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**PRESS RELEASE**

## **REPORT REVEALS RUSSIA'S POWERFUL NEW DRUG TRADE**

*A report launched today by the Global Initiative Against Transnational Organized Crime (GI-TOC) entitled **Breaking Klad: Russia's Dead Drop Drug Revolution** by Max Daly and Patrick Shortis investigates groundbreaking new shifts in the illegal drug trade.*

In Russia over the last ten years a new way of running the illegal drug economy has grown to prominence. Russia has developed a unique drug trade model combining darknet vendor markets, cryptocurrency payments and physical 'dead drops' by couriers (or 'kladmen'), which now dominates its illegal drug sales and distribution supply chains. These trends are spreading abroad, with global implications.

Buying drugs by phone or text message and picking them up hand to hand in the street or a bar is on the wane. Instead most drugs are bought using cryptocurrency over the darknet and picked up using a system of dead drops. Teams of couriers hide drug packages behind lamp posts and drain pipes or in bushes and shallow holes. Buyers unlock their location on their devices once they make a purchase online.

This model has given rise to a new breed of tech-savvy organized crime groups operating large-scale darknet platforms that help facilitate drug production, marketing and distribution. The system is vertically integrated: the businesses running it – a handful of powerful, often conspicuously advertised, Amazon-style platforms and a network of shops that sell on them – oversee sales and distribution, as well as drug production.

The system has shifted drug consumption patterns in Russia, with locally produced synthetic stimulants becoming increasingly prevalent. A network of DIY drug chemists, provided with chemicals, equipment and instructions by the markets, now supply Russian drug users with a steady stream of drugs such as mephedrone and alpha-PVP, potentially signalling a shift in global illicit drug markets. For example in Ukraine, Russian soldiers have been able to use the dead drop method to pick up drugs on the frontlines, and the model is gaining traction in South Korea, and spreading to countries with strict anti-drug regimes.

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Despite its anonymised, digital nature, this model has significant real-world impacts, including high incarceration rates for low-level operatives, organized violence against employees and emerging public health concerns.

Russian authorities have largely failed to combat these darknet markets and their operators, focusing instead on low-level arrests of drug couriers.

The growing incidence of this system challenges conventional understanding of darknet markets and their impact on drug economies, demonstrating their potential to reshape entire national drug landscapes.

Addressing this phenomenon requires a two-pronged approach: Russian authorities should prioritize mitigating the negative impacts on society, while international bodies must familiarize themselves with this model and closely monitor its potential spread beyond Russia's borders.

Failure to muster a coherent response will have serious consequences. As the report warns: 'Those running Russia's drug trade, the big darknet markets, now have unique control over the drug trade and the drugs people are most likely to buy. Darknet markets should not be understood simply as online markets, but as a criminal ecosystem shaping drug use, distribution, and production trends across Russia and across an increasing number of countries on Russia's border.'

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