1990 to be responsible for enforcing drug laws across the country and which works closely with the Office of Narcotics Control Board (ONCB) on drug control policies. The ONCB was established in 1976 and is primarily concerned with developing drug policy and programs (Cheurprakobkit 2000). Additionally, the Royal Thai Customs Service is concerned with the movement of illegal drugs into and out of the country. They are a separate agency from the police and while there is cooperation between the agencies each has their own individual powers in relation to seizures, investigations and prosecutions of illegal drug offenders (law enforcement informant in Thailand).

In comparison to developed countries, Thai law enforcement is under-resourced and officers have low status and low pay. Organisational structures and procedures may also be less capable of detecting and preventing procedural irregularities.

Thailand shares its borders with two of the largest opium producing countries in the world - Myanmar and north-western Laos – these countries and Thailand’s own terrain, provide ideal conditions for growing opium - isolated, warm and high in altitude (Cheurprakobkit 2000). However, Thailand has one of the most successful crop control programs in the world that has resulted in a significant reduction in the country’s illegal opium production (US Department of State 2000). With the assistance of the United Nations Drug Control Program, Thailand reduced opium poppy production within its borders from a peak of 4,075 hectares of opium cultivation in 1989 to 1,750 hectares in 1995. Only eight tonne of heroin is estimated produced in Thailand in 1999 compared to neighbouring
countries Laos and Myanmar who produced 124 ton and 895 ton respectively (Reid and Costigan 2002).

Thailand has also taken steps to try and curtail growth of organised crime and illegal drug activity. However, it faces enormous obstacles. Thailand is located in a geographically strategic position - between South and East Asia - sharing remote jungle borders with Myanmar and Laos - still considered the world’s second and third largest opium producers and heroin manufacturers. Additionally, illegal drug traders are able to take advantage of a readily exploitable population of up to 50,000 illegal migrants in Thailand whose economic insecurity overrides fear of the risks, or who may not be sufficiently aware of the risks to make an informed choice. The liberal visa regime aimed at stimulating tourism and a well-developed transport and communication infrastructure also make the country attractive to trans-national criminals (Davis 2000).

Drug traffickers from throughout Asia use Thailand as a transit point to ship heroin to the USA, Europe and Australia, said PM’s Office Minister . . . the amount of heroin being transported through the country might total 500 kilograms this year (Xinhua News Agency 14/09/02)

More than 230,000 drug suspects were reportedly arrested by Thai police in the year 2001/02 (Bangkok Post 2002). However, in recent years Thailand has been criticised for strategies that have seen the deaths of many hundreds of people due to suppression efforts (Thepgumpanat 2003).

As the major financial centre of Asia there has been a need in Hong Kong to approach global and regional black market trades in more sophisticated ways since the 1980s. Hong Kong law enforcement is large and sophisticated with approximately 27,500 sworn police officers, 5,000 civilian staff and 4,000 ancillary officers. (The latter are part time employees.) Hong Kong police work within a population of approximately 6.9 million people. The police agency has four layers each with about thirteen ranks. The Inspector rank can be recruited from within or recruited externally with at least a first degree. Competition is considered to be quite fierce for positions as salaries are good and housing, health
cover and education for officers’ children is often part of the employment package. The good working conditions and overlapping agency responsibility for drug offences is considered to have worked to eliminate past corruptions (Academic informant from Hong Kong University and Hong Kong Police website 2004 – see in references).

Officials in many production and transit countries are often however poorly paid and law enforcement may often be negotiable to those with ready cash or influential friends.

Fighting corruption and organised crime is very difficult in countries where monthly salaries are as low as ten dollars.

. . . It is very difficult for us to break the vicious circle existing in our countries where officials are tempted into accepting bribes because of low pay and when sometimes they are not paid for months (Efty 2000).

Despite the huge internal difficulties faced by countries in the Asia Pacific Region politically, economically and socially, “. . . the priority given [to] drug control remains high and in some countries [has] been given increased attention” (UNIDCP 2001 : 8).

**Definition Issues**

All State and Territory drug squads and Commonwealth law enforcement agencies in Australia give high priority to the investigation and apprehension of ‘high level’ importers, producers and distributors of illegal drugs, especially those considered ‘organised’. Targeting ‘high’ level or ‘major’ drug dealers and ‘organised’ crime is the objective of all law enforcement agencies to varying degrees. For some agencies it is their primary organisational goal.

The United Nations Convention defines an ‘organised criminal group’ as

. . . a structured group of three or more persons forming for a period of time and acting in concert with the aim of
committing one or more serious crimes or offences established pursuant to this Convention in order to obtain, directly, or indirectly, a financial or other material benefit (United Nations 2000).

The United Kingdom’s National Criminal Intelligence Service defines organised crime as “. . . two or more persons jointly engaged in continuing serious criminal activities for substantial profit or gain, . . .” (NCIS 2001: 6). The National Crime Authority’s (now the Australian Crime Commission) specific function is to fight ‘organised crime’ and ‘relevant criminal activity’ which is defined as:

- any circumstances implying, or any allegations, that a relevant offence may have been, or may be being, committed against a law of the Commonwealth, of a State or of a Territory. ‘Relevant offence’ means any offence that “involves two or more offenders and substantial planning and organisation; involves, or is of a kind that ordinarily involves, the use of sophisticated methods and techniques; that is committed, or is of a kind that is ordinarily committed in conjunction with other offences of a like kind; and involves theft, fraud, tax evasion, currency violations, illegal drug dealings, illegal gambling . . .” [and many other offences] (The National Crime Authority Act 1984).

The ACC describes organised crime as:

- . . . an offence that involves two or more offenders and substantial planning and organisation, the use of sophisticated methods and techniques, is committed in conjunction with other offenders of a like kind and is punishable by imprisonment for at least three years (ACC 2003: 206)

As can be seen, the definitions of ‘organised’ crime are extremely broad and can conceivably include almost anything as has also been pointed out by others such
as Levi (1998). This Despite this agencies frequently talk of organised crime as if it were a well understood entity, for example: “... organised crime does not limit itself to trafficking illegal drugs ...” (NCA 2001:36), “South-east Asian organised crime ... continues to be an issue of concern for the ACC as it was for the NCA” (ACC 2003: 56). As numerous types of offending and configurations may fall under the broad definitions of organised crime it would be expected that within agencies there must be some more specific working definitions or sets of criteria to enable systematic and consistent understandings. How organised crime and other terms such as ‘major’ or ‘high level’ are stratified, differentiated and prioritised at the operational, management, strategic and policy level in Australia however is far from clear. The terms may vary widely according to current and changing needs and the experiences of different investigative organisations and individuals (Morrison 2002).

While there has been some analysis and discussion by academics about what is ‘organised crime’, there is little that gives clues about law enforcement working definitions or interpretations. There may be categorisation in the Report on Organised Crime in Australasia that is “the principal mechanism for reporting organised crime in Australia and New Zealand” (ACC 2003: 38). However this is a classified document accessible only to senior law enforcement managers for the purposes of reviewing the extent of criminality. Thus it was not accessible to the author. The present thesis has avoided using the term ‘organised crime’ because by implication all importation of heroin requires some degree of organisation. Rather heroin importers working together on an importation are referred to as a ‘group’.

The term ‘major’, ‘high level’, and ‘serious’ crime is often coupled to the concept of organised crime and, similar to organised crime are fluid and nebulous terms both within and between law enforcement agencies. There is no agreement about what import characteristics should be present to warrant the description ‘major’ (Sutton and James 1996). Illegal drug importation offences may be considered to be ‘major’ on the basis that importation is the top of the drug chain within Australia. Or, it may be the weight of the heroin in a single import episode is the criterion even though the level of organisation may be amateur. Conversely a
small weight of heroin in a single import episode may be termed ‘major’ by virtue of it apparently being one of a series of well organised but small-at-a-time, importations. In the UK Pearson and Hobbs (2001) also found there were opposing opinions and little consensus among law enforcement personnel about terms such as ‘middle level’ drug market. Trying to establish what is meant by ‘high’, ‘middle’ and ‘low’ is relative and as such may depend more on the perspective and perceptions of the individual than any established definition.

. . . people quite often described themselves as being in the ‘middle’ . . . however the term was employed irrespective of the level at which they operated in the market . . . What looks like ‘middle’ to one actor will look like ‘upper’ or ‘lower’ to another. This refers to both enforcement personnel and to offenders (Pearson and Hobbs 2001: 13 and 17)

**Conclusion**

This chapter has given some background to the offence of heroin importation in Australia through discussion of the regional illegal drug trade environment and the domestic heroin market. An outline of the nature and activities of agencies tasked to respond was given and the nebulous nature of definitions and key concepts in law enforcement were discussed. A brief overview of two key regional law enforcement agencies with close ties to Australian law enforcement was also given. The next chapter will provide a review of literature that will then lead to identification of a number of themes and focus areas for investigation.
CHAPTER THREE: REVIEW OF LITERATURE

This chapter examines the available literature on heroin importation. The review has focused on literature related to the organisational, humanistic and behaviouristic aspects of illegal drug importation offending. Cut off point for the literature review was 2002.

What is immediately apparent when one approaches the illegal drug literature is that it is very much weighted toward drug consumers and street level markets. Little independent research anywhere in the world has focussed on drug importers or higher level drug dealers. A majority of Australian drug literature published in peer-reviewed journals is concerned with investigating the extent, harms and patterns of alcohol and other drug use. Almost no research has been published in the area of criminal justice and in comparison to alcohol and poly drug use, very little drug-specific research has been conducted in Australia (National Drug Research Strategy Committee 1999). A national and international review of literature within the health and criminal justice fields found little research into heroin importation and wholesale distribution in peer reviewed journals, and none specific to Australia (Beyer and Reid 2000; National Drug Research Strategy Committee 1999). Thus, there appeared initially to be very little literature that could guide the present research.

Although rare, some independent studies have however sought to examine illegal drug importer characteristics, relationships, roles and organisation structure. These have not related specifically to heroin and have been conducted in the context of Europe and the United States.

The review is presented in two parts: the first focuses on the parameters within which heroin importation offending is currently understood and the second on the social and behavioural aspects of the offending. The findings from this review of literature will assist development of a conceptual framework for the study through identification of themes, gaps in knowledge and focus areas for examination.
Parameters of Current Understanding

Conceptualisation

In the absence of other information about illegal drug importers the public and arguably most law enforcement officers obtain their knowledge from the media – often in the context of a successful detection or seizure of heroin or, through (usually) American produced documentaries. A growing body of literature has examined the influence the media has had on conceptualisation of the drug problem, on development of drug law, policy and strategy and influence on drug markets (Fitzgerald 1999; Chermak 1997; Elliot 1996; Palmer cited in Tonry 1997; Sercombe 1997; Rodd and Leber 1996; Reardon 1996; Killias 1995; Brownstein 1991 and Grabosky and Wilson 1989). Researchers have consistently concluded that the media play a central role.

The mass media play a crucial role in the social construction of reality because knowledge of many social phenomena is obtained solely through the media rather than through direct experience . . .

The mass media has evolved . . . to become the dominant player in the . . . reality construction process (Surette 1994: 133)

The news media are an extremely important influence in Australia. To a great extent, they set the agenda for public discourse (Gabrosky & Wilson: 1989:1)

. . . the community obtains information about illegal drugs primarily from the mainstream media (Victorian Premier’s Drug Advisory Council 1996).

Not only has the media influenced conceptions and policies about illegal drugs as will be discussed below it has also been found to be an influence in development of drug markets. In a study of the drug scene in an inner Melbourne suburb Fitzgerald (1999) found the media had played a crucial role in development of street drug markets. Like most people drug users read newspapers and consequently can and do, learn about new dealing and using areas from the mass
media as well as through their usual peer networks. “... In Fitzroy ... a heightened media focus has resulted in increases in the drug trade on Smith Street as a response to the media reporting” (Fitzgerald 1999: 92).

Brownstein argues that the media has played an important part in shaping our view of illegal drugs and that “Drug scares are independent phenomena, not necessarily related to actual trends or patterns in drug use or trafficking” (Brownstein 1991: 94). Chermak (1997) found the rise and fall of drugs as important political issues in the United States did not coincide with changes in the reported incidence of drug use. Chermak (1997) and Jensen, Gerber and Babcock (1991) found enactment of federal (USA) drug legislation was related to politicians’ own efforts to promote drugs as a social problem rather than on any objective data. Additionally, Gabrosky cites several case histories in which the media covered stories in such a sensationalist manner that public concern was raised to a point where politicians responded by legislating to extend police powers. When the stories were examined later it was found the media had in fact fabricated a crime wave.

Whether it be in the area of drugs, juveniles, organised crime or ethnic and racial conflict, the media, by frequently exaggerating and reporting isolated events, tend to encourage public perception of a crime wave where in fact none may exist (Grabosky and Wilson 1989: 130).

In Australia too media reports have led directly to political action. Late 1995 media reports of heroin use in the western Melbourne suburb of Footscray for example became a major impetus for the formation of the State’s Premier’s Drug Advisory Council, subsequently resulting in the Victorian state government directing an additional $25 million to the alcohol and drug field to address the issue of illegal drug use in the community (Reardon 1996). Occasionally, the link between media reports and political action is even more direct. For example in Sydney in late January 1999 the ‘Sydney Morning Herald’ reported a front page story of a twelve year old boy injecting heroin outside a needle exchange service. Next day the State Health Minister suspended the needle exchange service pending a full report (Overington 1999).
A popular motif in the media and among politicians is that counteraction of illegal drug crime requires waging of ‘war’. Some commentators argue that the ‘drug war’ has been particularly attractive to politicians because:

. . . [politicians] can bravely confront an allegorical enemy rather than an enemy that takes the corporeal form of the tobacco industry, say, or the Chinese, or the oil and banking lobbies. The war against drugs provides them with something to say that offends nobody, requires them to do nothing difficult, and allows them to postpone, perhaps indefinitely, the more urgent and specific questions about the state of the nation’s schools, housing [and] employment opportunities . . . [which arguably contribute to illegal drug use] (Lapham cited in Fox and Matthews 1992: 163).

War-like policy rhetoric is largely absent for other types of criminal offending - even that involving extreme violence. Because of current conceptualisations and political constructs of the drug problem senior officers interviewed across all justice sectors in Australia perceived themselves working within severely limiting policy and practise parameters that precluded other responses to the problem (Beyer et al 2002b). Unfortunately conceptualisation of the illegal drug problem as a war has artificially simplified what is a very complex issue and as a result has supported an almost exclusive law and order response. In the process it has arguably stymied communities’ and countries’ ability to implement other complementary responses to the level they require to be effective.

Organised Crime

Transporting heroin into Australia from overseas – as occurs for almost all heroin consumed in Australia - necessarily involves some degree of organisation. As such drug importation offences are inherently ‘organised crime’. In criminological literature three broad categories of organised crime are identified:

- criminals who are organised;
- hierarchically organised crime groups; and
Criminals who are organised possess a reasonable degree of skill and organisational ability and may share a cultural orientation with co-offenders (Sterling 1991; Hobbs 1994). Whether their offending ought to be labelled ‘organised crime’ though is open to debate. Certainly some drug criminals have described themselves as participating in organised crime when they were organised only to the extent they had engaged in some planning and negotiation to transport and sell drugs (cannabis) (Ovenden, Loxley and McDonald 1995).

The more common concept of organised crime is that which consists of large-scale, Mafia-type organisations headed by a controlling figure. These organisations have a hierarchical structure, may control hundreds of participants and have monopolies in certain markets. However there is no consensus about the degree of organisation present even in these hierarchical organisations (Halstead 1998). The concept of the drug trade being linked to large-scale hierarchal criminal organisations has enjoyed popular currency in the news and entertainment media which has perpetuated and glamorised this model of organised crime. Particularly in the USA, researchers have tended to define organised crime in the context of the hierarchical model (Abadinsky 1990). In Australia there has been little evidence for the existence of Australian-grown hierarchical crime organisations (Walker 1995: 3 of chapter 4). The nearest to a hierarchical crime organisation was considered by the Royal Commission into the NSW Police Service to have involved corrupt police which amounted to “open encouragement for drug cartels to form, to carve up the territory, and to operate in an organised way” (Wood 1997: 120).

Dobinson and Poletti (1989) developed a hierarchical model of heroin suppliers based on research conducted on the heroin trade in Sydney, and Bammer and Sengoz (1994) developed a similar model for the Australian Capital Territory (cited in Green and Purnell 1995). Dobinson (1993) found however that the evidence available pointed more to a system of import and distribution of heroin that was diverse and fragmented rather than centrally organised. Law enforcement agencies across the Asia/Pacific region too have had varied opinions.
and understandings of the shape of organised crime in Australia. For example in the early 1990s Australia and the United States held a view that Chinese drug trafficking groups importing into Australia were large hierarchical organisations with significant Triad links. At the time, however this was contrary to the view of law enforcement in Hong Kong who believed that small groups were involved and that there were no significant Triad links (Dobinson 1993).

Larger, more centrally organised drug organisations do seem able to operate and even flourish in production and transit countries in the Asia Pacific region. There may be a number of reasons for this. For example institutional protection may be more confidently bought and corruption may remain undetected where there are few overlapping and cooperative agencies involved in counteracting illegal drug offences - the case in many developing countries. Corruption is less likely in countries that have multiple agencies responsible for the policing the illegal drug trade and while some corruption may from time to time occur the chance of it being detected are high. Thus in countries where there is a multi-agency responsibility for drug crime organised crime groups are less able to obtain the protection they need to successfully run a hierarchical type of crime organisation (Dorn and South 1990).

Secondly the social and political contexts and histories of some countries may provide fertile ground for larger scale criminal activity through inadvertently rewarding deception. It has been argued for example that historically in many Asia countries it has been necessary in the interests of survival for the non-elite to organise themselves in ways which promote their interests and protect them from rapacious authorities (Basham 1995; Ownby 1993; Chin 1986). Many laws are not taken seriously but are seen as obstacles placed before citizens by police and other government officials to force ordinary people to either invoke their connections or pay bribes. Historically a village headman would speak on behalf of villagers to the government and he controlled the flow of information between village and state. In real terms, over many generations the village was far better off running its own affairs in secret (Popkin 1979). Cooperating with police and other government officials against one’s ethnic fellows risked having acts of vengeance directed at themselves and members of their family.
In this type of social and political context larger scale hierarchical crime organisations are more likely to be successful. In the Asia Pacific region hierarchical organised crime poses a threat because where it exists it undermines social values, corrupts legitimate institutions and generates political and social instability - directly through its corrupting influence and more generally by providing and constructing alternative social and economic models. Thus, hierarchical types of organised crime are still of significant concern to Australia due to the instability it generates (Customs informant comment).

Network organised crime are defined as medium-sized, semi-permanent gangs or syndicates which each have a relatively persistent internal structure and at least some penetration into the legitimate economy. Their illegal activities are undertaken periodically and petty criminal labour is hired on a casual basis. The groups may from time to time form opportunistic alliances with one another (Reuter 1983; Ruggiero and South 1995 cited in Dorn et al 1998). Import interviewees in studies described these syndicate-types of organisation even for importations that involved very large quantities of drugs. The arrangements most closely resembled a group of independent merchants coming together as equals to finance a speculative venture, with labour hired on a per job basis to perform specific functions (Reuter and Haaga 1989; Ruggiero and South 1995, cited in Dorn et al 1998; DesRoches 1999a). Groups are neither strictly hierarchal, nor completely fragmented and individuals and syndicates commonly move in and out of the illegal drug trade, vary their quantities and methods of operation or cease trading altogether, as circumstances change (Sherman 1995; Dorn et al 1992; and Murji and South 1992, cited in Green and Purnell 1998).

Pearson and Hobbs (2001) also concluded from evidence gathered from interviews with offenders in the United Kingdom (UK) that organised crime networks are not unified entities and, similarly to Reuter and Haaga (1989) in the USA considered it more useful to think of drug trafficking as partnerships between independent participants unified by the desire to reap the considerable financial rewards. This is a similar model to that found by Zang and Chin (2002) investigating groups engaged in Chinese human smuggling. Rather than the
smuggling being carried out in deference to some type of powerful hierarchy or organization, the smuggling is carried out solely on the basis of a shared commitment to the eventual profit. Research has shown that modern organised crime alliances resemble legitimate business arrangements and the activities are commonly carried out by otherwise ordinary citizens who have the needed facilitating social and family contacts (Zang and Chin 2002). Indeed it appears it is in the context of social and family contacts - mirroring the characteristics and dynamics of legitimate family businesses - that organised crime has been able to flourish and adapt to contemporary and changing marketplaces (Hobbs 2001).

Traditionally illegal drug importation in Australia has been linked in the public mind with sophisticated, hierarchically structured crime organizations. However, this view is not one held by Customs personnel. During preliminary discussions about the thesis project it was found that their view was that, based on upper estimates of consumption of heroin, Australian demand could be met without any participation of large-scale, hierarchically structured criminal organizations or groups. Detections at the border had been a mix of small and large groups with each size of group detected using all types of import stream (air cargo, sea cargo, post and passenger). For example two individuals had been detected organising extremely large imports in sea cargo, while large and sophisticated groups had been detected relying on the low-cost, low-weight-per-consignment mail system. Size of groups or type of group structure has not been able to be shown associated with any particular characteristics.

Thus, despite the popular public concept that heroin importers are part of sophisticated, hierarchically organised crime groups intelligence does not point to these types of organizations. Customs intelligence had been unable to show that particular types of organisations had any inherent advantages or that large size groups had any inherent advantages over importations organised by individuals.

Australia’s version of organised crime has been considered by a number of researchers to be that consisting of networks or syndicates of criminal
groups or simply criminals who are organised (Makkai 1993). Sutton and James (1996) also came to this conclusion, as did McCoy (1980) nearly twenty years earlier. While middle level, syndicate-based organised crime has possibly always been the dominant model of organised crime in Australia, global change may be making this model more common throughout the world. The move appears to be away from strategic alliances and toward service provision (AFP 1998) and loose, shifting and overlapping teams and networks bound by complex webs of internal and inter-group relationships (Galeotti 2000).

**Ethnic Based Organised Crime**

The extent to which ethnic based organised crime groups have operated in Australia - or have ever operated in Australia at all - has been a point of speculation and debate over many years. The possibility prompted establishment of a specialist law enforcement agency in Australia in the wake of a number of murders in Melbourne among the Italian community (Jenkins 1989) and following advise from the USA that a secret society of Calabrian origin existed in Australia. A Royal Commission into drugs and organised crime was established (Woodward 1979; Williams 1980) and ultimately led to the establishment of the National Crime Authority. This agency (which is now the Australian Crime Commission) has a specialist role to counteract organised criminal activity and reduce its impact on the Australian community (Elliot 1997).

The extent to which traditional ethnic based organised crime groups have operated in Australia is suspected to be low.

... assertions that criminal Triads exist in Australia as powerful, well-organised, functioning entities must be treated sceptically in so far as the assertions are based on statements from criminals claiming membership in such organisations ... there were indications that some petty Asian criminals claimed heavy Triad affiliations to intimidate victims (Parliamentary Joint Committee: 7 of 17).

A more realistic scenario was concluded by the Australian Parliamentary joint committee to be that some crime syndicates included individuals who were on the fringes of the Australian Chinese community and worked as contacts for the importation of narcotics and Asian prostitutes. Rather than being Triad-oriented, criminal activities were thought to be entrepreneurial, ad hoc, multi-ethnic and syndicate based (Parliamentary Joint Committee 1995).

Crime groups from Japan were at one time considered a possible threat in Australia. In Japan these groups are known by the National Police Agency as ‘Boryokudan’ or ‘Yakuza’. The Boryokudan have penetrated many aspects of Japanese life, reaping substantial illegitimate profits and investing in many legitimate businesses. The success of these groups in Japan however was facilitated through previously being allowed to operate as public corporations. In 1992, the Japanese government began enforcing a new ‘Boryokudan Countermeasures Law’ and promulgated new money laundering statutes. Under these changes Yakuza groups while not illegal, must meet specific criteria. This has had the effect of denying them access to previously lucrative sources of income (Schlesinger 1997). Additionally,

...the close interest taken in Yakuza visitors by Australian law enforcement agencies, and the attendant media publicity, may have discouraged visiting Yakuza from seeing Australia as anything more than a holiday destination (Parliamentary Joint Committee 1995: 10 of 17).

Two areas for investigation arise at this point in the review of literature.

**Gap 1: Establishment of what type of crime organisation is typical for Australian heroin importers.**

**Gap 2: Identification of the extent to which Australia’s heroin importers are affiliated with traditional organised crime groups.**
Size of Groups

Size of illegal drug import groups has been found by several researchers to be small (Reuter and Haaga 1989; Dorn et al 1998; DesRoches 1999a; Layne et al 2001; Pearson and Hobbs 2001; Rockwell 1989). DesRoches (1999a) in Canada found that each of the forty-two syndicates he identified were small and operated as independent small businesses. They typically consisted of a dealer and a handful of paid employees. Some syndicates had two or three equal partners who employed others to perform hands-on work for them. Similarly, Rockwell’s prisoner interviewees “… were of the opinion that almost all smuggler organisations contained ten people or less” (Rockwell 1989: 30).

For illegal drug importing businesses economy of scale does not apply as it may for businesses operating in the legitimate economy. Many of the high-level drug offenders interviewed by DesRoches had made a choice to stay small because they were conscious that becoming larger would increase vulnerability to law enforcement and reduce the level of trust between associates. It was also observed by the interviewed importers/dealers that it was not necessary to be large because a few small shipments can reap millions of dollars (DesRoches 1999a). An area of investigation in the present study will be to establish most typical size of heroin import groups.

Gap 3: Identification of most typical size of Australian heroin import groups.

Finance

A certain amount of business acumen is required to successfully arrange money laundering schemes - especially necessary for trade in heavy weights of heroin. Changes in trade environments over the previous decade has perhaps made it easier:

Explosive economic growth since China opened up its markets in the late 1970s has resulted in huge transfers of wealth and, in some cases, ill-gotten gains from clandestine
activities . . . Fake identity cards can be bought in many places in southern China and these are then used to register companies and open up bank accounts in Hong Kong to launder the proceeds . . . Criminals also invest illegal money in unlisted companies, then publicly list the firms in places such as Hong Kong, Shanghai and Bangkok, and proceeds from the listings are funnelled back to the criminals (Poon 12/09/02).

The scale of money laundering has become more apparent since September 11th 2001 after banks increased their scrutiny for money laundering to detect terrorist funding. The amount of money being laundered was found to be huge. In the first seven months of 2002 Hong Kong’s narcotics bureau received 6,800 suspect money reports from companies in the financial sector (Reuters News 13/09/02). In September 2002, in just one case, eight people were charged in Hong Kong with involvement in money laundering that allegedly handled $US6.4 billion (Poon 12/09/02).

With many developing and transitional countries in the process of connecting to world banking networks many are now developing appropriate new legislation and procedures which will make it more difficult for money launderers. The People’s Bank of China is developing and promulgating new rules and enhancing cooperation with international organisations to help stave money laundering in that country including: ‘Regulations on Anti-Money Laundering by Financial Institutions’; ‘Management Methods on Payment Transaction Reporting’; and ‘Interim Regulations on Reporting Suspiciously Large Amounts of Foreign Exchange in Financial Institutions’ (Interfax China Business News 13/09/02).

The extent to which organised crime groups have infiltrated capital markets to launder money and manipulate stocks is not known but considered to be growing (Howlett and Stewart 2002). Organised crime groups can own some of the junior companies on the exchange. One of the most notorious examples in Canada was YBM Magnex International Inc., which had a market value of close to $1 billion.
but collapsed in 1998 amid allegations it was a front for a Russian organised crime group.

Even were law enforcement able to identify illegal drug organisers through money trails there remain many difficulties for prosecution. Firstly there is a disincentive for banking and financial sectors to prosecute such people because of fears it may undermine investor confidence in their institutions. It was noted in Howlett and Stewart (2002) that in many cases detected offenders are never reported to the authorities for this reason. Even when reported though high level organisers may avoid prosecution. For example the Ontario Securities Commission often chooses not to pursue offenders, partly because provincial courts are not always equipped to deal with the complexities of some securities cases and also because the courts have not always shown a willingness to give tough sanctions for securities violations (Director of OSC enforcement, quoted in Howlett and Stewart 2002).

Simpler and less expensive options may be to introduce legislation to confiscate unexplained cash - considered more damaging to importers than confiscation of unsold drugs (Burrell 2000b). A survey of flights from London to Turkey for example discovered 150 million English pounds in cash were flown out over three months so, “. . . individuals are [now] given the choice of handing it [the cash] over in exchange for a Customs receipt or explaining the wealth in court” Burrell 2000b: 5). Inevitably they hand the cash over. Other legislation may require people to provide evidence of lawful acquirement of cash and goods even where charges have not been laid (National Post 27/11/2000).

*High-level Drug Markets*

The illegal drug market appears to operate in a similar way to that of legitimate markets. That is by the interaction of the forces of demand and supply. It’s all market value, it’s all free market. It’s product, price, reputation, and service . . . (quote from high-level dealers in DesRoches 1999: 16).
. . . participants operate as independent business persons and maintain a high degree of personal autonomy . . . clients [distributors lower down] can take their business elsewhere if they so choose (DesRoches 1999a: 16).

If the quality of drugs is lower here or the price higher there a buyer can ask their supplier to match the price and quality of another, or simply change suppliers.

We’re all independent. It’s all market value, it’s all free market. It’s product, price, reputation, and service . . .

(quotes from high-level dealers in DesRoches 1999a: 16).

If high-level heroin import groups operate independent of one another and as a result the importation component of the drug market is fragmented this fragmentation would be expected to flow through to the domestic market because of the fragmented customer base. This was a finding of Pearson and Hobbs (2001) in the United Kingdom, who found the domestic middle-market was highly fragmented. A further area of investigation will be the characteristics of the heroin market.

Gap 4: Identification of whether importation characteristics influence characteristics of Australia’s domestic heroin market.
Offender Characteristics and Behaviours

Characteristics

Ethnic Background

Similarly to other countries there has been a tendency in Australia to blame ethnic groups for the problem of illegal drugs - that is ‘others’, despite crime figures that consistently show new migrants are under represented in crime statistics (Killias et al 1995, Palmer cited in Tonry 1997; Grabosky and Wilson 1989). Australians have historically perceived illegal drug activity as inextricably linked particularly to ‘Asianess’. As far back as the 1880s the Chinese were labelled in vitriolic terms as ‘demons’ who corrupted innocent Anglo Australians with opium (Manderson 1993). This theme has been replayed to varying degrees ever since, arguably peaking in the 1990s (Elliott 1996; Windschuttle 1981; O’Donnell 1990’ Soo-Lin Quek 1997) when reports like these were common:

. . . 85% to 90% of heroin imports into Australia are organised by Chinese organised crime groups (The Weekend Australian 20-21 Nov 1993).

. . . the growing threat posed in the Pacific and beyond by Asian crime gangs. Chinese Triads, Vietnamese youth gangs, Japanese Yakuza and Korean criminal elements have overtaken Australia’s other ethnic groups in the reach and scope of their criminal activity: heroin importation, prostitution, money laundering, extortion, home invasions and other crimes of violence. With the exception of outlaw motorcycle gangs, Caucasians no longer figure large in Australian organised crime (Martin The Bulletin 8/4/97: 18).
Criminal behaviour of Anglo-Saxon offenders is never explained in the context of their ethnicity or race because it does not make sense to do so. Ethnic background is rather, incidental to a number of other factors that may influence behaviour (Beyer 2002d). Intuitively however migrants and refugees with overseas connections are considered to have an inherent advantage in arranging importations of illegal drugs, particularly where they have contacts in the heroin production countries (Parliamentary Joint Committee 1995; ABCI 1999; Martin 1997; DesRoches 2000a).

While one of the few pieces of information about illegal drug offenders made public in Australia by law enforcement is the racial or cultural origin of the offenders, many individuals within law enforcement are increasingly looking beyond ethnic stereotypes. Ethnic labelling by law enforcement – and arguably through them the media and commentators – may be related to preoccupation with movement and detection of drugs, origin and routes - which are almost invariably Asian. However, as far back as 1991 an Intelligence Report warned against attaching too much weight to reports that ethnic groups were moving into crime:

   . . . we have come to the view that since any ethnic group is capable of (and quite probably involved in) any form of criminal activity, then the periodic shifts in law enforcement focus on specific groups itself produces a skewed perception of what is happening. As more information (on a new group) becomes available as a result of change in operational and intelligence focus, and less (of the old) comes to notice, then this phenomenon will strengthen the already formed impression that ‘a new group’ is moving into the criminal environment” (Wardlaw, McDowell and Schmidt 1991: para 5.39).

Law enforcement key informants in Beyer and Reid’s (2000) study believed ethnicity was not necessarily a major factor in illegal drug importing and that while the Asian-drug link is a particularly popular motif it is certainly not the full story:
One of the most successful drug syndicates ever in Australia was the Mr Asia drug syndicate and it was comprised of New Zealanders with one or two Australians. . . it wouldn’t surprise me if there were other Mr Asia syndicates in existence. However, these types of syndicates do not feed people’s prejudices and they don’t sell newspapers (quote from a criminal intelligence key informant interviewed in Beyer and Reid 2000).

Because of the necessity of trust to be present between individuals contemplating or engaged in illegal behaviour, family and close social and business associates are usually safer choices for collaboration. Such associates are commonly from the same ethnic background (DesRoches1999a; Beyer and Reid 2000). Ethnic background should more properly be considered incidental to other factors for heroin import offending and only somewhat relevant. Further areas for investigation will be:

**Gap 5: Identification of relationships and roles of offender participants.**

**Gap 6: Identification of extent to which Australian heroin importers are Australians or foreign nationals.**

**Criminal Background**

Researchers Reuter and Haaga (1989) in the USA and DesRoches (1999a) in Canada found that criminal backgrounds were uncommon among the higher-level drug dealers/ importers they interviewed. Conclusions were that good organisers tended not to have had an extensive prior criminal record and, rather than involved in previous criminal enterprises they had done well in sometimes continuing, legitimate sales-type professions. DesRoches (1999a) found that many of the high-level dealers in his study began their criminal involvement at or near the top of the drug hierarchy and were previously involved in running legitimate businesses.
. . . I was involved in the trade for twenty years before being busted. I have no criminal record prior to this beef and I’m forty-five years old . . . (Quote from a high-level dealer in DesRoches 1999a).

**Business Background**

The high proportion of high-level drug traffickers who had previously run small (legal) businesses before moving into drug dealing (60%) was considered by DesRoches (1999a), to indicate that, at least at the higher end of the illegal drug chain, entrepreneurial attitudes, skills and experience were important factors in deciding to enter, and then to successfully engage in, the illegal drug trade. The qualities that help prosperous small business people in lawful pursuits of profit are the same qualities one would expect in successful illegal drug importers. “A strong work ethic and legitimate business experience . . . contribute to the relative success of the drug dealing enterprise” (pp 7). Indeed, high-level illegal drug dealers themselves perceived their activities as a business, not as organised crime.

I referred to this as a business and it was a business. It started small and we built it up and expanded the business. I had employees and all the problems of handling people’s personalities and quirks. You have to keep on top of your employees and as the employer I had to deal with them (Quote from a high-level dealer in DesRoches 1999a: 6).

A case uncovered in Britain revealed a crime organisation that was also modelled on a normal retail business structure with directors, bankers, purchasers, salesmen, baggers and wrappers.

The gang even ran a dealer call centre, manned 24 hours a day for addicts to order their drugs . . . distribution depots were set up so that customer demand could be met quickly to ensure loyalty (Connett 2002: 9).
Inter-twining illegal activities with legitimate business activities has a number of advantages. It can provide camouflage for the illegal activities and provide tax cover by enabling funds from illegitimate enterprises to be mixed with that from legitimate business, particularly where the legal business is a cash-based business.

A cloak of legitimacy – such as that provided by legitimate companies - may now be the more important factor in illegal drug importation . . . (Morrison 1997).

Other advantages include: financial security through provision of a steady income and insurance against the unpredictable, sporadic and risky income derived from illegal activities. It also provides a means by which legitimate work can be engaged in by relatives who are to be shielded from involvement with the criminal activities, and it provides legitimate work for persons in the syndicate who are on parole or probation or have criminal records. Investment in legitimate enterprises also provides an estate that can be legally inherited or transferred to dependents – something that cannot be easily done with investments from or within illegal enterprises (Anderson 1979, cited in Abradinsky 1990).

Hobbs argues that crime enterprises that are organised (however defined) tend to be governed by the market and the social and economic environment they find themselves in as opposed to territorial domination. In this way they are able to operate under the cover of normalcy and engage with the market in a number of ways not necessarily visible to others also living in the environment (Hobbs 1998). In a later paper Hobbs (2001) argues that crime enterprises mirror legitimate business enterprises, in particular businesses that are family based.

Three further areas for investigation arise at this point.

**Gap 7: Identification of the style and sophistication of organisation for heroin import groups in Australia.**

**Gap 8: Identification of the extent to which heroin importers have business acumen.**
Gap 9: Identification of the extent to which legal businesses and activities are inter mingled to hide illegal activity.

Dangerousness

The rhetoric surrounding illegal drugs has often portrayed offenders and illegal drug importers in particular as morally depraved, supremely cunning, dangerous, violent, ruthless and evil:

The Hong Kong based Triads are notoriously violent (Isall 2002: 23).

Police concern that Asian crime gangs are using schoolchildren to traffick heroin in Melbourne’s western suburbs must alarm all parents (Herald-Sun 29/11/95: 12)

In a study of newspaper reporting in Sydney many examples of horror stories designed to titillate the reader and which confirmed the prejudices of the readership were cited:

The heroin sold in Sydney’s streets is among the most dangerous in the world . . . It comes in various forms: Pink Elephants, Chinese Black Rocks, Thai Powder, Penang Poison. But all of it is Asian smoking heroin heavily adulterated ('cut') with strychnine . . . Pure heroin is practically unobtainable in Sydney. It's cut heavily to increase the profit - strychnine, baby powder, borax, snail killer, concrete dust, Ajax. Anything . . . (Windschuttle 1981: 172).

Researchers have found that contrary to the stereotypes it is possible to function successfully as a high-level importer/dealer without recourse to violence (DesRoches 1999b; Reuter and Haaga 1989; Dorn et al1998; Adler 1985). “Most traffickers are highly selective with whom they deal and avoid persons and
situations they perceive as dangerous” (DesRoches 1999b: 15). Similarly, Reuter and Haaga (1989) found that

Our [incarcerated illegal drug import offender] respondents were not threatened often or severely, and they preferred to avoid detection or deal in a roundabout way with the violent . . . dealers, rather than confront them with their own private armies (Reuter and Haaga 1989: 41).

Where violence did occur it tended to be associated with failure to pay debts. Although:

A prudent dealer, we were told several times, protects himself by never allowing a customer to get so heavily into debt that the dealer cannot simply write it all off as a bad debt and never do business with him again (Reuter and Haaga 1998: 45).

Similarly,

There does not appear to be much violence or competition in the [higher levels of the] drug market. If people . . . realise the competition is too great, they seem to find something else to do. I think that at the higher level there is no point in fighting over turf because everybody would lose (Criminal intelligence key informant quoted in Beyer and Reid 2000: 319).

There was a general understanding among the ‘traders’ that,

Not only is there no need for violence because everybody involved is making money, it is to be positively avoided. Violence and killings attract police attention . . . as well as attracting retaliation. Violence is therefore strictly ‘bad for business’ (Pearson and Hobbs 2001: 42).

Dorn, Oette and White (1998) found that where the illegal drug import “firm” was small and more tightly linked it was in everyone’s best interests to have a
policy of “firm but fair” because if members or ex-members felt they had been badly treated it increased risk of them ‘talking’ to law enforcement or to competitors. In any case violence is “... expensive to arrange [and] if done on the cheap may not be done properly and hence may backfire” (Dorn et al 1998: 549). Instead the person was more likely to be “bad mouthed”, making other groups wary of employing them. While conflict tended to be avoided in the smaller groups, violence was considered more common in larger, more loosely connected firms.

Warnings and a time limit may be given in the case of owed drugs or money, but this tended to be followed by violent action. Threats tended not to be necessary as fear generated from previous violence kept employees in line (Dorn et al 1998: 550).

Another gap in knowledge about Australia’s heroin importers is the extent to which they are violent individuals. We are told they are by virtue of their heroin importation offending but the extent to which they have prior criminal records or have engaged in violence is unknown. The thesis will therefore consider:

**Gap 10: The extent to which violence is present in heroin importing.**

**Care of Employees**

The extent to which employees in heroin import groups were looked after was examined by some studies. In their UK study Dorn et al (1998) found employees were not always looked after and there were frequent claims by dealer/import interviewees that people had been ‘set up’, “... a variety of importer respondents believe that sacrifices routinely take place and are intrinsic to the business of smuggling and enforcement” (page 554). This is either because of a falling out between “bosses”, or more frequently as a deliberate strategy to give Customs something to do – diverting attention from the main consignment of drugs and occupying Customs with a captive who could tell them nothing useful. It is not
known how employees are treated in Australia and this will be investigated as part of Gap 5.

Categorisation and Role Differentiation

If there is to be a better understanding of heroin importation behaviour there needs to be a means of teasing out and categorising in some way the complexities within the offending. There would be expected to be a difference between organisers of a heroin importation and people employed to do specific tasks for example, or between people prepared to arrange small quantity and large quantity imports. Some researchers have attempted to differentiate and define roles and types of organisation or arrangements. In the United Kingdom, researchers Dorn et al (1998) identified two main types of organisers of illegal drug importations.

1. Risk-adverse importers: are import organisers who enter the trade with the ability to self-fund the importation and who can afford to surround themselves with trusted/fearful associates; and

2. Risk-tolerant importers: are importers who lack a large amount of start-up capital, who may have to borrow money to fund the enterprise and are prepared by inclination, financial necessity or both, to be ‘hands-on’.

The well capitalised risk-adverse importer tends to have one or more ‘deputies’ that can be trusted not to reveal their identity and who may be delegated to employ others who have the skills to carry out the various component tasks of the importation. Go-betweens or ‘risk assessors’ may also be used between these deputies, for example for negotiation and investigation purposes when an alliance with another importer group is being considered (Dorn et al 1998).

The importer who is tolerant of risk was characterised as a person lacking the full start-up capital required and who may often have had to borrow money to fund the enterprise. Risk-tolerant importers generally cannot afford to buy the trust and cooperation of others and thus must conduct at least some of the hands-on work themselves. Dorn et al (1998) considered that, as a matter of necessity to cover expenses and debts, and to have a large enough profit left over, the risk-tolerant
importer is more likely to bring in very large quantities of illegal drugs at a time. Detection to the risk-tolerant importer is devastating on two fronts: that of very heavy legal sanctions and the wrath of creditors.

Similar to the research of Dorn et al (1998), DesRoches (1999a) based his classifications on interviews with offenders. He found that a major distinguishing characteristic among the high-level dealer/importers was their previous criminal involvement. Thirty-five of the fifty DesRoches interviewed were relatively law-abiding men with little previous criminal involvement: These he called ‘non-criminal drug traffickers’. The remainder who did have a history of previous criminal offending he called ‘criminal drug traffickers’.

Earlier research by Dorn and South (1990) also included categorisation of individuals and groups, although this time for illegal drug distributors. The researchers found evidence to support the existence of seven basic types. The extent to which each operated in comparison to the other types was not able to be established:

1. Business sideliners: the licit business enterprise that begins to trade in drugs as a ‘sideline’;
2. Criminal diversifiers: the existing criminal enterprise that diversifies its operations to include drugs;
3. Opportunistic irregulars: individuals or small groups who get involved in a variety of activities in the irregular economy, including drugs.
4. Retail specialists: a manager employing people in a variety of specialist roles to distribute drugs to users;
5. Mutual societies: friendship networks of user-dealers selling and exchanging drugs among themselves in a reciprocal fashion; and
6. Trading charities: people involved in the drug business because of ideological commitments to drugs such as cannabis as well as for the profit motive.

Lastly there were those allowed to continue to trade because of the operation of police undercover agents or covert operations where police posed as buyers to entrap drug dealers. These were describes as:
Australian Customs base their categorisation of illegal drug importers on the aims and experiences of the participants and the degree of planning and organisation undertaken by the individuals involved. Four categories have been developed:

1. **Opportunists**: these are sometimes drug users themselves who seek a quick return from a small investment. They act with minimal knowledge of the importing environment and usually act alone or with one or two friends. These types may be recruited by other groups and paid a flat fee on delivery (couriers). In the latter case they will have little if any knowledge of who is employing them;

2. **Amateurs**: are people starting out in the drug trade, either on their own behalf, or as junior members of a syndicate. They will have some knowledge of how to evade detection and will invest some time in preparations. If they are not detected and do not drop out they may become a ‘professional’ importer;

3. **Professionals**: are people for whom drug importing is a life-style and continuing trade. These individuals are the central core of ever-changing syndicates, drawn from Australia’s ‘criminal classes’. They tend to specialise in certain drugs, are aware of the relative risks, and take time and trouble over each import; and

4. **Business**: these importers are well-financed and able to organise continuing large-scale imports, although not necessarily importing large quantities at a time. Their operations are expensive and they pay others to do the ‘hands-on’ labour. Business importers go to considerable trouble to merge illegal imports into legitimate import traffic. They rely heavily on ethnic, family or business ties, their reputations and changed methods of operation to avoid detection. Because of their considerable expenses the profits made by this category of importer are not always as large as may be imagined, although still considerable (Beyer 2002: 8).

There appears to be some compatibility between what Dorn et al (1998) describes as the ‘risk-adverse’ import organiser, and the Australian ‘business’ and some ‘professional’ illegal drug importers. Also, between the ‘risk-tolerant’ importer,
and the Australian ‘amateur’, and some ‘professional’ importers. ‘Opportunists’ and some of the ‘amateur’ illegal drug importers are ‘criminals who are organised’, while some ‘amateur’ and the ‘professional’ and ‘business’ category illegal drug importers are ‘syndicate-type’ organised crime.

**Becoming Involved**

Many of the high-level illegal drug dealers/importers interviewed in Reuter and Haaga’s USA study (1989) obtained the contacts they needed to get started through chance meetings and introductions, mainly in the context of bars, nightclubs and restaurants. The opportunity to become involved for DesRoches’s (1999a) Canadian subjects also arose through connections with persons already involved.

Recruitment by strangers occurred in the context of bars and nightclubs and through chance meetings and introductions. Those recruited this way were more likely to be sought as number 4 importers, employees paid to do a specific job and not knowing the organiser, rather than organisers and middlemen. Reuter and Haaga (1989) also found that import offenders had been recruited to the offending in the context of bars and clubs, although the role for which they were recruited was not clear.

DesRoches (1999) found that involvement in the drug chain for importers began at or near the top of the drug hierarchy (that is at import level). Some respondents in Reuter and Haaga’s (1989) study however had apparently ‘grown up’ in the business or else started their involvement lower down the chain - beginning as low level dealers until they “happened on a good new source” (p35). The ability of lower level dealers to rise through the ‘ranks’ of the drug trade to the higher levels seemed to depend on their organisational ability. “An individual who inspires trust and is affable, moderately intelligent, well organised, ambitious and willing to take risks can prosper” (Reuter and Haaga 1989: 36).
Motivation and Knowledge

Dorn et al (1998) found that most of the people recruited to perform specific tasks in an illegal drug importation were aware what they were being asked to do was illegal:

. . . [ they] are well aware from the start about the nature of the acts they are being asked to commit . . . and clear about the scale of penalty if caught. Others are clear about the nature of the acts and . . . their illegality, but [are later] stunned about the scale of the sentence handed down, considering their subordinate position in the smuggling organisation (Dorn et al 1998: 551).

Other people were apparently not initially aware they were being asked to do anything illegal - for example, a transport driver who was asked to transport “goods” (Dorn et al 1998: 552). The UK researchers concluded that couriers (workers paid to transport the heroin) generally lacked experience in the drug trade and were often foreign nationals who tended to commit their offences to escape from poverty (Green et al 1994).

Naivety in recruits employed to do specific tasks in an illegal drug importation have a number of benefits from the point of view of the drug import organisers:

- the licit business they may be involved in provides legal/legitimate cover;
- their lack of criminal background means they are less likely to be known by the authorities;
- their ability to figure out the wider situation is limited and as a consequence they are not likely to give damaging details in the event of their detection; and
- the less the recruit knows about the illegal drug environment the less likely they are to abscond with the drugs, since they lack knowledge of where to sell it. Low level recruits are considered to rarely be given money to transport since they would know what to do with that (Dorn et al 1998: 552)
In a study of 573 drug couriers detected importing class A drugs (heroin and cocaine) at Heathrow and Gatwick airports between 1990 and 1992, Green, Mills & Read (1994) concluded that couriers generally lacked experience in the drug trade and were unaware of the huge risks and penalties attached to drug importation in the UK (Green 1991, cited in Green and Purnell 1995).

Two further gaps will be investigated:

**Gap 11: Identification of routes of admission and recruitment for Australian heroin importers**

**Gap 12: Identification of demographic characteristics of Australian heroin importers.**

**Risk Aversion**

Remoteness from any contact with the heroin was found by Dorn et al (1998) to mean security from detection. The organisers who arrange for the importation and wholesale distribution of heroin typically avoid physical possession.

The actual smugglers (“mules”) take most of the risk . . .

Guys who were in the business for twenty years and had made millions off it have never seen [the drugs]. After all, does a commodities trader on Wall Street have to see . . . platinum bars? In fact, importation often entails little or no risk of arrest – heroin and cocaine can be secreted in any variety of imported goods, and possession cannot be proven (Abadinsky 1990: 324).

Risk of detection in importing illegal drugs was considered by the drug importer subjects in Dorn et al’s study (1998) to differ depending on whether or not the person doing the organising had enough capital to set up the enterprise correctly. Risk for the adequately funded importer was considered to be very small. At
worst they may occasionally lose a load or feel the need to sacrifice lower level workers to “keep Customs busy”.

As each importation is generally a small facet of a larger business, some loss of drugs or personnel risk is considered acceptable and no threat to freedom or wealth. The greatest strategic threat to risk avoiding import organisers was considered by the importer subjects to be “long term undercover operations . . . (Dorn et al 1998: 557).

For the organiser with inadequate capital, the risk was considered much greater for a number of reasons, including:

- the necessity to be more hands-on, that is in contact with the heroin and therefore more likely to be arrested if the import is detected;
- the need to bring in very large quantities - to cover costs and loans - meant transport and concealment is more difficult; and
- if the load is lost the inadequately capitalised importer would be in difficulties with money lenders (Dorn et al 1998: 547).

Dorn et al (1998) found that among the risk-tolerant organisers there was a high-level of role-swapping and consequent role confusion, making it “all too easy to assess incorrectly the most appropriate action for the present role, especially when one is under stress” (pp 553). On the other hand, the risk-adverse organisers “. . . never forgot their role and its boundaries, nor those of others” (pp553).

Drug importers considered that an illegal drug importation was most likely to fail where:

- the importer brings in too great a load for the method of conveyance used;
- the importer repeats the same method too many times;
- those involved do not pull out after finding themselves under surveillance;
- there is “loose talk”; and
- the co-organisers fell out with one another; or
they were just unlucky (Dorn et al 1998).

In Australia, the ‘opportunist’ type of illegal drug importers are considered the most likely to be detected, as are low level employees of ‘professional’ and ‘business’ import organisers. Greatest vulnerability for these is at the Australian border. Here lack of knowledge, lack of investment and lack of planning exposes them to Customs’ attention (Australian Customs informant 2000).

Risk-adverse importers fragment the process of illegal drug importation into a series of events and tasks to protect themselves from being linked to the importation. Those carrying out the hands-on tasks for this type of organiser tended to know little or nothing of the organisers themselves or of the activities of others involved in the importation (Dorn et al 1998). The risk-adverse ‘business’ category of illegal drug importer is considered by law enforcement to be the most difficult to convict. While law enforcement may be reasonably certain of the identity of many of these category of offenders, the difficulty lies in making the link back to them of specific illegal drug importations and the gathering of sufficient evidence for successful conviction. Greatest vulnerability to detection for the risk-adverse, ‘business’ and ‘professional’ categories of illegal drug importer is through:

- exposure by informers;
- through law enforcement surveillance that links them to known criminals; and
- through mistakes revealed by routine bureaucratic scrutiny of discrepancies in stated incomes and lifestyle, or within business and tax records (Australian Customs informant 2000).

For all categories of illegal drug importer, likelihood of detection increases over time. While a long-term import organiser may become more knowledgeable and adroit at avoiding detection, complacency and a growing number of ex-partners and ex-employees increases the risk of identities and activities being revealed through carelessness or by disgruntled ex-employees, market competitors or other informers.
Loss of employees or drugs through detection is less likely to harm a risk-averse importer. They themselves cannot be identified and losses are more easily absorbed as a manageable business expense than may be the case for the risk-tolerant import organiser.

Two imprisoned and three police informant subjects in the Dorn et al (1998) study believed that in some instances the import organisers arrange for themselves to be registered as police informants. They do this to reduce the risk to themselves by nominating peripheral aspects of their own organisation as a diversion and additionally to give themselves a degree of immunity from prosecution through acting as informants.

True or false, at a psychological level it can serve as an explanation of the present situation where the low-level workers are in prison and the organisers are not. One prisoner respondent had this view reinforced during his trial when after trying to give evidence against persons he alleged were both the main organisers and the informants, had the move blocked by the judge who instead granted a public immunity certificate to the alleged organisers on this point (Dorn et al 1998: 555).

In summary, researchers have found that risk aversion strategies used by illegal drug importers are many and include:

- Remaining remote from the heroin;
- Keeping the business small;
- Avoiding dangerous or violent people;
- Using credit carefully;
- Paying one’s debts;
- Being honest with suppliers and clients;
- Dealing only with known and trusted persons; and
- Dividing labour into separate activities so the arrest of one person will not necessarily implicate others.
Further areas to be explored are:

**Gap 13:** Identification of level of risk heroin importers feel and how risk is minimised.

**Gap 14:** Perceptions of which heroin importers are at highest and which at lowest risk of detection.

**Deterrence**

There is considerable discussion of the principles and practices of deterrence and supply reduction in international literature. However, little research has investigated the perceptions offenders or law enforcement personnel have of the efficacy of such strategies and practices. One of the few studies that approached the issue from this angle was Dorn et al (1998) in the UK. Here for example it was found that drug import respondents believed law enforcement was hard but not corrupt – although the researchers point out the offenders spoken to were nominated by United Kingdom Customs and it was possible those alleging corruption had been excluded.

**Perceptions** about deterrent and supply reduction strategies and activities by key players is important because it enables a gauging of the extent to which current strategies are working as intended. Additionally examination of perceptions enables identification of the motivational forces that operate for heroin import offending behaviour and which of these have greater or lesser influence on decisions and behaviours. An understanding of motivations and the basis for decisions and behaviours is essential for sharper focus and evaluation of the efficacy of deterrence strategies.

**Gap 15:** Identification of Issues for Deterrence and Supply Reduction
Court Outcomes

There is little literature available that has explored outcomes of law enforcement activity for heroin importation such as number of illegal drug import offenders arrested, or convicted was found and no information about sentencing patterns. Green et al (1994) found for illegal drug importers importing through airports there was a moderate association between estimated street value of the drug imported and the length of sentence received.

Additionally no research was found that had examined the perceptions and behaviours of law enforcement or the various issues that relate to their ability to carry out their role in counteracting the offending in the Asia Pacific region. A focus on activities and issues for law enforcement provides a further perspective on heroin import offending. Thus the following gaps will be a focus for investigation.

Gap 16: Identification of Process and Sentencing for Heroin Importers

Gap 17: Identification of Issues for Law Enforcement

Summary

Research in the area of illegal drug importation and higher level drug dealing is in its infancy and the literature clearly indicates significant gaps in current knowledge about Australia’s heroin importers. Existing stereotypes have not been tested by independent research and connections made on the basis of cognitive constructs have not been tested. It is very important that current assumptions are tested not least because huge resources are currently expended in the counteraction of illegal drug importation. It is the contention of this thesis that dispositional variations are significant and of critical importance in an analysis of human behaviour for heroin importation offending. If the social sciences are to contribute in understanding heroin import offending there must be a multifaceted broadening of behavioural based investigations for the purposes of setting up a
taxonomy of the offence, to aid in unravelling the complexities of the offending and to set up a structure for facets of the offending.

Seventeen specific focus areas have been identified from the review of literature. These form the basis of the present investigation and the framework for the research. The focus areas have been grouped into three themes.

Framework for the Research

The themes and focus areas identified in the review of literature form the conceptual framework of the thesis.

Theme 1: Offender Characteristics

Gap: Focus:
12 Demographic characteristics of Australia’s heroin importers.
6 Extent heroin importers are Australian citizens or foreign nationals.
8 Level of business acumen of Australia’s heroin importers.

Theme 2: Organisational Characteristics

Gap: Focus:
1 Type of crime organisation typical for Australia
3 Typical size of Australian heroin import groups.
5 Relationships and roles of the various participants.
11 Routes of admission and recruitment.
10 Extent of use of violence.
7 Style and sophistication of organisation in heroin import groups.
2 Extent of affiliation with traditional organised crime groups.
Theme 3a: Perceptions and Behaviours – Focus on Importers

Gap: Focus:

13 Identify level of risk heroin importers feel and how risk is minimised.

9 Extent to which legal businesses and activities are intermingled to hide illegal activity.

14 Identify which type of heroin importers are at highest and lowest risk of detection.

4 Importation characteristic’s influence on Australia’s domestic heroin market.

15 Deterrence and Supply Reduction

Theme 3b: Perceptions and Behaviours – Focus on Law Enforcement

Gap: Focus:

16 Process and Sentencing

17 Issues for Law Enforcement

Testing and examination of the identified themes and focus areas will involve use of a number of different data sources. The next chapter outlines the methodology used in collection of the data and the issues that were addressed to enable the research to proceed.
CHAPTER FOUR: METHODOLOGY

The thesis has used a combination of qualitative and quantitative data to examine the gaps in knowledge identified in the literature review and to identify any new insights. Triangulation in the methodology has assisted to maximise findings’ validity and reliability since multiple sources of data and methods of data collection provide corroboration of findings (Miles and Huberman 1994). In order to explore the various aspects of heroin importation the thesis has used Australian Customs Service (Customs) heroin detection data to develop two cohorts of importers totalling 458 individuals. Data was also obtained from semi-structured interviews with seventeen drug and narcotics law enforcement and related personnel in Australia, Hong Kong and Thailand.

The approach taken was largely dictated by what was available to the author. Customs detection data for example was available to the author and assistance and introductions to overseas law enforcement interviewees was made available when the idea of regional interviews was mooted with Customs and AFP. The methodology brings together for the first time (certainly outside law enforcement agencies) diverse data and information and applies it to the one area of focus. The methodology is designed to capture as many aspects and perspectives on the offending behaviour as possible – in the hope the findings will be of value to the whole Region.

Heroin Import Detection Data

An SPSS database was developed for heroin importers who had been detected in Australia between 1990 and 1999 and using as much demographic information as could be extracted from law enforcement databases. The heroin importers were divided into two cohorts on the basis of weight:

- The ‘major heroin importer cohort’ (MHI) comprised 171 individuals detected in New South Wales of involvement in importation of heroin weighing five kilograms or more in the import episode immediately preceding latest arrest; and
• The ‘other heroin importer cohort’ (OHI), comprised 287 individuals detected throughout Australia of involvement in importation of heroin weighing less than five kilograms in the import episode immediately preceding latest arrest.

An important point to note is that individuals included in the cohorts are people arrested for heroin importation offences. They are not people who were necessarily convicted of the offences for which they were arrested. The decision to include people arrested rather than people convicted was necessary because no conviction outcomes were available for any of the lower weight importers on the Customs database. To include only those people convicted would have severely reduce the size of the cohort and biased results toward those involved in the heavier weight importations. For these latter individuals the author was able to obtain conviction and court outcome data from the AFP database. Access was not available for the lower weight importers. Thus while reported throughout the study as ‘heroin importers’, the individuals in the cohorts are more properly described as people detected and arrested for alleged heroin importation offending.

The dichotomy of heroin importers based on weight of the heroin was a decision made by the author and not based on any official or law enforcement weight differential. Legislation states a commercial quantity of heroin in Australia is 1.5 kilograms or more (See in Schedule 4 of The Customs Act 1901). However, the author was interested in making a distinction between importers who brought heroin in via air passengers and those who were involved in the transport arrangements necessary for the larger weights. In organisational terms it is easy to buy an air ticket and fly to another country. It is less easy to arrange the unaccompanied international transport or private conveyance necessary for the importation of the heavier weights. It was considered organising the movement of large quantities of heroin involved different skill and perhaps greater organisational skill than did the smaller amounts. It is however, acknowledged that imports of quantities of heroin less than five kilograms are still significant and further that people involved in multiple, small-at-a-time imports may well be considered ‘major’ heroin importers.
Five kilograms was chosen because amounts less than this may be brought in by air passengers. Maximum body packing weight detected - that is hidden in or on the body of a person - has been around three kilograms. Highest weight ever detected in air passenger luggage has been about ten kilograms (Australian Customs informant 2000). The decision to separate the importers by the five kilograms weight differential was justified by the findings of a preliminary analysis that found 87% percent of heroin weighing under five kilograms was detected with air passengers.

**Heavy Weight Heroin Importers (MHI)**

A decision to only include major heroin importers detected in New South Wales (NSW) was made early in the research on the basis that the greatest majority of the more serious drug import offenders were detected in that state – based on length of sentence. Heavy weight importers detected in other Australian states did not number more than about fifty for the decade on the basis of the information examined. Many of the heavy weight drug offenders originally identified by the DPP’s office in other states were involved in drugs other than heroin or for amounts of heroin less than five kilograms. (The latter individuals are included in the lower weight (OHI) cohort.)

**Identification**

Identification of individuals who had been detected importing five or more kilograms of heroin involved examination of a number of databases.

1) **The Australian Commonwealth Department of Public Prosecutions (DPP)** provided name and conviction date for all persons convicted of Commonwealth drug offences who were currently in custody serving prison sentences of at least two years, as at 22/3/00. (Drug type and specific offence were unable to be easily extracted from DPP records and so were not requested.) The lists indicated the greatest majority of serious Commonwealth drug offenders in Australia are
prosecuted in New South Wales (NSW) - nearly five times that of the next highest state, Victoria. See in Table 6.

Table 6 All Serious Drug Offenders in Custody, by State

<table>
<thead>
<tr>
<th></th>
<th>NSW</th>
<th>VIC</th>
<th>QLD</th>
<th>WA</th>
<th>SA</th>
<th>ACT</th>
<th>NT</th>
<th>TAS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Commonwealth drug offenders imprisoned for two years or more as at 22/03/00</td>
<td>291</td>
<td>60</td>
<td>59</td>
<td>54</td>
<td>13</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>479</td>
</tr>
</tbody>
</table>

The DPP list of names was then compared with those extracted from the Customs database and NCA annual reports to establish which had been involved in heroin importation offences.

2) The Australian Customs Service database provided demographic data of heroin importers. Data from this source was more accessible to the author and in comparison to the other databases was information rich. The Customs database included details of all heroin seizures made at the Australian border. Date of detection, method of importation, weight of the importation, role in the importation, number of co-offenders, occupation, nationality, country of birth and date of birth were unable to be extracted. Not all variables were recorded for all offenders however. Co-offenders identified by Federal police at a later date were not necessarily notified to Customs and therefore were not recorded in the Customs database. (These were identified in the DPP, AFP and or NCA databases and annual reports. Court outcomes were not available from the Customs database.

3) National Crime Authority (now Australian Crime Commission) reports offenders convicted and court outcomes in their Annual Reports. This source provided conviction date and sentence length. Particularly in the case of earlier reports however type of illegal drug and drug offence type is not reported. Thus it was not possible to identify those people who were involved in the importation of heroin from this source. However, a list of drug offenders who were given substantial sentences and others (indicated in the DPP list) was submitted to the NCA and they were able to confirm those that had charges for importation of heroin weighing five kilograms or more. No demographic information was obtainable from this source.
4) **Australian Federal Police** enabled double-checking with the Customs data.

Confirmed subjects, after duplications were eliminated and where heroin was the drug imported and where weight imported is five kilograms or more numbered 171. These comprised the Major Heroin Importer cohort (MHI).

Some discrepancies in the final numbers of confirmed subjects were expected. However, eleven subjects confirmed from other sources did not appear in the AFP database (as at 22/03/00). These may have been entered into the NSW state police database. However this is supposition and the author was unable to determine any reason through enquiries.

There is a possibility there may be some eligible heavy weight heroin importers detected in the 1990s who are not in the cohort. The ones most likely to be missed are those detected by AFP alone without the involvement of Customs and who had completed their sentences or had been deported prior to 22/03/00. Cross checking across a number of different sources however gives confidence that the number of missed heavy weight (MHI) heroin importers would be very small.

**Description**

The major heroin importer (MHI) cohort comprises 171 people detected importing five kilograms or more of heroin into Australia, between 1990 and 1999. While almost all individuals in the MHI cohort were detected between 1990 and 1999 nine detected in the late 1980s have also been included on the basis that they were still ‘live’ cases in the sense the individuals were still serving their sentence in the NSW prison system, as at the cut off date for inclusion (22/03/00 March 2000). These nine have been included in the ‘1990’ detection year.

Figure 1 shows the yearly distribution of arrests of heavy weight heroin importers. It was found a majority of individuals in the MHI cohort were detected
in the three years 1996 to 1998 (56%), with just over one quarter detected in the year 1997 (28%). (Note that a single detection may result in several individuals being arrested.)

A large proportion of the MHI had no method of import recorded (43% N=73). Of those with this variable (N=98) nearly two thirds used unaccompanied air cargo to transport the heroin to Australia (73%).

As at 22 August 2000 (as Figure 2 shows), 78% (N=133) of the heavy weight heroin importers had had their cases finalised in court. Eleven percent were ultimately acquitted while a further one quarter had their court cases still pending as at the cut off date.

Figure 1: Heavy Weight Heroin Importers NSW, by Year Detected

N= 156
Missing = 15

N = 171

Figure 2: Status of Heavy Weight Heroin Importers as at 22/08/00

**Lower Weight Heroin Importers (OHI)**

Only the Customs database was used to identify individuals importing less than five kilograms of heroin into Australia. Court dispositions for individuals in the OHI cohort were unable to be obtained because the information is not available on the Customs database, nor easily obtainable from court records. While AFP electronic data would possibly be the most cost effective method of obtaining the information the method was not available to the author. (Note a further 137 detections of heroin weighing less than five kilograms were made by Customs during the decade. However as no offenders were identified they are not included. The majority of these were imported via the postal service (88% N = 121), or unaccompanied air (11%), or sea (1%) cargo.

**Identification**

Identification of individuals detected importing less than five kilograms of heroin was much less complicated than for heavy weight heroin importers. Persons arrested at the airport border are rarely used and if approached rarely agree to
participate in police surveillance aimed at detecting more offenders. It is estimated there were only a dozen ‘controlled deliveries’ arranged with under five kilogram heroin importers over the relevant ten year period (Customs informant 2002). Thus the likelihood of additional relevant offenders being contained in other law enforcement databases was considered negligible.

**Description**

The other heroin importer (OHI) cohort comprises 287 people who were detected importing less than five kilograms of heroin into Australia, between 1990 and 1999. One individual was detected on two separate occasions in consecutive years. In this case only the later detection has been included in the cohort. Distribution of arrests made across states shows that New South Wales has most arrests (See in Table 7).

Table 7 Lower Weight Importers 1990 – 1999, by State Detected

<table>
<thead>
<tr>
<th>State</th>
<th>NSW/ACT</th>
<th>VIC</th>
<th>QLD</th>
<th>WA</th>
<th>SA</th>
<th>NT</th>
<th>TAS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>145</td>
<td>71</td>
<td>28</td>
<td>28</td>
<td>7</td>
<td>7</td>
<td>1</td>
<td>287</td>
</tr>
</tbody>
</table>

Arrest of lighter weight heroin importers was more evenly distributed across the decade than were arrests of heavy weight importers. (See in Figure 3).
Groups of Heroin Importers

Individuals in the major heroin importer cohort (MHI) were considered to be in the same group if they were linked by the narrative and, or were arrested on the same or within days of each other and had the same port of entry and origin for the heroin, and the weight of heroin was similar. (Variations in the weight of heroin recorded in databases and in the narrative is the difference between estimated weight at time of seizure and later more accurate measures taken for evidential purposes). Within the MHI cohort ninety-eight individuals were identified working with one or more others in the importation (57% of the total MHI cohort). The ninety-eight were distributed across twenty-three groups.

Individuals importing the lower weights of heroin (OHI) were grouped together if they were arrested on the same day and had the same port of entry and origin and weight of the heroin was similar. Within the OHI cohort thirty-seven individuals were identified working with one or more others in the import (13% of the total OHI cohort). The thirty-seven were distributed across fourteen groups.

Variables

Some data fields are taken straight from the existing demographic categories used by the agencies such as date of birth and nationality. Other variables were developed from narrative reports contained in the Customs database. The amount of detail in the Customs database is very much reliant on what was able to be collected by Customs staff at time of detection. That is, prior to the offender being taken into AFP custody for interview and charging. Customs collect basic demographic data for their records in what may be a matter of hours only. AFP is responsible for the conduct of the investigations and thus has greater opportunity to probe into the detail of the importation. However, further investigation data is not routinely passed back to Customs resulting in gaps in the Customs database. As a general rule the heavier the weight of heroin involved, the more detail is
available in the Customs database. Cases involving smaller amounts of heroin are very much less detailed.

The following variables were used for the heroin importer cohorts:

- date of detection
- year of detection
- date of conviction
- time taken to process
- sentence length
- non parole period
- date of birth
- age
- country of birth
- country of citizenship
- name type
- gender
- method of the last heroin import
- weight of the last heroin import
- origin of the last heroin import
- role in the importation
- main offence charged with
- secondary offences charged with
- number of co-offenders identified
- self described occupation
- current marital status

Some variables require more elaboration:

**Sentence length** and ‘non-parole period’ was only able to be obtained for offenders in the heavy weight heroin cohort.

**Processing time** refers to the time it took for the offender to pass through the criminal justice system - from detection to finalisation in court. Because no dates (or other outcome information) was available for individuals in the lower weight (OHI) cohort their processing time has not been able to be calculated. Calculations used to establish processing time for the heavy weight importers is based on detection date and conviction date where both detection and conviction dates were identified (N=105; 61% of the MHI cohort). Individuals acquitted or whose court appearance was pending, or who were convicted but had one or both dates missing have not been included in the calculation.

**Age** refers to the individual’s age at the time the offence was committed.

**Ethnicity** Similarly to other government databases, Australian Customs and Federal Police collect the variable ‘country of birth’ and ‘country of citizenship’.
Many individuals in the lower weight cohort had missing fields for country of birth and citizenship. It was observed that individuals with these fields missing commonly had Anglo type names. It appeared that Customs personnel may more likely record country of birth and citizenship where these were foreign. Although identifying ethnicity on the basis of name type is not usually considered a valid way of assessing ethnicity it appeared to the researcher that the two variables, ‘country of birth’ and ‘citizenship’ alone may skew the data toward those of non-European background. Thus a further variable called ‘name type’ was developed. Names fitted quite naturally into three discrete groups: those that sounded Anglo/European in origin, those that sounded Asian and those that sounded middle-eastern. There were only five names that could not be categorised with any degree of confidence and these were counted as missing variables. Where an Anglo sounding name and an Asian sounding name were given together for the same individual the name was counted as an ‘Asian-type’ name. It is acknowledged the three variables used are not necessarily the best indicators of ethnicity (Reid, Beyer, Aitken & Crofts 2001) so interpretations of ethnicity as defined by these three fields should be done with caution. They provide an indication only.

Because of the small number of cases in each country of birth and country of citizenship category, countries have been collapsed somewhat. Most are self-explanatory. The category ‘other Asian’ includes people from India, Indonesia, Japan and any other Asian country not listed in the tables and graphs as a separate country category.

**Occupation** A number of categories were developed for occupation. Some such as ‘unemployed’ and ‘student’ are self-explanatory. Others require more explanation:
- *Business/professional:* This category includes those holding professional qualifications or who were in managerial-type roles and includes: businessman, salesman, import/exporter, company director and people describing themselves as ‘self-employed’.
• **Trade/skill:** This category includes any occupation that required some skill or training to carry out. It included barman, cook, driving instructor, travel agent, youth worker, waitress, crewman, farmer and so on.

• **Labourer:** This category includes any occupation that involved manual labour that required little if any skill or training. Occupations included pallet-maker and construction labourer. The category also includes people nominating ‘housewife’ and persons denoting ‘retired’. This latter “occupation” was not in great enough numbers to warrant a separate category, although it implies the individual had previously engaged in the workforce.

• **Gambler:** This category was included as a separate category as it was of potential interest. However numbers were extremely low. It includes casino worker.

**Role**

The author devised role categories based on those developed by Dorn et al (1998) from their interviews with illegal drug importers in the United Kingdom. Categories used are:

1. Number 1 importer, an organiser removed from the hands-on activity (risk-adverse organiser);
2. Number 2 importer, an organiser who is hands-on (risk-tolerant organiser);
3. Number 3 importer, knowing the organiser and doing the hands-on work for them (middleman, overseer, coordinator); and
4. Number 4 importer, doing a specific task and not knowing the organiser (labourer, courier, transport work).

For the cohorts the author made a judgement about role based on an examination of the narratives in the Customs database. Narrative was only available for some of the individuals in the MHI cohort and no narrative information was available for individuals in the OHI cohort. The following (modified) extracts of database narrative give an illustration of how role was assessed:

**Extract 1:**

“[Person A] appears to [be] extremely well set up . . . . has [Australia based] connections . . . [and] also has good connections overseas”
Role allocated: ‘Number 2 importer, organiser who is “hands-on”.

Extract 2:
“The judge said the facts did not disclose [Person A] was an organiser, owner, financier or brains . . . but was satisfied [Person A] was involved in the plans and preparation for the importation of the drug [and] . . . had a more substantial role than that of a courier”.

Role allocated: ‘Number 3 importer, knowing the organiser and doing “hands-on” work for them’.

Extract 3:
“. . . counsel told the court . . . there was a difference in roles between [Person and Person B] and that [Person B] fitted the true role of worker”.

Role allocated to Person B: ‘Number 4 importer, doing a specific task and not knowing the organiser’.

Extract 4:
“[Person A] was apparently approached [overseas] and asked would [he] . . . consider taking something into Australia. . . . and was offered money”

Role allocated: ‘Number 4 importer, doing a specific task and not knowing the organiser’.

It is not known how accurate the method of identifying role is and it is by no means certain the role delegated to an individual in the MHI cohort is the most accurate one. Thus the variable ‘role” needs to be interpreted with caution for the cohort of 171 high-level heroin importers - indeed doubly so because of a very large proportion for whom role could not be established by this method (55%).

The role categories were also used to differentiate roles and activities of people involved in heroin importation during interviews. It was found that the categories were easily understood and made sense in the context of interviewees’ experiences and own conceptualisations.

Origin of the heroin refers to the last port from which the heroin left for Australia. That is the last port of embarkation. Thus, if an individual has bought
heroin in Myanmar or China but sent it out from Thailand to Australia, then Thailand would be the origin.

Groups. Groups contain individuals arrested by law enforcement. It is probable more individuals were involved in each import episode – either in Australia or overseas than were able to be arrested and prosecuted. Thus, size of groups reported are conservative.

Analysis

A SPSS database was developed for each of the MHI and OHI cohorts, with a third database established that contained groups. Analysis was conducted using SPSS. The chi Square statistic was used to identify the presence of statistically significant association between variables. Where cell sizes were too small they were collapsed wherever possible.

Interviews - Law Enforcement

Views from narcotics law enforcement personnel in Hong Kong and Thailand enabled a broader, regional perspective on heroin import offenders and offending behaviours. They were also valuable in providing views in the context of differing ideologies, politics and law enforcement approaches. Interviews were conducted with people whose work involved dealing with the issues and complexities of illegal drug trafficking and importation on a daily basis.

Selection of Countries

While the views of law enforcement agencies in other countries in the region would have been extremely valuable additions to the thesis only two were able to be visited due to resource constraints. The two selected countries were chosen on the basis of an examination of available literature, an analysis of embarkation
ports (origin) for heroin detected in Australia, and advice from Australian law enforcement.

Hong Kong has been the most relevant to Australia's heroin trade - it is the main hub for heroin distribution out of China and has strong ethnic Chinese links to Australia. Bangkok would be next, it is mainly small scale pax [passenger] importation but does have the interesting West African involvement (Customs informant 2000).

Preliminary analysis of Customs data showed that Thailand was the most common country of ‘origin’ for heroin importations detected in Australia and was selected on this basis. Initial advice from Customs was that many Number 1 importers, organisers removed from the hands-on activity lived in Hong Kong and it was on this basis that Hong Kong was chosen as the second country for law enforcement interviews.

It should be noted that connections for heroin importation to Australia are not limited to the three countries that were the focus of this present study. Had interviews also been conducted in China, Myanmar, Laos and other countries in the region, other connections would have been revealed. According to both law enforcement and heroin import interviewees, ports located in mainland China for example are now a more popular route for heroin bound for Australia and, Myanmar more than Thailand is the major production country.

**Selection of Interviewees**

It was not the aim of the present study to select a representative sample of narcotics and drug law enforcement officers from which generalisations could then be made. Rather it was to select information rich cases for study in depth and to choose participants: “ . . . from which one can learn a great deal about issues of central importance to the purpose of the research . . .” (Patton 1990: 169). Thus, purposeful sampling technique was used. For overseas interviews the author relied on Australian law enforcement liaison officers based in Hong Kong.
and Bangkok to select appropriate people for interview based on criteria of the author. This was that people had a global and preferably practical experience in narcotics control over several years. This method of selection gave access to high-ranking individuals who had a more global perspective on issues - access that would have been impossible without introduction through trusted colleagues. The Australian Customs and Federal Police liaison officers based in Bangkok and Hong Kong were briefed about the aims and nature of the research and they were requested to provide names of people who would be suitable key informants for the study, and who might be interested in participating in an interview.

Prior to the interviews the author sent individuals who had expressed a willingness to participate a resume of herself, a summary of the research, copies of the information statement and consent form, a copy of the interview schedule and, as a background to the type of work being done, a copy of a paper the author had recently published (Beyer 2002a). Where interviewees had email addresses personal contact was made this way in the weeks prior to the interviews taking place. Some queries were received to clarify what some of the questions were asking. In particular the concept of ‘level of organisation’, needed clarification.

**Confidentiality and Consent**

Interviewees participated on the understanding they would not be identifiable and on this basis were encouraged to express their opinions frankly. Each interviewee was however alerted to the fact that as the numbers of interviews being conducted was small confidentiality could not be totally guaranteed. Prior to commencement of the interview participants were given a verbal explanation of the study and were given an original copy of the Information Statement. (See Appendix 3) They were then asked to sign the Consent Form. (See Appendix 2.)

**Acknowledgement**

At conclusion of each overseas interview interviewees were given a token gift and a thank you note with the University Logo. Also in acknowledgement for the
time they gave to the research and their expressed interest each participant was
sent a “stand-alone” report of the law enforcement interviews in December 2002
(Beyer 2002e). The report enabled interviewees to put their comments into the
context and understandings of others in their field. Interviewees were asked for
their comments on the report. None were received.

Data Collection

The interview schedule was developed from the literature review. Questions
covered issues including:

- categorisation and organisation of heroin importations;
- characteristics of heroin importers;
- views of the Australian heroin market;
- law enforcement issues; and
- deterrence.

See Appendix 4 for a copy of the law enforcement interview schedule. Interviews
were conducted in June and July 2002 in locations convenient to the participants.
In all cases this was an office location. Interviews were conducted one on one or
sometimes one on two and three, using a semi-structured interview method.
Probing questions were used to elicit more information on issues raised by the
interviewees. Interviews were tape recorded in all but four interviews where it
was refused.

Analysis

Interviews were typed up as soon as practical after they were recorded - usually
within days of the interview. Where the interview was not tape-recorded write-up
followed immediately after the interview. For law enforcement interviews
‘member checks’ were conducted on the interview content. That is the data,
analysis, interpretations and conclusions were sent back to the relevant participant so they could judge the accuracy and credibility of the account (Lincoln and Guba 1985). Write-ups of each interview were emailed back to interviewees for their comments and any additions. In two cases, where participants did not have email write-ups were sent via secure international courier. A number of participants made minor alterations and some added further information to the write-ups. All participants agreed the write-ups were true accounts of their comments.

As the interviews were conducted on the understanding they were confidential and non-identifying and because of the small number of interviewees participating from each agency, quotes have been identified throughout only by ‘law enforcement’ or law enforcement interviewee’.

Description

Fifteen law enforcement participants were interviewed. They included Customs personnel, narcotics police, Asian liaison personnel from Australia, Canada and the USA, financial investigators in Hong Kong, personnel from the Thai Office of the Narcotics Control Board and the United Nations International Drug Control Program. All participants held senior positions within their organisations and had a global as well as local perspective on issues.

Testing and Confirming Findings

Content analysis – inductive and deductive - of interview write-ups was conducted. This process was influenced by the researcher’s previous experience with the study phenomena – heroin related offending - and previous experience with the research methodology. In inductive content analysis the researcher
immersed herself in the texts in order to identify dimensions and themes that seemed meaningful to both to the interviewees and interviewer. A number of significant patterns were identified which enabled the construct of a framework for communicating what the interview data revealed. Content analysis also involved a deductive approach, where some categorical data suggested by the text was able to be developed as a means for assessing the hypotheses.

To maximise the validity of findings, triangulation has been used. Triangulation refers to making use of multiple and different sources, methods and theories to provide corroborating evidence which will shed light on a theme or perspective (Erlandson et al 1993). To maximise the validity of findings in this thesis, both data and methodological triangulation have been used. That is a variety of participants and data has been used and a variety of research methodologies – quantitative and qualitative. Every method is a different line of sight directed to the same point – observing social and symbolic reality. By combining several lines of sight a more substantial picture of ‘reality’ can be obtained. The validity of the findings of the thesis will be supported if the results from the various sources and methods demonstrate corroboration of information. Verification will nevertheless demonstrate the likelihood, not certainty, that the conclusions are correct and genuine, or at least not incorrect. At best a researcher can only ever assemble an argument to substantiate the inference and the conclusions drawn from the data that has been generated. The findings of this thesis will move beyond testing hypotheses and reporting results, to generating new theory.

Phenomenological study has been used in the thesis to capture the meaning of the lived experiences of several individuals about the concept and phenomenon of heroin importation behaviour. Phenomenology aims to identify and describe subjective experiences from the point of view of the subject (Schwandt 2001). The phenomenological data analysis used here has proceeded through the methodology of reduction, analysis of specific statements and themes and search for all possible meanings. Within this process there will always be researcher bias present. It is impossible for any researcher to completely distance themselves from their past experiences, prejudices and orientations. No matter how one would like to negate these, “they will inevitably have shaped in some way the
interpretation and approach to the study” (Creswell 1998. Sage London: 202). Coming into the approach and conduct of this thesis the author already had a good grasp of the issues and was already someone with knowledge and authority as a consequence of educational and professional expertise.

The author has however been conscious of possible bias and as much as possible has set aside prejudgments to obtain a picture of the experiences of the individuals interviewed. It is not known however to what extent the qualitative data is representative of the views of law enforcement personnel or of heroin importers generally.

Selection of overseas interviewees was largely left in the hands of Australian liaison personnel based in the countries visited, although selection of interviewees was based on criteria provided by the author. However, data may be biased on this account. The law enforcement interviewees held senior positions within their agencies and so their views may not necessarily reflect the views of middle ranking or junior personnel.

Quantitative research orientation is often given more respect than qualitative research – perhaps because numbers imply precision. However, there can be no assumption of certainty with figures. In the context of heroin importation detection numbers figures may reveal more about law enforcement targeting and methodologies than about the characteristics of heroin importers for example. (This issue is discussed in more detail in the Discussion and Conclusion Chapters.) Additionally, figures give no depth of understanding about a phenomenon and unlike qualitative inquiry do not help practitioners to better understand or appreciate the scope and complexity of a problem and its various solutions (Schwandt 2001). While qualitative research is sometimes criticized for being non-scientific and thus invalid, it nevertheless enables exploration of meanings, concepts, definitions, characteristics and descriptions of phenomena that mere counts and measures cannot (Berg 1995).

The quantitative component of the data for this thesis was necessarily limited to what was collected in agency databases. Limitations of this data were that:
1. only a certain level of data was made available to the author;
2. many fields in the quantitative data were incomplete; and
3. the data is a product of law enforcement activity, rather than a sample of all heroin importers.

It is not the main focus of law enforcement to collect social demographic information about individual offenders, beyond what is required for conviction at court. Accordingly, offender characteristic data is largely missing from law enforcement databases. Information on which role in the importation may be based, occupation, education level and so on, are either not collected at all or are not systematically recorded.

**Ethics Approvals**

Ethics approval was obtained from the University of Melbourne Ethics Committee.

**Overcoming Obstacles to the Research**

The obstacles faced in conducting research on heroin importation and higher level drug dealing were considerable, from a number of different perspectives. Firstly there was little other research to guide the present research and provide a theoretical framework. Other difficulties were more pragmatic. They are discussed here to make them explicit to other researchers who may wish to undertake research in this area and to also give an understanding of the context in which the research was undertaken.

The ability of the thesis to be successfully commenced and ultimately completed was due to a few very supportive people within the relevant agencies together with the tenacity and persistence of the author. Obstacles have primarily related to the high security level of the data, the general secrecy surrounding the field and the lack of legislative protection available in Australia for researchers
investigating illegal behaviours. It is suspected these barriers are the reason no independent research has previously been conducted on illegal drug importers in Australia and that prior to the present thesis they have been insurmountable obstacles.

Security Levels

Data and activities surrounding illegal drug importation are less open to quantification, scrutiny and explanation than is the case with most other types of criminal offending. Much of the information and data relating to heroin importation is contained in secure databases or with law enforcement officers who are subject to restricted access and high security clearance levels.

Additionally in Australia, relevant data is located within and under control of a number of overlapping agencies including: Australian Federal Police; Australian Customs Service; National Crime Authority (now Australian Crime Commission); state police agencies; Departments of Public Prosecution and Courts and Correctional Services. Each of these organisations has their own agency-wide data collection priorities, security issues and barriers and within each agency are restrictions that exclude access even to the greatest majority of the agencies’ own personnel. Identification of heroin importers, particularly for the heavy weight heroin importer cohort required that several databases be consulted. Each contained different, partial information about the offenders. Some individuals were missing in some databases where it might be expected they should be included.

Culture of Secrecy

Security and confidentiality issues will always be a very important consideration in any research into illegal drug importation offending and where penalties are very severe. However, these considerations should not preclude any research from being conducted, particularly where examination is of an aggregate and
non-identifying nature. The stock answers to why there is no independent research and only sketchy official reporting of illegal drug importation offending has included: that it would not be in the public’s interest to divulge the information; that it may compromise national security; that criminals may use the research findings; and that information is ‘Restricted’. Research into other types of criminal offending, burglary, sexual assault, violence and so on have not been shown to increase or encourage the offending it has examined. Indeed such a concept is rarely debated in other types of offending. It is far more likely that rather than perusing academic literature, offenders wishing to obtain information useful to further offending will obtain it from attending court cases of drug importers where details of police surveillance, detection techniques and importing methods are given publicly in evidence. Alternatively some government web sites give detailed public information about detection methods used by law enforcement (Australian National Audit Office 2002).

The Parliamentary Joint Committee on the National Crime Authority in its discussion paper expressed concern about the over-secretiveness of Australian law enforcement agencies. Seminar and conference papers given in forums closed to the public and media were considered by the Committee to often contain nothing that would require their contents to be kept confidential. Similarly, intelligence assessments rated as ‘Police Protected’ or ‘Highly Protected’ have often contained nothing that would prevent them being available to the public. The Committee considered that “a better-informed public debate would result if such assessments were available to the public” (Parliamentary Joint Committee 1995: 3 of 5).

The author was fortunate in receiving the support of the Australian Customs Service, without whose assistance this study could not have been undertaken. Customs managers were keen to build a knowledge-base consistent with a number of national priority areas for illegal drugs including those of:

- supply reduction and related research and data development (National Drug Strategic Framework 1997);
- enhancement of a definitive Australasian body of knowledge on criminal justice and law enforcement policy, by continuing to undertake and
promote research essential to policy formulation (Australasian Police Ministers’ Council. 1999); and

- Interdiction at the international border and information and intelligence gathering and dissemination, including undertaking of research to contribute to a better understanding of the demand and supply environment (‘Heroin Supply Reduction Strategy’ of the Australasian Police Ministers’ Council 1997).

Access to protected data and other confidential information by the author was possible through the author being employed on a short term contract by Customs and therefore able to be subject to the restrictions and responsibilities of a Customs Officer. The author was subject to a rigorous background check leading to a ‘Highly Protected’ security rating.

Dangerousness

Probably because of the absence of other information there is a perception that illegal drug import offenders are a particularly insidious and dangerous category of offender. The perception is exacerbated by law enforcement secrecy and by the sensational media and agency rhetoric that surrounds illegal drug offending and illegal drug import offenders in particular. Rhetoric distorts what it is that we are actually dealing with and obstructs rational discussion and ultimately consideration of alternative ways to problem solve. Previous research overseas indicated violent dispositions were rare among drug import offenders.

Confidentiality

A most significant block to research on illegal behaviours in Australia is the lack of protection and confidentiality that a researcher has, or can guarantee to participants in any research. Where the penalties attached to the offending are substantial this becomes a significant block. In Australia, no research into illegal behaviour is immune from the possibility of some or all the research material
being subpoenaed, including identifying material. Thus, researchers studying behaviours and patterns associated with illegal drugs in Australia (or other illegal behaviours) must conduct their research under conflicting ethical obligations. On the one hand they must fulfil university and other professional body standards and protocols in safeguarding the confidentiality of research subjects, and on the other they are legally obliged, if subpoenaed, to disclose all research information, including identifying information, to law enforcement.

Research conducted simultaneously by the author in which incarcerated heroin importers were interviewed by the author (Beyer 2004) illustrates the difficulties for researchers attempting to conduct research in the field of higher level drug dealing. Despite support from the highest levels of government and law enforcement agencies across Australia, the research proposal was rejected by the Ethics Committee of the NSW Commissioner of Corrections because legal opinion quite rightly pointed out confidentiality could not be guaranteed to the prisoner subjects. There was also the possibility of a jail term for the researcher if information about serious indictable offences obtained during the research was not disclosed to law enforcement. See in the Crimes Act (NSW) 1900 NO 4 Division 2, section 315(1) and section 316(1). The Crimes (General) Regulation of 2000 subsequently modified this to the extent that if the offence relates to a researcher for professional or academic purposes (section 6(g)) then prosecution is not to commence without the approval of the Attorney General (section 316(4). Other states in Australia have their own similar type legislation. Although research data has never been subpoenaed in Australia nor a researcher prosecuted, the possibility remains.

The impact of not having legislative protection manifests itself invisibly through the numerous ethics committees who reject research proposals on the basis that confidentiality cannot be guaranteed to subjects. This, together with a lack of guidelines for ethics committees on these issues is probably having a large, widespread, but unknown affect on the quality and type of research currently being undertaken in the area of illegal drugs in Australia. Lack of guarantee of confidentiality also influences decisions by subjects to participate - particularly where severe penalties are attached to the offending. Thus, even if research is
approved by ethics’ committees, considerable bias would be expected to exist in the results obtained under these conditions.

While it is understandable that law enforcement agencies in Australia would not want to lose a power, (that is to subpoena research) the existence of the threat of this power – whether it is used or not – is counterproductive because it stymies and biases research that may be of considerable benefit to law enforcement and to policy makers. (For further reading see: Fitzgerald & Hamilton 1996; Dixon 1997; and Fitzgerald & Daroesman 1995.)

In order to be able to guarantee confidentiality to prisoners an amendment to Commonwealth legislation was required (Beyer 2004). While this was duly accomplished and the research became one of few ever to be ‘prescribed’ under the provisions of the Commonwealth’s Epidemiological Studies (Confidentiality) Act, 1981 it is a severe stumbling block to the conduct of other similar research.

**Risk Management**

All data analysis for the present study was conducted in a secure access office within a high security building. All hard copy research material was stored in a Class C safe at this location. Introduction of the author to law enforcement and narcotics related personnel in Bangkok and Hong Kong was made possible with the assistance of Australian Customs and Federal Police liaison officers based in those cities. Their assistance and advice was invaluable and their involvement meant less risk in making contacts and in attending meetings.
CHAPTER FIVE: OFFENDER CHARACTERISTICS

This chapter will focus on findings relevant to the first theme identified in the review of literature – Offender Characteristics. Three focus areas were identified for examination within this theme:

1. Identification of the demographic characteristics of Australian heroin importers.
2. Extent to which Australian heroin importers are Australian citizens or foreign nationals.
3. Extent to which heroin importers have business acumen derived from legitimate business experience.

Demographics

Gender

It was found that a majority of heroin importers detected were male. Eighty-nine percent of the heavy weight, major heroin importer cohort (MHI) were male and 84% of the lighter weight other heroin importer cohort (OHI) were male.

Age

Heroin importers were generally found to be middle aged. Average age of the heavy weight importers was forty years and six months, with eldest a sixty-eight year old female and youngest a twenty-one year old male. A large majority (83%) of the heavy weight importers were aged between 26 and 55 years - divided evenly between those aged 26 to 40 years (41% n=70), and 41 to 55 years (42% n=71). Very few heavy weight importers were aged twenty-five years or less (10% n=17), or fifty-six years or older (7% n=12).

In contrast to importers of the heavy weights of heroin individuals detected importing less than five kilograms were much more broadly distributed across the
age groups and were of an older age overall. Youngest were seventeen year old males and females and eldest were eighty-three year old males. There was a statistically significant association between age and weight of the heroin imported \((P < 0.001)\). See in Figure 4. Unlike heavy weight importers there were a number of elderly individuals in the lighter weight cohort. Indeed so many that a further age category of ‘over seventy-one years’ was added. Thirty-one (15\%) individuals in the lighter weight cohort were seventy-one years or older and nearly one in three (30\%) were aged fifty-six years or more, compared to only 7\% in the heavy weight cohort.

While age was recorded for most individuals in the lighter weight cohort, date of birth was missing for a majority. Thus average age was thus unable to be ascertained.

![Figure 4 Age of Importers by Weight of Heroin Imported](image)

<table>
<thead>
<tr>
<th>Age Category</th>
<th>Weight of Heroin</th>
</tr>
</thead>
<tbody>
<tr>
<td>25yrs or younger</td>
<td>Importer 5kg or over</td>
</tr>
<tr>
<td>26-40yrs</td>
<td>Importer under 5kg</td>
</tr>
<tr>
<td>41-55yrs</td>
<td></td>
</tr>
<tr>
<td>56-70yrs</td>
<td></td>
</tr>
<tr>
<td>71yrs &amp;over</td>
<td></td>
</tr>
</tbody>
</table>

\[\chi^2 = 48.7, \text{ df} = 4, P < 0.001\]

N. heroin importer 5 kg or over = 171
N. heroin importer under 5 kg = 201
Missing cases: 86 importers under 5kg

Figure 4 Age of Importers by Weight of Heroin Imported
Prior Offending

Offending history is recorded in the AFP database. It would have been a useful variable to explore because it would help ascertain the extent and type of other offending engaged in by heroin importers. Offending history was not available to the author. It was however suspected that participation in other crime would be low based on the occupations recorded, which tended to be skilled or business.

Foreign Nationals

As discussed in the Methodology Chapter, ‘ethnicity’ is notoriously difficult to define. Government databases use ‘country of birth’ and ‘country of citizenship’ and these were the variables available to this research. Additionally, the variable ‘name type’ has been developed and is explained in the methodology chapter.

Country of Birth

The variable country of birth was present for 380 of the total (MHI and OHI) heroin importers (83%). Of these, most common country of birth was Australia 15% (N=58), Vietnam 15% (N=58) and ‘other Asian’ 15% (N=58). (See in Figure 5.) (Note that ‘Other Asian’ is explained in the Methodology Chapter and refers to any Asian country that does not have a separate category of its own.)
Among the combined cohorts 57% were born in an Asian country and 40% in a non-Asian country. As is explained in the analysis of ‘name type’ below, many of the individuals who had country of birth and country of citizenship missing had Anglo-Australian sounding names. Thus it is likely there are more Australian born, Australian citizen and thus non-Asian country birth places for heroin importers than is reported here.

When examined as separate cohorts it became obvious that an Asian country of birth was considerably more frequent among the heavy weight MHI cohort. Three out of four in the MHI cohort had an Asian country of birth (76%). Breakdown is: Vietnam (21%), Hong Kong (18%), Singapore (14%), China (12%), ‘other Asian’ (9%) and Thailand (2%). This supports the stereotype that heroin importers are mostly of Asian background. However in contrast, it was found that a minority of individuals in the OHI cohort had an Asian country of birth (44%). (Note that in the lighter weight cohort country of birth was missing for seventy-eight individuals. Most of these had Anglo-type names indicating
non-Asian birthplace may be underrepresented.) Most frequent country of birth for the OHI cohort was Australia (21%), Europe/Russia (17%), Middle East (15%) and ‘other Asian’ (19%). (See in Figure 6.) Thus, for importers of the lower weights of heroin the hypothesis that heroin importers are mostly of Asian background is not supported. A statistically significant association was observed for weight and country of birth. Importers of heavier weights (of five kilograms and over) are more likely to be born in an Asian country, and importers of weights less than five kilograms are more likely to have Western country birth place (Australia, USA/Canada, Europe): (P < 0.001).

![Birth Place of Heroin Importers 1990 - 1999, by Weight](image)

- **N. heroin importer 5 kg or over = 171**
- **N. heroin importer under 5 kg = 209**
- **Missing cases: 78 importers under 5kg**

\[ \chi^2 = 102.3, \text{ df} = 11, \text{ P < 0.001} \]

Figure 6 Birth Place of Heroin Importers 1990 - 1999, by Weight

**Country of Citizenship**

Among the total 353 heroin importers for whom country of citizenship was recorded, nearly half were found to be Australian citizens - 46%. See in Figure 7.
Figure 7 Citizenship of Combined Heroin Importers 1990 – 1999

Unlike the country of birth variable, patterns for ‘country of citizenship’ were similar between the two weight cohorts. Looking at the cohorts separately it can be seen there are a similar proportion of Australian citizens in each - 46% of the heavier weight importers (MHI cohort), and 45% of the lighter weight heroin importers (OHI cohort). One third of individuals in each cohort had citizenship in an Asian country - 37% in the MHI cohort and 31% of the OHI cohort.

It can be seen in
Figure 8 that detected heroin importers who are citizens of China, Hong Kong and Singapore are more likely to be involved in the heavier weight importations and less likely to be involved in weights of heroin less than five kilograms. Detected heroin importers who are citizens of Australia, Europe/Russia, the Middle East or ‘other Asian countries’ are more likely to be involved in the smaller weight importations and less likely to be involved in weights of heroin over five kilograms. It was found Australian citizens are involved in both heavy and lighter weight heroin importations in much higher proportions than any other
nationality. (Note however that cell numbers are quite low and interpretations should be considered indicative.)

![Citizenship of Heroin Importers 1990 – 1999, by Weight](chart)

Figure 8 Citizenship of Heroin Importers 1990 – 1999, by Weight

**Australian Citizens**

**Ethnic Origin**

A closer examination of the 164 Australian citizen heroin importers was conducted. Cross tabulation of country of birth with Australian citizenship for the two cohorts showed that a little under half the Australian citizens were born in an Asian country, and a little over a half were born in a non-Asian country. There is a statistically significant association between weight and ethnic background of Australian citizens. (P < 0.001). (Australia is counted as a non-Asian country of birth.) When the cohorts are examined separately however, it can be seen that the
pattern for country of birth of Australian citizens differs. Of the Australian citizens involved in importations of the larger weights of heroin (MHI cohort), nearly three out of four were born in an Asian country (72%). This pattern is reversed for Australian citizen heroin importers who were involved in the lower weights of heroin (OHI cohort). Here three out of four were born in a non-Asian country (75%). (See in Table 8.)

<table>
<thead>
<tr>
<th>Weight of Heroin Imported</th>
<th>Australian Citizens</th>
<th>No.</th>
<th>%</th>
<th>No.</th>
<th>%</th>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy 5 kg and over</td>
<td>Non-Asian country of birth</td>
<td>15</td>
<td>28</td>
<td>79</td>
<td>75</td>
<td>94</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>Asian country of birth</td>
<td>38</td>
<td>72</td>
<td>27</td>
<td>25</td>
<td>65</td>
<td>41</td>
</tr>
<tr>
<td>Total:</td>
<td></td>
<td>53</td>
<td>100</td>
<td>106</td>
<td>100</td>
<td>159</td>
<td>100</td>
</tr>
</tbody>
</table>

\[ \chi^2 = 31.2, \text{df} = 1, P < 0.001 \]

As noted above many of the importers with both country of birth and citizenship missing had Anglo-Australian-type names - 58% of the total of fifty-seven individuals with missing country of birth and missing citizenship. A further 14% of the fifty-seven had Middle eastern-type names and 23% had Asian-type names. As such it is suspected there may be more importers in the lower weight cohort who are Australian born and Australian citizens. If this is so the figures shown in Table 8 for Australian citizens from non-Asian countries of birth are conservative.

Most heroin importers born in Vietnam were also Australian citizens – 89% of the total forty-six. For importers born in China or Hong Kong about one third were Australian citizens – 35% of the seventeen born in China and 27% of the twenty-six born in Hong Kong. Similarly about one third of heroin importers who were born in European/ Russian countries were also Australian citizens, 34% of forty-four. Just under half the heroin importers born in the Middle East were also Australian citizens – 45% of forty. Heroin importers born in Singapore were least likely to have Australian citizenship – 6% of thirty-four individuals.
Name Type

As might be expected given the large proportion of individuals in the MHI cohort who had an Asian country of birth, a majority in the MHI cohort had Asian type names (84%). In the OHI cohort however this was not the case. Here nearly half the heroin importers had Anglo or European type names (43%) and a further 17% had Middle-eastern type names. Heroin importers with Anglo/European or Middle-eastern type names were detected almost exclusively with the smaller weights of heroin. Thus, heroin importers detected with weights of heroin less than five kilograms are more likely to be from a non-Asian background. In contrast heroin importers with an Asian-type name were detected more often with the heavier weights of heroin and were more likely to have an Asian type name. There was a statistically significant association between name type and weight of the heroin imported (P < 0.001.)

In Figure 9 it can be seen that 86% of heroin importers with Anglo/European type names and 86% of heroin importers with Middle Eastern type names were detected with heroin weighing less than five kilograms. Individuals with Asian type names were more evenly divided between the heavy and lighter weights of heroin, with 57% detected with importations of heroin five kilograms or more and 43% detected with heroin weighing less than five kilograms.
Figure 9 Name Type of Heroin Importers 1990 – 1999, by Weight

Business Acumen

Occupation was a variable used to ascertain the level of business acumen heroin importers had. Occupation was unable to be ascertained for 280 heroin importers - 61% of heroin importers in the combined cohorts. Occupation was sorted into categories based on the degree of training or skill that might be expected to be associated with the occupation to give an overall indication of the business and professional acumen. Occupational categories are described in detail in the methodology chapter. They are: 1) business or professional; 2) trade or skill; and 3) labourer. Students, unemployed and gamblers were separate categories since they gave no indication of the degree of training or skill for the individual. Only sixteen students, twenty unemployed and six professional gamblers were identified – overall 15% of the two hundred and eighty.

A majority of the detected heroin importers for whom occupation could be identified, had occupations that required some degree of skill or training (66%). In the combined cohorts, it was found 20% had a professional or business
occupation (N= 57) and 46% had an occupation that involved a trade or skill (N= 130).

Business or professional occupations were more common among the heavier weight heroin importers (MHI) with nearly one third (30%) having such an occupation. This compares to only 16% in the lower weight cohort (OHI) who had a business or professional occupation.

Trade or skill occupations were common for the lower weight heroin importers - 51%, compared to 37% of heavy weight importers. A labouring occupation was more common among the lower weight heroin importers with 21% having a labouring occupation in comparison to 12% of the heavy weight importers. (See in Figure 10.) There was a statistically significant association between occupation and weight of heroin imported (P <0.001).

![Occupation of Heroin Importers 1990 - 1999, by Weight](image)

Figure 10 Occupation of Heroin Importers 1990 - 1999, by Weight

Eighty-six individuals in the heavy weight cohort had both ‘country of birth’ and ‘occupation’ variables present. Although numbers are small it was found a majority of those born in Hong Kong (61% N= 18) and Singapore (91% N=12) had a professional/business or skill/trade occupation. Heroin importers born in
Vietnam who had both variables present (N=16) were evenly distributed across the occupation groups although more likely than other countries of birth to be a student or labourer. Number of Australian-born heroin importers who had the occupation variable was too small to allow any comment.

One hundred and seventy seven (177) individuals in the lighter weight cohort had both ‘country of birth’ and ‘occupation’ variables present. A majority of these born in Australia or Europe/ Russia had a skill/trade occupation (63% N=41 and, 63% N=17 respectively). Of those born in Middle-Eastern countries who had an occupation variable present, a majority were in labouring occupations (65% N=13). The remaining countries of birth were spread relatively evenly across the occupation categories.

**Summary**

There are some distinct characteristic differences for individuals engaged in heavy weight heroin importations compared to those importing lighter weights of heroin. Table 9 provides a summary.
Table 9: Characteristics by Weight and Detection Method

<table>
<thead>
<tr>
<th>Heavy Weight Heroin Importers (5 kilos or more)</th>
<th>Lower Weight Heroin Importers (under 5 kilos)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry method: Mostly unaccompanied air and sea cargo</td>
<td>Mostly air passengers</td>
</tr>
<tr>
<td>Co offenders: Often arrested</td>
<td>Rarely arrested</td>
</tr>
<tr>
<td>Background: Majority Asian</td>
<td>Majority non-Asian</td>
</tr>
<tr>
<td>Australian citizens: About half</td>
<td>About half</td>
</tr>
<tr>
<td>Age: Younger middle age and narrow age range</td>
<td>Older middle age and wider age range</td>
</tr>
<tr>
<td>Female offenders: Rare</td>
<td>Slightly more</td>
</tr>
<tr>
<td>Business acumen: High – professional/skilled occupations</td>
<td>Lower – skilled or manual occupations</td>
</tr>
<tr>
<td>Regular legal employment: High participation</td>
<td>Suspected to be high based on occupation types</td>
</tr>
<tr>
<td>Other prior offending: Low</td>
<td>Suspected to be low based on occupation types</td>
</tr>
</tbody>
</table>

The results reported in this present chapter will be discussed in greater detail in the Discussion Chapter below. The next Chapter focuses on the organisational characteristics for heroin importation including ethnic mix, size and lifespan of groups and behaviours within the context of groups. Groups are discussed in terms of the roles and activities within them, recruitment, relationships and group control. Lastly findings will be reported about sophistication of heroin import groups and their different configurations and fluidity. Trade routes, investment in the offending and commodity specialisation will also be touched on.

CHAPTER SIX: ORGANISATION CHARACTERISTICS

Chapter Six focuses on findings related to the organisational characteristics of heroin importers and behaviours within the organisations. Seven focus areas were identified for examination within the theme of Organisation Characteristics:

1. Identification of the organisation characteristics of Australian heroin importers.
2. Identification of the most typical size of Australian heroin import groups.
3. Relationships and roles of the various offender participants.
4. Routes of admission and recruitment for Australian heroin importers.
5. Extent to which Australian heroin importers are violent individuals.
6. Sophistication of organisation of heroin import groups
7. Extent to which Australia’s heroin importers are affiliated with traditional organised crime groups.

Organisation Characteristics

A number of the heroin importers were detected and arrested in the company of other individuals who were involved in the same import episode. Within the lighter weight cohort, thirty-seven individuals were identified working with one or more others in the import (13% of the total OHI cohort). The thirty-seven were distributed across fourteen groups. Within the heavy weight cohort ninety-eight individuals were identified working with one or more others in the import (57% of the total MHI cohort). The ninety-eight were distributed across twenty-three groups. Note there may well have been more individuals involved in a heroin importation who were not able to be arrested by police. Thus the findings for cohort groups are a guide only.

Ethnic Mix

Country of birth and citizenship of detected heroin importers gives an indication of racial/ethnic background and were used to indicate the presence of an ethnic mix within groups. Because of the small number of groups and large number of
missing country of birth variables it was not possible to identify ethnic mix in the fourteen groups involved with importation of the lighter weights of heroin (OHIs). What was established however was that only four of the lower weight groups contained an Australian citizen (29%) in contrast to heavier weight groups where at least one Australian citizen was present in 70% (N=16) of the groups.

Table 10 Ethnic Mix in Import Groups 1990 – 1999

<table>
<thead>
<tr>
<th>Group Id.</th>
<th>Country of Birth Heavy Weight Import Groups</th>
<th>Ethnic Mix</th>
<th>Australian Citizen</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chinese &amp; Anglo Aust</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>Vietnam</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>3</td>
<td>Vietnam &amp; China</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>4</td>
<td>Hong Kong &amp; China</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>5</td>
<td>Indonesia, China &amp; Hong Kong</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>6</td>
<td>China &amp; Singapore</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>7</td>
<td>Hong Kong</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>8</td>
<td>Vietnam</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>9</td>
<td>Singapore</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>10</td>
<td>Laos &amp; Vietnam</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>11</td>
<td>Vietnam &amp; Hong Kong</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>12</td>
<td>Anglo Aust, China &amp; Vietnam</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>13</td>
<td>Vietnam &amp; unknown</td>
<td>N/K</td>
<td>Yes</td>
</tr>
<tr>
<td>14</td>
<td>Singapore</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>15</td>
<td>Vietnam &amp; Hong Kong</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>16</td>
<td>Singapore &amp; Vietnam</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>17</td>
<td>Singapore &amp; Indonesia</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>18</td>
<td>‘Other Asian’</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>19</td>
<td>USA &amp; UK</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>20</td>
<td>Singapore</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>21</td>
<td>Hong Kong</td>
<td>No</td>
<td>N/K</td>
</tr>
<tr>
<td>22</td>
<td>Vietnam</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>23</td>
<td>Malaysia</td>
<td>No</td>
<td>N/K</td>
</tr>
</tbody>
</table>

Note: Heavy weight heroin import groups with a China/Hong Kong; Vietnamese/Laos; or USA/UK mix have not been counted as ethnically mixed.

It was found that a small majority of the heavy weight heroin importer groups apparently did not have an ethnic mix (59%). In only two groups was there an Anglo/Asian mix of participants. However a high proportion of the groups included one or more Australian citizen (70%). Table 10 above provides a summary of the ethnic mix identified within the twenty-three identified heavy weight heroin importer (MHI) groups. The extent to which ethnic mix was a feature of heroin importation offending was raised with interviewees. Law enforcement interviewees did not consider same ethnicity to be a dominant
pattern for co-offenders in a heroin importation. However trust built up from personal relationships with the others was important and commonly, trusted friends and associates were from the same ethnic background.

It is considered risky to do business with someone you don’t know. Family, ethnic ties and what part of the country you come from, people who have met each other and built up relationships over time. They may get to know each other through spending time in prison together, or through other business and non business associations and recommendations by trusted friends (Law Enforcement Interviewee).

Gender Mix

Within the heavy weight (MHI) groups the presence of a female was rare (identified in only one group). Among the fourteen lighter weight (OHI) import groups however one third contained females. While participation of females in heroin import offending appears to be low it should be borne in mind that the statistics represent detected offenders and thus the figures may indicate that female importers are not being detected by Australian law enforcement. Numbers are so small for females that they are not discussed further.

Size

Initially size of heroin import groups was gauged by examining the number of people within the MHI and OHI cohorts who were detected and arrested in the company of other individuals in the same heroin import episode. Figure 11 shows that larger groups are associated with the heavier weights of heroin and there was a statistically significant association between size of groups and weight of heroin detected (P <0.001).
The number of co-offenders identified for heroin importers was analyzed. For those importing 5 kg or over, there were 102 cases, with a chi-squared test of $\chi^2 = 276.6, df=4, P <0.001$. For those importing under 5 kg, there were 286 cases, with 1 missing case under 5 kg and 69 missing cases for those importing 5 kg or more.

Figure 11 Size of Heroin Import Groups 1990 – 1999 by Weight

Nevertheless, it was found that a majority of heavy weight groups consisted of less than five individuals (65%). (See in Table 11.) Only four groups (17%) comprised seven or more individuals. The largest group identified comprised 14 individuals.

Table 11 Size of Import Groups 1990 – 1999

<table>
<thead>
<tr>
<th>Number of Individuals</th>
<th>Total Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N.</td>
</tr>
<tr>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>3-4</td>
<td></td>
</tr>
<tr>
<td>5-6</td>
<td></td>
</tr>
<tr>
<td>7 or More</td>
<td></td>
</tr>
</tbody>
</table>

Looking at the breakdown of weights in Figure 12 it can be seen that within the MHI cohort there is a positive association observed between weight of heroin and size of groups. However, it is not statistically significant ($P = 0.08$).
Figure 12 Weight of Heroin Imported by Size of Group 1990 – 1999

Estimating number of individuals involved in a single heroin importation from supplier(s) in the off-shore country(s) to the first level wholesale buyer(s) in Australia was found to be impossible to know, even for those involved in organising the import. Law enforcement and heroin import interviewees’ estimation of the number of people involved in the grow, manufacture, concealment, transport and so on in the off-shore supply countries was very vague. Additionally, the practice of sub-contracting work at almost all points within the importation run made it impossible for any one individual to know absolutely the number of people involved. (Sub-contracting is discussed in more detail in Chapter Seven). For heroin import interviewees who were involved as Number 4 importers, doing a specific task and not knowing the organiser size of the overall import group was unable to be even guessed at. Size of the core group was best able to be estimated by those involved as Number 2 organisers or Number 3 middlemen. At these roles there was some understanding of who else was involved. It appears numbers may vary considerably from as little as three to thirty or more. (See Figure 14 for an illustration of a core larger organisation.)
Organisation Behaviours

Roles

To make some sense of the complexities of roles in heroin importation a number of role categories were devised as was outlined in Chapter Four Methodology. Law enforcement considered people bringing heroin in through airports in body packs or personal luggage to be mostly Number 4s, doing a specific task and not knowing the organiser. They are commonly referred to by law enforcement as ‘couriers’ or ‘mules’ (LE). From this and findings further on about which role is in contact with the heroin it seems reasonable to assume that importers of heroin through airports are either Number 4 importers, doing a specific task and not knowing the organiser, or are Number 2 import organisers who are hands-on.

Within the heavy weight cohort role in the heroin importation offending was identified for seventy-seven individuals (45% of the cohort). Among the seventy-seven there were:

- No Number 1 risk-avoiding import organisers, removed from the hands-on activity;
- Nine (12%) Number 2 hands on import organisers;
- Thirty-five (45%) Number 3 importers, knowing the organiser and doing the hands-on work for them (middleman, overseer, coordinator); and
- Thirty-one (40%) Number 4 importers, doing a specific task and not knowing the organiser (labourer, courier, transport work).

Two individuals had role ‘other’ as they did not fit the devised categories. These were providing addresses as delivery points for the heroin and their role beyond this was not clear. (See in Figure 13.)
Highest role level identified in groups of major heroin importers was that of Number 2 importers, organisers who are hands-on. This role was found for individuals in four of the identified groups. Most frequent highest role level in groups was that of Number 3, knowing the organiser and doing the hands-on work for them (44% N=10). In a further four groups highest role was Number 4, doing a specific task and not knowing the organiser. In five groups no role level was able to be established.

**Number 1 Import Organisers**

Number 1 import organisers are those who set the arrangements for a heroin importation in motion but are careful to remain remote from the heroin and the activities associated with it. None were identified. This type of heroin import offender was considered by law enforcement interviewees to often live in Hong Kong or in the North of Thailand. These locations were attractive to Number 1s because:

Hong Kong is a centre for finance, communication and transport. Our belief is that the higher echelons have their bases in Hong Kong (LE).
Thailand is now becoming more a base for organisers like is the case in Hong Kong, with the drugs not going through [Thailand or Hong Kong now] but out via China from Myanmar (LE).

Some unusual people are living there [northern Thailand] in very luxurious lifestyles with huge houses and condominiums and driving Ferraris. They have no apparent means of support and there is a great reluctance to tell you where their wealth has come from (LE).

Number 1 organisers will sometimes make contact with people living in other parts of the world or the initiative may sometimes be with interested people who visit Hong Kong or Thailand for the purpose of making contact with a Number 1 organiser. This is how the connections for drug runs are established “It works both ways” (LE). Once a Number 1 import organiser has identified a large scale wholesale buyer they will contact a ‘middleman’ to make all the arrangements. The middleman role is fundamental to the success of the Number 1 importer as will be seen below.

**Number 2 Import Organisers**

Number 2 import organisers are people who do the organising of the heroin importation themselves and carry out some or all of the arrangements themselves. They may be in direct contact with the heroin at certain points. Nine individuals in the heavy weight cohort (MHI) were identified as Number 2 import organisers. Four of these were involved in the same import episode and were considered in the database narrative as equally responsible as organisers. All Number 2s in the MHI cohort were aged between 26 and 55 years, all were born in an Asian country and half were Australian citizens. All occupation groups were represented among this type of importer.
While the Number 2 organisers role is higher on the role scale it appears these organisers were not considered at the higher end of the offending scale by the courts since the sentences given were relatively low. Of the eight Number 2 individuals with finalised court cases two were acquitted, one was given a sentence of less than three years and another a sentence of three to five years. A further three Number 2 importers received more severe sentence of nine to fourteen years although two of these were given non-parole periods between 6 and 8 years. (No sentence length was identified for one of those convicted.) The low sentences reflect a lower level of seriousness based on factors presented at court such as weight of the heroin - four of the nine had imported weights of heroin at the lower end of the major scale (five to ten kilograms) or there may have been other mitigating circumstances.

**Number 3 Import Middlemen**

Number 3 importers know the organiser and are doing the hands-on work for them. A total of thirty-five heavy weight importers in the MHI cohort were identified as Number 3 importers. They were of various ages with highest proportion in the younger middle-aged group of 26 to 40 years (46% N=16). Eighty-three percent were born in an Asian country, none were born in Australia and only 20% were Australian citizens. Occupations were mainly those involving a trade/skill (45%) with a further 30% having a business/professional occupation.

Number 3 importers were detected importing the heaviest quantities of heroin. While 24% of the twenty-one whose cases were finalised in court were acquitted, sentences for the convicted were relatively severe for this role. Eight were given sentences between 9 and 14 years – of whom five received non-parole periods between 6 and 8 years. Four were sentenced to more than 20 years - of whom two were given non-parole periods of 15-20 years. Only three received a lower sentence of between three and five years.

The middleman was considered by law enforcement interviewees to be the ‘sales representative’, to have lots of contacts and know all the right people, or to know
people who know people (LE). The middleman does all the arranging so the heroin “never comes near the organisers” (Law Enforcement Interviewee).

The [number 1 organiser] will . . . order heroin for [the customer] through a broker or middleman who has the connections with the hill tribe people or the minority groups in Thailand. This relationship has been well developed for the last sixty years or so and is the original trading partnership for heroin (Law Enforcement Interviewee).

Middlemen may have multiple Number 1 organiser customers, and they may also have more directly linked customers of their own:

There are some middlemen in the North [of Thailand] who also get involved with all levels of the trade. For example they will have their customers and they will buy from the growers and transport the heroin right through to the customer (Law Enforcement Interviewee).

A single drug run being organised by a middleman, may involve the investment of multiple Number 1 organisers and multiple customers. For example one person may have financed thirty kilograms of the heroin load and another person fifty kilograms - all within the same run (Law Enforcement Interviewee).

Usually the middleman will send someone on to the destination country to collect the money from the customer prior to the heroin arriving. If the heroin goes by private vessel rather than a commercial craft, they may also send someone to supervise the off loading as well as collecting payment. Locals in the destination country are often used as labourers. The Australian based buyers then sell it on in ten to twenty kilogram lots to a number of their [domestic] customers (Law Enforcement Interviewee).
Middlemen were considered to be the most essential and controlling part of a drug organisation – the lynch-pin of the whole heroin import process. The people who buy from the growers – the middlemen - they control the market. The middlemen are the ones the top-level organisers rely on to get their supply of heroin from. They make an order and the middleman will arrange to buy a supply and provide it to the buyers that the top level organisers have line up. . . . (Law Enforcement Interviewee).

**Number 4 Import Worker**

Number 4 importers, doing a specific task and not knowing the organiser are individual workers paid to carry out a specific task which usually involves direct contact with the heroin. They may be couriering the heroin from one country to another, or from one place to another within a country. They may be paid to assist with unloading a container, to pick up a package, or to wait for a package to be delivered.

Thirty-one individuals in the MHI cohort were identified as Number 4 importers, doing a specific task and not knowing the organiser. They were relatively evenly divided across the two middle age groups with a slightly higher proportion in the younger group - 26 to 40 years (48%, N=15). Two were born in Australia and a majority were Australian citizens (53%). Eighty-four percent were born in an Asian country. A majority had trade/skill occupations and a further 17% were in a business/professional occupation.

A majority of Number 4 importers were involved with weights at the lower end of the heavy weight scale - between 5 and 25 kilograms (84% N=26). Of the eighteen who had their cases finalised in court half were acquitted and half were convicted. Sentences for the nine who were found guilty varied considerably. Two received sentences of five years or less, four sentences between 6 and 14 years; one a sentence of 15-20 years (with no parole), and one a sentence of more
than 20 years (with no parole). (One had sentence missing.) It was found that the two most severe sentences were given to individuals who were involved in an importation of heroin weighing 26 – 100 kilograms. However, sentences involving the lower weights of heroin between 5 – 25 kilograms varied considerably for level 4 importers. Two with these weights received a sentence of 3 – 5 years, one a sentence of 6 – 8 years and two sentences of 9 – 14 years. Of the nine individuals acquitted, two had been alleged to be involved in an importation of heroin weighing over 100 kilograms, and seven were alleged involved in amounts between 5 and 25 kilograms. Among the heroin import interviewees nine were Number 4 importers, doing a specific task and not knowing the organiser.

Recruitment

Qualities Sought in Recruits

Having an existing import/export business in either the overseas country or Australia was considered a desirable attribute and was also mentioned by a law enforcement interviewee.

A person who already has a successful import/export business with Australia may be approached and a proposal made that they should include some additional goods. If this is tacitly agreed to then the criminal may contact someone in Australia . . . to see if a buyer can be located, or even a number of people who would be interested in buying the drugs when they reach Australia. They may also use Australian contacts to help locate someone prepared to take control of the distribution once the drugs reach Australia (Law Enforcement Interviewee).
Motivation

Motivation for people to become involved in importation of heroin was agreed by law enforcement to be the prospect of making significant amounts of money. Reasons why the illegal money was desired varied. Invitation to participate may present itself as an opportunity to alleviate debts and improve lifestyles.

Control

In the more hierarchical crime organisations like those involved in drug runs from Columbia/South America to the USA, law enforcement interviewees considered that “violence is quite often used to keep members in line” (LE). However law enforcement interviewees considered that because Asia/Pacific based trafficking groups are relatively equal in status and with similar resources and access violence as a means of control is rare. Instead trust holds the groups together, controls behaviour and facilitates deals. Within Hong Kong for example it was considered the various syndicates involved in illegal activities live side by side in relative harmony.

There are about 20 – 25 syndicates specialising in heroin in Hong Kong that are under [law enforcement] investigation. The groups may know each other and they may talk to one another on drug business when necessary. They are competitors in the market place however and will compete for clients and prices. What they like to do is to have a balanced market place. They will cooperate sometimes with each other and may swap ‘employees’ if a person with a certain skill is lacking in another syndicate arranging a job. People in the syndicates know the rules of the game. They also abide by territorial lines. The groups will normally use arbitration or bargaining to solve problems. There is very little violence (Law Enforcement Interviewee).

Management of interactive dynamics in the competitive heroin market place may sometimes involve management through invoking police action:

[Sometimes] those involved [in these syndicates] will leak information to us [law enforcement] about the other group. This is for the benefit of their own group of course so they can eliminate or disrupt a competitor in the market place. There are also some syndicate members . . . who provide information to law enforcement agencies for monetary rewards or for leniency of penalty (Law Enforcement Interviewee).

Lack of violence was considered to reflect the more business-like relationship importers had with each other.

**Information and Training**

Law enforcement interviewees considered that many middlemen would learn from experience and would experiment with different routes and methods of import to see which were successful and use this information in decision-making. For example, they would use different types of couriers at airports to see which type got through:

. . . through trial runs they [the importers] will work out what the Customs profile is for the targeting of individuals at airports. Once they know this they then of course don’t use this type of person. It is like testing the market. There are many different ways this offence is committed and it is a continual contest between them [the importer] and us [law enforcement] (Law Enforcement Interviewee).

As confidence builds they send more and more illegal drugs and build it up, until eventually they are detected. If a ‘line’ [method] is detected the person/people at the top may try another line or try another method or place (Law Enforcement Interviewee).
Law enforcement interviewees considered that if a method proved successful in avoiding law enforcement attention then the same method was used again and again until detected.

**Sophistication of Organisation**

**Organisation Style**

Law enforcement was in agreement that heroin importers ended their involvement at or before the Australian wholesale distribution stage and were not involved in distribution in the destination country. Additionally, rather than being large corporations, importers of heroin to Australia appear to be individuals forming alliances from time to time in order to facilitate a heroin importation.

Groups of offenders and individuals can move between crime groups. Alliances form and dissolve and may reform as the need arises (Law Enforcement Interviewee).

Law enforcement interviewees used Columbian drug organisations to illustrate a contrast in style to groups operating in the Asia Pacific region. In Columbian drug organisations it was considered there was preference by organisers to control the drug run right through from purchase in the production country to distribution in the consumer country (Law Enforcement Interviewee). Columbian drug organisers were considered to have a hierarchical structure controlled by one person or a small number of people at the top and with a number of people below employed on a number of operations/ drug runs. In contrast Asia Pacific heroin importers are not involved in distribution in the destination country beyond wholesale level, tend to have a role in only a segment of the whole run and to have a flat organisational structure based on trust. Table 12 summarises the differences.
There has been a small change in the pattern of involvement of heroin import offenders since the onset of the heroin shortage in the early 2000s. Some domestic street level sellers and low level distributors have been identified making the transition from domestic distributor to importer - motivated by the need to secure a heroin supply for their already established customer base. This pattern although on a very much smaller scale is similar to Columbian South American groups where importers have been prepared to conduct the drug run from purchase of the drugs overseas to distribution in major cities. It also provides an illustration of the adaptable nature of heroin supply markets. Whether this trend will develop further is not known.

**Organisation Configuration**

For the more sophisticated heroin importation runs to Australia the business is usually undertaken in distinct compartments with often the individuals in these component parts having no knowledge of each other (Law Enforcement Interviewees). Business arrangements are worked out with the people who can supply the drug, while other people may deal with the movement of the heroin, and others take responsibility for the financial side of the deal. Then the Australian distributor takes possession and control once the heroin is in Australia (Law Enforcement Interviewees).

A number of law enforcement interviewees were able to describe the configuration of the import organisations. The following typologies provide illustrations:

**Typology 1**
One individual acting alone hired others to do the hands-on work for him. He paid people to purchase the heroin in Thailand, paid people to bring it to Australia and paid people to sell it in its entirety to the same single Australian buyer. He did this each time over the course of several years.

**Typology 2**
An individual in Australia was approached by an Australian businessman and asked to act as an organiser of heroin imports. He agrees and two friends are recruited to act as couriers - Only the couriers have any actual contact with the heroin.

Figure 14 is a compilation of law enforcement concepts of organisations and shows the links between individuals’ roles across three countries and the route of the heroin along the Number 4 import level. Note that because of sub-contracting behaviour by those involved there will be likely several individuals involved between each connection at each role level in the diagram.
The structure of networks operating within Hong Kong and from which social and communication support for heroin importation behaviour may occur was described by law enforcement as consisting of groups who were involved in both legal and illegal enterprises. Complex friendship, family and business networks enabled access to the necessary contacts to get things done.
Thicker arrows denote the movement of the heroin

AUSTRALIA

Australian No. 1 organiser

Australian Middleman (No. 3 importer)

Salesman (2nd level No. 3 importer)

1st level wholesale buyer(s)

2nd level wholesale buyer(s)

MIDDLE MARKET

Figure 14 Core Complex Heroin Import Run

HONG KONG

Various Hong Kong Groups No. 1s

Go between (trusted friend) (2nd level No. 3 importer)

Hong Kong Middleman (No. 3 importer) Concealment Supplies several customer groups

Courier(s)/transport (No. 4 importer level) (friends of the Go between)

THAILAND

Various Thai based No.1 import organisers

Various Thai based suppliers using growers, manufacturers transport, couriers (No. 4 importer level)

Thai Middleman supplies many different customers

Setting Up

Contacts

Much ground work and preparation was considered necessary for a successful heroin importation. As for lawful business two key components are: 1) to obtain a source of supply; and 2) to obtain customers in Australia willing to buy. It was considered very difficult for people to become involved in large weight heroin importation without the right contacts and introductions. Potential overseas sellers and likewise buyers in Australia would be unsure of their safety in dealing with an unknown person offering to provide a large quantity of heroin. They may be an undercover police officer, or they may pose a risk by being unreliable, inept, or prone to talk too much. It was considered making contact with a middleman overcame many of the difficulties associated with lack of contacts (Law Enforcement Interviewee).

Investment

Starting up a heroin importation business offshore sometimes involve considerable investment over extended periods of time. Law enforcement interviewees were aware of the sometimes large investments involved. Some of this investment occurred after China opened its borders in the 1990s when it was considered many investors had bought legitimate factories in China to conceal heroin in professional packaging (Law Enforcement Interviewee).

Trade Route Organisation

Thailand’s close proximity to production countries, its relatively sophisticated transport system and other reasons discussed in Chapter Two, has made it an attractive country through which to transit heroin for shipment to other parts of the world. “Heroin and other drugs are able to get into Thailand very easily
because the drug producing countries and the syndicates [in Hong Kong] are right on our doorstep” (Law Enforcement Interviewee).. Among Thailand’s domestic drug using population there is little demand for heroin because it is relatively expensive and is considered to be an ‘upper-class’ drug. Thus, most heroin in Thailand is considered destined for overseas markets.

Thailand shares its border with two of the three most prolific opium growing countries in the world – Myanmar and Laos. Because people living along the mountainous border of Thailand and Myanmar are commonly related to one another transport across the border into Thailand is relatively easy.

Hill tribe people will do any type of role in the smuggling. Some grow opium and trade in opium and heroin and live along the border. They speak Chinese so the connection between them and the Chinese is based more on language than any family ties. Some area[s] in Shan State are mountainous areas so they move the heroin by donkey and they have their own troops to protect the ‘caravan’ as it goes on its journey to the [Thai] border. They will stop on the border of Myanmar and Thailand until everything is clear and the family on the Thai side turns on the green light. . . . Along the border [of Thailand] with Myanmar there are people living in tribes. There might be ten houses one side of the border and twenty the other and the people are related to each other. Therefore it is easy to arrange to have heroin cross the border because it is often done among family groups. Families who are involved can wait for the right time before moving the drugs and, on either side of the border, drugs can be stored for long periods of time when necessary to avoid detection. . . . The family on the Thai side of the border will hide the drugs and wait for the customer to come in and pick it up. . . . Law Enforcement Interviewee).
Estimates by law enforcement interviewees of the amount of heroin leaving Bangkok for Australia varied. One estimate was that 50% of the heroin in Bangkok Harbour (about forty kilograms per month) was destined for Australia. Another estimate was 15-20% and “The rest would go to USA and Europe. It is very difficult to guess what this is” (Law Enforcement Interviewee).

It was considered that heroin dealers continuing to use the Myanmar-Thai route were using air cargo as the method of transport to Australia, in preference to sea cargo (Law Enforcement Interviewee). This was supported by the quantitative analysis of Australian data that found air cargo method of transport was the method most used for transport of unaccompanied heroin weighing between five and 25 kilograms throughout the 1990s. Heroin going the traditional route through Thailand was considered to normally be shipped out via a circuitous route to Australia, or carried out by air passengers (Law Enforcement Interviewee).

The heroin that goes out of Thailand to Australia does not go directly from Thailand because it is known that any cargo from Thailand gets extra attention by the Australian authorities. It may go via Singapore or even via private yacht. Because Australia is so tough their end with their searching of cargo from Bangkok, we have not been as thorough in our scrutiny this end of cargo going to Australia (Law Enforcement Interviewee).

It was considered by law enforcement interviewees that the traditional Thai routes for heroin have changed and transport of heroin to Australia via Bangkok is now relatively rare. It was the view of law enforcement and heroin import interviewees that the opening up of China in the mid 1990s had affected trade routes for heroin. The more usual route is now Myanmar via China to Australia.

Thai police believe the people who arrange the large shipments of heroin from the Golden Triangle area bring it out through China and Taiwan. Obviously these same groups ship heroin on to Australia, USA and Europe using...
Patterns of heroin supply to the domestic market in Hong Kong had also changed. Up until 1997 for example law enforcement had not been aware of any illegal goods coming across the Chinese border into Hong Kong (Law Enforcement Interviewees). However now it is considered most heroin for domestic consumption comes across land from China. (It was estimated that about four kilograms of high grade No. 4 heroin is needed to meet user demand per day in Hong Kong.) Presently approximately 200,000 people walk across the one border from China into Hong Kong and 40,000 vehicles travel through three entry points to Hong Kong each day. Thus heroin can more easily be smuggled in via this route than has been the case previously (Law Enforcement Interviewees).

The type of syndicate or groups supplying heroin to Australia was also considered to have expanded to include syndicates based in mainland China.

The syndicates using the China route are Hong Kong Chinese with links to people in main land China. We have been seeing less heroin coming through Thailand as a result. Smugglers will make a deal with the Chinese in China and the US Chinese. The financier is Thai Chinese and the operator is Hong Kong Chinese . . . After the Chinese government opened its borders we found a lot of drugs were going through China to the rest of the world. . . . In the past Malaysia, Singapore and HK were the second transit countries but right now if the customer gives an order there is no need for this to happen. The drugs can be smuggled through Shanghai and then direct to Europe (Law Enforcement Interviewee).
Specialisation

There was no consensus among interviewees on the issue of whether heroin importers specialised in heroin or diversified into other types of illegal commodities. Some law enforcement interviewees considered that in general the people involved in heroin trafficking did specialise primarily because the routes and markets for different types of drugs are very different from one another:

Different drugs have different routes and methods of transport and the markets they are aimed at are in different places . . . So there tends to be different syndicates specialising in different drugs (Law Enforcement Interviewee).

Supporting the specialisation view was the opinion that particular types of drugs were associated with different, distinctive lifestyles such as: cannabis with “hippy/greeny” lifestyles; cocaine with the professional and ‘fashionable’ and amphetamines with the young dance set. “The type of people wanting a certain drug are very different from the people wanting another type of drug”. The activity of drug trafficking in and of itself too was considered to often be a lifestyle choice precluding diversification into other illegal commodities “. . . It seems to be a lifestyle with many” (Law Enforcement Interviewees).

Some law enforcement interviewees considered Hong Kong based groups who dealt in heroin did tend to specialise and that there were only a few groups who used the same established line for other types of illegal commodities.

People in Hong Kong syndicates dealing in heroin do specialise. This is because it is quite risky setting up and establishing a line that is secure for the business. It involves establishing a supply of heroin, and a customer base. There would be very few syndicates using the same line for other commodities, although they may occasionally deal with a selection of different drugs using the same line (Law Enforcement Interviewee).
There was divided opinion however about the extent to which Hong Kong based groups were likely to diversify. Some law enforcement interviewees considered these groups would diversify into wherever there was money to be made – “what seems to matter is the money that can be made” (Law Enforcement Interviewee).

. . . we have had cases where organisers have dealt in amphetamines, ice and heroin. They rarely specialise and will diversify, including into people smuggling (Law Enforcement Interviewee).

One interviewee thought the perceptions of reduced risk motivated diversification, for example into people smuggling:

. . . heroin traffickers have become involved in human trafficking because they have found it to be more lucrative than drugs. It is also less risky as the penalties are much less than for drugs. They are using the same routes that were used for drugs . . . they do not traffic heroin and people at the same time together (Law Enforcement Interviewee).

Although some interviewees thought that heroin organisers in Thailand specialised, others considered diversification was now becoming the norm and that any organisation moving heroin in Thailand will move other types of drugs as well, “they may also be involved in people smuggling as well as anything else they can make a profit on, such as diamonds” (Law Enforcement Interviewee).

In Thailand heroin and amphetamines are both used but amphetamines are more popular domestically. While the routes and markets for these two drugs was considered to be very different, it had been found on at least one occasion that they were both being trafficked by one group as part of the one drug run:

The same groups are involved with the two drugs. For example the seizure in the Andaman Sea, the traffickers took heroin from the Golden Triangle out to sea in one boat and swapped this cargo for amphetamines which they then
took back with them for transport through Thailand to Bangkok. The heroin transferred to the other boat was destined for Australia where it is more popular. The same connections and syndicate was involved in the subsequent seizure that was made in Fiji (Law Enforcement Interviewee).
CHAPTER SEVEN: PERCEPTIONS AND BEHAVIOURS

Chapter Seven focuses on findings relevant to the third theme identified in the review of literature – Perceptions and Behaviours. Five focus areas were identified for examination within this theme where focus is on the importers:

1. Perceptions of level of risk and risk minimisation behaviour;
2. Extent to which legal businesses and activities are inter-mingled or used to hide the illegal trade;
3. Offenders at highest and lowest risk of detection;
4. Importation characteristics’ influence on the characteristics of Australia’s heroin markets; and
5. Deterrence and supply reduction.

Two further focus areas were identified for examination within the Perception and Behaviours theme with a focus on law enforcement.

5. Issues for law enforcement.

The two parts of the Perceptions and Behaviours theme - importers and law enforcement – are reported in the same chapter here because for a number of the focus areas there is overlap. Within the Discussion Chapter however they are discussed separately.

Law enforcement interviewees considered Australia to be a lucrative market in the region because of the higher prices that could be obtained for heroin there, in comparison to the mostly less wealthy countries in the region. For example one gram of heroin in mainland China is worth about $HK100, in Hong Kong about $HK400 and in Australia about $HK1000 (Law Enforcement). The issue of whether or not Australia is only a destination market for heroin or whether it is also used as a transit country to other parts of the world was a sensitive subject among the law enforcement interviewees. So much so that a number did not wish to express an opinion. A high level of sensitivity was partly a result of the USA’s
maintenance of lists of ‘Transit Countries’ which had trade and status sanctions attached to it (Law Enforcement).

Among interviewees who did give an opinion there were considerable differences found. At one extreme it was thought Australia was an important and large transit destination. On the other there was strong reasoning arguing against the idea. Those who thought Australia was a transit country pointed to the large amount of heroin going to Australia compared to the small size of the Australian user population. Australia was considered an attractive country for transit of heroin elsewhere because it had a significant amount of trade and movement of goods in and out among which to hide illegal goods. It was also considered there was less scrutiny by Australian authorities of outgoing cargo and less scrutiny in the destination countries for goods arriving from Australia.

We think it [Australia] is a very important transit area in the region and could become even greater in the future to all parts of the world. There is a lot of trade into and from Australia (Law Enforcement).

For the amount of heroin that is headed towards Australia I would say that it is fairly certain that Australia is being used as a transit country for heroin to Europe and Canada.... Cargo from Australia is less likely to be the target of extra scrutiny in European countries and this also makes it an attractive transit point (Law Enforcement).

Law enforcement interviewees who thought Australia was not a transit country gave a number of reasons for their view including that it was too risky and that the user population was big enough to consume what was estimated to be entering Australia:

It doesn’t make sense for Australia to be a transit country.

It is too risky and round about . . . The offenders importing heroin into Australia use controlled delivery methods [supervised by overseers] and very sophisticated hiding
places and methods. Why do this if the drugs are going on to another place? Why not just reconsign it? (Law Enforcement)

About ten tonnes per year is consumed in Australia per year. I think so there is a high demand. Counting the number of methadone users in Western Australia years ago we estimated that they would have to have previously been consuming at least 500kg per year and [WA] has a small population (Law Enforcement).

One interviewee who thought Australia was not a transit country conceded that some drugs may be finding their way to New Zealand via Australia:

It [Australia] is a transit country in a way. New Zealand law enforcement will say . . . the heroin and amphetamine they have . . . has come from Australia (Law Enforcement).

It was felt by some law enforcement interviewees that the United States had a vested interest in labelling Australia a transit country because it helped justify their presence and resources in the Asia Pacific region:

The USA DEA will say that heroin is transited through Australia because it suits their agenda. They have a huge presence [in Asia] and to maintain their level of resources they like to have statistics that show drugs are going to the USA so they will say Australia is a transit country to the USA - but there is no real evidence of this (Law Enforcement).

. . . all the anecdotal evidence would say it [Australia] is not used as a transit country . . . There have been suggestions . . . that the large seizures of heroin by Australian law enforcement were actually heroin . . . on its
way to the USA via Australia. This is not known for sure however (Law Enforcement).

**Risk Minimisation**

A number of risk management strategies were used by heroin importers. Essentially they involved:

- being highly mobile;
- using face to face communication;
- sub-contracting work to others; and
- remaining remote from contact with the heroin

The high mobility of heroin import organisers and middlemen and their ability to arrange things face to face, were considered by law enforcement to be one of the main strength of heroin import organisers.

There are a lot of meetings in person to arrange heroin transportation. Organisers don’t like to use the telephone they will meet face to face. Mostly they meet in Thailand, sometimes in Hong Kong, Malaysia or Singapore. They will use the telephone to set up the meeting but will not discuss arrangements by phone. Today you can fly anywhere in a few hours. It is easy for them, but not so easy for the police to follow them around or coordinate surveillance (Law Enforcement).

Almost without exception communication between heroin importers was considered by law enforcement interviewees to be conducted face to face.

**Sub-contracting**

One way individuals involved in heroin importation reduced risk of detection to themselves is to sub-contract the work offered to them, to others. At each
different point in the importation run (see Figure 14) it became apparent there were many additional individuals and links as a result of sub-contracting behaviour. Through use of sub-contracting behaviour remoteness from the heroin can be achieved at any role level. The reasoning behind staying remote from the heroin was an understanding that it was the movement of the heroin that law enforcement focused on. Remoteness from the heroin means real security.

Likelihood of Detection

There was a perception that hands-on workers were the ones detected and charged with heroin import offences. Those who were the organisers and higher up the chain were considered rarely detected. Similarly to heroin import interviewees’ perceptions, it was agreed by all law enforcement interviewees that the people most likely to be detected are those in possession of the drugs.

The basis of all our operations and the way we do things, our intelligence and focus is on seizing the drugs. We use surveillance at all levels and pass information back and forth between countries. However it is focused on [heroin] seizure so it is the people in possession who will be arrested (Law Enforcement).

It was considered that couriers were most likely to be detected by chance while other offenders were detected through the use of Intelligence data. A person who fits the current profile of law enforcement is the most likely to be caught (LE), as are first time offenders and those repeatedly using the same methods or routes (Law Enforcement). Those individuals considered least likely to be detected in heroin importation offending are those who distance themselves from contact with the heroin.

We will try and follow drug runs for as long as possible through surveillance to try and arrest as many people as we can and as high up as possible (Law Enforcement).
Thus the further away from the heroin an individual is – buffered by many subcontractors – the safer they are. Law enforcement interviewees considered it much easier to focus on drugs than to investigate individuals remote from contact with the drugs. In part this was because drugs are unambiguously drugs while detected money for example may or may not be illegally obtained and is harder to prove.

Previously drugs and money were more closely connected. However, now the drugs and the money side of things are more likely to be kept separate . . . as offenders have worked out how to run their businesses with the least amount of risk . . . It reduces risk because if they lose the money they will still have the drugs, or if they lose the drugs they still have the money (Law Enforcement).

There were many other specific circumstances facing law enforcement that make it unlikely they can arrest and prosecute higher-level organisers and middlemen. These are reported in greater detail in the section ‘Issues for Law Enforcement’.

**Deterrence and Supply Reduction**

Opinions about the efficacy of severe punishments to deter people from importing heroin varied among the law enforcement interviewees. Some considered severe sentences and the fear of strong extradition and conspiracy laws did act as deterrents. The reason why USA rarely has heroin imported into it from Asia was considered by one law enforcement interviewee to be because heroin organisers are scared of the aggressive extradition laws that enable the USA to extradite people there for trial. The presence of the death penalty in the USA simplifies the extradition arrangements with countries in Asia that also have the death penalty. Extradition and strong conspiracy legislation enables prosecution of people in the USA who have been detected organising a run to the USA and even where the individuals or the drugs have never physically been in the USA (Law Enforcement).
In Hong Kong stronger sentencing was considered to be somewhat of a deterrent:
   We believe that strong and effective law enforcement
coupled with severe court penalties could, to a certain
extent deter people from becoming involved in illegal drug
trafficking (Law Enforcement).

On the other hand, many law enforcement and heroin import interviewees
considered high sentences were not a deterrent “because the money to be made is
so large that people are still tempted to get involved” (Law Enforcement). Often
the necessity or temptation of the moment meant the penalties were not a
consideration in a decision to become involved in heroin importation.
   I was talking to a person the other day who had just been
catch with a couple of kilos of heroin . . . He was thirty-
five years old with three kids. . . . The Thai officers . . .
pointed to a poster on the wall that said if you are caught
with one hundred grams of heroin there is the death
penalty. He was reading the sign and you could see the
realisation hit him and he started shaking and then started
crying. People get themselves into debt and they do stupid
things without thinking too clearly (Law Enforcement).

While the risk was higher for people in direct contact with the heroin there was
nevertheless little deterrence because the prospect of making such large sums of
money outweighed fear of prosecution. Where people were caught there were
always many others willing to take the risks involved to earn money.
   Sometimes people can make a lifetimes money from just
one job (Law Enforcement).

There was consensus among law enforcement interviewees that a predominant
law enforcement approach to the problem of heroin was faulty. Rather, education,
social development, alternative straategies and alternative programs to assist
production farmers and were considered needed.
More addicts mean more traffickers so it is better to have addicts using something else. We have to have campaigns against drugs. The power of people is what is very important in changing people’s behaviour. Laws on their own are not enough (Law Enforcement).

Efforts to suppress drugs by force were considered by almost all law enforcement interviewees to have not worked. Rather, it was considered there was a need to change the opinions and behaviours of the community.

People [in Thailand] don’t think it is harmful to use methamphetamine, they think it is safe and they can’t get addicted. The community needs to be educated about the harms and have a better understanding so that they make the right choices (Law Enforcement).

While the government in Hong Kong favoured harm reduction because it knows there will always be a drug using population

Hong Kong society at large adopts zero tolerance for drug abuses.

. . They can’t see the advantage in spending money on facilitating the addicts to live with their bad habits (Law Enforcement).

It was thought governments in developing countries through their health departments must allow drug addicts to “show themselves and be reported so we know how big the problem is and can treat them” (Law Enforcement). A couple of law enforcement interviewees were in favour of segregating drug addicts from the community and away from other types of prisoners such as “putting them on an island where they can survive separately would be a good thing. This has worked in other places” (Law Enforcement). However this view was a minority one.

It was considered important to focus on the growers of opium. It was pointed out by law enforcement that the producers of opium are mainly poor farmers living in under-developed villages who had little or no alternative sources of income. It
was unreasonable to expect them to give up the only cash crop they have without alternatives being offered. Provision of another cash crop would deter them from producing opium.

This means helping the workforce to become skilled . . . given education and training opportunities that will give them greater choice and control over their lives. It is OK to beat people on the head but the bottom line is they need an alternative and they need assistance to change (Law Enforcement).

It was thought that strategies to assist production farmers did not receive the priority it deserved. There was a perception by law enforcement of a reluctance to put money into non “sexy” areas like education, training and crop replacement – funders were considered to prefer law enforcement.

Foreign countries pouring money into anti drug activities in the region would be better paying money to help [Myanma] and other countries to move away from a dependence on growing heroin. Simple law enforcement is not enough. The people growing the heroin do not get much money for their crop and would be satisfied to grow something else that pays them money (Law Enforcement).

It was observed that, rather than trying alternative strategies to the degree they needed and deserved, more money than ever was being allocated by the United Nations to law enforcement, despite a consistent, visible record of failure of law enforcement efforts over many years:

You only have to look at the progress of the drug problem under a predominant law enforcement response to see that law enforcement responses don’t work very well. We used to talk in terms of kilos. Now we are talking tonnes. Law enforcement is part of the answer but in practical, evidence based terms it is obvious it is not the whole, or even the main answer to the problem (Law Enforcement).
It was felt that the ones to lose most from farmers growing alternative crops would be the middle men - the buyers of the opium crop. These included buyers who have connections to the Wa Army. The Wa Army in Myanmar creates problems for the alternative crop and development projects because “they want to make sure the programs don’t work” (Law Enforcement).

In addition to eliminating the heroin market interviewees thought there were other advantages to legal supply to addicts including better health, social and crime reduction outcomes. Perceptions of why Australia has not addressed the heroin problem by legal provision to addicts as in Europe, centred around cynicism of politicians and a view that there was now a huge government and funding infrastructure around the problem of illegal drugs.

**Focus on Law Enforcement**

A focus on activities and issues for law enforcement provides a further perspective on heroin importation and new insights into the offending. This section reports findings that relate to processing and sentencing of heroin import offenders in Australia and is followed by findings relating to issues for law enforcement in their counteraction efforts.

**Process and Sentencing**

Persons arrested and charged for drug importation offences in Australia generally appear before a committal hearing in the Magistrates’ Court, followed by a trial in a higher court. Between detection and arrest and committal hearing, evidence is collected and Briefs of Evidence compiled by law enforcement. A trial period then follows and in some cases an Appeal. Thus time from detection to finalisation in court may be considerable.
Calculations to establish time taken from detection to finalisation in court are based on detection and conviction dates. Because only arrest date was available for individuals in the lower weight (OHI) cohort their processing time has not been able to be calculated.

It was found average processing time from detection to conviction for heavy weight importers was twenty months – one year and seven months. Longest time taken was eighty-one months – six years and seven and a half months. Shortest time was two months (see in Table 13). Intuitively it appeared that the very longest sentences were given to offenders prosecuted in the early and mid 1980s. However, the figures were not conclusive.

Table 13 Process Time for Heroin Importers 1990 – 1999

<table>
<thead>
<tr>
<th>Time in Months</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2</td>
<td>81</td>
<td>20</td>
<td>15.8</td>
</tr>
</tbody>
</table>

N = 105. Missing = 66

Court Outcomes

Sentences imposed on major heroin importers were found to be relatively severe, although lessened somewhat by non-parole periods. Of the 115 heavy weight importers who were convicted, sentence length was identified for 107 (63% of the total MHI cohort). It was found a majority received sentences of nine or more years (62% N= 66). However, only thirty (28%) of these individuals were expected to actually serve nine or more years in prison, due to lower non-parole periods. Only a small proportion (16% N= 17) of major heroin importers were given the lower sentences of five or less years. However, just over one in three did receive these lower incarceration periods (38% N= 41) through non-parole periods. At the other sentencing extreme one in ten (10% N=11) were given very heavy penalties of more than twenty years imprisonment. Only four individuals (4%) were expected to serve this length of imprisonment because of lower non-
parole periods. (Figure 15 and Figure 16 illustrate the shift between sentence length and non-parole period.)

An important consideration in sentencing would be expected to be the role performed in the importation by the offender. Role and sentence length were able to be identified for only forty-four of the convicted individuals in the MHI
cohort. Cells were too small to conduct reliable tests of significance however some tentative patterns emerged.

It was found that convicted Number 2 importers, organisers who are hands-on (N=7) received the lowest sentences of any of the role categories. Two Number 2 importers received sentences of five years or less and three were given sentences between 9 and 14 years. Two of these heavier sentences had non-parole periods between 6 and 8 years. Sentences given to Number 2 organisers thus tended to be low to medium in severity with individuals with this role receiving lowest sentences overall. Another factor in sentencing would be expected to be weight of the heroin imported. It was found that indeed the five convicted Number 2 organisers had imported heroin at the lower end of the heavy weight scale: 5 - 25 kilograms. (The two Number 2s for whom no sentence information was available had imported over one hundred kilograms of heroin. If these were able to be included they may have increased overall sentence lengths for this role.)

Most severe sentences were given to Number 3 importers, knowing the organiser and doing the hands-on work for them. Fifteen who were apparently Number 3 importers had sentence information available. Three (15%) received sentences of five or less years; eight (40%) sentences between 9 and 14 years – (although five of the eight received non-parole periods of six to eight years); and four (20%) received sentences of more than 20 years – (two of whom received non-parole periods of 15-20 years).

Sentences given to Number 3 importers thus tended to be medium to heavy in severity. People with this role tended to be involved in the very heaviest weight imports of heroin. It was found that seven of the fifteen had been involved with weights of heroin exceeding 25 kilograms. However, it was also found that seven individuals were involved with importing the lower end weights of 5 - 25 kilograms also received heavy sentences of nine or more years. This perhaps indicates that sentences took account of their more central role or the level of sophistication of organisation but this is supposition.
Still severe but to a lesser extent than for Number 3 importers were the sentences given to Number 4 importers, doing a specific task and not know the organiser. For eight who were Number 4 importers sentence information was available. Sentences varied considerably: two received five years or less; four between 6 and 14 years; one individual received a sentence of 15-20 years (with no parole), and one a sentence of more than 20 years (with no parole). Thus, for level 4 importers sentences ranged from light to very severe. It was found that the two most severe sentences were given to individuals who were involved in an importation of heroin weighing 26 – 100 kilograms. However, sentences involving weights of heroin between 5 – 25 kilograms varied considerably for Number 4 importers. Two for example received a sentence of 3 – 5 years, one a sentence of 6 – 8 years and two sentences of 9 – 14 years. No heavy weight importers were identified as a Number 1 import organiser removed from the hands-on work, so no sentence details were identified for this role.

Variables ‘weight of the heroin imported’ and ‘sentence length’ were identified for forty-four individuals in the MHI cohort. There was a statistically significant association between sentence and weight of heroin imported (P <0.001). Figure 17 and Figure 18 show the sentencing and non parole patters relative to weight of heroin imported.
Interviewees who were serving long sentences dating from the 1980s considered the jail sentences to be too long. If very heavy penalties remained they considered it would be better for the offenders and for society if there was a death penalty rather than decades of prison (Beyer 2003). Quite a few heroin import
interviewees considered the sentences they received were fair. Those concerned with sentencing were less concerned about the severity of penalties and more with apparent inconsistency and inequity in comparison with other offending.

**Issues for Law Enforcement**

This section of the findings reports the views of law enforcement interviewees about issues involved in counteracting heroin importation. As discussed in previous chapters, heroin importation is a complex offence for Australia to counteract because of its international character and the necessity for cooperation between governments and law enforcement agencies across countries in the Asia Pacific region. Counteraction is complex because of the jurisdictional and geographical boundaries involved, the necessity work within political and diplomatic constraints and within diverse cultural and social settings.

Law enforcement interviewees were asked about the difficulties facing them in their work to counteract heroin importation. Many issues, restrictions and limitations were identified and are reported below.

**Resource Inequity**

There was awareness by law enforcement that the drug traffickers had many more resources at their disposal than they did. Access to huge amounts of money means they can afford to buy support, can afford excellent legal and accounting advice and can travel from country to country at short notice either to conduct the necessary face to face meetings or to relocate themselves if necessary.

Organisers of drug trafficking enterprises in Australia are generally living in or will move to locations where Australian law enforcement’s ability to interact with the local police is limited. Getting evidence on these people is extremely difficult. We might know who they are but we can’t take action (Law Enforcement).
Law enforcement have limited resources. The high cost of surveillance and of travel means police are always time-bounded.

There is only so much time that we can dedicate surveillance, as it is expensive. The offenders have all the time on their side (Law Enforcement).

It is very complicated to organise co-ordinated joint operations that involve meeting offenders at airports and following them across jurisdictions and countries. Police have less money and resources and are less mobile than are the offenders (Law Enforcement).

Staying abreast of the new technology available to the offenders is also considered a big problem. “There are constant innovations and law enforcement has to try and stay abreast of it” (Law Enforcement). “All the time there are innovations in communications coming into the market and the police are always lagging behind because of the expense” (Law Enforcement). Other problems were more structural,

The way mobile phone services are set up is very helpful to drug traffickers. They provide a telecommunication system that cannot be traced to an individual. . . . they do not require complete identifying information with the sale of phone chips and anyone can use pre paid sim cards anonymously. If phone chips are changed regularly, say every 2 – 3 weeks then it is impossible to do any tracking because the companies are very slow at providing information. This should be changed (Law Enforcement).

**Agency and Personnel Corruption**

Another important consideration mitigating against more effective counteraction of illegal drug offending was the possibility that some law enforcement officers...
may be corrupt. A number of law enforcement interviewees mentioned corruption as a problem in the context of their work. However the problems appeared to be not so much with individual officers as the organisational structures which enable it to occur and indeed make it difficult for agencies to function without corruption. For example, moving people in and out of the illegal drug investigations areas is a strategy often used to ensure corrupt relationships do not develop. In a number of developing countries there is no time limit for personnel working in the drug enforcement field.

Most people don’t want to work in the narcotics area because is fairly low pay and it is quite risky. Many would like to get out to another area but it is very difficult and we usually have to stay (Law Enforcement).

Low pay and low status also influence morale and decisions of personnel to become corrupt.

. . . we don’t get much kudos for our detections and good work is not rewarded by promotion or status because there aren’t many positions to get promoted to (Law Enforcement)

In Hong Kong a number of strategies have been put in place to discourage corruption and make it easier to detect and deal with. These have included regular movement of personnel, well paid police officers, good working conditions and promotion on merit. These strategies are considered to reduce the opportunity and the temptation to become corrupt.

Corruption has always been a very sensitive thing [in Hong Kong]. . . In the 1960s it was rife. Now I don’t think we have a problem beyond what would be normal in western countries. It will never be stamped out altogether but it is pretty tight (Law Enforcement).

Police inspectors [in Hong Kong] can be recruited from within or externally with at least a first degree. Competition
is quite fierce for these positions. Salary for police is quite good and they can get housing and health cover and education for the kids as part of their employment package (Law Enforcement).

In a number of developing countries in the Asia Pacific region promotion within law enforcement ranks is not based on merit. This of itself does not necessarily mean the higher level officers are corrupt. It means they have used the rules and mores of the system as it exists. However the existence of such a system leaves itself open to allegations of corruption, has implications for the morale and motivation of other personnel within the agency and in a global environment has implications for the prestige of the officers and agencies themselves. It may also mean those in positions of authority within an agency do not necessarily have the skills and expertise needed to be effective in their positions.

Promotion in law enforcement agencies in Asia is not by merit but by good networking skills, payments to people above who make the decisions, and often depends on the social status of the person seeking promotion. Therefore some of the people in top positions actually may have very little understanding of what they are doing or should be doing (Law Enforcement).

**Inter Country Coordination**

All law enforcement interviewees believed cooperation and coordination between countries was extremely important and that it was occurring, albeit very slowly. However there were a number of structural obstacles.

. . . mutual legal cooperation, sharing of information and joint operations - . . . We have had many successes when this has occurred well . . . If we have conditions for cooperation between the countries then I think many traffickers would be detected and there would be a much
greater level of control over their activities (Law Enforcement)

We [United Nations Drug Control Program] have facilitated development of written memorandums of understanding between [these] countries. . . . There have been some very large seizures as a result of cooperation between the countries and there have been exchanges of prisoners. Successes like these have assisted in developing this cooperation further (Law Enforcement).

Thai law enforcement were optimistic they were building a good working relationship with law enforcement in mainland China.

We are coming closer and closer with our cooperation over drug traffickers. We have had some good results through cooperation. We have been able to send officers into China and we have been allowed to talk to the prisoners about their methods. This was arranged through official channels. China have been happy to help but previously we couldn’t have done this. We have protocols (Memorandum of Understanding signed by the Minister of each country) but it is also important to enhance these through personal contacts. We also have the same types of memorandums of understanding with Myanmar, Singapore, Malaysia and Laos (Law Enforcement).

Similarly in Hong Kong there was optimism about the development of working relationships with China.

I have been to workshops where the Chinese have been working with the UNDCP and they have been very frank about all of the issues. They have been able to take a long term and lateral view of the drug problem, and have supported the setting up of alternative crop programs, and
road and infrastructure development to get local economies going which will help prevent drug use and a dependence on a drug economy (Law Enforcement).

Essential for responding to illegal drug trafficking offences were good extradition agreements “. . . they are a key to prosecution of traffickers” (LE). However extraditions between countries remain slow and are complicated through penalty issues.

We do have treaties with first countries but when the conditions about the penalties arise then there is no cooperation and we have to negotiate. This can take a long time to resolve (Law Enforcement).

Where extraditions are between countries that both have the death penalty or where both do not have the death penalty, extraditions are less problematic. Thai law enforcement for example is relatively happy with its extradition laws with China.

We are joining now with Chinese police and customs. . . . We arrested three Thai offenders in Thailand and they have been extradited to China (Law Enforcement).

Countries without the death penalty have a convention whereby they will not extradite people back to countries where they do have the death penalty.

We [in Hong Kong] can’t extradite people from mainland China and we do not send people back to mainland China because they have the death penalty there for the same offence. Australia has the same convention. . . . The penalties have to be brought more in line with each other or we need a special agreement worked out whereby those caught in Hong Kong may be sent back to mainland China on the understanding that they will not be given the death penalty if convicted there (Law Enforcement).
Australian law enforcement were relatively happy with extraditions between itself and Thailand who has the death penalty:

Extraditions works OK. We use the Anglo/Siam treaty of 1911 for Thailand. The court works well in Thailand although the hearing process may be very slow (Law Enforcement).

Greater cooperation was also considered slow due to countries’ differing laws and procedures with many developing countries not having the laws and procedures relevant to prosecute drug traffick offenders. These structural problems make it difficult for law enforcement in both production, transit and destination countries to work together.

Police have difficulty in targeting and conducting operations that span different countries because there are different rules and restrictions that are in place in one country and not in another (Law Enforcement).

Many countries through which heroin destined for Australia pass don’t have sophisticated or adequate laws to enable indigenous law enforcement to take action and may not have courts that operate well where an offender is apprehended:

Inappropriate laws and weak legal systems are common across countries in this region. The judges, magistrates and prosecutors are not well trained. They lack awareness of the issues and indeed lack an education. The legal system and prosecution outcomes may be open to being influenced by payments or favours and the laws themselves are frequently not sufficient to address the offences or they are applied inappropriately (Law Enforcement).

On the other hand laws and procedures in developed countries also inhibited cooperation. For example it was pointed out that in Canada and many other countries, courts demand full disclosure of intelligence and evidence gathering
methods and sometimes full details of informants. In Canada this has resulted in a drop in number of informants and considerable additional public expenditure.

There are very few informants now, compared with the past. This is because in court police have to give full disclosure of sources. To get around this we have to turn informants into agents and pay them millions of dollars (Law Enforcement).

Canadian courts are also required to “. . . disclose what other countries do as well” (LE). This makes working with other countries’ law enforcement agencies impossible. The practise in some developed countries to award costs against police in the event of an acquittal was also a disincentive to take offenders to court and have the evidence tested there. Fear of costs being awarded against law enforcement means “. . . the police are scared they would lose the cases and this holds them back” (Law Enforcement). It was pointed out that there was a better system in the USA where costs are not awarded against law enforcement officers and individual officers cannot be sued if they have carried out their work in “good faith”. In Hong Kong too, if the court is satisfied the prosecution has made out a prima facie case against the defendant there will normally be no costs awarded against law enforcement for an acquittal

. . . we normally seek legal advice first on the adequacy of our evidence and the appropriateness of the charge before we try to proceed with our prosecution against a drug trafficker. As such, the number of costs awarded against [Hong Kong law enforcement] has been small (Law Enforcement).

Jurisdictional boundaries were a problem mentioned by many law enforcement interviewees. If offenders are detected in Hong Kong for example and they travel into mainland China, Hong Kong police cannot continue the surveillance because they have no jurisdiction in China. While police in the second country could take over the surveillance there may well be competing domestic priorities that prevent this happening in practise. Additionally,
We . . . [in Hong Kong] lack a legal framework to allow us to provide mutual legal assistance with mainland China in the areas of collection of evidence, production of materials, search and seizure, transfer of persons for giving evidence and enforcement of confiscation orders (Law Enforcement).

Another issue making cooperation and communication difficult is the differing professional standards and understandings present across agencies and countries. For example,

. . . what constitutes fraud and money laundering? These offences are often poorly understood by law enforcement (Law Enforcement).

In particular there was considered to be a need to improve understandings of the legal systems of other countries so that evidence gathering wherever it occurs will be adequate for trials in other countries. At the coal-face gathering evidence can be very difficult. . . indigenous law enforcement officers will tend to leave the paper evidence behind and just collect up the hard cash or the drugs. There is [also] no continuity for things seized and there may be drugs and money siphoned off after seizure. The ‘Briefs’ for some of these offences are tiny compared to what is required in the West. This is OK in some countries where the evidence of the police is law and there is an inquisitorial justice system. However it just doesn’t stand up in western courts (Law Enforcement).

Political priorities may also differ across countries making change and alignment even slower. Laos for example is an extremely important country strategically because it links the other five countries in the Golden Triangle area - Myanmar, Cambodia, China, Thailand and Vietnam.
[UNDCP] are trying to assist Laos with their training but they don’t have the financial backing from their own government and there are other political issues that take precedence . . . To a point they realise the problems. A lot of the production of opium in Laos is for domestic consumption and so there would have to be strong incentive to . . . develop alternative ways of making a living, as opium is a cash crop for the farmers there (Law Enforcement).

Another issue for cooperation was the variation in educational backgrounds of countries’ populations, including law enforcement personnel. Often only a very basic primary level of education was received before entering law enforcement agencies in developing countries.

We [Australia] are constantly providing training wherever we are to get the local law enforcement up closer to our standard. There are some good people but it drops off sharply within organisations (Law Enforcement).

This was considered to be an issue particularly in Laos and Cambodia where low levels of education and training were compounded by resource issues “[it is] . . . very difficult to do a joint investigation with them because they don’t have any equipment and corruption is institutionalised” (Law Enforcement). To address the training issue the United Nations Drug Control Program has developed a stand-alone, CD Rom computer based training program with its own in build delivery and assessment system for narcotics officers across the six key countries of Cambodia, China, Laos, Myanmar, Thailand and Vietnam. The training is designed to develop uniform standards and consistency in searching, evidence gathering and interrogation that will enable greater acceptability of evidence across various countries’ in which an offence may have been committed (UNDCP 2002).

Asia/Pacific law enforcement agencies just need to be skilled up. Then they will find it much easier to work with Western law enforcement who will commonly have the
better information and intelligence about what is going on in their countries (Law Enforcement).

There are however sensitivities to be considered. An observation by a western country interviewee was that sometimes people from developed countries “throw their weight about” on the basis they are providing the money. This was considered most inappropriate and indeed counter-productive. Money is not the complete answer - the other half of the equation is cooperation and relationship building, based on mutual respect.

It is very important that you don’t demand too much or take the high moral or social upper ground. Many difficulties can arise if you are working in a non-developed or third world country and you treat the people as third world people (Law Enforcement).

Face to face contact between law enforcement officers of the various countries’ agencies was considered absolutely essential for building cooperation and for the detection of heroin overseas that may be destined for Australia (Law Enforcement). Face-to-face meetings enable friendships and trust to develop. Opportunities for this to occur are arranged through workshops and conferences held throughout the region. Cooperation between law enforcement in the Asia Pacific region was considered to happen in spite of, rather than because of, formal government or diplomatic relations.

The formal relationships between some of the countries in this region are not as good as they could be so we must use personal relationships that we have built up to get any cooperation, or to arrange coordinated investigations (Law Enforcement).

It was considered law enforcement at a personal level are making progress in establishing and developing cooperation between themselves and are doing so in environments where there is often an absence of laws and legal systems appropriate to the offending.
**Information**

Sharing of information between agencies within and between national boundaries was considered essential for an effective response to illegal drug trafficking. Sharing of information is problematic on a number of fronts including concerns about who is corrupt, legal impediments and education and resource limitations. Additionally there may be a sense of competition between individuals and agencies that mitigate against information sharing and political disincentives.

Within law enforcement agencies individual officers will often keep knowledge to themselves because they have paid for it or they are aware that knowledge is power. There needs to be work on training of what information is and how it can be used in an organisational, intelligence sense (Law Enforcement).

The agencies in Thailand involved in narcotics investigations are competitive with each other and do not share information with each other. This is also because we are never sure who is corrupt or not, in those other agencies. . . . The [Thai] government has an incentive scheme for detections though, where the agency gets cash rewards or things like an overhead projector, depending on how many kilos are detected. It is not much though. This is possibly another reason why agencies are competitive with each other (Law Enforcement).

Political disincentives to information sharing were also mentioned. The maintenance of lists for ‘Drug Source Countries’ and ‘Drug Transit Countries’ by the USA were considered to be a disincentive to full and frank information sharing. Countries are very sensitive about ratings because of trade and other sanctions being applied for non-cooperation. Hong Kong was previously on the ‘Drug Transit Countries’ list and “has fought very hard to get its present de
certification” (Law Enforcement). It was pointed out USA type lists and ratings can create a catch-22 situation because:

There is no motivation for any country to disclose what they might be detecting – nor does it encourage an enthusiasm for following through any cases of heroin detected . . . For example heroin in an arriving container [in Hong Kong], destined for a third port, may not be brought to light by the authorities. Not to overstate this but it is not necessarily a trouble free policy for the USA to have such ratings and lists (Law Enforcement).

Differences in countries’ penalties and the presence or not of the death penalty also has an impact on the extent to which information is shared between countries. Law enforcement agencies in the countries that have the death penalty for example cannot get cooperation or information from countries that do not have it.

If we [in Thailand] arrest traffickers travelling from Australia to China to organise a drug run then they face death. That is why there is reluctance of Australian authorities to tell us about these people. If traffickers are doing a drug run that involves Thailand and the Netherlands, the Netherlands will not give Thai officials any information about it. Thailand will only have their half of the picture and the Netherlands has only the other half of the picture. So the trafficker will be happy. I think in the near future we will increasingly have this problem (Law Enforcement).

A point made at the International Narcotics Law Enforcement Agencies Conference in Sydney 2001 was considered particularly relevant by one law enforcement interviewee frustrated at the lack of communication because his country has the death penalty and wishing to find common ground to aid communication. That was that there should not be a confusion of ‘cooperation between agencies’ and ‘the new world order’. In other words while there may be
different standards for penalties there should not be different standards for cooperation.

Accurate, comprehensive information was considered essential for United Nations program development in the region to facilitate cooperation between countries and improve arrests and seizures. “Such information . . . will only be forthcoming by [training] . . . and gaining enough trust so that they will share information” (Law Enforcement). Confidence to share information is perceived to be increasing in the region, for example in China:

- Law enforcement is coming forward and revealing much more because of their current determination to stamp out drugs. Their training of officers is improving enormously and they have made some enormous seizures - 99% of all seizures in the region (Law Enforcement).

Another source of information is of course that obtained from the individuals who are detected. However, useful information that might be obtained from arrested offenders is not always made available to other agencies with an interest. Hong Kong and Thai Customs have similar powers to police and can conduct surveillance, investigation, detection, arrest, interrogation and prosecution. With this role Customs can question offenders about their operations – not only to gain evidence for a conviction – but to obtain information useful for the purposes of developing strategies for preventing and detecting future importations.

- We will certainly interrogate drug offenders for the purposes of getting the evidence we need for the court case and for digging out more information about the syndicates involved. However, we also question them to find out more about the way the activities are organised and run (Law Enforcement).

Customs in Hong Kong has an additional ability to persuade offenders to become informants.
By law we are able to offer informants lesser sentences and leniency at court. We can also offer a money reward for information. Offenders can choose one or the other . . . Most offenders choose leniency because the sentences are quite severe here. For example having 600 grams of heroin attracts a twenty year sentence or higher (Law Enforcement).

In Australia, Customs do not have the power to conduct investigations into the illegal drug importations they detect and are rarely granted permission to question offenders about their activities along lines that would support their agency’s detection and prevention objectives (Law Enforcement).

Classification of Offenders

Law enforcement agencies’ methods for categorising heroin traffickers in databases were found to have many similarities across countries. Greatest divergence related to categorisation of role the individual offender played in the offence. With the exception of Australia all agencies had some type of systematic categorisation for role of the offenders and considered it to be advantageous. In both Bangkok and Hong Kong police and Customs categorise drug traffic offenders by the type of role or activity they undertook in the offence. In Hong Kong drug traffickers are segmented depending on whether the offences are committed in a domestic environment only, or are committed across other countries. “If they have links to consuming countries then they will be classified as a number 1 target” (Law Enforcement).

In Thailand drug importers and drug exporters are categorised separately. Within these broad categories individual offenders are then rated as “. . . top class, middle and bottom class, depending on their role in the organisation” (Law Enforcement). Drug offenders operating within Thailand are also categorised by geographical province and by place in the drug chain. For example,
Street pusher, . . . the middle person managing/overseeing the street pushers, . . . those involved with the money or who are organising the supply of drugs (Law Enforcement).

In Canada and the USA offenders are classified by their role in the drug trafficking offence.

For individuals we look at the type of role they are doing . . . are they in the manufacturing side, the transport, or are they an overseer (that is looking over five or more workers), or are they the overall organiser (Law Enforcement).

In the USA a comprehensive coding system is used for drug offenders. A ‘GO DEP’ identification tag within the database “tells at a glance quite a lot about the individual or organisation under investigation” (Law Enforcement) including:

- level of significance - regional if it only operates in the USA, or international if it involves offences committed overseas;
- whether other law enforcement agencies are, or should be, involved in the investigation and who is or should be the lead investigative agency;
- type of drug involved;
- structure of the organisation - laboratory operation, import only, or an import and distribution organisation.

Australian law enforcement were found not to systematically record the role of individual offenders in their databases.

We may describe their role but we don’t have standard categories for roles. However, we may call an offender a ‘principal’ or ‘courier’ . . . (Law Enforcement).

Individual offenders are categorised by type of offence they have been charged with. “We don’t label people - we charge them with an offence, so they will be categorised by offence” (Law Enforcement). Australian police were the only
agency to express a view that it was not useful to categorise drug traffickers and import offenders by their role in the offence. Comments included:

- It is better to handle things case by case;
- It is no good trying to standardise this type of offence as it may be wrong;
- An entity or individual may change categories over time which would be misleading;
- It is a very subjective thing to put a label on something;
- Categorising is open to manipulation in that the agency may elevate the rating to make it look better; and
- Until an offence has progressed we wouldn’t know what role each person might be doing.

To help make sense of organisational and behavioural complexities in illegal drug organisations and as a starting point to explain and classify behaviours, law enforcement in Australia have often used race and ethnic background – particularly in anecdotal descriptions. While assessments about the level of sophistication of the organisation behind an importation is assessed it is not ‘tagged’ to each individual offender. Rather, it forms part of the general assessment and intelligence process.

**Detection Methodologies**

Law enforcement agencies throughout the Asia Pacific Region have a primary focus on movement and seizure of heroin and considerably kudos is gained from successful drug seizures. The focus is also driven by the policies and priorities of governments. In contrast there is little incentive or capacity for law enforcement to focus on offenders who stay remote from contact with the heroin.

...there is little incentive or priority ... for ... law enforcement to invest resources into dismantling the organisations responsible for large sales of heroin because . . . it is unlikely there will be a [drug] seizure [for police] . . .
A number of law enforcement interviewees suggested strategies that would better detect organisers of heroin importations and others such as middlemen who remained remote from the heroin. Following money trails was considered to be one of the few techniques that could be used to identify those at the very top of the drug chain. “However, offenders are very well organised and even this is difficult” (Law Enforcement). Undercover operations to obtain evidence was also considered valuable but risky:

When an under cover operative is used there is always a lot of testing that goes on before they finally trust him. They will check out the person’s family for example so that if anything goes wrong they can intimidate the person by threatening their family. The criminals also use their own counter surveillance methods to detect police surveillance (Law Enforcement).

Wire tapping legislation was considered essential for obtaining evidence against high-level drug organisers.

. . . . the only way to get those at the top in trafficking offences is to wire them. So this type of legislation is essential. There are some countries though who do not actually want to use wire tapping evidence in court because they would have to disclose that this is what they have done to convict someone. They fear that this will deter traffickers from using the phone for their communication. At the moment police can keep an ear on what is going on because the organisers will use the phone where there is no tapping legislation. Police may have the power to listen in they just can’t and maybe don’t want to use it in court as evidence (Law Enforcement).
Similar to law enforcement interviewees heroin import interviewees considered it was information given to or shared between police across the region that was the most important and effective tool for Customs and police success. A number of import interviewees considered it was impossible for police to stop heroin importation because of the nature of heroin importation and the restraints under which they have to work.

The next chapter will discuss the significance and implications of the findings. The discussion will consider how the present findings fit in the context of other research, what they mean for policy and strategy and whether they fit with the current understandings that underpin operationalisation of Australia’s anti drug trafficking regime.
CHAPTER EIGHT: DISCUSSION

In the Introduction and Background Chapters the context of illegal drug importation was discussed and the need and importance of the present study established. The review of literature in Chapter Three then identified a number of themes and gaps in the literature that assisted formation of a conceptual framework for the study and helped identify focus areas for investigation. Chapter Four described the methodology and how data triangulation was used to enhance the validity of the findings. Findings were then presented under the three broad themes identified from the review of literature - Offender Characteristics in Chapter Five; Organisational Characteristics in Chapter Six; and Perceptions and Behaviours in Chapter Seven.

As was previously established the logistical aspects of heroin importation including the methods used for importation and origin, weight and purity of the heroin were not a focus of the study. The logistic focus is well documented by law enforcement agencies. The efficacy of the prohibitionist policy in Australia and other countries in the Asia/Pacific Region was also not a focus of the study. However, the efficacy of current policy is touched on as a contextual backdrop to heroin importation behaviour and current understandings of the phenomena. It does becomes an area for discussion in this chapter in the context the implications the findings have for our expectations of what the policy can achieve, and in terms of what can be expected from successful law enforcement strategy.

The findings that emerged from the analysis of data are very important because they help fill many gaps in knowledge and understandings of heroin importation offending in the Asia Pacific Region. The present Discussion Chapter discusses what the findings mean in a wider context and will illuminate and explore any new insights. The discussion will establish if there is a good fit between the findings of this study and other research and to what extent they are a good fit with the understandings that underpin operationalisation of Australia’s anti drug. Following the discussion, Chapter Nine will consider what conclusions can be made.
Offender Characteristics

It will be remembered there were three focus areas identified for examination within the theme Offender Characteristics. They were:

1. Demographic characteristics;
2. Extent to which heroin importers are Australian citizens or foreign nationals; and
3. Level of business acumen.

Demographics

It was found a majority of detected heroin importers were male regardless of the weight of heroin being imported. However, more females were found among the groups bringing in lighter weights of heroin through airports and where there is a much higher proportion of incoming movements scrutinised. Even so the numbers were very low. While no firm conclusions can be drawn from observations about gender the pattern does suggest that in Australia females rarely participate in heroin import offending. This is different to what is seen in the UK where women were over-represented among importers detected at airports, albeit for a wider range of illegal drugs (Green et al 1994). Low detection rates for female offenders may mean they rarely participate in importation of heroin to Australia, or it may mean they participate but are not detected.

Findings in the present study provide strong evidence that heroin importing is an older persons’ offence. Almost all detected heavy weight importers are middle aged at time of committing the offences with average age at forty years and six months. However, as the age range is so narrow for the heavy weight importers it may be there is a predisposition to detected middle aged offenders. For importers of lighter weights of heroin - where a much higher proportion is scrutinised - a wider age range is revealed and more were found to be elderly. Nearly one in
three were aged fifty-six years or more including a relatively large proportion who were elderly (seventy-one years or more, 15%). In contrast only 7% of heavy weight heroin importers were aged fifty-six or more years. Thus heavy weight heroin importers detected in Australia are of a younger middle age while those importing lighter weights are older middle aged and elderly.

These findings contrast to heroin users in Australia who have a peak age for use between fifteen and twenty-five years (Beyer and Reid 2000). While findings for age may reflect the fact it is usually older people who can afford to travel overseas and engage in the arrangements necessary for an import, it does not explain why so many are very much older. Couriers arrested at Heathrow and Gatwick airports between 1990 and 1992 were found to be aged in their thirties and forties (Green et al 1994) indicating that in Australia importers of heroin through airports are of a comparatively older age group than illegal drug importers detected at airports in the United Kingdom.

The relationship and importance of ethnic background in heroin import offending was examined. It was noted that many key senior justice informants in Australia believed it was sensationalist media reporting that contributed to the public perception that ‘Asian’ background people were most concerned in the heroin trade (Beyer and Reid 2000). However, ethnically defined crime is still used in law enforcement contextualisation of import offending. For example one prominent task force is described as focusing on ‘South-east Asian organised crime’ (ACC 2002). It is perhaps from law enforcement therefore that the media has picked up the ethnicity angle reinforced by the fact that most heroin in Australia is grown in Asia.

As was pointed out by Beyer and Reid (2000) an Anglo background is never used to try and explain criminal behaviour because it does not make sense to do so. Rather than being fundamental an ethnic background is incidental to other behavioural factors. In the present study trust and personal relationships were found to be the fundamental characteristics on which heroin import groups formed and held together. It makes sense for trust to be an important factor
present between individuals contemplating or engaged in illegal behaviour and, as DesRoches (1999a) pointed out, such associates are commonly from the same ethnic background.

As Australia’s heroin is grown and manufactured in the Golden Triangle region of Asia there has been an assumption that heroin importation must be carried out by people from ‘Asian’ backgrounds since they would be expected to have inherent advantages (Parliamentary Joint Committee 1995; ABCI 1999; Martin 1997; DesRoches 2000a). The findings for heavy weight heroin importers appear to support this view with three out of every four born in an Asian country and of the Australian citizens, nearly three out of four born in an Asian country. This finding indicates Australian citizen heavy weight importers may have family and business contacts off shore in Asia that give them an inherent advantage.

The view does not hold for importers of lighter weights of heroin however. Rather the findings here support the view of law enforcement key informants in Beyer and Reid’s (2000) study who considered ethnicity not to necessarily be a major factor in illegal drug importing. For importers of the lighter weights a majority had Western country birthplaces (Australia, USA/Canada, Europe). This finding throws some doubt on the pre-eminence of the Asian background motif for Australia’s heroin import offenders. As almost 100% of these lighter weight importers brought heroin from an Asian country of ‘origin’. Thus it seems clear there is not a necessity to have close family or business connections to purchase heroin (at least smaller quantities of it) in Asia.

**Business Acumen**

A legitimate working background, as indicated by occupations, was found in the present study to be a common characteristic for importers. This finding is similar to that of DesRoches (1999a) who found 60% of high-level drug traffickers interviewed in Canada had previously run small legitimate businesses before moving into drug importing. Similarly Hobbs (1998) found crime groups tended
to operate under the cover of normalcy and that they commonly mirrored legitimate business enterprises (Hobbs 2001).

Assessing the business acumen of heroin importers from a cohort of those detected may intuitively skew findings toward the less sophisticated and less skilled in business. However it is not known if business acumen offers greater protection against detection. Taking this supposition to be somewhat true it would be expected that proportion involved in lawful business may be greater were it possible to assess all heroin importers. Certainly however the findings indicate that at the import end of the heroin chain entrepreneurial attitudes, skills and experience are important factors and may influence decisions to enter and successfully engage in the illegal drug trade. Findings in the present thesis support the idea that,

A strong work ethic and legitimate business experience . . . contribute to the relative success of the drug dealing enterprise (DesRoches 1999a: 7).

Prior Offending

Prior criminal offending is an important factor in providing clues about the type of people engaged in heroin importing. It was suspected that it might be less common since many importers had legitimate skilled or business occupations. Prior criminal offending by importers was a similar finding to that of Reuter and Haaga (1989) and DesRoches (1999a). Similar to other research findings, rather than criminal backgrounds heroin importers appeared to be more likely to have legitimate work backgrounds.

Organisation Characteristics

Seven focus areas were identified for examination within the theme Organisation Characteristics. They were:

1. Characteristics of import groups;
2. Size of groups;
3. Relationships and roles;
4. Routes of admission and recruitment to the offending;
5. Use of violence;
6. Sophistication of organisation; and
7. Affiliation with traditional organised crime groups.

Ethnic Mix

Although inconclusive, findings relating to ethnic mix in heavy weight heroin import groups show that ethnic mix is not unusual. Just over forty percent of identified groups had an ethnic mix and nearly one in three had an Australian citizen among their number. Other research did not report findings about ethnic mix in illegal drug groups so no comparisons are able to be made.

Interviewees agreed that the same ethnic background was not a necessary prerequisite for heroin import groups, nor even particularly desirable. Rather than being a primary characteristic in its own right, ethnic background was incidental to the requirement that participants trust one another and cooperate closely.

Size

A statistically significant association was found between size of heroin import groups and weight of heroin imported. Larger groups had heavier weights. This may be necessary because of the logistics involved in collecting and transporting large weights of heroin on arrival in Australia. However there is probably a predisposition of larger weight imports to involve multiple arrests because of the detection methodologies used by law enforcement. For example ‘controlled delivery’ where the cargo is placed under surveillance to see who takes charge of it and who else subsequently becomes involved. Thus multiple arrests are
possible. Air passengers importing smaller weights of heroin on the other hand rarely agree to participate in a controlled delivery and further arrests are usually not possible. Thus groups detected are rarer and have fewer participants detected.

Nevertheless identified groups within the heavy weight heroin importer cohort were relatively small in size. A majority of groups among the heavy weight cohort consisted of fewer than five individuals. The largest group comprised fourteen individuals. This supports other research that have also found illegal drug import and higher level groups are small (Reuter and Haaga 1989; Rockwell 1989; Dorn et al 1998; DesRoches 1999a; Pearson and Hobbs 2001; and Layne et al 2001). However, as the individuals in the cohort were detected offenders there is a probability that less individuals were arrested than were involved. Additionally, due to the apparently extensive practise of sub-contracting, many more individuals are probably involved in a heroin importation. Based on the findings of the present research it is suspected heroin import groups are larger than indicated by either other research or estimated by law enforcement. However the core import group – excluding sub-contractors - is probably small. Certainly there is little advantage in being large. As has been pointed out, for illegal drug dealing and importation businesses there is not the economy of scale true for businesses operating in the legitimate economy.

Small groups are advantageous because they are less penetrable by law enforcement, can comprise people who are trusted and known associates and enable closer monitoring. Many of the high-level drug offenders interviewed by DesRoches (1999a) had made a conscious decision to stay small because they were aware that becoming larger would increase their vulnerability to law enforcement and reduce the level of trust between associates. It was also understood by import interviewees in the present study and by DesRoches’s (1999a) that logistically it is not necessary to be large since a few small shipments can be arranged by a small group and can reap millions of dollars.
**Lifespan**

The present study found lifespan of heroin import groups varied from as little as under one year, to many decades. Friendship and business associations made through the Triad network had been used for arrangement of heroin importations since the 1970s and for crimes generally for more than one hundred years. Similarly research in the USA and Canada found lifespan of some groups was considerable

... Guys who were in the business for twenty years and had made millions off it have never seen [the drugs] ... (Abadinsky 1990: 324).

“... I was involved in the trade for twenty years before being busted” (Importer quoted in DesRoches 1999a).

**Relationships and Roles**

Little law enforcement literature or data was found that could guide decisions about complexity of organisations. While role of individuals arrested for heroin import offences is a variable commonly entered on overseas law enforcement databases it is not systematically recorded in Australian databases. Only in Customs did there appear to be an agency-based starting point for such an undertaking (Beyer 2002a). Thus it was necessary for the author to devise a means of stratification for modelling organisation of heroin import groups.

Establishment of categories for role performed in the offending assisted to better clarify import offending behaviour at both an individual and group level. The role types developed were unambiguous and easily understood. The findings and discussions based around the role categories are therefore done with a high degree of confidence that the categories do quite accurately represent the core roles in heroin importation in the Asia Pacific region.
Number 1 importers remote from the heroin, who financed and instigated large heroin imports to Australia were considered to commonly live in Hong Kong, Northern Thailand and Australia. Dorn et al (1998) described Number 1 importers as ‘risk-adverse’ organisers because of their remoteness from any contact with the illegal drugs or hands-on components of the offending. Very few Number 1 importers were identified among the heavy weight cohort supporting the contention that importers least likely to be detected are Number 1 importers.

A characteristic of Dorn et al’s (1998) ‘risk-adverse’ organisers was they deliberately fragment the importation process into a series of separate events and tasks to protect themselves from being linked to the importation. The present study also found tasks were fragmented into self-contained parts. However the role type responsible for the fragmentation does not appear from the present findings to be necessarily Number 1 import organisers. The Number 1 importers appear only to be involved to the extent of providing the finance and invoking a reliable middleman who has the necessary contacts to facilitate the processes. Involvement beyond this seems to be negligible. Thus, if segmentation is consciously done it is done by the middleman role, the Number 3 importer doing the hands-on work for the organiser and who is in charge of ensuring all the activities are accomplished for a successful heroin import, without compromising the Number 1 organiser. While the middleman may consciously segment the processes however, findings from the present study suggest segmentation occurs in any case as a product of the desire for ‘self-preservation’ – hence the practise of sub-contracting tasks to others.

It was found as many as three Number 1 importers may be involved in a heavy weight heroin import from source country to Australia. One may live in Thailand, close to the production countries and be able to invoke supply. Another may live in Asia’s financial centre Hong Kong and will buy from Thailand and sell on to a Number 1 living in Australia. Each of the Number 1 importers uses middlemen to make the arrangements on their behalf.
More common in the heavy weight import cohort were Number 2 importers, organisers who are hands-on. Dorn et al (1998) described these as ‘risk tolerant’ organisers. Unlike the Number 1 organisers Number 2 organisers are in contact with the heroin at some point. Given the hands-on nature of their involvement it would be expected these organisers are at greater risk of detection than are Number 1 organisers and this appears to have been the case in the present study.

Dorn et al (1998) characterised the hands-on import organiser as a person who lacked a large amount of start-up capital, may have had to borrow money to fund the enterprise and was prepared by inclination, financial necessity or both to be ‘hands-on’ and thus ‘risk-tolerant’. Dorn et al (1998) concluded that the very heaviest weights of heroin are brought in by the risk-tolerant organiser because of the necessity to cover costs, make a profit and perhaps have enough left over to finance another import. This does not appear to have been a pattern for Number 2 organisers in the present study where nearly half were found to have imported weights of heroin at the lower end of the major scale - between five and ten kilograms. Most also received relatively low sentences indicating the courts considered their offending at the less serious end of the spectrum.

As has been indicated previously, the pivotal role in the importation process, particularly in the more complex importations of heroin, is the Number 3 importer, doing the hands-on work for the organiser. ‘Hands-on’ may be a little inaccurate for the middleman role however because there is not necessarily the requirement to do the work himself. Rather he employs others to carry out the hands-on work as sub-contractors. The present study found middlemen operated essentially at three points in the more complex imports.

1. In Hong Kong the middleman uses his multiple contacts to broker between Number 1 buyers based in Hong Kong and the suppliers based in Thailand.
2. Number 1 organisers in Thailand may use a Thai based middleman to facilitate the sale of heroin to the Hong Kong Number 1, via the Hong Kong middleman.
3. A third middleman function is to broker between the Number 1 Hong Kong buyer and the Number 1 Australian based buyer.

Thus in one importation of heroin to Australia three different middlemen may be involved working on behalf of the Number 1s (who may also number up to three). One has relevant contacts to facilitate the Hong Kong buyer - Thai seller connection; one has contacts with growers and suppliers in Thailand and Myanmar; and a third has the necessary contacts to facilitate the Hong Kong and Australian buyer connection. This scenario is a basic configuration. There may be a number of variations. Thai middlemen for example may also negotiate direct with another middleman in Australia on behalf of an Australian Number 1 without any Hong Kong connection and each middleman may have several Number 1 customers who use him. The middleman may deal with one Number 1 or multiple Number 1s at a time. He may incorporate several import orders into the one set of transport and import arrangements on behalf of several Number 1s.

The Number 4 importers who are employed to carry out the hands-on work are, by virtue of being in closer contact with the heroin, at greatest risk of detection by law enforcement. Green et al (1994) concluded in their UK based research that couriers detected at airports (Number 4 importers) lacked experience in the drug trade and were often foreign nationals committing their offences to escape from poverty. It is suspected that this pattern is not the same for importers of smaller amounts of illegal drugs brought to Australia through airports. While some importers of the lighter weights of heroin are indeed foreign nationals from poor backgrounds it was found the majority are from Western country backgrounds. To reduce vulnerability for detection it was found Number 4 importers often – as will other role levels - sub-contract the task they are being paid to do to others.

**Diversification**

The issue of whether heroin importers diversify into other illegal commodities is important from the point of view of possible displacement into other offending in the event the heroin market becomes less lucrative. It is also important for
estimating likelihood of other illegal activities being engaged in by people arrested for heroin import offending. The present study found no consensus about whether heroin importers were involved with other illegal commodities. Reasoning for the specialist view related to observations that routes, contacts and markets for different types of drugs are very different and different types of illegal drugs are associated with different cultural and lifestyle choices - of both the target markets and the drug traffick suppliers. Also the money associated with the one commodity was ‘good enough’. Thus there was no need or desire to diversify.

Pearson and Hobbs (2001) similarly found in the UK middle market that dealer groups were highly segregated and patterns of drug dealing formed around recognisable clusters of different substances. Two thirds of their interview sample traded in one substance only and of the poly-substance dealers, most bought and sold only dance drugs. This may be the case in the middle drug market in Australia, but has not been tested.

Those most likely to diversify were considered to be the Number 1 import organisers, remote from the heroin because to facilitate a different commodity they simply needed to find a different specialist middleman. The middleman role, was considered to be a specialist role because for different illegal commodities the contacts needed are different. Number 2 importers, organisers who are “hands-on” were also considered to specialise in one type of drug.

The National Crime Authority (NCA) in Australia considered organised crime groups investigated by them had engaged in trade of other illegal goods as well as drugs,

Organised crime groups . . . are not limiting their activities to one or two [illegal goods] but are entrepreneurial and engaged in many activities (NCA 2001: 36).

This observation may reflect the type of cases selected for investigation by the NCA (now the ACC). However as no details of characteristics and demographics
of ‘organised crime’ or type of participants was given no conclusions can be
drawn.

Recruitment

For most criminal enterprises it makes sense to deal with people who are known
and trusted. The pattern of recruitment through business and friendship networks
was a similar finding to DesRoche (1999a) in Canada and Ovenden et al (1992)
in Australia. The latter study found lower-level drug dealers in Western Australia
distributing drugs within national boundaries, often did so in friendship networks.
Reuter and Haaga (1989) found many high level importers obtained the contacts
they needed to get started in illegal drug importing through chance meetings and
introductions mainly in the context of bars, nightclubs and restaurants. In the
present study however people recruited by virtual strangers in this context were
relatively few and spread across a range of roles. Thus it should not be assumed
that only workers are recruited through this route.

Violence

As was seen in the review of literature the rhetoric surrounding illegal drugs has
portrayed heroin import offenders as morally depraved, supremely cunning,
ruthless and evil and, by virtue of being at the top of the illegal drug chain,
among the most dangerous. Research has shown contrary to the stereotype it is
possible to function successfully as a high level importer without recourse to
violence and that violence at the top of the drug chain is in fact rare (DesRoches
1999b; Reuter and Haaga 1989; Dorn et al1998; Adler 1985). Findings from the
present study support these conclusions.

Violence was perceived to exist in the domestic middle-level market – a finding
of Pearson and Hobbs (2001) who found willingness in the middle-level of drug
markets to resort to violence. It may be that middle level markets are more
hierarchically organised or exist in a more competitive and or territorial market
place. Or it may be that presence of violence is a reflection of the type of people

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participating - for example who may have moved into drug offending from a platform of prior violence and criminal offending.

At the import level in Australia it was found that there was a low level of violence. Law enforcement interviewees considered low violence to be due to the fact groups are relatively equal in status and have similar resources and access to markets.

**Style and Sophistication of Organisation**

The present study initially approached the problem of identifying more sophisticated heroin importations by differentiating importers on the basis of weight of the heroin imported. As five kilograms or more of heroin is unlikely to be imported through airports this weight threshold was chosen to denote importations involving higher degrees of organisational skill. Although it was a good base starting point, weight of the heroin may not be the best indicator for complexity of organisation. Some heavy weight importations have involved large investments of time and money while others may have been organised by two or three individuals. Some groups have been large and sophisticated but have relied on low-cost, low-weight-per-consignment mail to import (Law Enforcement interviewee). No style of organisation has any particular inherent advantages over another. This is a similar finding to that of US researchers Reuter and Haaga (1989).

> Though there may be large drug distribution organisations with stability, division of labour and hierarchy, small distribution and importation enterprises are able to survive profitably within the same markets (Reuter and Haaga 1989: 34)

Sophistication and complexity of heroin importations to Australia can be assumed to vary enormously within each weight differential. While law enforcement interviewees considered heavier loads of heroin needed some organisational skill to arrange they pointed out that the amount of skill and level
or organisation involved in importing illegal goods to Australia is in fact no different or more complex that that involving legal import-export transactions. Indeed, transport arrangements may involve incorporation of heroin into an otherwise legitimate import cargo.

It may be remembered from the review of literature there were various and sometimes conflicting ideas about the type of organised crime model most appropriate for illegal drug import groups in Australia. Studies in the USA, Canada and the UK all found evidence to suggest a syndicate based organisational style which was neither strictly hierarchical nor completely fragmented. They concluded this was much more typical than were groups organised along hierarchical lines. (Sherman 1995; Dorn et al 1992 and 1998; DesRoches 1999a; and Murji and South 1992, cited in Green and Purnell 1998).

In Australia too, it has been concluded the activities of high level drug dealers are entrepreneurial, ad hoc, multi-ethnic and syndicate based (Parliamentary Joint Committee 1995).

. . . participants operate as independent business persons and maintain a high degree of personal autonomy . . . clients [distributors lower down] can take their business elsewhere if they so choose “Even though I supply them with product, they’re not working for me. . . . They’re working on their own and I’m just their supplier” (DesRoches 1999: 16).

The present study found that similarly to other studies, participants were acting independently for their own benefit and were loosely connected into a group only for as long as it took to achieve the shared goal on an import-by-import basis. Reuter (1983) and Ruggiero and South (1995, cited in Dorn et al 1998) described a similar pattern where high level drug offenders undertook the offending periodically, hired labour on a casual basis and formed opportunistic alliances with one another from time to time as the need arose. Similarly Reuter and Haaga (1989) and DesRoches (1999a) found illegal drug import groups closely resembled a group of independent merchants coming together as equals to
finance a speculative venture with labour hired on a per job basis to perform specific functions. Heroin import groups in the present study presented as a collection of individuals with equal status regardless of role. At whatever role level, there was a common goal of wanting to make money. On this basis everyone was equal and no one was in a subservient or domineering role. There was awareness that for personal success, and the success of others there was a need for close cooperation. Contextualisation of Asia Pacific heroin import groups in terms of hierarchical organisations is not therefore a good fit.

**Traditional Organised Crime**

The present study found no evidence to support a view that heroin importations were organised by traditional ethnic crime groups such as the Chinese Triads. Where such groups are a factor it was in providing a network of social and business contacts that might help facilitate legal and illegal activities including heroin importation. Individuals may use these contacts if they have them. The present study supports the conclusion of a mid 1990s Parliamentary committee inquiry in Australia that found illegal drug importation was not Triad-oriented but rather organised in an entrepreneurial, ad hoc, multi-ethnic and syndicate based way (Parliamentary Joint Committee 1995).

**Perceptions and Behaviours - Importers**

Five focus areas were identified for examination within the theme Perceptions and Behaviours. In this section the focus is on the perceptions and behaviours of import offenders. Areas for focus were:

1. Perceptions of level of risk and risk minimisation behaviour.
2. Extent to which legal businesses and activities are inter mingled or used to hide the illegal trade.
3. Offenders at highest and lowest risk of detection.
4. Australian heroin market.
5. Deterrence and supply reduction.
Risk Reduction

The present study found perception of level of risk was related to law enforcement tactics. Thus remoteness from the heroin was considered to mean real security. This finding is similar to Dorn et al (1998) who found likelihood of detection for a person who shields himself from association with the hands-on components of the importation are slim. As was seen, organisers were not the only role type to use remoteness from the heroin to reduce risk of law enforcement attention. The risk reduction strategy of sub-contracting was widespread. Even Number 4 importers who did a specific task and did not know the organiser, could achieve some distance from the heroin through sub-contracting and thereby achieve a sense of safety. Only those at the bottom of the sub-contracting chain were considered in any real danger of detection.

Intermingling Business

Inter-twining illegal activities with legitimate business activities has a number of advantages including provision of camouflage for the illegal activities and tax cover by enabling funds from illegitimate enterprises to be mixed with legitimate business income. While legitimate businesses may be used to disguise illegal activities this was not the only reason they were kept operating. The findings in the present study support Morrison’s (1997) contention that it is a cloak of legitimacy that is the important factor in security against detection. However, from the present study it seems previous ordinary lives become a cover for the heroin import activity rather than it being a case of criminals assuming a lawful life as cover for their heroin import activities.

Australian Heroin Market

As was seen in Chapter 2 Background, the Australian heroin market is a large one. Between six and seventeen metric tonnes are consumed per year by consumers who can pay considerably higher prices than consumers in less
developed countries in the region. Expenditure on heroin based on the above quantities consumed is between $AU2.45 and $AU3.36 billion per annum. Much less than this sum is made by the heroin importers however. Price and profit increase more considerably as the heroin goes through the middle market to street level. Australia was the best market in the world for heroin grown in South-east Asia with better prices and profits for importers than was possible in markets in the USA and Europe.

The large quantities of heroin estimated to be destined for Australia was used by some law enforcement interviewees to support a contention that Australia is a transit country for heroin heading to other destination countries. However, based on estimates in the present study, quantities being imported can be consumed in Australia. While this does not disprove the theory that Australia is a transit country it does indicate that reasoning along the lines of supply and demand may not be valid.

Perceptions of the heroin market in Australia as fragmented and not centrally controlled, nor interacting to any great extent with each other, has implications for the characteristic of the domestic heroin market. If the market is fragmented at import level it follows wholesale buyers are also operating independent of each other within Australia and with their own distinct buyers and customer base. It is not known however whether wholesale buyers based in Australia buy from only one or a number of import groups, or whether there are connections and overlaps that exist further into the domestic middle market. If wholesale buyers are buying heroin from a number of different import groups it may be the domestic market is somewhat linked. It is suspected however that the domestic market is fragmented as in the United Kingdom, where it was found the domestic middle-market was highly fragmented (Pearson and Hobbs 2001).

Lack of pattern and linkage in the illegal drug markets helps explain why anti-drug operations that have successfully disrupted major illegal drug groups have had little effect on the flow or availability of illegal drugs (Reuter and Haaga 1989). Similarly in Australia large seizures of heroin and successful disruption of
import groups in the 1990s was accompanied by plentiful supply and falling prices (Weatherburn and Lind 1995).

*Deterrence and Supply Reduction*

The findings of the present study indicate law enforcement strategies and penalties do not deter heroin importers. Where vast profits and high salaries can be earned, heroin importation will continue even if risks for detection are increased and more severe penalties applied.

There is a real demand for these drugs arising from the complex social and personal reasons for their use; and while there is a demand, there will be people prepared to take the risk of supplying. . . . (Manderson 1993: 184).

The only way to deter heroin importation to Australia seems to be to take the profit motive away from the importers. This would necessarily involve government intervention specifically through provision of heroin for those addicted. This strategy has been proposed by a number of professionals across the Australian federal and state justice sectors (Beyer et al 2002b). Taking the market away from the streets and out of the control of criminals was considered to be beneficial from the point of view of reducing associated crime, reducing the compulsion to engage in a criminal lifestyle to obtain the drug one is addicted to, and for improving individual and community health and social outcomes.

The only way to reduce the damage being done by heroin is to allow addicts to have heroin on prescription [Senior Judiciary interviewee, Melbourne] (Beyer et al 2002b: 206).

On the scale of harm illegal drug use is very low. . . . Why then is there the enormous reluctance to conduct safe houses or have heroin by prescription available for addicts? . . . Politicians and the media need to stop scare mongering about illegal drugs [Senior Criminal Intelligence interviewee, Canberra] (Beyer et al 2002b: 206).
Perceptions and Behaviours – Law Enforcement

A second component of Theme 3 is the Perceptions and Behaviours of law enforcement in counteraction for heroin trafficking in the Asia Pacific region. Two Focus Areas were identified:

1. Process and Sentencing.
2. Issues for Law Enforcement.

Process and Sentencing

Process of heroin import offenders through the legal system varied considerably from six years, seven and a half months to a very short two months. A guilty outcome for people on heroin import related charges was found to be more likely than the case for all total offences heard in the Higher Criminal Courts in Australia (Australian Bureau of Statistics 1999, 2000 and 2001).

Higher sentences were found to be associated with higher weights of heroin. Street value of the drugs seized, especially over time is a more fluid variable and was not used in the present study. However, street value may be a useful equaliser when type of illegal drug imported differs for the offenders being studied such as in Green et al (1994). Findings from the Green et al (1994) study support the finding of the present study that sentence length correlates to value of the drugs (given weight of heroin is associated with value.)

Sentences for heroin import related offences were severe although lessened somewhat by the non-parole periods. While not specifically a subject for examination by the present study it appears sentences for heroin importation are considerably more severe than for other serious offending including murder. A perception of inequality in sentencing was also an issue for foreign national drug couriers interviewed by Tarzi and Hedges (1990) in the UK. In the present study
heroin import interviewees with severest sentences of eighteen to twenty five years indicated a preference for a death sentence in preference believing it was cheaper for tax payers and more humane than decades in prison.

Detection Methodologies

As cautioned in Chapter 4 Methodology the heroin importers examined in the present study are not representative of all heroin importers. Rather they are detected importers. Detected heroin importers are necessarily the product of law enforcement activity and focus. It would be of interest to examine the extent to which information from the public and intelligence profiling are factors leading to detections and arrests. However this was outside the scope of the present study. Heroin import interviewees in the present study considered information given to police was the main means by which importations were detected.

The logistics involved in searching the huge volume of goods arriving in Australian ports together with the economic imperative to expedite throughput for trade efficiency means there is necessarily less proportion of cargo scrutinised than can be the case for air passengers. Even with the expected twenty-fold increase in inspections of containers through installation of shipping container X-ray machines (McDonald 2002), only a small proportion of total cargo entering Australia can ever be searched.

At present it is estimated less than 1% of cargo is targeted for searches (ANAO 2002). The Queensland police service concluded that to substantially reduce the profitability of drug trafficking through current law enforcement supply reduction strategies, at least 75% of shipments would need to be intercepted (ABCI 2000: 39). Making a more significant impact on the illegal drug markets in Australia would require all passengers and all sea and air cargo to be screened. This of course is not feasible. Thus, current law enforcement strategies that might work if intensified, are prohibitive. It is expected therefore that profiling and intelligence will continue to be a primary tool in selection of cargo for examination.
Intelligence data is primarily developed on the basis of previous law enforcement success. Thus there would be expected to be a looping effect that introduces a bias for identification of offenders and offending that fit the profiles developed. At airports however, where almost all smaller weight detections of heroin are made, law enforcement detection methodologies are various. Air passengers are screened for illegal goods through a combination of sniffer dogs, baggage and person X-rays and intuitive and targeted selection. Almost all air passengers on arrival in Australia undergo some form of scrutiny.

If different detection methodologies do indeed influence who is detected, there would be expected to be a difference in the characteristics of people detected with smaller amounts of heroin via airports, and those detected with heavier weights via air and sea cargo. This was found to be the case. There is a statistically significant association between importers of heroin weighing less than five kilograms (detected mostly at airports) and importers of five kilograms or more of heroin (detected mostly in air and sea cargo). The homogeneity of individuals in the heavy weight import cohort suggests detection of the heavier weights is indeed skewed toward those who fulfil certain characteristic criteria. At airports with diversification in detection methodologies and higher proportion screened a much broader range of ages, gender and ethnic background of heroin importers were detected.

This is not to say profiling and targeting strategies of law enforcement are poor. Indeed they have a strong record of achievement. Based on the amount of illegal drugs being consumed in Australia as little as .04% of all incoming movements – passenger, post, sea and air cargo - may actually contain heroin (Law Enforcement interviewee). Thus, in this context heroin detection through intelligence targeting has a good record. However, it needs to be acknowledged that even successful intelligence led seizures of heroin can only be expected to have a small effect on overall supply - since only about 10% of estimated total heroin consumed is detected - and may mean people outside established profiles are rarely detected.
There is an emerging acknowledgment that some type of drug offenders are invisible to law enforcement and that intelligence gathering can become “...a self-fulfilling prophecy that is ‘blind’ to alternative shipment systems” (Pearson and Hobbs 2001: 20).

Our criminal intelligence radar screen is faulty right now. There is something wrong in the way that we have been defining the [drug supply] problem. You are only likely to become a target criminal if you have been caught before (Burrell 2000: 7).

It is highly probable there are heroin importers who have characteristics other than those found among the detected population. While the extent to which law enforcement may be missing importers who do not fit their profiles is debatable it is clear that a great deal of heroin is not detected as evidenced by the amount of heroin available to consumers in Australia. It may be there is a much larger number of importers who are otherwise law-abiding people with business skills (DesRoches 1999a). The construct of ‘respectable people’ being involved in heroin importation has gained currency in the United Kingdom where it has been pointed out that since law enforcement is driven primarily by intelligence, offenders outside these parameters are not detected (Burrell 2000).

Burrell (2000) considered ‘international syndicates’ may be increasingly reluctant to have dealings with crime families that are well known to authorities and instead are recruiting respectable people with no previous crime associations and who may be involved in legitimate import-export businesses.

These clean skins do not get in trouble with the police.
They are very low profile and have no criminal records.
They pay their bills, drive ordinary cars and use public transport (Burrell 2000:7).

As indicated by the occupations of those detected in importation of heroin at Australian airports, relatively ‘respectable’ people have been detected for heroin import offending at airports – where there is greater ability to detect due to the
multiple detection strategies used. Even so the general characterisation of heroin importers by law enforcement and media is that heroin importers are high-level criminals involved in ‘organised crime’.

Law Enforcement Focus

Heroin import offending is an international offence that requires complex social, political, diplomatic, economic and financial responses at a number of levels. Nevertheless law enforcement strategies are used as the dominant approach. On the law enforcement side of the equation are traditional policing methods using finite resources, competing priorities, different jurisdictional approaches, incompatible laws and regulations, inconsistent training and legal restraints.

Australian law enforcement . . . is an unwieldy mechanism: certainly not designed to deal with a complex global phenomenon such as illegal drugs in a twentieth century consumer society (James and Sutton 1996: viii)

In most countries law enforcement performance is assessed by factors such as weight of heroin seized and number of offenders arrested. These indicators are used perhaps because the dominant focus by governments and law enforcement is on movement and seizure of heroin. While a focus on movement of heroin is a useful and necessary strategy its dominance as a counteraction focus should not be accepted without question since an examination of the characteristics of heroin importation soon reveals its considerable limitations. The offenders who are more centrally involved in the organization of transit and trade in heroin – the organisers and the middlemen – have been found to be careful to have no contact with the heroin. The only offenders who are, are people employed for this purpose. Thus it is clear a primary focus on movement and seizure of heroin will lead to arrests of low-level worker offenders.

A primary focus on seizure of heroin will also necessarily produce limited achievement of agency goals that are articulated in terms of dismantling
significant syndicates, tackling organised crime and focusing on high level organisers. The present study found no association between quantity of drugs imported and complexity of organisation. What this tells us is that a large seizure of heroin does not mean a large or important syndicate has been disrupted. Nevertheless a common connection made is that large seizures mean disruption of major syndicates.

. . . successful operations against major sea and air importation had a seriously de-stabilising effect on key syndicates . . . (ACC 2003: 56)

Heroin import organisers and facilitators employ workers to do the contact work and take the risks involved with this contact. Loss of drugs or personnel is a hazard expected to occur from time to time and does not necessarily pose a risk to the wealth, status and freedom of the organisers and middlemen. Indeed, a large seizure of heroin by law enforcement, instead of working to deter other importers, may be seen as offering a greater opportunity for higher profits. As also observed by others

. . . there is no evidence to show seizures have had any impact on price or availability of heroin on the street (Weatherburn and Lind 1997).

Although aware of its limitations, the requirement to focus on movement and seizure of heroin is accepted by law enforcement as a less complicated option than investigating those responsible for organising and coordinating the importations. Additionally it is acknowledged that it is seizure of heroin that obtain the most accolades and kudos for agencies and individual officers. On this basis there was a level of contentment of law enforcement with the status quo even though it was acknowledged that stated agency objectives could not be achieved with the present counteraction focus.

While law enforcement may be reasonably certain of the identity of many import organisers, the difficulty lies in making a linkage back to them of specific illegal
drug importations. Other illegal drug import organisers are based overseas and thus inaccessible to Australian law enforcement.

While screening for illegal goods entering Australia is becoming more and more sophisticated it remains unrealistic to expect border detection activity or other law enforcement activity to stop the flow of heroin or to have any effect on illegal drug markets generally.

More and better high-level enforcement is not likely to prevent the continued smooth functioning of the drug markets. The fact that very large numbers of high-level dealers are imprisoned during a period in which the price of cocaine has continued to collapse [in the USA], indicates that the population of persons competent and willing to fill that role is extremely large . . . enforcement that makes their lives riskier and their prospects of incarceration greater accomplishes a worthwhile goal. But one should not confuse that goal with a significant impact on the consumption of cocaine and marijuana (Reuter and Haaga 1989: xiv)

The “immobilization of organisations” strategy which has been part of the federal [US] program in recent years has not succeeded in disrupting high level markets . . . Ease of entry . . . lessens any hope one might have that the removal of the more experienced individuals could make a significant difference (Reuter and Haaga 1989:5).

While globally there are increasing numbers of individuals being imprisoned for drug offences, the extent to which this is a positive outcome has been debateable (Beyer et al 2001b; Carnworth and Smith 2002) and despite imprisonment for drug dealing quintupling during the 1980s in the USA, supply and availability of illegal drugs has increased (Reuter 2001). Whether law enforcement activity is the reason less heroin was seen in Australia in the early 2000s is a debatable
(Weatherburn et al 2002; Dietze and Fitzgerald 2002). Based on the market pattern relative to law enforcement activity in the 1990s, it may be anticipated that other factors have been responsible.

While some sectors of the illegal drug market may be temporarily disrupted by law enforcement activity little beyond this should be expected. Some researchers have gone further and concluded that ironically, law enforcement activity while worthy in itself, has actually been the cause of the current fluid character of the illegal drug markets and the greater adeptness of offenders to avoid detection. For example, activities such as intelligence gathering through informants and covert operations may have contributed to illegal drug operators reducing risks from these sources through

. . . break[ing] the market down into smaller and flexible enterprises . . . (Dorn and South 1990: 175).

Law enforcement success also provides openings and opportunities for other players to become involved. Indeed it is possible a turnover of personnel in the illegal drug industry is vital to keep it flexible and competitive (Morrison 1997).

Classification of Offenders

Classification of illegal drug importers in agency databases was found to be similar across countries. Greatest divergence related to categorisation of role or activity individual offenders had in the offence. Given the various roles and tasks involved in drug trafficking - labouring, overseer, organiser and so on and the emphasis many agencies put on ‘major’ and ‘high level’ drug importers it would be expected there would be emphasis on identifying and systematically classifying the role of individuals and sophistication of groups. Lack of necessity to record role in the databases was somewhat of a surprise since to target syndicates that have ‘greatest impact’ on the illegal drug importation industry and
‘major figures in the drug industry’ (AFP and NCA Annual Reports 1997-1999) and so on are stated goals.

The identification, arrest and ongoing prosecution of people at senior levels in the organised wholesale supply of dangerous drugs provides a clear picture of the successful operational strategies of the ACC . . . (ACC 2003:60)

However collection of information that might show this is not attempted and not reported beyond sometimes listing the offences arrestees have been charged with (ACC 2003). Thus an individual employed as the driver of a boat transporting heroin and who has no other role or knowledge is indistinguishable from the organiser or middleman when charged with the same offence.

Data is collected for myriad reasons but possibly most pressing is the need to collect data that fulfils government funding and reporting requirements. It will be noticed in agency publications that data focus is almost entirely on characteristics of drugs - weights, methods of import, port of origin, methods of concealment and so on. While quantitative counts are necessary, they comprise only half the picture. The other half of the picture is the offenders. Quality of arrest, based on the complexity of organisation or the offender’s role, is a more valid measure of success than are number of arrests per se. To take a middleman out of circulation so he cannot invoke his multiple contacts and connections would be a severe blow, no matter how temporary, to heroin movement from Asia to Australia for example.

Presently there is an apparent mismatch between the type of data recorded compared to the principle goals of agencies. While there is an inclination by law enforcement to describe illegal drug offenders, groups and behaviours on the basis of race, geography or ethnicity this is at best only a starting point to classification and understandings. It does not take classification or differentiation any further and tends to encourage development of stereotypes and perhaps stigmatisation.
The present study found in addition to there being no attempts to categorise role of offenders there was quite an aversion to doing so from some of the Australian law enforcement interviewees. Comments such as “It is better to handle things case by case”, “It is a very subjective thing to put a label on something” and, “Categorising is open to manipulation in that the agency may elevate the rating to make it look better”, were made. Particularly for the latter two concerns, these may be better addressed if there were uniform and predetermined criteria applied to arrested individuals since intuitively, subjectivity and lack of consistency is more likely where there is no criteria.

Lack of quantification of quality of arrests through identification and reporting of role of arrestees in Australia, together with the active aversion to the idea by some Australian law enforcement interviewees, does not give confidence that the phenomenon observed in the UK by Green (1991) (cited in Green and Purnell 1995) is not happening here. That is, that minor players arrested with seizures of heroin are being characterised as ‘major’ criminals for political mileage.

**Drug Policy and Goals**

There are several layers to illegal drug policy from the macro symbolic to the operational. Macro drug policy in Australia plays an important role through giving a clear and unambiguous message that illegal drugs are considered a serious criminal offence and people breaking the law through importation will be dealt with as serious criminals. Operational policy influences what activities will be undertaken to detect and deal with illegal drug offenders.

The ‘war on drugs’ policy has both macro and operational dimensions. Consisting of prohibition and severe criminal sanctions, it has persisted for more than two decades as the dominant thinking about how communities and governments should react to illegal drug trading and illegal drug use. While the policy is useful in demonstrating collective abhorrence and unacceptability of a trade that has many negative influences for people’s health and welfare and
perhaps for global financial and political stability, indicators of the success of the policy in visible terms have been scarce (Baum 1996). On many measures and on much evidence the ‘war on drugs’ policy has not been successful although it has probably been useful symbolically and as a rallying point. Pragmatically however under this policy use and supply of heroin and other illegal drugs globally and domestically has steadily increased (Carnworth and Smith 2002).

The fiscal side of the trade in illegal drugs has also burgeoned under the prohibitionist regime. There is now concern about the threat to legitimate economies of the huge amounts of black market money and the power vast quantities of money gives to those in the higher echelons of the drug trade. According to one commentator, drug deaths, acquisitive crime, addiction and HIV-AIDS are insignificant when compared to the threat facing liberal democracies in the West from the financial power of the ‘drug barons’ - estimated to be $US254 thousand million per annum - a sum greater than the American defence budget.

With this financial power they can suborn all the institutions of the State, and if the State resists, with this fortune they can purchase the firepower to outgun it. We are threatened with a return to the Dark Ages of rule by the gang” (Hurtado 1993 in Marks 1994: 296).

Fortunately this prophecy has yet to occur. Nevertheless the profits to be made in illegal drug markets are staggeringly huge. Unregulated, untaxed and in control of profiteers, heroin and other illegal drug markets remain extremely profitable.

There has been little policy shift in the face of indicators consistently showing that the total prohibition policy is working. Perhaps this dogged persistence with the policy is due to illegal drug offending being for so long conceptually embedded in an emotive and moralistic narrative that has worked to obscure the real issues and their possible solutions.

The moral blinders most of us wear tend to hide the essentials of the drug trade. [Drugs] are not devils, any more
than they are gods. They are commodities and the drug trade
is a multinational industry like any other (Fried 1989:1)

Where changes to government and law enforcement policy have occurred in the past they have been in the limited context of agency restructures and changes to the ways agencies are funded. They have not been based on empirical evidence. While use of simplistic terms and concepts may have been useful in the past they are not acceptable from an evidence-based perspective and are damaging too from the point of view of perpetuating myths and obscuring and distorting realities. They also get in the way of rational debate and thinking about how best to respond to what is a very serious problem. Policy has been defined as:

a set of interrelated decisions taken by a political actor or
group of actors concerning the selection of goals and the
means of achieving them within a specified situation where
these decisions should, in principle, be within the power of
these actors to achieve (Jenkins 1978: 15)

While policies for illegal drug importations may seem to be as self evident as for other serious criminal offending, they are less so when one examines the complex context and nature of the offending. As Marks (1990) points out the choice of which policies to use to address a problem is substantially effected by the definition of that problem.

Definition of the problem entails exhaustively listing its attributes . . . listing the government’s role and objectives, and listing possible policy instruments (Marks 1990: 161).

The present study indicates there is not a listing of attributes of heroin import offending and there is no working definitions, nor universally accepted criteria for key concepts in agency goals. Rather, terms are used in a very broad vernacular sense.

Law enforcement has shifted its focus [away from users and] towards the higher end of the process in an attempt to get to the ‘Mr Bigs’ behind the drug trade (AFP 2001: 4).
Indeed there is an increasing tendency for specialised organised crime control agencies to embrace an ever expansive definition of organised crime which allows more and more groups to come within their mandate. As pointed out by Jacobs (1991) the effect is that resources and focus are stretched very thinly and less attention is paid to the most powerful organised crime syndicates and individuals.

The present study found not only was there a lack of accepted definitions for key concepts, there was also a lack of data collected that could indicate achievement of key objectives, as discussed above. This finding is similar to that of James and Sutton

All data collected [by the law enforcement sector] seemed to indicate significant inconsistencies between the sector’s avowed aims and what in fact was being achieved. There was little if any evidence to show prosecution of “high level” drug offenders, nor confidence that supplies of illegal drugs had been reduced (James and Sutton 2000: 259).

And similarly, Green and Purnell (1995) concluded that the ill defined and fluid nature of the term ‘major drug offender’:

... may have significant consequences in terms of the organisational goals set for each of the specialist drug enforcement agencies and may be reflected in the continued high rates of detection and apprehension of relatively minor drugs offenders by these agencies” (Green and Purnell 1995: 35).

Previous conceptualisation of heavy weight heroin importers has been that they are criminals engaged in organised crime. Defining the offending in these terms has meant traditional law and order strategies and activities seem most appropriate. On the basis of the findings of the present study however, this
concept is misleading in its simplicity. Such a concept gives no clue about the
different characteristics and circumstances of the offenders and how these may
differ from what is typical for other categories of criminal offenders. The present
study for example found heroin import offending is carried out by people with
characteristics atypical to those commonly found among other criminals such as a
poor work ethic, a history of drug or alcohol abuse, poor education, social and
economic disadvantage, prior offending and a propensity to use violence to solve
disputes and exert control.

With a dominant law enforcement response and a ‘war on drugs’ policy,
resources allocated to address other influencing factors for heroin trafficking
have to take a back seat. Currently broader counteraction strategies are not
encapsulated in a problem contextualised as a war. If heroin import offending
was re-defined along the findings of the present study a policy and strategy with
elements designed to put heroin importers and thus domestic heroin traffickers
‘out of business’ would appear to be a better fit since the ‘enemy’ we are facing
behaves in ways similar to legitimate businesses and markets. However there is
an overriding political imperative to support the rigorous international prohibition
policy has meant that although realising its limitations and even resenting its
restrictions, many countries are locked into a prohibition policy through
international treaties (Bewley-Taylor1999). This has resulted in great reluctance
to implement other various approaches and solutions. While also being restricted
by treaties Australia has nevertheless adopted goals, policies and strategies that
are also based on harm minimisation principles (Ministerial Council on Drug
Strategy 1998). Nevertheless the issue of putting importers out of business by
pragmatic means such as taking the market away and deterring through
eliminating the profit motive, remains apparently impossible.

The type of policies in place for illegal drug importation and higher level drug
dealing have remained relatively constant over the previous twenty years, as have
reporting requirements. For example seizing heroin is an agency goal presently
well quantified. However, if goals are to target ‘high level’ and ‘major’ criminals
or disrupt ‘organised crime’ then reports of numbers of arrests and weights of
heroin seized are not adequate. In relation to illegal drug import offending it is timely to relook at the definition of the problem and examine the attributes of the offence from a much broader behavioural, social, technological, trade, economic and regional perspective to ensure that we have the most appropriate policy to achieve national goals.

Illegal drug importation is a serious criminal offence with serious implications and ramifications. As such it deserves to be addressed from a platform of evidence-based policy. While the rhetoric and some processes are in place to support evidence-based policy and practice the lack of a body of knowledge together with law enforcement’s tight gate keeping of information points to the likelihood of Australian policy continuing to be practice based and practice driven, rather than evidence based.

Chapter Nine sets out a number of conclusions based on the findings and will discuss their significance in a broader context. The Chapter concludes with some comments about work in the future.
CHAPTER NINE: CONCLUSIONS

In Chapter Eight the findings were discussed in the context of other research. A number of findings in the present study were found to be consistent with those of previous studies conducted in other countries. A number of new insights and understandings were also identified. Chapter Nine will now draw together a series of summaries and conclusions.

The Heroin Importers

It is concluded that a large majority of all (detected) heroin importers are male and are older adults. The demographic characteristics of heavy weight importers showed why people of Asian background are popularly considered in Australia to be most concerned in heroin importation. The homogeneity of the heavy weight heroin importer cohort and of heroin import interviewees seemed to support the stereotype. While it is concluded a significant proportion of Australia’s detected heavy weight heroin importers are indeed from Asian backgrounds, the study has not confirmed Asian background is predominant over other race backgrounds or that it is an important factor over other factors for involvement.

The demographic findings indicated that Anglo background people are more likely to be involved with importing smaller weights of heroin and people with an Asian background are more likely to be involved in heavier weight importations. While this may indeed be the case, such a conclusion does not take into account the influence law enforcement detection methodologies have for the two weight import streams. It must be remembered that the two weight cohorts consisted of individuals who had been detected by law enforcement. Thus, to a greater or lesser degree their characteristics reflect law enforcement focus and activity.

In the case of heavier weights of heroin which are commonly brought into Australia as unaccompanied air or sea cargo detection is primarily the product of intelligence profiling and targeting – a large proportion of which is developed
from previous successful detections. Thus homogeneity of characteristics for heavy weight importers is to be expected. The diverse characteristics found in the lower weight import cohort reflect a more diverse set of detection methodologies and a higher proportion of total throughput undergoing screening.

Two thirds of offenders detected through airports Australia-wide were from non-Asian backgrounds bringing into doubt the pre-eminence of the Asian motif. The heterogeneous demographics point to a wide variety of people being involved in heroin importation. This, together with a finding of homogeneity among detected heavy weight heroin importers points to the possibility that successful importers of heavy weights of heroin may exist outside Intelligence profiles and that detection is skewed toward importers who fulfil certain characteristic criteria.

Alternatively it is possible that the conditions for importing larger and smaller quantities of heroin are responsible for the homogeneity and heterogeneity seen in the cohorts. For example people who are prepared to import larger weights of heroin and to consider the attempt a viable one may well be those who have the necessary contacts in the off-shore source countries which are predominantly Asian. On the other hand smaller weights of heroin are more easily afforded and transported and may be obtained without the need for a network of contacts. As such a broader range of people may be tempted to become involved. It is concluded that,

1. Heroin importers are mostly male and are of middle age to elderly.
   Australian citizens and foreign nationals are represented about equally regardless of either weight of the heroin imported or whether the import is through airports or is unaccompanied cargo.

2. An Asian background is most common for heroin importers detected with heavy weights of heroin. Conversely while an Anglo background is more common for people importing lighter weights of heroin.

3. Two interacting factors influence the demographic characteristics of detected heroin importers. One is differing law enforcement methodologies and the intensity of their application in each import stream.
The second is different the conditions for purchase and transportation which may influence the type of person choosing to become involved.

4. There are indications there maybe a significant heavy weight heroin import population that exists outside conventional Intelligence parameters.

**Characteristics of Groups**

Rather than ethnic background being the primary basis for bonding in groups it was trust and business ethics that held groups together with ethnicity being incidental. Typical size of groups was unable to be established due to the widespread practice of sub-contracting at each role level and between each connection in the heroin import. Because of this behaviour it is not possible for researchers, law enforcement or heroin import participants to estimate accurately the total number of people involved in a single heroin import group. Core group is estimated to be small however. Largest core of participants was estimated to number around thirty. Lifespan of heroin import groups varied from less than one year to several decades. It is concluded that,

5. Ethnic mix in heavy weight heroin import groups is not unusual.

6. Size of heroin import groups is small although possibly larger than estimated because of the widespread but unknown extent of sub-contracting.

7. Lifespan of heroin import groups varies considerably.

**Relationships and Roles**

The present study has shown the value of defining and focusing on role types to describe individual roles, group dynamics, levels of sophistication of groups and to identify importers who are least or most likely to be detected. It is concluded that,
8. A valuable strategy for understanding individual and group heroin import behaviour and dynamics is through establishment and systematic use of role types across law enforcement databases.

9. Systematic designation of a role variable for each detected heroin import offender is an important management and evaluation tool for law enforcement.

10. Promotion to a higher role level is possible within the import component of the heroin chain. However, promotion does not appear to cross between import and domestic middle market segments.

Recruitment

A variety of motivating factors influenced people’s decisions to become involved in heroin importation. While the ability to make very considerable amounts of money was a primary motivator the stereotype of only the greedy and morally depraved becoming involved was not supported. Fairly ordinary, previously law-abiding people had often become involved.

11. Entry into heroin importing presented as opportunistic entrepreneurialism.

Violence

The fact that importers have led relatively law-abiding previous lives seemed to obviate the need for violence as a motivator, controller or problem solver and violence is neither ‘in character’ nor necessary. It is concluded that,

12. Violence between heroin import offenders and, or groups in Australia is rare.
Groups involved in heavy weight heroin imports to Australia have much in common with their UK and Canadian counterparts in that they comprised freelance individuals acting independently but cooperatively for mutual benefit. There was no indication more complex groups had any financial or organisational advantages over simple arrangements made by one or two people. The presence or influence of traditional ethnic based organised crime groups such as the Triads appeared to be minimal and certainly not a major factor for heroin importation. It is concluded that,

13. Heroin import groups consist of loosely connected ‘freelance’ individuals.

14. Traditional, ethnic based organised crime groups if involved at all are only a small factor in heroin import offending in Australia.

15. If ethnic based crime groups or other ‘organised crime’ configurations are operating undetected – and the present research found no hint that they were - it can be concluded they are operating side-by-side with freelance groups in an uncompetitive market place.

Segmentation of the various components of the importation to reduce the ability of law enforcement to make linkages back to the organisers was a common finding of other research and of the present research. However while law enforcement interviewees considered it to be a planned strategy to avert detection, segmentation may be a natural, unplanned protective behaviour used by individual participants. If segmentation is a consciously planned strategy it is concluded the middleman and not the Number 1 organiser would be responsible. It is concluded that,

16. Where segmentation of a heroin import into component parts is planned it occurs at the Number 3 middleman level, not at Number 1 organiser level.

17. Segmentation is an instinctive protective behaviour used by individuals and expressed through sub-contracting of work to others.
Whether or not there is diversification from heroin into other illegal commodities by heroin importers may depend on their role. Those most likely to diversify may be Number 1 import organisers, remote from the heroin who to change to a different commodity, would only need to locate and employ a different specialist middleman to invoke the necessary new contacts and connections. The Number 3 importer who knows the organiser and is doing the hands-on work for them probably specialises in one commodity since different contacts are needed for different illegal commodities. Number 2 import organisers who are “hands-on” may also tend to specialise in one type of drug because they have their contacts established and, as for Number 3s, the money is good enough. It is concluded that,

18. Diversification into other illegal commodities is not common for heroin importers. Where it occurs it is likely at role Number 1 importer level.

Perceptions and Behaviours

Risk Reduction

It is concluded that,

19. Heroin importers have low risk of prosecution if they stay remote from the heroin.

20. A common cover for heroin import offending is a lawful-appearing lifestyle.

Current Responses

Process and Sentencing

Processing time from detection to conviction varied widely. There is a high proportion of guilty outcomes for heavy weight importers and sentences are associated with weight of the heroin imported. It is concluded that,
21. Process time from arrest to finalisation in court varies widely for heroin import offenders in Australia.
22. Sentence length is associated with weight of the heroin imported.

**Law Enforcement Response**

**Focus**

While all State and Territory drug squads and Federal law enforcement agencies give high priority to investigation and apprehension of ‘high level’ importers, producers and distributors and the dismantling of ‘serious’ and ‘organised crime’, little data is collected to show the extent to which this is being achieved. As was seen a predominant focus on movement and seizure of heroin means there is a possibility law enforcement priority is focused on areas that have limited efficacy, not only in counteracting the importation of illegal drugs overall, but also of achieving stated agency goals. This side stepping from core functions has been able to continue unremarked because the data that would help illuminate it is not collected.

The way a problem is defined influences the type of responses that will be used. Law enforcement success in its heroin counteraction role is currently defined primarily in terms of its seizures of heroin. Thus this remains the main focus for activities. The present thesis has found that the dominance of this focus is not compatible with overall agency goals involving targeting high level dealers, dismantling organised crime groups and so on. This is because while laudable in itself a focus on heroin is a focus on the bottom worker role level. The extensive practise of sub-contracting additionally confounds the narrow focus on heroin. As has been seen arrest of several offenders as a result of surveillance of a quantity of heroin that has been tracked over several hand-overs may in reality have remained at the Number 4 worker level and not approached the middleman or organiser levels. Currently very broad definitions and a lack of national or cross-
agency working definitions for key concepts and terms is resulting in an offence that is defined along stereotypical lines and is not easily understood or quantified.

Establishing the extent to which sub-contracting occurs would be easier if there was a classification system in place and strategies developed to assist a higher reach into import groups. Historically offenders arrested with seizures of heroin, (particularly those involving heavy weights), are considered to be high level drug offenders. This description may be true by virtue of the arrestee being charged with importation - which is the top of the domestic ‘drug chain’. However such a description is misleading if it is meant to convey the arrestee has a high role level in the importation and is critical to the syndicate or group. It is concluded that,

23. While perhaps fulfilling public and political expectations, a primary focus on movement and seizure of heroin is not responsive to the realities of the offending, nor can this focus be expected to achieve current agency goals.

24. Systematic definition and collection of role data for arrestees will enable quantification of the extent to which agency goals are being achieved. It will also aid clarity and consistency of understandings, enable transparency and assist policy development.

25. A contextual shift in definition and understanding of illegal drug trafficking both nationally and offshore will result in greater legitimacy for alternate strategies.

26. Confidence in making any contextual shift will grow when a body of knowledge through research is allowed to develop.

Activity

The flexible, trans-national, fragmented and freelance nature of heroin import offending, together with the enormous profits, makes it a very difficult offence to counteract. One way to assist a better understanding and to develop alternative or supplementary strategies is to have a better understanding of the behaviour and contextual environment of import offending.
The nature of the heroin market and the myriad variables that influence it make it unlikely law enforcement activity on its own can make a visible difference to the illegal drug market. It seems that an illegal drug market characterised by small, unrelated and diverse illegal drug groups operating in a free trade market environment is a much more serious threat within Australia than are hierarchically organised drug crime. The market’s disconnectedness and unpredictable nature enables it to adapt and self generate - even in the face of very successful policing activities and outcomes. The findings raise a number of questions about the expectations government and community have for law enforcement approaches. It is concluded that,

27. It is unreasonable to expect successful law enforcement activity to stop the flow of illegal drugs to Australia

Policy and Goals

Policy involves choice. In Australia there is an expectation that choice of policy is based on best practice evidence. In their role as gatekeepers to information, and in a context of little other available information, law enforcement agencies are the primary providers of information on which to define the problem - and thus its solution. It has been observed in the present study and by others (Morrison 2002) that law enforcement has a preoccupation with activities and enterprises. This preoccupation is possibly the reason why there is an absence of a systematic approach to develop of frameworks for organised crime or for illegal drug import behaviour.

In terms of counteraction, definition of the problem is extremely important because it influences and dictates the type of responses undertaken. Whilst currently the problem is defined as one of criminals engaged in organised crime, other ways of defining the problem have not been able to develop. In the present study and other research there is a strong indication it is useful to examine heroin import offending in the context of economic and business frameworks rather than the less developed and functionally rhetorical one of organised crime. While intuitively appealing in its simplicity a dominant ‘war on drugs’ law enforcement
approach is too simple. While a war analogy may be appropriate in small measure it is neither worthy to be an overall approach nor appropriate to drug trafficking because of its narrow focus. It appears that instead of tailoring counteraction efforts to fit illegal drug import characteristics and environments illegal drug offending is being defined in ways that accommodate existing law enforcement counteraction activities – a legacy perhaps of historical tradition. It is concluded that,

28. The illegal drug import environment needs to be systematically and pragmatically examined and scoped using multiple methodologies and perspectives (of which law enforcement is but one), to ensure policy and focus is accurately targeted.

29. A more complete evidence base to inform policy and practise in Australia will occur if the knowledge and literature base increases and broadens.

30. Illegal drug policies and goals for law enforcement should be re-examined and aligned to what can realistically be achieved.

**Research and Future Work**

Policy development should not continue to rely so heavily on evidence derived from the activities of law enforcement because such information is necessarily derived from one perspective – which also is focused primarily on collection of evidence for convictions rather than developing a body of broader knowledge. There is a need to develop a broader, sophisticated body of knowledge to enable development of greater depth and breadth of understanding. Clearly there is a role for independent supplementary criminological research to enrich the knowledge base for illegal drug import offending. When different sources of data support one another there can be greater confidence in the veracity of the findings and in using it to identify and support most appropriate strategy.

Independent social research is valuable in understanding any criminal behaviour and considerable money is spent on such research each year. Knowledge of characteristics, motivations, behaviours, complexities and environments provides
policy makers and practitioners with evidence on which to base sound, targeted policies and on which to assess efficacy of current programs. While the current Australian policy of adopting a holistic, cross-sector approach to the management of illegal drug markets is a sound one for reduction of harm it does not extend to the import and middle level markets - perhaps because of the narrow evidence base that would guide market management approaches. In particular further work is need to better understand the domestic heroin market and its links to the importing segment. Work that would quantify the efficacy and achievement of current strategies and research to test alternative market-based solutions should be also be undertaken.

The present study has demonstrated the value of independent social and behavioural research in this field. The research has revealed considerable new knowledge and understandings about the nature of heroin import offending. However, there remain two major stumbling blocks to development of a body of knowledge for drug trafficking in Australia. One is the incomplete and scattered nature of agency data and the other is lack of legislative protection for research.

Ability of agencies and independent researchers to use aggregate data collected on illegal drug importers and higher level dealers is hampered by a) data being scattered across several databases; b) a large number of missing variables in data bases; and c) lack of collection of the sort of information that could improve understandings of the offence and the offenders such as type of role of arrestees and groups’ organisational complexity, and d) lack of more specific working definitions that contain inclusion and exclusion criteria for fundamental concepts and commonly used terms such as major, significant and high level.

The second major stumbling block to development of an evidence base for illegal drug importation and middle level drug markets is lack of legislative protection for research. As pointed out in Chapter Four Methodology, no research into illegal behaviours is immune from the possibility of the research material being subpoenaed. Research participants are vulnerable but so to are researchers who risk prosecution and jail terms for failure to disclose an indictable offence.
obtained in the course of their research. For studies of less serious criminal offending with lower penalties legislative protection is worked around by ethics committees and researchers - although there are still ethical implications here. Where the offending has heavy penalties such as for illegal drug importing it becomes a severely limiting factor. Ethics Committees and researchers are reluctant to approve or conduct research under such conditions. While there is no legislative protection for researchers into study of illegal behaviours in Australia the widely promoted and accepted philosophy of evidence-based policy and practise for law enforcement is severely undermined. It is concluded that,

31. Lack of existence of explicit cross-agency definitions and parameters for key concepts and lack of classification and systematic collection of data on role and organisation type is severely limiting to attempts to improve and progress understandings about illegal drug import offending.

32. Lack of existence of a single database containing all data collected on illegal drug importers and higher level dealers is a severely limiting factor to a better understanding of the offending.

33. Lack of a framework and funding for import and higher-level drug dealing offending research is problematic in the context of evidence based law enforcement policy and practice.

34. Lack of legislative protection for researchers and research participants seriously undermines the articulated commitment to evidence based practice in law enforcement.

**Conclusion**

At the beginning of the thesis it was stated that there was very little public knowledge about heroin importation offenders and illegal drug import offending. In place of tested knowledge were the stereotypes portrayed through the media. An examination of available literature confirmed this by revealing the existence of a very narrow evidence base for public debate and development of policy and strategy for illegal drug importation offending. What little knowledge in the field exists is based on law enforcement foci and interpretations. Much of what exists
is also not available in the public arena and is accessible within law enforcement to only a small number of specialists. In the absence of any independent research in the field there can be little testing of present assumptions and stereotypes. The present thesis set out to redress the lack of knowledge by identifying and examining gaps revealed in the review of literature.

The findings of the present study were based on a range of data designed to increase the validity of the findings. Elucidating our understanding of the characteristics and behaviours of heroin import offenders led to clarification of what can realistically be expected from present counteraction efforts. A number of findings support previous overseas research, particularly that conducted in the UK and Canada. Other findings indicated that heroin importation in the Asia Pacific region differs from other parts of the world. A number of new understandings that challenge stereotypes were revealed. In the process of the study it was discovered there were some severely limiting factors to knowledge development in the field and that if not addressed, will continue to mitigate against development of a sound knowledge base.

It is concluded that with the present status quo there is little ability to achieve evidence-based policy and strategy for heroin (and other drug) supply reduction at import and higher level dealing levels in Australia. It is concluded that lack of acknowledgment and articulation of the limitations of many key approaches together with an absence of informed public debate is doing a disservice to a community concerned about heroin and other illegal drug use and addiction.

It is strongly recommended there be a scoping and feasibility studies conducted to examine the content and efficacy of agency databases and data collection methodologies in the context of their ability and potential to assist development of a better understanding of import and high level domestic drug deal offenders and offending. Such a study would make recommendations about the current and future information needs of strategic intelligence, develop role and organised crime categories, accessibility of data to external researchers and establishment of a proper research framework.
It is concluded that the secrecy that continues to obscure illegal drug importation and higher-level drug deal offending is counterproductive to the development and efficacy of responses to it and not reasonable in a climate of transparent government, outcome based assessments and a philosophy of evidence based policy and practice. The present thesis has shown it is possible to conduct useful and illuminating research that neither encourages the offending nor compromises national or operational security. The thesis has provided a significant contribution to knowledge in a neglected area of criminological study. It is hoped the thesis will generate government and agency interest in supporting further research in the field that is designed to enable development of a sound and diverse knowledge base.
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## APPENDICES

Appendix 1 Summary of Related Studies

### Summary of Studies with Similar Methodologies

<table>
<thead>
<tr>
<th>Reference</th>
<th>Data and Methodology</th>
<th>Purpose</th>
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<tr>
<td><strong>Beyer 2004</strong> <em>The experiences of high level drug importers: a study of the mechanics of cross border trafficking of heroin.</em> National Drug Law Enforcement Research Fund, Australasian Centre for Policing Research. Australia. (Restricted Distribution)</td>
<td>- 23 interviews with incarcerated heavy weight heroin importers</td>
<td>To describe the characteristics, behaviours and patterns of offending of Australian heroin importers.</td>
</tr>
<tr>
<td><strong>DesRoches 1999</strong> <em>The Business of Drug Trafficking.</em> Department of Sociology, St. Jerome’s University, University of Waterloo. Canada</td>
<td>- 50 interviews with high-level drug traffic prisoners (importers, manufacturers, wholesalers) - 9 police interviews (Participation rate very high)</td>
<td>To describe how drug syndicates in Canada are organised and connections to other syndicates inside and outside Canada.</td>
</tr>
<tr>
<td><strong>Dorn et al 1998</strong> ‘Drugs Importations and the Bifurcation of Risk: Capitalization, Cut Outs and Organized Crime’ in the <em>British Journal of Criminology</em> Vol 38 No 4. UK</td>
<td>- 10 interviews with registered police informants - 15 interviews with drug importation prisoners (Participation rate low)</td>
<td>To explore illegal drug smugglers’ perceptions of the risks posed to them by HM Customs and Excise and type of risk avoidance strategies used.</td>
</tr>
<tr>
<td><strong>Ovenden et al 1995</strong> <em>The West Australian Drug Market: Descriptions from Convicted Drug Dealers, 1992.</em> National Centre for Research into the Prevention of Drug Abuse. Curtin University of Technology. Australia</td>
<td>- 35 interviews with drug offenders imprisoned for manufacture, import, cultivate and or supply (Participation rate low - 56%)</td>
<td>To explore dealers’ perceptions of the availability of drugs and the nature of dealing activities.</td>
</tr>
<tr>
<td>Study</td>
<td>Methodology</td>
<td>Objective</td>
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<tr>
<td>Green et al 1994</td>
<td>Court records of 573 people sentenced for drug importation through airports</td>
<td>To identify the characteristics of drug importers (couriers) and patterns in their sentencing.</td>
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<tr>
<td>Reuter &amp; Haaga 1989</td>
<td>40 interviews with high-level drug dealers currently in prison</td>
<td>To determine if useful information could be obtained from imprisoned high-level drug dealers to give a description of high-level drug markets.</td>
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<tr>
<td><em>The Organization of High-Level Drug Markets: An Exploratory Study</em>, Rand Corporation for the National Institute of Justice, US Department of Justice.</td>
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Appendix 2 Law Enforcement Interview Consent Form

Law Enforcement Interview Consent Form

This interview is part of a number of interviews that are being held with law enforcement personnel in Hong Kong, Bangkok and Australia as part of a doctoral thesis being undertaken by the researcher at the Criminology Department of the University of Melbourne in Australia. The research is analysing the characteristics of heroin importers in Australia from existing databases and is also interested in identifying the views of those concerned in counteracting offences relevant to heroin importation. The research will assist policy makers and law enforcement practitioners, particularly in the Asia-Pacific region, to better understand the important issues surrounding heroin importation.

You have been identified as a person who has professional expertise in this field and whose views would be of great value to the research. Your participation in the interview is voluntary and you can refuse to participate or refuse to answer particular questions, or terminate the interview at any time. The information obtained through interviews will not be able to be linked to identifiable individuals. However, the research is not protected by legislation so there are legal limits to the extent to which I am able to offer data confidentiality.

I ____________________________ voluntarily consent to take part in the above research which has been explained to me by the interviewer. I have received a Participant Information Statement to keep and I understand the purpose of the research and the extent and possible effects of my involvement.

SIGNATURE ____________________________ DATE ________________

WITNESS ____________________________ RELATIONSHIP____________

WITNESS SIGNATURE________________________ DATE________________________

RESEARCHER’S SIGNATURE __________________________ DATE________________________

Chief Investigator: Lorraine Beyer, Department of Criminology, University of Melbourne: 61+ 3 8344 9440 0411 468 117 or l.beyer@pgrad.unimelb.edu

Research Supervisor: Dr Steve James, Department of Criminology, University of Melbourne: 61+ 3 8344 9440 or s.james@criminology.unimelb.edu.au
Appendix 3 Law Enforcement Information Statement

Law Enforcement Information Statement

There is little academic research on the subject of heroin or other illegal drug importations. While some research has been conducted in Canada, United Kingdom and United States these findings are not necessarily relevant to the Asia-Pacific region. The current thesis aims to develop a description of the characteristics and patterns of importers of heroin to Australia - and in the region as it relates to Australia - and to test the findings against what is currently known.

The thesis is a combination of analyses of existing law enforcement data, and interviews. In relation to interviews, the thesis wishes to identify ways in which different agencies categorise and describe importers and in identifying any difficulties or barriers to law enforcement in its response to these offences. Results from the thesis will be of particular interest to policy makers and law enforcement agencies within the Asia Pacific Region. Attached is a copy of the questions I would like to cover in the interview.

It is anticipated that approximately 30 – 40 interviews will be conducted with law enforcement personnel in Hong Kong, Thailand and Australia. As a person identified as one who has knowledge and experience relevant to the issues to be covered in the thesis I would be very honoured if you would consent to participate in an interview with me. Your participation in the interview is voluntary and you are free to refuse to participate, refuse to answer any of the questions or ask for the interview to be terminated at any time. Interviews take about one hour and can be conducted at any location convenient to you. To fulfil the requirements of the University of Melbourne Ethics Committee I will ask you to sign a form that indicates that you have consented to participate in the interview. As a memory aid to my note taking and to ensure that I do not miss any of the points you make, I would prefer to audio tape the interview. However this is not compulsory to the interview.

Prior to any reports/theses/papers being written I will post or email the write up of our interview to you so that you may check my interpretation of what was said and add any further comments if you wish. None of the people interviewed will be identified in any reports/theses/papers, nor will any comments or quotes be attributed to any identifiable individual. Where specific quotes are used they will be attributed to a generic description rather than an individual. For example: ‘Senior Customs Officer, Bangkok’, or similar. By these means it is hoped that participants will feel able to express their opinions frankly. While every effort will be made to ensure anonymity however, the relatively small number of people being interviewed means that confidentiality can not be guaranteed. There is also no legislative protection of research results so there are legal limits to the extent to which data confidentiality can be assured. To ensure that reports/theses/papers do not inadvertently make public anything that may be of material benefit to current or potential heroin or other illegal drug importers I have undertaken to have them reviewed by Australian Customs and Australian Federal Police prior to any publication.
Law Enforcement Information Statement (Continued)

I have a current Australian Commonwealth Government security clearance rating of “Highly Protected” and all data from interviews will be stored in a safe. When I return to Australia the data will be stored and processed within a secure access office at the Australian Customs Service.

If you have any queries please contact:
Chief Investigator: Ms Lorraine Beyer,
Department of Criminology, University of Melbourne
61+ 3 8344 9440 0411 468 117 or
l.beyer@pgrad.unimelb.edu

Research Supervisor: Dr Steve James,
Department of Criminology, University of Melbourne
61+ 3 8344 9440 or s.james@criminology.unimelb.edu.au

If you have any concerns about the conduct of the research you can also contact:
The Executive Officer, Human Research Ethics
The University of Melbourne
Phone: 61+ 3 8344 7507
Fax: 61+ 3 9347 6739
Appendix 4  Law Enforcement Interview Schedule

Law Enforcement Interview Schedule

The study
The research aims to develop a description of the characteristics and patterns of importers of heroin to Australia (and in the region as it relates to Australia), and to test the findings against what is currently known. The research also aims to identify any difficulties or barriers to law enforcement in this area.

Interviewees for the study
Australian, Hong Kong and Bangkok law enforcement professionals and some academics with a professional focus on illegal heroin (and other drug) import/transit offences, particularly as they relate to Australia, will be asked to participate.

Interview format
The interviews are conducted at the office locations of the interviewees and conducted as a discussion, based on some open-ended questions. Normally the interviews are one on one, however, this can vary at the discretion of the interviewees. To fulfill University of Melbourne ethics requirements, participants will be asked to sign a form to indicate that they consent to participate in the study. Participants will also be given an information sheet about the study at the time of interview.

Interview content
Below are the open-ended questions that I anticipate using. If there are any changes or additions to the questions below, they will be forwarded to participants some weeks before the scheduled interviews. However, these are the main points that I would like to cover. Information required is of a general, non-identifying nature only. Interviewees are most welcome to bring up any other issues they believe are important that I may not have covered.

Interview time
Interviews are expected to take between 1 – 1.5 hours each.

Research findings
Prior to any report/thesis/papers being written I will post or email the write up of the interviews to each of the relevant participants. In this way interviewees may check my interpretations of what was said and add any further comments if they wish.

I will be writing up and using the comments of the interviewees in ways that do not identify any individual. Where specific quotes are used in any report/thesis/paper they will be attributed to a generic description rather than an individual. For example: Customs officer Bangkok, or similar.
Law Enforcement Interview Schedule (Continued)

Interview Questions

Categorisation and organisation

1. In what way does your law enforcement agency categorise heroin importers and transitors? Are the same categories used for other types of illegal drugs or goods?

2. Does categorisation reflect the level of organisation involved in the import/transit?

3. Is there a difference in level of organisation between those who import/transit heroin and those who import/transit other illegal drugs?

4. Do people tend to specialise? For example in the type of illegal good they trade, in method of transit/import, quantities at a time and so on?

5. There is often a link made between ‘organised crime’ and illegal drug offences. How would you describe the type of organisation most usually involved in illegal drug import/transit offences?

6. Is the type of organisation involved in getting heroin to Australia the same, or different to that involved in getting heroin to other destinations?

7. Which category of importer is most likely to be detected? Why?

8. Which category of importer is least likely to be detected? Why?

9. Of the heroin (and other illegal drug) import/transit offences detected about what proportion of would be destined for Australia?

10. Do you think the heroin destined for Australia is mostly organised in Australia, or usually organised somewhere else?

11. Do you think heroin is sent to Australia to fulfil ‘orders’?

12. Is Australia ever used as a transit country for illegal drugs destined for other countries?

13. Given the tiny drug market in Australia, what would you say influences or motivates people to import heroin (and other illegal drugs) to Australia rather than to bigger markets that may be closer?

14. Are the type of people importing heroin (or other illegal drugs) to Australia different to those importing to other destinations? For example are they generally older; have Australian connections; are they well established or new players; is their method of import/transit distinctive?; is the origin of the heroin distinctive?
Law Enforcement Interview Schedule (Continued)

15. What are the limitations faced by law enforcement in your country in its response to heroin (and other illegal drug) importers/transitors. For example are there legal or procedural limitations, resource limitations, inter jurisdiction or inter-agency communication issues, skill or training limitations, or does the nature of the offence limit law enforcement’s impact?

16. What is needed to better detect persons engaged in illegal drug import/transit offences?

17. What is needed to better successfully prosecute persons engaged in illegal drug import/transit offences?

18. In your view can heroin (and other illegal drugs) ever by 1) stopped or 2) severely curtailed? What would be needed to achieve this?

Deterrence

19. What is needed to better prevent or deter people becoming involved in illegal drug import/transit offences?

20. What types of things would deter importers/transitors of illegal drugs. Is there any evidence of the success of any of the current deterrents?

21. In your view is there anything that has not been tried that might work?

22. What is your view of harm minimisation as an approach to the problem of illegal drug markets? That is, managing the drug markets in ways that reduce the damage done in society?
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Author/s:
Beyer, Lorraine Rose

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