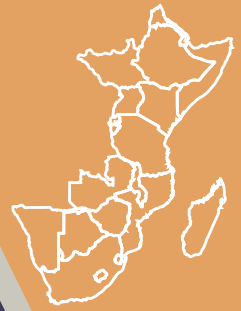


# CIVIL SOCIETY OBSERVATORY OF ILLICIT ECONOMIES IN EASTERN AND SOUTHERN AFRICA



## RISK BULLETIN

### SUMMARY HIGHLIGHTS

**1. Civil-society action is reshaping the illicit charcoal trade in northern Uganda.**

Northern Uganda's forests are under threat as charcoal producers seek to meet high national and regional demand for the fuel. Recent bans on charcoal production and a civil-society initiative that brought together local activists, journalists and law-enforcement agencies have, it seems, had some success in reducing production in the region. Recent GI-TOC fieldwork has mapped out regional transport routes for illicit charcoal, surveyed regional variations in charcoal prices and investigated the impact of the recent initiatives on illicit supply lines. Fragmentation of the market into smaller-scale production and transit lines seems to have become the new order.

**2. South Africa's *State v Rodriquez* case shows how wine consignments are used to smuggle drugs and other contraband.**

One of South Africa's largest heroin seizures was made at a wine estate in the Western Cape in 2017. Mark Ortega Rodriquez was accused of attempting to export the heroin hidden in wine crates, and his trial is ongoing. The use of South African wine as a cover for contraband demonstrates how smugglers can hijack licit trade routes and shipments in order to move illegal goods. We analyze several methods that traffickers have used to export contraband using wine shipments.

**3. The arrest in Mozambique of a top Brazilian cocaine trafficker raises questions about the region's role as a cocaine trans-shipment point.**

The arrest of the high-level Brazilian drug trafficker Gilberto Aparecido Dos Santos, alias 'Fuminho' – a close ally of leading figures in Primeiro Comando da Capital (PCC), Brazil's largest and most powerful organized-crime

group – on 13 April in Mozambique provides further proof of the growing links between South American and South East African crime groups. The arrest of such a prominent cocaine trafficker raises questions about the cocaine trade's impact on local use and corruption across the region.

**4. The prosecution and subsequent acquittal of an Iranian crew accused of trafficking heroin by dhow in the Seychelles highlights trends in drug trafficking in the Indian Ocean basin.**

Dhows – traditional small-scale wooden fishing vessels – have played an important role in trade routes in the western Indian Ocean for centuries. While the modern versions of these traditional boats continue to occupy a vital niche in the regional maritime economy, the ability of these small vessels to operate under the radar of regulatory oversight also makes them ideal for trafficking. Focusing on one dhow that was seized by Seychellois law-enforcement agencies in 2016 with a cargo of heroin, we explore the complexities involved in prosecuting drug trafficking as a form of international maritime crime.

**5. Interlocking networks between Cape crime families may be enabling audacious and disruptive underworld power struggles.**

A failed hit on Ernie 'Lastig' Solomon, an alleged gang boss in the criminal underworld in South Africa, appears to have been triggered by an internal split in the criminal gang the Terrible Josters. This criminal gang is deeply involved in the drug trade in Cape Town and in the transnational trade in abalone, a seafood that is highly valued in China. The attempted hit may be driven by deeper trends, presaging wider disruption in the Cape Town underworld.



## ABOUT THIS ISSUE

In the midst of the coronavirus pandemic, it is now clearer than ever that organized crime and illegal economies are dependent upon and shaped by changes in the legal economy. It is already evident that the current shock to the global economy is reshaping global drug markets;<sup>1</sup> that opportunistic criminal groups are responding to new demand for legal products such as pharmaceuticals and protective gear;<sup>2</sup> and that lockdowns have disrupted routes of human trafficking and smuggling.<sup>3</sup>

This issue of the Risk Bulletin likewise reflects on the relationship between licit and illicit economies, but outside of the lens of the pandemic. In this issue, we examine five instances of such interconnectedness.

For natural resources such as timber and charcoal, the divide between licit and illicit goods is not always clear, as once shipped from the site of production it becomes almost impossible to ascertain a product's legality. In northern Uganda, the tension between the demand for charcoal, particularly from poor urban populations (for whom there is often no alternative viable energy source), and government-imposed bans on charcoal production has shaped the illicit market, both for better and for worse.

In South Africa, our reporting investigates the ingenuity and adaptability shown by traffickers seeking to ship drugs masquerading as wine consignments. Here, the trafficking route is dependent on high-volume licit trade, as one of South Africa's largest exports – wine – is moved towards European destination markets.

Similarly, in Mozambique, an increase in legal trade with Brazil following a trade agreement signed in 2015, which has facilitated an increase in containerized goods shipped to Mozambique from Brazil, has been reported as one factor in the growth in cocaine trafficking to the country. The arrest of a leading Brazilian cocaine trafficker in Mozambique in April 2020 may be another sign of the growing importance of the region as a cocaine trans-shipment point.

In the western Indian Ocean and East Africa, we explore the role played by dhows in trafficking. Dhows have occupied an important niche in trade routes in the western Indian Ocean for centuries, but the modern iteration of these traditional small-scale wooden boats – now equipped with engines and capable of long journeys – are also an ideal form of transport for trafficking, given their ability to operate under the radar of regulatory oversight. Focusing on one dhow that was seized by Seychellois law enforcement in 2016 with a cargo of heroin, we explore the complexities involved in prosecuting international maritime crime.

Finally, we report on the attempted hit on prominent South African gangster Ernie 'Lastig' Solomon, whose influence over the abalone and drug markets in Hawston, Western Cape Province, appears to have made him a target for rivals, either external, from within his own gang the Terrible Josters or even within his own family.

### 1. Civil-society action is reshaping the illicit charcoal trade in northern Uganda.

Charcoal production and trade is a major industry in Uganda, with the fuel providing an affordable source of energy in a context where rapid population growth and urbanization ensures that demand is constantly rising. In northern Uganda – the main region for production in the country on account of the quality of the charcoal produced there – a combination of civil-society advocacy may be having an impact on the illicit charcoal trade. But how does this illicit market work, and how are those involved adapting to the rise of community and state resistance to their trade?

#### CHARCOAL IN UGANDA

Charcoal is an important energy source for many of Uganda's estimated 45 million people.<sup>4</sup> According to

national statistics for 2016–2017, 30% of households rely on charcoal for cooking and 64% rely on firewood,<sup>5</sup> although other estimates place the proportion of charcoal use even higher.<sup>6</sup> Consumption is highest in urban areas such as in Kampala.<sup>7</sup> For many households, charcoal is the only viable source of energy in communities where electrification is not widespread, and acquiring and maintaining electric stoves may be prohibitively expensive. Factories in Kampala, Jinja and Wakiso also generate large-scale demand for charcoal. Ugandan-produced charcoal is also illegally exported to Kenya, where a complete ban on charcoal production was issued in February 2019.<sup>8</sup>

The production and trade of charcoal is therefore a lucrative business and a large source of employment.

However, charcoal production is also a major contributor to forest degradation in Uganda, while charcoal burning emits some amount of greenhouse gases. Most of the charcoal and firewood sold and used in Uganda also come from virgin forests (i.e. forests which have grown for many years without human disturbance and are therefore ecologically diverse and unique). The United Nations Development Programme estimates that 1.8% of forest land in Uganda is being lost annually to charcoal and timber production, representing some 80 000 hectares destroyed every year.<sup>9</sup>

Northern Uganda dominates the charcoal-production market because dealers seek out the high-quality charcoal produced in this region. The districts of Gulu, Amuru, Pader, Agago and Nwoya are well known for producing the best-quality charcoal using shea nut trees and *Aphelia* (both endangered tree species), which has made demand for illicitly produced charcoal from this region especially resilient.<sup>10</sup>

In the fight against charcoal production and the associated deforestation, regional and national governments in East Africa have at several points sought to ban charcoal production and trading. However, such bans have often had unforeseen consequences, such as

driving up prices of charcoal for consumers (who often have no other viable energy alternatives) and driving corruption in charcoal-production areas. Kenya's charcoal bans in 2018 and 2019 have been criticized on both these counts.<sup>11</sup>

## GOVERNMENT RESPONSE IN NORTHERN UGANDA

Following the dire consequences of extensive charcoal production in the region, local government leaders in northern Uganda banned commercial charcoal production in the key districts named above in February 2018. The ban halted the issuance of forest production and harvesting licenses, which charcoal producers are required to have in order to trade legally.

Following the ban, the chairman of the local government of Gulu District, in partnership with the military and police, embarked on night operations to seize any truck carrying charcoal in the entire region. The sale of the charcoal seized from illicit shipments and fines levied on trucks carrying illicit shipments between September 2018 and November 2019 generated 600 million Ugandan shillings (US\$160 326) for the Gulu District treasury alone.<sup>12</sup> Chairpersons in neighbouring districts soon followed suit.



The process of charcoal production: a truck carries charcoal on the Kampala to Jinja highway, March 2020; a labourer goes to transport wood felled for charcoal production in Paibona Parish, Gulu district, February 2020; and bags of charcoal wait ready for transportation in Paibona village in Gulu district, February 2020. © Julius Kaka

Since June 2018, a local pressure group called Our Trees, We Need Answers (comprising local journalists, researchers and law-enforcement officers) has been campaigning against illegal deforestation. The group has also been involved in helping police (specifically, the police Environment Protection Unit) by providing information on illicit production and sale of charcoal. They have undertaken sensitization programmes on the dangers of large-scale, commercial charcoal burning in factories and have encouraged community members to engage in other means of income generation. They have also campaigned on land rights and appropriate land uses for commercial purposes, such as encouraging the lease of land for environmentally friendly ventures and agroforestry.

Joint efforts with the campaign group and local leaders from Gulu, Amuru, Nwoya, Agago, Pader and Omoro districts have resulted in an agreed framework contained in the 2019 Acholi Sustainable Charcoal Production and Marketing Bill.<sup>13</sup> The policy framework seeks to establish functional local authority committees and standards to monitor environmentally friendly charcoal production. They have also named and shamed powerful political actors involved in the illicit charcoal trade.<sup>14</sup>

Collectively, the impact of Our Trees, We Need Answers advocacy and local government efforts may have brought about a significant reduction in the production and sale of charcoal in northern Uganda. In interviews conducted in February 2020, a local official and the leader of the advocacy group both confirmed that the number of truckloads of charcoal exported from the districts each day have, in recent months, significantly reduced.<sup>15</sup> While it is difficult to obtain data that confirms this, such a reduction may be a cause for celebration. In recent fieldwork, the GI-TOC has sought to investigate the prevailing dynamics of the illicit charcoal market and the impact of recent government and civil-society initiatives.

### **THE ILLICIT CHARCOAL MARKET ADJUSTS TO NEW CONDITIONS**

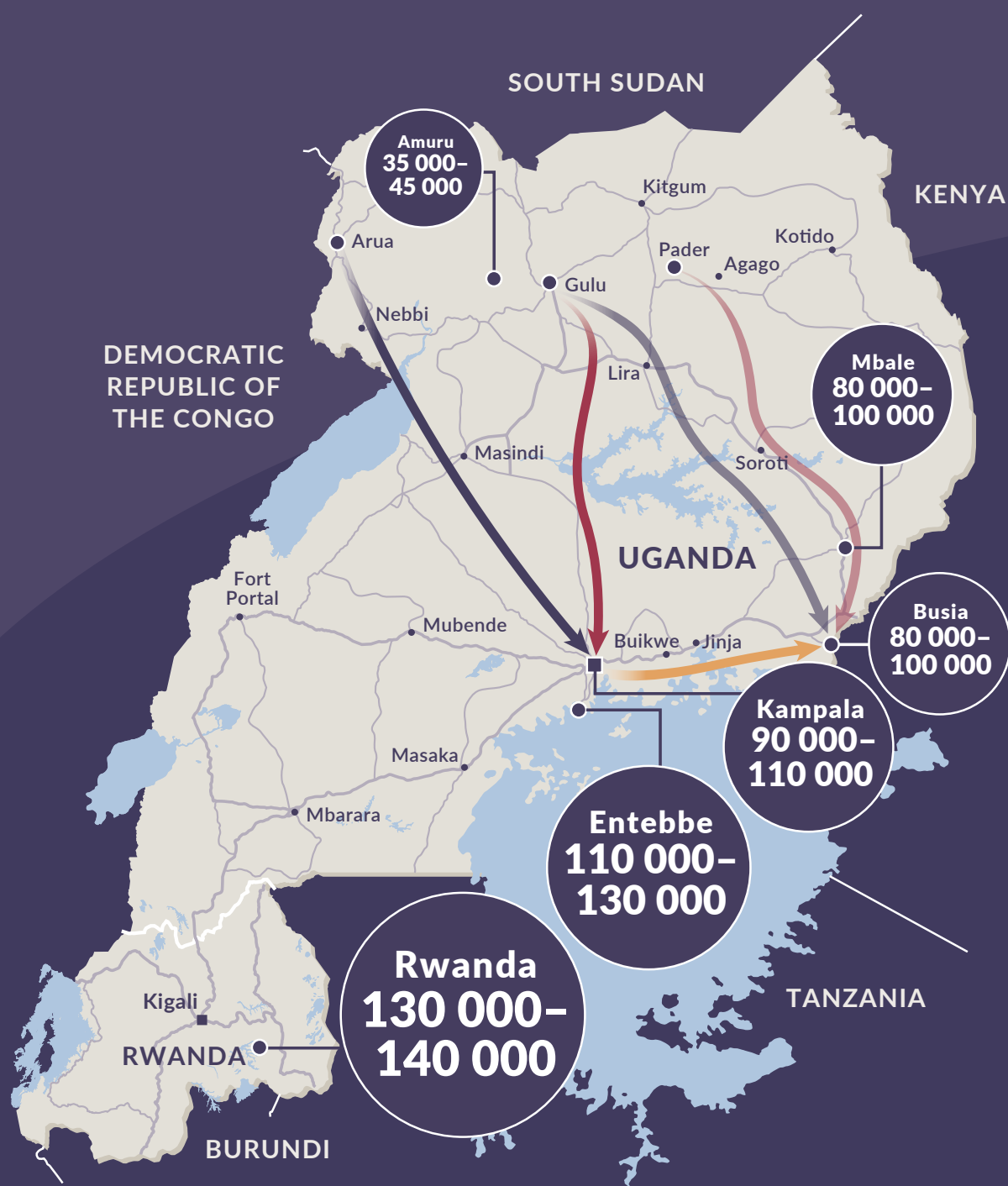
In the face of increased public campaigning and government scrutiny, there is evidence that those in the charcoal market have shifted their strategies of production and transportation. While there has been a reduction in mass felling of trees for charcoal, production has not entirely ceased.

Rather, production appears to have become smaller scale, more fragmented and more secretive. Charcoal dealers have reportedly begun to strike agreements directly with local landowners, paying them to produce charcoal in smaller quantities (20 to 50 bags), rather than engaging in the industrial-scale production previously seen. The charcoal is then sent to designated stores in towns, from where it is transported to markets in Kampala or Busia. This is seen as a more secure way of evading environmental regulations as it keeps the knowledge of the operation limited to a few members of the local community, who are generally not suspected of being involved in commercial charcoal production.

Because of local community opposition to commercial charcoal production, some community members engage with charcoal dealers secretly, without involving neighbours or even community leaders, although there have also been reports of dealers taking advantage of the poor levels of literacy among the landowners to manipulate them into signing for the sale of land itself, rather than just the trees, for charcoal production.<sup>16</sup> Some factory owners also station their agents in the region to negotiate with land owners, who eventually accept to sell their trees in exchange for money or gifts, such as payment of school fees for their children.<sup>17</sup>

The means of distribution are changing as well as the means of production. In the past, charcoal was transported in bulk directly from production sites, but now motorbikes are used to transport smaller loads to collection points and storage units.<sup>18</sup> Powerful charcoal dealers either pay off or engage in agreements with smaller brokers in town to use their stores as warehouses. Instead of going deep in the villages to source charcoal as before, these dealers collect their product from these town-based warehouses, thereby avoiding any connection with the source of production. According to a community leader in Paloro sub-county, Gulu District, businessmen from Mbale, Busia, Busoga, Bugwere, central Uganda, Kampala, Wakiso, as well as businessmen from as far away as Kenya (Busia and Bungoma) are involved in the charcoal market.<sup>19</sup>

As legal routes of charcoal production have been closed off, corruption has flourished, enabling dealers to obtain documents that legitimize illicit production. Some forestry officers at the sub-county level have taken bribes to issue forest production and harvesting licences,



LOCATION SURVEYED	PRICE OF CHARCOAL (PER BAG), UGANDAN SHILLINGS	USD EQUIVALENT
Amuru	35 000–45 000	9.29–11.95
Busia	80 000–100 000	21.81–27.26
Mbale	80 000–100 000	21.81–27.26
Kampala	90 000–110 000	23.89–29.20
Entebbe	110 000–130 000	29.20–34.51
Rwanda	130 000–140 000	35.44–38.17

**FIGURE 1** Illicit charcoal smuggling routes and price per bag of charcoal at various locations in Uganda, as of February 2020. A bag of charcoal ranges between 50–80 kilograms. There is a marked price differential between the source regions in northern Uganda, and in urban centres such as Entebbe.

SOURCE: Global Initiative fieldwork in the region, February 2020, including interviews with charcoal dealers in Uganda.



and Environmental Impact Assessment certificates (which certify that developers or individuals have fulfilled the conditions of the Environmental Act and Forest and Tree Planting Act) without the required clearance from their superiors.<sup>20</sup>

The need to secure protection against law-enforcement agencies, facilitate trade and obtain safe passage has also driven corruption among other local civil servants.<sup>21</sup> Army officers in the region have been involved directly in production and sale and provided safe passage for charcoal to move out to market destinations.<sup>22</sup> Several politicians and local community leaders and a district chairperson have also been involved in the trade, either as traders or through receiving bribes to grant charcoal dealers safe passage.<sup>23</sup> Charcoal dealers and transporters bribe their way through checkpoints on major highways to other regional markets, although they also use various minor roads to evade law-enforcement officers.

There are several major routes by which charcoal is transported, which often pass through major selling points (Figure 1). (The border town of Busia, for example, is both an important market in its own right and a waypoint for charcoal being transported to Kenya.)

### **A MORE VOLATILE LANDSCAPE?**

Charcoal production in northern Uganda, and indeed the entire country, increased after the Kenyan government banned production of charcoal in February 2019, after a previous three-month ban imposed in May 2018 proved

ineffective. Reporting from Kenya suggests that Kenyan charcoal dealers flocked to Uganda after the imposition of the ban as an alternative source of charcoal.<sup>24</sup>

As demand continues to rise and large-scale production of charcoal is curtailed, prices of charcoal have risen across Uganda to record highs. In Gulu Nwoya and Agago districts, charcoal prices have increased from between USh25 000 and USh35 000 per bag (US\$7.28–10.19) in 2015 to between USh35 000 and USh45 000 (US\$9.42–12.12) in 2020.<sup>25</sup> However, these prices often double or triple in Kampala, Entebbe, Busia and Rwanda.<sup>26</sup>

Among district leaders and civil society, there are contrasting views on the decline of the commercial charcoal trade. While some view it as a complete victory, others worry that it may have driven illicit logging in precious tree species (such as *Aphelia*) in the region.

While charcoal production (and the associated deforestation) may have declined, the new environment – consisting of bribery, forgery, collusion with the army, government officials and police, and in which community members may be denied rights to their own land – poses a challenging set of circumstances. Strategies that seek to continue the fight against the illicit charcoal trade must take these new dynamics into account. Initiatives such as Our Trees, We Need Answers may provide a vital common cause for local civil society, but are limited by a lack of resources. In a region that has just risen from the ashes of war, the challenges of poverty continue to push people towards illicit ventures.

## **2. South Africa's *State v Rodriquez* case shows how wine consignments are used to smuggle drugs and other contraband.**

As workers were routinely packing boxes of wine bottles onto pallets at Eerste Hoop Wine Estate in Western Cape, South Africa, in 2017, preparing for export to Belgium, they noticed that one pallet was poorly packed. Worried that this would cause wine bottles to break, they began to reopen the boxes – and made one of South Africa's greatest heroin discoveries.<sup>27</sup> Approximately 963 kilograms of heroin was discovered in 253 boxes.<sup>28</sup>

Mark Ortega Rodriquez, 23, was charged in connection with the seizure.<sup>29</sup> During the trial, it was revealed that Rodriquez's stepfather purchased wine from Eerste

Hoop Wine Estate to be delivered to Belgium. Rodriquez collected the boxes from the farm and took them to a storage unit, presumably to conceal heroin in them. He then returned the boxes, poorly repacked, for export.

The trial, which is ongoing, has highlighted the adaptive and innovative methods adopted by drug traffickers, in particular the hijacking of legitimate wine shipments to transport drugs. Wine consignments are popular among drug traffickers because they offer several ways to transport drugs and other contraband around the world, as explained below.



**FIGURE 2** Movements of the heroin shipment uncovered at Eerste Hoop Wines estate before it was seized, and the route through which the shipment was intended to travel, via Cape Town, then onwards to Belgium and Germany.

SOURCE: *State v Rodriguez* court testimony.

- ▶ A farmworker stacks boxes of wine for sale at the Vergenoegd wine estate near Cape Town, South Africa, May 2016. In the case of *State v Rodriguez*, similar wine boxes arranged on pallets were used to conceal heroin.

SOURCE: © Gallo images



## CONTRABAND CAN BE PLACED IN BOXES OR CRATES OF WINE BOTTLES

According to interviews with customs officials in Cape Town, the most common and easiest method of smuggling via wine consignments is simply to place the drugs in the boxes and crates in which wine bottles are usually transported.<sup>30</sup> Usually, the drugs are packed so that the boxes that hold a mix of drugs and wine bottles – or exclusively drugs – are contained at the centre of the pallet on which boxes are shipped and so are more concealed.<sup>31</sup> In the *Rodriguez* case, boxes in the first three layers of the pallet contained wine bottles, while those from the fourth layer downwards contained only packets of heroin wrapped in plastic.

This method is also used to smuggle illegal wildlife products. On 3 May 2019, two boxes containing rhino

horns weighing 45 kg and valued at 38 million South African rands (ZAR) (US\$2 623 280) were found between 31 boxes of wine at a shipping exports company in Kempton Park, South Africa.<sup>32</sup> The consignment was destined for Kuala Lumpur, Malaysia.<sup>33</sup>

In July 2012, 46 elephant tusks valued at approximately ZAR 10 million (US\$4 626 250) were found hidden behind boxes of wine at a storage facility near the Cape Town International Airport.<sup>34</sup> The tusks, weighing 500 kilograms, were destined for Hong Kong.<sup>35</sup>

Although this method is considered the easiest for traffickers, it is also relatively easy for law enforcement to detect.<sup>36</sup> Drug traffickers using this method may also bribe customs and/or law enforcement officials to turn a blind eye to the consignment.<sup>37</sup>

## **CONTRABAND HIDDEN IN COMPARTMENTS IN WINE CRATES**

By placing drugs in hidden compartments, which further reduces their visibility, smugglers may slightly reduce their risk of detection.<sup>38</sup> However, the added weight of those crates can alert customs and law-enforcement officials, who can then flag them for closer inspection. This is exactly what happened at a cargo warehouse at the OR Tambo International Airport in Johannesburg in April 2019, when customs officers noticed that a wine crate destined for Amsterdam was heavier than usual. The hidden compartment at the base of the wine crate contained heroin worth approximately ZAR 1.5 million (US\$103 394).<sup>39</sup>

Less than a month later, cocaine, heroin and methamphetamine worth ZAR 4.4 million (US\$307 073) were found concealed in two wine crates at a house in Kempton Park, Gauteng. The wine crates were also destined for Amsterdam via OR Tambo International Airport.<sup>40</sup>

## **EMPTY WINE BOTTLES FILLED WITH ILLEGAL SUBSTANCES**

Emptying wine bottles and filling them with drugs (such as liquid amphetamine) has a lower risk of seizure, drug traffickers believe, because the drugs are not visible without the use of police canine units and intrusive inspection methods.<sup>41</sup>

Three Germans and one Italian national, allegedly members of a drug smuggling syndicate operating in South Africa, were arrested in January 2015 after drugs valued at ZAR 500 000 (US\$43 192) were found in their vehicle. Some of the drugs were in the form of liquid MDMA (methylenedioxyamphetamine) concealed in wine bottles, which was believed to have been bottled in Amsterdam and then transported across the world disguised as champagne.<sup>42</sup>

A few months later, officials at OR Tambo International Airport discovered cocaine worth ZAR 2 million (US\$138 729) in wine bottles.<sup>43</sup> The bottles, wrapped in Christmas paper and marked as gifts, were destined for London. Upon inspection, it was discovered that the bottles were sealed with glue and the liquid was thicker than wine.<sup>44</sup> Also at OR Tambo, 3.62 kilograms of cocaine, valued at just under ZAR 1 million (US\$112 364),<sup>45</sup> was found in three wine bottles in March 2013 after a customs dog reacted to the bottles during a search.<sup>46</sup>

Officials in other countries – including Canada, the United Kingdom, Hong Kong, Australia and Bolivia – have also found cocaine and amphetamines hidden in wine bottles.<sup>47</sup> The Canada Border Services Agency has stated that smuggling drugs in wine bottles is a common tactic.<sup>48</sup>

According to customs officials in Cape Town, there have been many instances where officials opened wine bottles and discovered that the viscosity of the liquid was different to that of alcohol.<sup>49</sup>

Liquid amphetamine is usually thick and oily. However, even at this stage, officials cannot confirm the presence of drugs without testing, and traffickers are sometimes able to bribe officials or interfere with lab results.<sup>50</sup>

## **DRUGS CAN BE DISSOLVED IN WINE AND LATER EXTRACTED**

Drug traffickers with access to the required technical resources also dissolve drugs in wine. Usually, once the wine bottles reach their destination, technicians extract the drug from the alcohol and produce it in powdered or tablet form.<sup>51</sup>

This method has become popular because standard scanners at ports and borders cannot detect drugs dissolved in alcohol. The magnetic resonance imaging machines used by hospitals can detect them, but not all ports and borders have access to this equipment.<sup>52</sup>

## **CONTRABAND CAN BE SMUGGLED IN BOX WINE**

Box wine cartons have occasionally been used to smuggle drugs because they have a thin internal layer of lead foil that may interfere with scanning equipment ‘by creating a bounce back of the images making it unclear to determine the exact contents’.<sup>53</sup>

This method, also popular amongst wildlife traffickers, has become less common as scanning equipment has advanced. Instead, small quantities of wildlife products and drugs have been placed in wine corks.<sup>54</sup>

## **WINE CONSIGNMENTS CAN BE HIJACKED WITHOUT THE OWNER’S KNOWLEDGE**

During the Rodriguez trial, the owner of the Eerste Hoop wine estate testified that the smuggling plan had been orchestrated by Rodriguez without the knowledge of anyone at the estate; instead, Rodriguez attempted to



hijack the legitimate wine shipment and take advantage of Eerste Hoop's role as a regular wine exporter.

This form of hijacking of licit products being moved through customs is not unusual. According to interviews with customs officials and police officers in South Africa, a drug trafficker may locate a company that is well known by customs agents as a legitimate exporter, enter into apparently legitimate business transactions with the exporter, and use them to export items laced with drugs. In many instances, the exporter is unaware that their 'stellar reputation with customs is being hijacked to smuggle drugs across the world'.<sup>55</sup>

South Africa is the world's 12th largest wine exporter and the leading producer in East and Southern Africa.<sup>56</sup> The primary markets for South African wine – European countries such as the United Kingdom, Germany and the Netherlands<sup>57</sup> – are also key markets for drugs moved through South Africa. This, plus the numerous methods of smuggling through wine consignments outlined above, make South African wine exports an appealing target drug for traffickers.

Corrupt officials at the point of departure may also conceal drugs inside legitimate consignments of goods which are perceived to be commonplace and low-risk – such as wine and fruit – while corrupt officials at the point of arrival extract them. This may involve reopening sealed containers and positioning the drugs in an easily accessible location, which allows a corrupt official at the other end to easily access it before the container is sent for scanning.<sup>58</sup> In such cases many exporters, importers and customers do not know that their goods were used to transport drugs.

Hijacking of licit products is not an issue unique to South African wine. In Kenya, for example, exports must be scanned before departure. However, tea, the country's

main export, is fast-tracked and exempted from scanning; instead, a customs official is present when the tea is loaded onto containers. Smugglers may bribe officials to place other items in the containers. This was discovered when more than 3 tonnes of ivory were found in Thailand, in a container marked 'tea leaves', after export from Kenya.<sup>59</sup> Similar strategies have also been used to export batteries illegally from Kenya to South East Asia (where lead is extracted from them) in containers labelled as carrying tea leaves.<sup>60</sup>

### **CUSTOMS AND LAW-ENFORCEMENT AGENCIES ARE LEARNING TO DETECT SMUGGLING BY MEANS OF WINE CONSIGNMENTS**

Most drug seizures in the Western Cape are not made during routine searches but rather through risk profiling.<sup>61</sup> Customs officials undergo extensive training in profiling and targeting high-risk containers and items.

Since 2015, drug seizures have increased, and drug smugglers have become more wary of using wine consignments.<sup>62</sup> However, there is still room for improvement as criminals always seek out regulatory and capacity weaknesses to exploit. There appears to be a shift from wine to fruit as a means to smuggle drugs because fruit is considered low risk and is fast-tracked through customs due to its short shelf life.<sup>63</sup> Law-enforcement officials, however, are still paying close attention to wine consignments, because traffickers may abandon a particular method after a seizure to 'allow the dust to settle ... but they always come back to wine'.<sup>64</sup>

Law-enforcement and customs officials will have to remain vigilant of wine consignments. It is still common for officials to seize drugs concealed in wine consignments, as in the case of *State v Rodriguez*. For East and Southern Africa more broadly, this case is indicative of how patterns of licit trade can be hijacked for smuggling contraband.

## **3. The arrest in Mozambique of a top Brazilian cocaine trafficker raises questions about the region's role as a cocaine trans-shipment point.**

Recent shifts in the cocaine trans-shipment route in southern and East Africa suggest a need to re-evaluate the impact that cocaine smuggling is having on the region, particularly in regard to local drug use and corruption in law-enforcement agencies. While East Africa has been the site of large heroin seizures since the early 2000s, the arrest of the high-level Brazilian drug trafficker Gilberto

Aparecido Dos Santos, alias 'Fuminho', on 13 April in Mozambique has put the cocaine trade in the spotlight. Together with recent seizures, the arrest of Dos Santos suggests that shifts in the geographic dispersion of cocaine, and the structure of the networks involved, may have occurred.

## WHY IS THE ARREST OF 'FUMINHO' SIGNIFICANT?

Dos Santos is accused of controlling the large-scale shipment of cocaine and weapons from Bolivia and Paraguay to Brazil, as well as running an expansive criminal network in Bolivia which benefits from police protection.<sup>65</sup> He is also a close ally of leading figures in the PCC, Brazil's largest and most powerful criminal organization. While some reports have described him as a 'leader' of the PCC, it remains unclear whether he is involved with the group as a full member or a powerful ally.<sup>66</sup> He reportedly arranged for the assassination of two leading PCC figures, as well as orchestrating two separate plots to break his close PCC ally, Marcos Willians Herbas Camacho, alias 'Marcola', out of Brazilian federal prisons. Brazil issued an international arrest warrant for Dos Santos in 2018 over his connection to the PCC assassinations,<sup>67</sup> although he had been wanted since 1999 after escaping prison.

The arrest of Dos Santos in Mozambique brought the 21-year manhunt to an end. He was apprehended with two Nigerian associates at a luxury hotel complex in Maputo in a joint operation between the US Drug Enforcement Administration (DEA), the Mozambican police and the Brazilian federal police. He was then extradited to Brazil on 19 April, a development which Mozambican authorities announced after he had been removed from the country.<sup>68</sup>

According to Mozambican media, Dos Santos had long maintained a presence in Mozambique and South Africa, since both countries were destinations for his shipments of cocaine.<sup>69</sup> This is reflective of the evolution of the PCC, which originated as a prison-based gang within Brazil, into an organization that has become increasingly involved in international cocaine shipments to both Europe and Africa in recent years.<sup>70</sup> Long regarded as a cocaine-consuming nation, Brazil has in recent years emerged as a major international exporter of cocaine.<sup>71</sup> In addition to his connections in Mozambique, Dos Santos is reported to have connections to the Italian 'Ndrangheta, for arranging cocaine shipments to Europe.<sup>72</sup>

However, Dos Santos's exact whereabouts were previously difficult to pinpoint. Information that he was resident in South Africa<sup>73</sup> was at odds with other reports that he was most likely based in Bolivia until late 2019, while other reports indicated that he had shifted his operations to Paraguay.<sup>74</sup> For many observers in

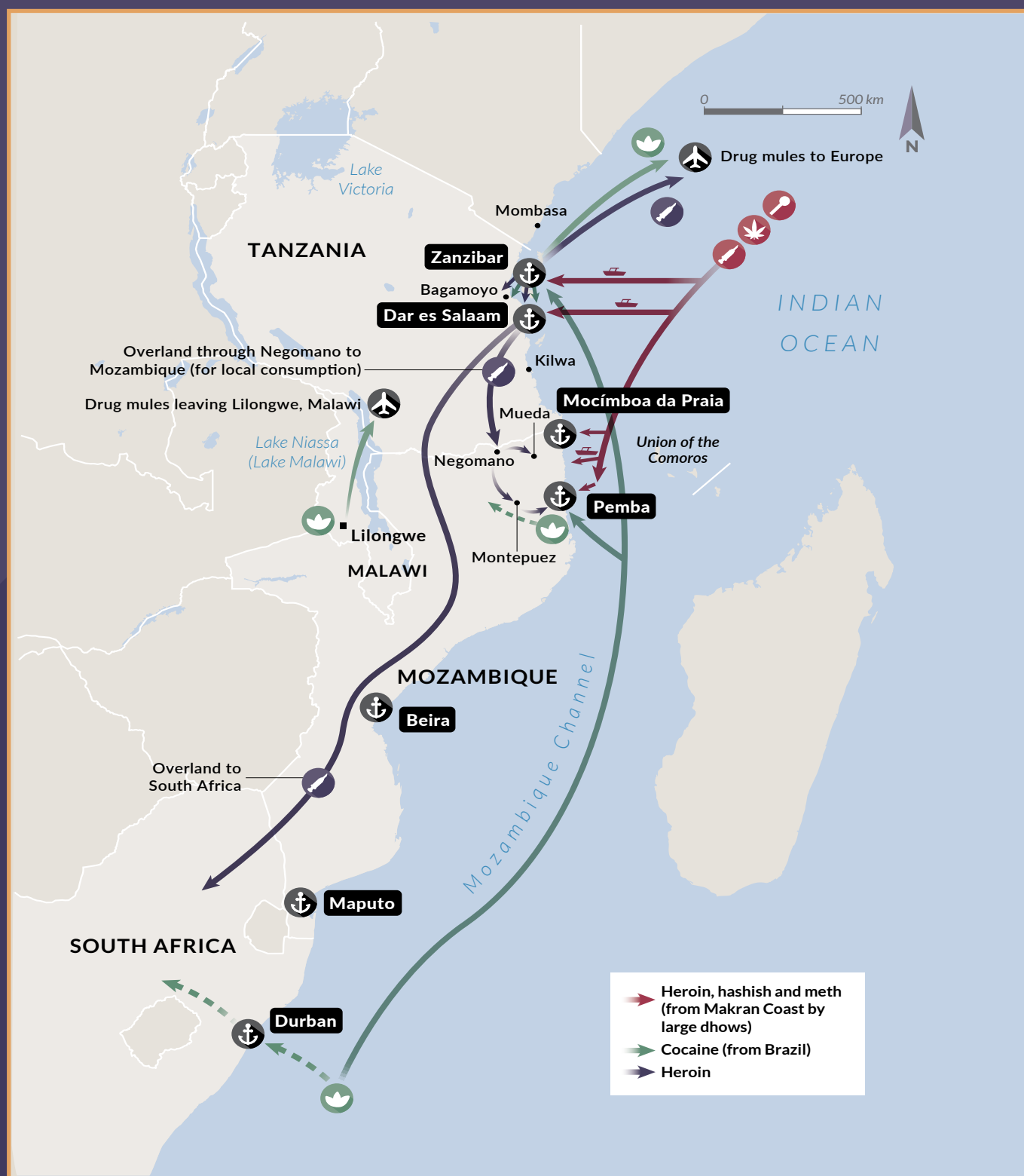
Brazil (and Latin America more broadly), his arrest in Mozambique came as a surprise.<sup>75</sup>

## COCAINE TRAFFICKING TO SOUTHERN AND EAST AFRICA: AN INCREASINGLY USED ROUTE?

Dos Santos reportedly facilitated shipments of cocaine to South Africa and Mozambique using container vessels.<sup>76</sup> Recent GI-TOC fieldwork in the region echoes these reports, finding that cocaine is arriving directly into Pemba port, northern Mozambique and Zanzibar by sea from Brazil. Our research in Pemba found that the entry of both heroin and cocaine through the port is seemingly linked to one trader, who owns businesses that rely on imported goods in containers that may also conceal drugs, and through corrupt connections is able to ensure that containers are not searched.<sup>77</sup> The reported increase in cocaine trafficking to Mozambique in recent years may be linked to an increase in the movement of (legal) containerized goods arriving directly from Brazil after a trade agreement was signed between Mozambique and Brazil in 2015.<sup>78</sup>

As with heroin, seizures of cocaine in East Africa are nothing new. In fact, East Africa was identified as a cocaine trans-shipment region in the early 2000s when there were several large seizures (including seizures greater than one tonne) linked to prominent politicians, as well as reports of Italians linked to drug trafficking who had settled in Malindi in Kenya and on Zanzibar.<sup>79</sup> However, while the link between cocaine, local political figures and Italian networks in Kenya and Zanzibar dates back around 15 years, direct links between Brazilian figures and East and southern African countries have only become apparent in the past five years, with large 'symptoms' (such as arrests and seizures) only emerging since 2018.

Another drug-trafficking kingpin – Tanveer Ahmed, alias Galby, a Pakistani national reportedly of Seychellois origin – was arrested in a DEA-led operation in Mozambique in October 2018 and extradited to the United States in January 2020.<sup>80</sup> Ahmed's Mozambique-based network was known for trafficking heroin, hashish and cocaine, with the drugs smuggled in dhows that were met offshore by small boats.<sup>81</sup> The cocaine in these shipments is thought to come from containers shipped to Zanzibar. Ahmed himself faces charges for heroin trafficking but was arrested while in possession of 34 kilograms of cocaine.



**FIGURE 3** Drug-trafficking routes along the East African coast

NOTE: Dotted lines indicate routes that have been suggested by seizures, but which the Global Initiative has not yet been able to verify independently.

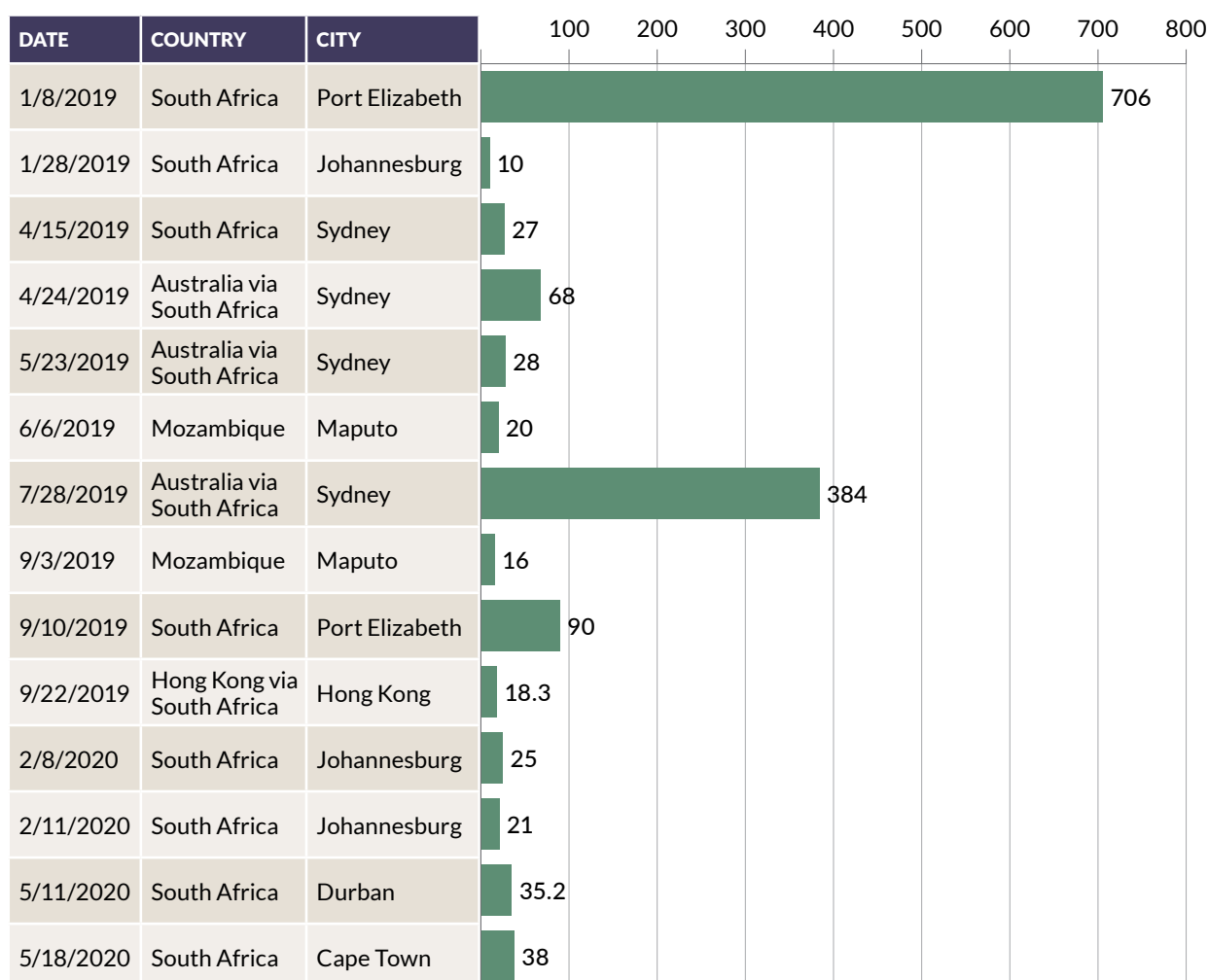
## SHIFT TOWARDS SOUTH AFRICA?

There have also been notable seizures in South Africa in recent years, although little is known about the networks behind them. On 11 May 2020, around 35 kilograms of cocaine packaged in bricks was seized in Durban port after a tip-off led the authorities to a container from Brazil.<sup>82</sup> A little over a week later, the South African authorities seized 32 kilograms of cocaine, also in bricks, hidden in a truck travelling to Cape Town.<sup>83</sup> In January 2019, more than 700 kilograms of cocaine were seized, again following a tip-off, in a container ship coming from Brazil which had docked at the port of Coega, near Port Elizabeth, South Africa.<sup>84</sup>

Our understanding of the route that cocaine takes around the region and out of it is also fragmentary. Cocaine coming into Zanzibar is smuggled out using drug mules on

flights to Europe, North America and Australia, and in air cargo.<sup>85</sup> Some information also suggests that cocaine is also trafficked overland from Dar es Salaam and Pemba, but we do not know where it goes from there.<sup>86</sup> From other GI-TOC work, we have unconfirmed reports that cocaine is increasingly trafficked from Blantyre and Lilongwe, but we have not established the route by which it reaches Malawi.<sup>87</sup>

As far as trans-shipment out of Africa is concerned, previous Risk Bulletin pieces have covered the drug mule trade in East and southern Africa, where mules smuggle both heroin and cocaine through Entebbe Airport in Uganda,<sup>88</sup> OR Tambo Airport in Johannesburg, South Africa, and Bole Airport in Ethiopia.<sup>89</sup> Other GI-TOC research also identifies Kamuzu and Chileka international airports in Malawi as important trans-shipment nodes.<sup>90</sup>



**FIGURE 3.2** Cocaine seizures made in South Africa and Mozambique, January 2019 to May 2020 (kilograms)

NOTE: Only incidents involving over 10 kilograms of powder cocaine have been included in the analysis. Incidents where it was not possible to determine the weight of drugs seized have been excluded.

Networks that smuggle drugs via air mules have primarily been identified as being African. Nigerian networks play a large role in the regional crack-cocaine trade, and in recruiting and using drug mules to send drugs to Asia. But many networks drawing on other African nationalities are also involved.

Since 2017, much larger quantities of cocaine have been leaving South Africa in cargo shipments, mostly to Australia. Australia received nine times the volume of cocaine via air cargo from South Africa than any other country between 2017 and 2018.<sup>91</sup> Since 2019, cocaine has also been smuggled in container shipments. In April 2019, 68 kilograms was found hidden in furniture shipped from South Africa. In the largest seizure, 384 kilograms of cocaine was found in July 2019, hidden in a second-hand Caterpillar excavator.<sup>92</sup> The large size of these shipments suggests that the South Africa–Australia connection was a tested and usually reliable route. With regard to the 68 kilogram seizure in April 2019, the *Sydney Morning Herald* reported that the early findings of the police investigation ‘point[ed] to the involvement of a larger syndicate, both in Australia and internationally.’<sup>93</sup> Indeed, these large cargo shipments to Australia raise questions about whether there are different networks, possibly European or Latin American, now operating in South Africa, and who are sourcing much larger quantities of cocaine and distributing it to new markets.

### **HOW DID EAST AND SOUTHERN AFRICA BECOME A TRANS-SHIPMENT ROUTE?**

A picture of the cocaine route in East and southern Africa is only beginning to emerge and requires more research. The GI-TOC is currently undertaking fieldwork analysing domestic drug-market characteristics and their related supply-chain flows in 10 countries of East and southern Africa. But while the specific history of how each market and route emerged remains to be told, there are some factors that we can safely assume have played a significant role in their development. It is useful to think about these as external and internal drivers of transnational drug trafficking.

Externally, the region is absorbing the impact of increased coca-bush cultivation and cocaine production in South America, both of which reached an all-time high in 2017, the last year for which there are verified records from the United Nations Office on Drugs and Crime (UNODC).<sup>94</sup> This has been matched by rising rates of global cocaine

consumption, documented primarily in North America and West and Central Europe.<sup>95</sup>

Globally, cocaine-smuggling networks have also diversified and explored new routes as law-enforcement operations reduce the profits generated by old ones. This helps drive the globalization of drug routes as trafficking organizations adapt to disruption and exploit opportunities as they arise.<sup>96</sup> However, the implications of these shifts for Africa have not been well documented. The UNODC notes that while anecdotal information points to emerging cocaine use in Africa and Asia, ‘data on drug use in those regions is chronically limited’.<sup>97</sup> Similarly, the UNODC notes that while Africa accounted for only 0.3% of global cocaine seizures in 2017, the ‘limited capacity of countries in Africa to carry out and report seizures may result in an underestimation of the extent of cocaine trafficking in Africa’.<sup>98</sup> That cocaine markets are growing in ‘new’ parts of the globe (such as Asia and Africa) would also follow from the diversification of cocaine-transit routes, as pointed out in the recent surge in cocaine markets in the Pacific Islands, which have sprung out of new routes into the lucrative Australian market.<sup>99</sup>

Then there are the internal factors which make the East and southern Africa region look attractive to smugglers looking for a new way to move their product. In East Africa, high levels of corruption have helped facilitate the entry of new criminal networks into the region – the same conditions that allowed a heroin trans-shipment route to develop across the region 30 years ago. Corruption has also played a part in South Africa’s development as an important trans-shipment hub, although this change is more recent, with early research suggesting that this development took place in the past five years when the country’s law-enforcement agencies were severely compromised and distracted by state corruption.<sup>100</sup>

Cutting across these vulnerabilities are the opportunities that new trade deals and infrastructure improvements have offered to illicit actors, as well as licit ones. As mentioned above, cocaine smuggling to the region appears to be piggybacking off the increase in licit trade between Brazil and Tanzania, Mozambique and South Africa.

### **UNDERSTANDING THE LOCAL IMPACT OF TRANSNATIONAL TRANSIT ROUTES**

Dos Santos is one of the most high-profile criminal figures to have been arrested in the region on cocaine-trafficking



charges, and his arrest suggests that southern Africa is playing a larger role in the global cocaine trade than expected. Emerging – or increasing – transit drug routes deserve our attention as they typically not only take advantage of corruption, but also increase it.

Transit routes also tend to generate increased local consumption of drugs, and the unaddressed public-health impacts of criminalized substances can be severe. Indeed, we are detecting increasing rates of cocaine use across the region, with crack cocaine being particularly popular in Malawi and Tanzania, and cocaine powder popular among the middle class and wealthy in Zimbabwe, Zambia and South Africa.<sup>101</sup> There are stable domestic retail consumer markets for cocaine in Malawi

and South Africa and rapidly growing retail markets for the drug in Botswana, eSwatini, Lesotho, Zambia and Zimbabwe.<sup>102</sup>

The arrest also raises questions about the inaction of law-enforcement authorities in the region, given suggestions that Dos Santos had a presence in the region for some years. Mozambican commentators have suggested that the speedy extradition of Dos Santos may hamper any investigation into his local networks, and any Mozambican figures who were complicit in his activities and the laundering of drug-trafficking proceeds.<sup>103</sup> The emerging picture of the facts surrounding the arrest suggests that there may be similar questions to answer in Dos Santos's other base of operations, South Africa.

#### **4. The prosecution and subsequent acquittal of an Iranian crew accused of trafficking heroin by dhow in the Seychelles highlights trends in drug trafficking in the Indian Ocean basin.**

In April 2016, a vessel of the Seychelles Coast Guard intercepted an Iranian-flagged dhow – a small fishing vessel – named the *Payam Al Mansur*, which was found to be carrying almost 100 kilograms of heroin and almost 1 kilogram of opium. The ensuing prosecution and subsequent acquittal on appeal of two crew members has been one of the most high-profile drug-trafficking cases prosecuted in the Seychelles in at least the past five years.<sup>104</sup> The case appeared emblematic of the unique role dhows seem to play in the trafficking of illegal goods – including but not limited to drugs – in the Indian Ocean and along the East African coast.

##### **THE CURIOUS CASE OF THE PAYAM AL MANSUR**

The two individuals brought to trial in the *Payam Al Mansur* case were Emam Bakhsh Tarani, the captain, and Hattam Mothashimina, the son of the owner of the vessel. Charges against a third member of the crew, an engineer, were withdrawn before the start of the trial due to a lack of evidence that he was aware of the illicit cargo on board.

Testifying in late 2017, both men described how the vessel had departed its home port of Konarak, Iran, purportedly on a fishing trip to Tanzania. Both denied any knowledge of the drugs and alleged in their testimony that the vessel's owner, Mothashimina's father, had placed the drugs on board the ship before the crew had set out on their voyage.<sup>105</sup> In the face of the forensic analysis of the drugs and the testimony of the Seychelles Coast Guard and

police officers who participated in the seizure, both Tarani and Mothashimina were convicted on drug-trafficking charges in early 2018 and given life sentences.<sup>106</sup>

However, the judgment of an appeal delivered in mid-December 2018 complicated what had initially seemed to be a straightforward prosecution.<sup>107</sup> The appeal found that the trial judge had been in error in finding that the prosecution had proven beyond doubt that the ship had been seized in Seychellois territorial waters. While coastguard officials had testified that the vessel had been intercepted four nautical miles from Bird Island (a small island in the northernmost area of the Seychelles archipelago), no corroborating documentation (such as the ship's logbook) was produced by the prosecution. Footage of the interception in action likewise did not establish precisely the location of the action recorded. The appeal duly overturned the convictions of Tarani and Mothashimina on the grounds that the offence was not proven to have been committed in the territorial waters of the Seychelles, not on any evidential issue over whether the ship and the convicted crew members were involved in drug trafficking.

There is also an ongoing legal battle over custody of the dhow itself, which in the years since its seizure has been used by the United Nations Office on Drugs and Crime (UNODC) as a training vessel for law-enforcement officers.<sup>108</sup> The dhow's owner, Malik, appealed to the

courts in March 2019 for its release, but the Seychelles authorities argue that it is still subject to forfeiture as the proceeds of crime.

### DHOW TRADE, BOTH LEGAL AND ILLEGAL

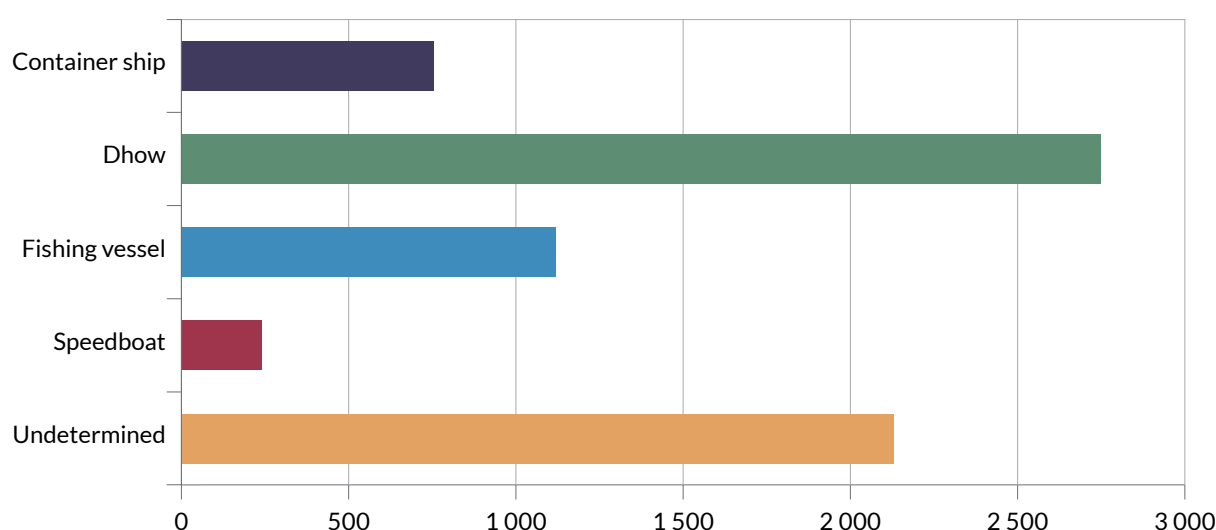
Seizure data shows that dhows, and in particular Iranian dhows such as the *Payam Al Mansur*, are the primary means by which heroin is trafficked from the Makran coast of Iran and Pakistan throughout Indian Ocean coastal states and islands. Analysis of reported seizures of heroin in the Indian Ocean region shows that a greater volume of heroin was seized from dhows in 2019 than any other vessel type.

But dhow-based trafficking of illicit goods is by no means limited to heroin. Interceptions of dhows made by international maritime forces such as the Combined Task Force 150 (CTF 150) – an international naval force tasked with countering piracy, terrorism and trafficking off the Horn of Africa – have detected dhows carrying shipments of weapons from Iran to Somalia and Yemen, as well as large cargos of methamphetamines, hashish and cannabis to destinations around the Horn of Africa.<sup>109</sup> Recent GI-TOC research on trafficking routes between Zanzibar, northern Mozambique and the Comoros has tracked human-smuggling operations using dhows along the East African coast – the so-called ‘southern route’ by which migrants travel from the Horn of Africa, largely towards South Africa.<sup>110</sup> According to Per Erik Bergh, director of the NGO Stop Illegal Fishing, investigations

conducted by Stop Illegal Fishing and Greenpeace to counter illegal fishing off the coast of Tanzania also found large-scale smuggling of charcoal taking place in dhows travelling between Somalia, Kenya, Tanzania and Zanzibar, as well as the aforementioned human-smuggling routes.<sup>111</sup> Charcoal from Somalia is under UN Security Council sanction and the charcoal trade has been established as source of funding for Al-Shabaab.

In part, the ubiquity of dhows in seaborne trafficking in the Indian Ocean reflects the widespread use of these vessels in legal trade and fishing. For hundreds of years, small wooden dhows plied the trade routes between East Africa, the Gulf states and India, and they continue to occupy a vital niche in the regional maritime economy today, having evolved to become larger, engine-powered vessels capable of managing long voyages. The *Payam Al Mansur* – a Jelbut-type engine-powered dhow which can be up to 50 feet in length – is typical of the type of dhow produced in Iran and used widely in the Indian Ocean today, both in fishing and the transport of cargo.<sup>112</sup>

Modern dhows carry a range of commodities, from steel and coal to grain and livestock, between India, the Gulf countries and East Africa.<sup>113</sup> For years, dhows based in the UAE have helped Iran circumvent trade sanctions, with dhows carrying everyday consumer goods from the UAE to Iran via the re-export trade.<sup>114</sup> And while some dhows may have been intercepted carrying illegal shipments of weapons to Yemen, others have provided



**FIGURE 4** Volume of heroin seized from different vessel types in the Indian Ocean, January–December 2019 (kilograms)

NOTE: ‘Undetermined’ consists of two seizures: two tonnes of heroin with 99 kilograms of crystal methamphetamine seized by Egyptian security forces, April 2019; and 130 kilograms of heroin seized by the Pakistan Maritime Security Agency, September 2019. No public information is available specifying the type of vessel involved.

vital humanitarian supplies to the war-torn country, which larger-scale sea cargoes are unable to reach.<sup>115</sup>

According to some ethnographers, dhows continue to be used in the Indian Ocean thanks to their ability to travel where commercial, large-scale shipping cannot, whether due to security issues or the limited capacity of some ports.<sup>116</sup> According to Bergh, the ports used by dhow crews are often separate from main shipping container ports and, historically, not subject to the same regulatory scrutiny.<sup>117</sup> These factors, coupled with the fact that dhow-based trade is often informal and unregulated, has historically allowed illegal commodities to be easily concealed within other cargoes.<sup>118</sup>

However, this picture is reportedly changing. According to Alan Cole of the UNODC Global Maritime Crime Programme, recent months have seen a shift away from dhow-based trafficking towards other types of vessels. Other experts interviewed in the course of Global Initiative research have suggested that bulk carriers (larger merchant ships designed to transport unpackaged

large cargoes) are becoming more commonly used.<sup>119</sup> According to Cole, the reputation that seagoing dhows have acquired for being involved in trafficking, along with improved methods of identifying dhows involved in criminal activity (for example, by their behaviours and methods of loading), have made it more difficult for dhow crews to operate under the radar of the authorities.<sup>120</sup>

## SHIFTING ROUTES THROUGH THE INDIAN OCEAN

The acquitted crew members of the *Payam Al Mansur* maintained that Tanzania, rather than the Seychelles, was their ultimate destination. If true, this is in keeping with maritime routes to Indian Ocean island states such as the Seychelles, which are reported to predominantly pass via the East African coastline, including Tanzania and Kenya.<sup>121</sup> Although dhows from the Iranian coast do travel to the Seychelles directly (reportedly dropping cargoes of heroin offshore to smaller fishing vessels from the Seychelles) before heading to East Africa,<sup>122</sup> the more circuitous route – heading to the mainland first, then back east to the islands – is reported to be more frequently used by trafficking networks.



- ▲ A boarding party from the Australian naval vessel HMAS *Melbourne* – operating as part of the Combined Task Force 150 – intercept a dhow found to be carrying nearly 2 tonnes of cannabis resin. As can be seen from the logo on the hull of the vessel, this dhow was manufactured by the Al Mansoor company.

SOURCE: Australian Government, Department of Defence

- ◀ The *Payam Al Mansur* docked in the Seychelles after it was intercepted carrying almost 100 kilograms of heroin and almost 1 kilogram of opium by Seychelles authorities in April 2016.

SOURCE: UNODC Maritime Crime Programme, via Twitter

However, more rigorous law enforcement in Tanzania has apparently spurred trafficking networks to adopt different routes,<sup>123</sup> travelling south towards Mozambique<sup>124</sup> or, increasingly, arranging trans-shipment via eastern Indian Ocean states such as Sri Lanka.<sup>125</sup> Sri Lankan and Seychellois law-enforcement agencies were reportedly coordinating investigations in 2019<sup>126</sup> after the seizure of over 200 kilograms of heroin in a Sri Lankan port in December 2018 revealed a trafficking network which had reportedly been repeatedly shipping heroin to the Seychelles by sea.<sup>127</sup>

### **AL MANSOOR – A COMMON THREAD IN MANY TRAFFICKING CASES**

The facts of the *Payam Al Mansur* case resemble other dhow-based trafficking operations in some of the details. The dhow was manufactured by a Chabahar-based company named Al Mansoor.

Over the past decade, Al Mansoor dhows have featured in multiple trafficking cases. Analysis of open-source information on dhows seized in the Indian Ocean for this bulletin found 16 separate trafficking incidents involving Al Mansoor dhows, including the trafficking of heroin, methamphetamines and cannabis as well as weapons destined for Somalia and Yemen. The *Payam Al Mansur* dhow itself was seized in 2010 off Mozambique for illegal fishing offences,<sup>128</sup> and, according to a senior UN official, has been reportedly been identified as being involved in other criminal activity by organizations tracking illicit flows across the Indian Ocean.<sup>129</sup>

Al Mansoor build dhows that may attract the interest of trafficking networks because the company is known to customize dhows according to the buyers' needs, for example, by fitting custom compartments and large fuel tanks for the long journey to East Africa. Researchers have questioned whether the company has

any knowledge of the manner in which their products may end up being used in illicit operations, but, despite repeated investigation into the company, there is no demonstrable link between Al Mansoor or any criminal enterprise. A 2016 report by Conflict Armament Research alleged that weapons shipments detected in Al Mansoor dhows could 'plausibly derive from Iranian stockpiles' of state weapons, and pointed out that the company headquarters in Chabahar is adjacent to an Iranian Revolutionary Guard Corps facility. However, no such connection between the Revolutionary Guard Corps and Al Mansoor has been established. Nonetheless, Al Mansoor dhows seem to be a common logistical thread running between many smuggling businesses.

According to Cole, it is however sometimes possible to connect the companies that own and finance dhows travelling in the Indian Ocean with intent to traffic illegal goods.<sup>130</sup>

### **AN OPPORTUNITY MISSED**

While in many ways the *Payam Al Mansur* case resembled many cases of heroin trafficking in the Indian Ocean – in terms of the vessel involved, the route travelled and even its manufacturer – it stood out as a rare opportunity for a major case of international maritime drug trafficking to be prosecuted in the island nation. Whereas seizures made in international waters by forces such as CTF 150 are not able to be prosecuted as they do not fall under the jurisdiction of one nation (the drugs seized are merely destroyed), this case offered the chance to gain much-needed insight into members of a trafficking network. However, the failure of the prosecution to establish the jurisdiction in which the crime was committed proved to be the stumbling block of the entire investigation, highlighting once again the challenges facing law enforcement in combating drug trafficking in the maritime domain.

## **5. Interlocking networks between Cape crime families may be enabling audacious and disruptive underworld power struggles.**

On 11 May 2020, an assassination attempt was made on Ernie 'Lastig' Solomon, one of the most notorious figures in Cape Town and leader of the Terrible Josters gang. Solomon, his son Carlo and Jonathan 'Blikke' Thomas (allegedly Solomon's right-hand man) were shot at multiple times in Hawston, a small town on South Africa's west coast, reportedly with a machine gun.

While Solomon – who is believed to be the target of the assassination attempt – and his son were only wounded, Thomas was killed.

Hawston is a small coastal settlement close to the wealthy town of Hermanus, but although it is 100 kilometres from Cape Town, it is still within the ambit of the city's

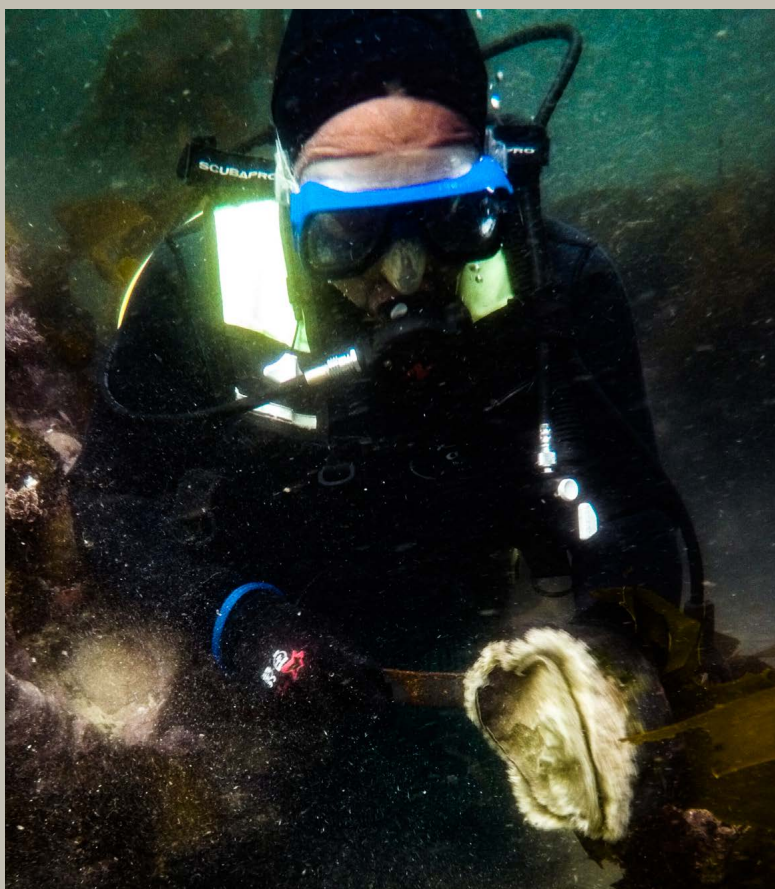


criminal underworld. Many Hawston families have lived in the town since it was founded at the beginning of the nineteenth century, for the most part depending upon small-scale fishing for their livelihoods until the industry began to collapse in the 1990s. Since then, Hawston has become increasingly involved in Cape Town's broader drug market thanks to its central role in the illegal abalone trade, on which its economy is now to some degree reliant.

Abalone – a large mollusc highly prized in China as a gourmet food – is endemic to the South African coast and can be harvested from reefs and kelp forests by divers with basic scuba-diving equipment, albeit at great danger. Since the mid-1990s, it has been heavily exploited and illegally traded by Cape Town's gangs with Chinese organized-crime groups. Chinese crime groups have typically exchanged drug precursors (or sometimes weapons) for the seafood, in particular the precursor ephedrine, which is used to manufacture mandrax (a popular drug in the Western Cape in the 1980s and still in use) and, more recently, crystal methamphetamine, which is heavily abused in the Western Cape.<sup>131</sup>

Local residents, including gang members, allege that Solomon gained control of Hawston between 2003 and 2005 through an extremely violent imposition of his authority which still haunts the coast. 'When you want to [control] something ... then sometimes you must put violence on it, blood on it, death on it. Ernie's people did that here and hurt many people. Many were killed and families broken apart', alleged a gang member from Hawston.<sup>132</sup>

Solomon is also alleged to have earned a high rank in the 28s gang in prison. The 28s is one of the number gangs, which also encompass the 26s and 27s. The history of the numbers gangs in the country's prisons stretches back to the colonial period. Membership of the 28s provides a criminal affiliation within the Cape Town underworld which cuts across different territorial gangs. Somewhat confusingly, there is now also a street-based 28s gang, as well as an alliance of gangs affiliated with the prison-based 28s. This alliance of 28s-affiliated gangs is believed to control the harvesting of abalone across a large swathe of the Cape coast, from Kleinmond to



◀ A poacher shucks abalone off the Western Cape coast. Hawston, the home town of Ernie 'Lastig' Solomon, has for many years been a centre of abalone poaching. © Shawn Swingler

▼ A resident of Hangberg in the Western Cape prepares abalone for the pot. © Shawn Swingler





Cape Agulhas.<sup>133</sup> Solomon is also the alleged leader of the Terrible Josters, a street-based drug-dealing gang that is believed to control Hawston. In recent court testimony, a member of the Terrible Josters (now in witness protection) testified that the gang numbered 10 000 members and also controlled territory in Delft, Mitchells Plain, Wesbank and Elsies River in the city of Cape Town, as well as in other towns across the Western Cape province.<sup>134</sup>

Through their hold over Hawston and the surrounding coast (through their affiliation to the 28s), the Terrible Josters therefore enjoy an enviable position as a gang. They control both the territory from which they can harvest an environmental product to exchange for drug precursor chemicals (which also allows them to sell drugs and precursors wholesale to other gangs), as well as the neighbourhoods in which to sell the drugs on a retail basis. Residents of Hawston claim that major gang figures of rival gangs would visit the town to collect large quantities of drugs, though they do not believe that the drugs were manufactured in the town.<sup>135</sup>

Solomon's allegedly powerful position may have been the reason he was targeted for assassination, although Western Cape police spokesperson Colonel André Traut stated on 14 May that 'the motive for the incident is yet to be determined and suspects are yet to be arrested'. However, several theories are circulating in gang networks about the logic behind the attempted hit. One blames 'outsiders', or rival gangs, arguing that the hit is a reprisal for Solomon's alleged involvement in other attacks (namely the attempted hit on rival gang boss Ralph Stanfield or the successful hit on rival Hard Livings gang boss Rashied Staggie).<sup>136</sup> However, the most frequently heard explanation is that the hit was the result of internal divisions within the Terrible Josters and within Solomon's own family. This theory echoes the most compelling explanation put forward for the murder of Staggie, which has also been alleged to have been a family job.<sup>137</sup>

Several sources allege that the hit may have been initiated in retaliation of an attempt on the life of Solomon's nephew, Horatio 'Voudie' Solomon, on 15 March 2020, which was widely believed to have been ordered by his uncle.<sup>138</sup> In the hierarchy of the Terrible Josters, Horatio is claimed to be one of three senior figures directly beneath Ernie Solomon.<sup>139</sup> Sources

allege that Ernie Solomon's motive for the hit on his nephew may have stemmed from a rift between the two relating to Horatio's attempt to leave the gang world and his ongoing trial – facing serious charges – in a case in which he was seen as 'taking the hit' for doing his uncle's 'dirty work'.<sup>140</sup>

While Horatio Solomon survived the hit (which took place outside his house in Durbanville, Cape Town) with a head and chest wound, his 13-year-old daughter did not. In addition to potentially providing a motive for Horatio's alleged reprisal, this attack is also thought to have fuelled distrust among the other two members of the senior leadership towards Ernie Solomon.

### DO HITS BY 'INSIDERS' REPRESENT A TREND?

Hits against gangsters are a common occurrence in the Western Cape, and hits against very senior gangsters have become even more frequent in recent months. But if Staggie's murder and the attempt on Ernie Solomon's life have been ordered or carried out by close personal family members, it might suggest a new dynamic in underworld politics: the rising threat of insiders, including close family members, operating in cahoots with rivals.

This dynamic arguably speaks to the evolution of the Western Cape's gang culture and drug markets. Senior gang bosses who made their names in the 1980s and 1990s now appear to be threatened by second- or third-generation family members who have been schooled in the management of the larger, more diverse drug markets that have dominated the city since then. The superimposition of the prison-based number gangs (the 26s, 27s and 28s) over street gangs has allowed large coalitions of street gangs to form, meaning that this younger generation may have networks throughout the gang landscape, giving them the opportunity to form treacherous alliances.

If this is the case, then there is not necessarily a contradiction between the claims that the hit was an attempt to settle scores by rival gangs and that it was arranged by a close family member. One theory of the motive behind the unsuccessful hit on Ernie Solomon is that Horatio Solomon drew on help from gangs eager to muscle in on Terrible Josters/28s territory.<sup>141</sup> Indeed, TimesLIVE reported that 'Solomon's shooting was part of bigger movements in the Western Cape underworld to organise a new "super-alliance" between various gang

bosses' who wanted to break Solomon's alleged hold on the illegal abalone trade.<sup>142</sup> GI-TOC sources say that of the many attempts on Ernie Solomon's life, this is the first time that someone 'succeeded to come this close'.<sup>143</sup> That access might have relied on kinship ties.

These shifting dynamics may herald yet more instability, with lethal repercussions for the communities that live in gang-controlled neighbourhoods. Ernie Solomon has been released from hospital and is back on the streets on Hawston. However, locals say that Hawston is so far calm and, given that Solomon has survived and (they believe) the hit was an internal affair, they do not expect a war.<sup>144</sup>

Gangsters and residents see both risks and opportunities in removing the current 'administration'. The greatest risk is that shifts could invite competition by rivals to take the place of the Terrible Josters. Residents of Hawston

unaffiliated to gangs say that there has been relative peace in the area since it came under the complete control of the 28s,<sup>145</sup> but this could quickly change if Ernie Solomon is removed. 'The problem now is if they kill Ernie, then all the nonsense [i.e. the gang wars that have devastated the Cape Flats] will come here and that will be worse for us,' said a former member of a Cape Town gang, now living in Hawston.<sup>146</sup>

The prize for ousting Solomon – controlling Hawston – may also have become less lucrative. Figures involved in the abalone trade says that following measures taken in China in the wake of the coronavirus outbreak, demand has fallen, and with it, the price of abalone to half its pre-outbreak value.<sup>147</sup> This is seriously undermining the poaching economy of the Overberg region and may signal an opportunity for development and other initiatives to undermine gang control and recruitment along the coast.

## Notes

- 1 Among the swathe of new reporting on this topic, see Cecilia Anesi et al., What Lockdown? World's cocaine traffickers sniff at movement restrictions, Organised Crime and Corruption Reporting Project, 20 May 2020, <https://www.occrp.org/en/coronavirus/what-lockdown-worlds-cocaine-traffickers-sniff-at-movement-restrictions>; and Jason Eligh, Crisis and opportunity: Impacts of the coronavirus pandemic on illicit drug markets, Global Initiative Against Transnational Organized Crime, 13 May 2020, <https://globalinitiative.net/coronavirus-illicit-drug-markets/>.
- 2 Global Initiative Against Transnational Organized Crime, Crime and Contagion: The impact of a pandemic on organized crime, 26 March 2020, <https://globalinitiative.net/crime-contagion-impact-covid-crime/>.
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- 132 Interview with a gang member in Hawston, 17 May 2020, by phone.
- 133 Aaron Hyman, Gang war feared on Cape Flats after attempt on life of 'Lastig', Timeslive, 14 May 2020, <https://www.timeslive.co.za/news/south-africa/2020-05-14-gang-war-feared-on-cape-flats-after-attempt-on-life-of-lastig/>.
- 134 Vincent Cruywagen, Gangster gives chilling evidence on 10 000-man army spread all over Western Cape, IOL News, 15 August 2019, <https://www.iol.co.za/capeargus/news/gangster-gives-chilling-evidence-on-10-000-man-army-spread-all-over-western-cape-30808663>.
- 135 Interview with resident of Hawston with information from within gang networks, 19 May 2020, by phone.
- 136 Interview with resident of Hawston with information from within gang networks, 19 May 2020, by phone; interview with senior gang member in Cape Town, 14 May 2020, by phone; interview with journalist with sources who have access to or are affiliated with gangs, 15 May 2020, personal communication.
- 137 See Global Initiative Against Transnational Organized Crime, Risk Bulletin 6, March–April 2020, pp. 3–7, [https://globalinitiative.net/wp-content/uploads/2020/04/RB6.03.04.web\\_.pdf](https://globalinitiative.net/wp-content/uploads/2020/04/RB6.03.04.web_.pdf).
- 138 Interview with resident of Hawston with information from within gang networks, 19 May 2020, by phone; interview with senior gang member in Cape Town, 14 May 2020, by phone; interview with journalist with sources who have access to or who are affiliated with gangs, 15 May 2020, personal communication.
- 139 Interview with senior gang member in Cape Town, 14 May 2020, by phone.
- 140 Together with 11 co-accused, Horatio Solomon was facing 77 charges, including 11 murders, dealing in drugs, money laundering, illegal possession of firearms and contravention of the Prevention of Organised Crime Act (POCA); the theory that Horatio Solomon was 'taking the hit' for his uncle comes from an interview with senior gang member in Cape Town, 14 May 2020, by phone.
- 141 Interview with senior gang member in Cape Town, 14 May 2020, by phone; interview with journalist with sources who have access to or are affiliated with gangs, 15 May 2020, personal communication.
- 142 Aaron Hyman, Gang war feared on Cape Flats after attempt on life of 'Lastig', TimesLIVE, 14 May 2020, <https://www.timeslive.co.za/news/south-africa/2020-05-14-gang-war-feared-on-cape-flats-after-attempt-on-life-of-lastig/>.
- 143 Interview with a gang member in Hawston, 17 May 2020, by phone.
- 144 Interview with resident of Hawston with information from within gang networks, 19 May 2020, by phone.
- 145 Ibid.
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- 147 Interview with resident of Hawston with information from within gang networks, 19 May 2020, by phone; also corroborated in Kimon de Greeff, 'South Africa's Abalone Black Market Is Being Squeezed by COVID-19', *Hakai Magazine*, 21 May 2020, <https://www.hakaimagazine.com/news/south-africas-abalone-black-market-is-being-squeezed-by-covid-19/>.

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