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## Drug Trafficking Among One of the Major Criminal Source of Money Laundering

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### Abstract

There are various criminal activities that generate money laundering. The traditionally known criminal activities that generate money laundering include drug trafficking, trafficking of women and children, smuggling, counterfeiting, tax evasion, misappropriation of public funds, corruption, bank frauds and so on. Drug trafficking is among one of the major sources of generating money laundering. By most estimates, the traffic in illicit drugs is one of the world's most substantial *money earners* and is becoming one of the *major sources* of generating money laundering. It destroys not only the vitals of the society but also adversely affects the *economic growth* of the country because this is a trade which *generates large unaccounted money* which, in turn, leads to adoption of *Money Laundering*. The money generated is used for various purposes including anti-national and terrorist activities and even clandestine trading in arms and ammunition. Drug trafficking [also referred to as the illegal drugs trade] is one of the largest global businesses, at some \$322 billion, according to the UN World Drug Report, 2007 and is a global black market and one of the most serious organized crime problem in the world today. It attracts *criminal organizations* because the potential profits are significantly more than from other criminal commodities. The UN report said the global drug trade generated an estimated \$400 billion in 2008. Proceeds of drug related crimes are an important source of money laundering world over. The drug trafficking is a significant concern as it poses a problem both at national as well as at international security on several fronts. It is used as a *financier* and *facilitator* of terrorist activity sponsored by neighbours. The drug trade has spawned large *money laundering networks* as a drain on the national economy. It threatens society by enhancing criminal activity. The enemy is *very powerful*, extremely *wealthy* and knows no borders. Keeping in view the above facts, therefore, the aim of the present paper is to examine the particular lucrative crime of drug trafficking as a global criminal activity which generate money laundering, its modus operandi of concealing the generated money, its impact, and to highlight its magnitude in India with special reference to searches and seizures.

**Keywords:** Drug Trafficking, Money laundering, Modus Operandi, Impact, Magnitude of Crime.

### 1. Introduction

*“Substances Abuse is a variety of persons, living in variety of social conditions, using a variety of psychoactive substances for a variety of Motives to achieve a variety of effects”*

World trade and investment have expanded and brought to some areas of the developed and developing world substantial economic benefits. Capital, goods and people move much more frequently and freely across national borders than was the case previously. In many industries, multinational enterprises operate on a world scale by allocating production according to the comparative advantage of individual countries or regions, by selling in diverse geographical markets and by undertaking financial operations where it is most advantageous. One of the consequences of these developments is that financial markets have become more transparent, with *massive daily transfers of money* around the world. Judging that the benefits of increased trade and investment outweigh a certain loss of sovereignty in controlling the entry and exit of people, goods and money, nation states seem to have made their fundamental choice in favour of economic liberalization because of the expected material benefits to be gained.

Likewise, India's emerging status as a regional financial center, its large system of informal *cross-border money* flows, and its widely perceived tax avoidance problems all contribute to the country's vulnerability to money laundering activities. Some common sources of *illegal proceeds* in India are narcotics trafficking, illegal trade in endangered wildlife, trade in illegal gems (particularly diamonds), smuggling, trafficking in persons, corruption, and income tax evasion.

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Drug trafficking is one earner among many, though a particularly lucrative one in recent decades, as the consumption of these products has risen. These associations differ from situation to situation, and from one world region to another. Historically, because of its location between the heroin producing countries of the Golden Triangle and Golden Crescent, India continues to be a drug-transit country. In addition, India's challenging terrain in the northeast and its lack of infrastructure provide exploitable opportunities for illegal cultivation and production.

The drug trade, above a certain scale of transactions, is very largely organized nowadays by criminal groups or networks as a rule engaged in many other forms of activity. They may specialise for a while, but each specialised activity tends over time to become associated with the others in a comprehensive range of illicit or criminal activities.

*Money is the purpose in the crime world in general and the drugs crimes in particular.* Illicit trafficking gangs use it to enhance and support their groups with the latest means of transportation, communication and most destructive weapons. With that same money, corruption is spread and terrorism is supported.

The combating bodies started tracing the proceeds of illicit trafficking to seize, freeze and confiscate them, but the criminal groups did not give up. They protected their huge amounts of money by concealing their illicit source and making them appear as legal. This process is known as money laundering, which can be explained as any conduct aiming at disguising illicit sources of justice authorities.

## 2. What Is Drug Trafficking

Drug trafficking is an international term that includes many offences involving narcotic drugs and psychotropic substances such as the production, cultivation, import, smuggling and promotion. The term extends to include crimes related to the tools and means of transportation used in the commission of the offences and the diversion of precursors and chemicals used in the illicit manufacture of narcotic drugs and psychotropic substances as well as crimes related to proceeds used in or resulting from illicit trafficking is known as Drug Trafficking.

Drug Trafficking is the illegal transport and sale of drugs from one part of the country to another or from one country to another. Widespread networks of interrelated groups, exist which employ modern technology to produce and transport illicit drugs, carry on drug trade. They are armed both for protection and intimidation, and can be very dangerous.

## 3. Types of Narcotic Drugs and Psychotropic Substances

Narcotic and psychotropic drugs worldwide are basically categorized as follows:-

(i) Opium-based:-

Opium based narcotic drugs are morphine and heroin. Poppy husk is also used very extensively in India.

(ii) Coca-based:-

Coca-based narcotic drugs are cocaine and cracks; the tribes inhabiting the coca-growing Andean region also chew coca leaves.

(iii) Cannabis:-

Cannabis herbal and cannabis resin are two forms in which this naturally growing plant is used.

## 4. Who Operates Drug Trafficking

There are different types of criminal organisations, which operate in the criminal world, a few of which are mentioned below:

(i) Organised predatory crime

(ii) Crime syndicate

(iii) Criminal racket

(iv) Political graft

## 5. National Initiative to Curb Drug Trafficking

In India, *The Narcotic Drugs and Psychotropic Substances Act, 1985*, were enacted with stringent provisions to curb this menace. The Act envisages a minimum term of 10 years imprisonment extendable to 20 years and fine of Rs.1lakh extendable up to Rs.2 lakhs for the offenders. But according to the observers, the Act has failed because of delay in trials, a weak bail law that left the poor languishing in prisons, the failure of investigating agencies to follow the procedural requirements of NDPS Act and a poor understanding of the addiction problem.

It is also worthwhile to mention here that the *Prevention of Money Laundering Act, 2002* that came in the force in July 2005, drug trafficking is also included as offence of schedule offence.

India's stringent Narcotic Drugs and Psychotropic Substances Act (NDPSA) was last amended in October 2001 and is designed to fulfill India's treaty obligations under the 1988 United Nations Drug Convention. An amendment to India's NDPSA was introduced to Parliament in September, but has not been passed so far.

The Central Bureau of Narcotics (CBN) has a mandate to monitor India's licit opium production and prevent diversion. The Narcotics Control Bureau (NCB) is the national drug control agency, established to prevent and combat the abuse of narcotic drugs and psychotropic substances. While the Government of India continues to tighten licit opium diversion controls and increase training of national enforcement officers, the capacity of India's drug law enforcement personnel to collect and analyze intelligence data and to initiate and conduct complex investigations of criminal drug trafficking and other organized crimes remains limited by insufficient training and modern equipment. Also, India's legal system is overburdened and understaffed, with tens of millions of court cases pending at any given time.

## 6. Drug Trafficking--Major Source of Money Laundering

Globalisation has had several impacts on criminal activities. Organized criminal activities have become transnational and de-territorised. Criminals take advantage of the global marketplace to trade in illicit drugs, traffic in persons, commit fraud and carry out other transnational crimes. Huge profits are generated from drug trafficking. A few years ago, it was estimated that the worldwide *illegal trades* were worth some *800 billion dollars* a year. Drug trafficking is the most serious organized crime problem in the world today. Therefore, the drug trade generates *billions of dollars* for

organized crime each year, imposing incalculable costs on individuals, families, communities, and governments world wide. But drug trafficking is only part of a broader, unified phenomenon, which also includes the illicit use of drugs. It is drug users who finance organized crime through their drug purchases, and it is they who must accept responsibility for the broad range of costs associated with the drug industry.

Drug trafficking is all about *money* and *instant wealth*; tracking and seizing that *money* is by far the best defence against the drug trafficking phenomenon. It had to do with the cultivation, manufacturing and distribution of drugs through the employment of the quick money induced multinational and powerful men and women of the society. A huge quantity of *black money* is generated by the drug trade and trafficking, which is also one of the causes of high inflation in developing countries, especially in a nation where the people use drugs abundantly. The black money is also used in arms and gold smuggling, money laundering and human trafficking. It is worth mentioning here that money laundering is one of the world's major problems. Criminal groups use money laundering to pump in *billions of dollars* in business and commercial activities which leads to corruption of institutions and individuals. Many studies admitted that it is not easy to produce a reliable estimate of the amount of money laundered annually; however, it is estimated that 2-5% of global GDP and 8% of world trade involved laundered money. The money laundering volume ranks third globally after currency exchange and car manufacturing.

It is crystal clear, that the large funds generated from drug trafficking in narcotic drugs and psychotropic substances and the trend of criminal groups in laundering these proceeds and giving them licit source, result in damaging national economies of countries. The laundered funds cause destabilization of the economy as they move quickly from one country to another to be spent as legitimate funds. Furthermore, the proceeds of illicit trafficking in drugs and psychotropic substances lead to social and economic disruption at the same time, where some people become wealthy without working or making an effort. This exacerbates unequal income distribution.

### 7. Globalization of Criminal Money Flows

One aspect of money laundering which is clear is the increasingly global nature of money laundering. This trend has been developing over the past few decades along with the globalization of crime in general. The development of global markets for illicit goods and services, the revolution in modern technology and in particular communications and transportation, the deregulation of financial systems and the reduction in border controls, and the emergence of new market oriented economies have all meant that criminals have developed a capacity to operate on a truly world-wide scale. This has also meant that debts can be incurred and profits generated across international boundaries necessitating the movement of criminal funds internationally.

The trends in globalization mentioned above have also provided benefits for criminals in the laundering of their proceeds. The much larger volume of legitimate capital moving at any one time in the world and the rapidly reducing official controls on that movement have made it possible for large amounts of proceeds of crime to enter world markets without attracting much attention. The increased need for criminal enterprises to use international funds transfers have also made them aware of the benefits of moving funds internationally to disguise them, effectively disrupting audit trails as law enforcement is stymied by jurisdictional and legal boundaries. In addition, the growing diversification of international financial instruments and the differences in controls in regulation between countries has provided those wishing to disguise funds with ample opportunity to do so.

### 8. Modus Operandi of Concealing Generated Money, Legitimising the Ill-Gotten Gains via Laundering Process

Criminals exploit the revolution in global finance. Changes in information technology, in particular, have made it easier for criminal assets to move across national borders through financial markets that are out of the reach of the law. The internationalisation of crime has thus occurred in response to the increased movement of persons, the free flow of capital and the globalisation of financial services and the revolution in communications. These have provided opportunities for *laundering the proceeds of criminal acts* through investment in various sectors of the local and global economy.

When a *criminal activity* generates substantial profits, the individual or group involved must *find a way* to control the funds without attracting attention to the underlying activity or the persons involved. Criminals do this by *disguising the sources*, changing the form, or moving the funds to a place where they are less likely to attract attention. This process is of critical importance, as it enables the criminal to enjoy these profits without jeopardising their source.

*For Example*; Switzerland's banking institutions have historically been recognized as facilitators of the movement and the repositories of capital from other countries. Although a vast amount of illegal and suspicious capital flows are conducted in the financial service industry there are alternative methods of moving money and *avoiding detection* by government agencies.

It can be inferred that since the offence of illicit trafficking in narcotic drugs and psychotropic substances is one of the predicate offences *generating large amounts of proceeds* that are laundered, it is difficult to move these funds at the banks without raising suspicion. Hence, money launderers may resort to sectors with less supervision that form a future ground to conceal illicit funds among other funds generated normally from these sectors. More than one technique can be used in one money laundering operation, where in most cases, shell companies are established or real estate and cars are purchased and invested or sold as a ground to justify bank deposits and funds transfers.

The techniques by which proceeds of illicit drug and psychotropic substances trafficking may be laundered are varied but are not necessarily different than money laundering techniques in general. There is no specific approach adopted by money launderers but it can be said that

the most commonly used techniques are purchase of real estate, trading in means of transportation such as expensive cars and bank deposits.

Money laundering is a complex process, which is accomplished through three main stages. The initial stage is known as *Placement* stage. The launderer introduces his *illegal profits* into the financial system. This might be done by *breaking up large amounts of cash into less conspicuous smaller sums* that are then deposited directly into a bank account, by purchasing a series of monetary instruments (cheques, money orders, etc.) that are then collected and deposited into accounts at another location.

The second is *layering* stage. In this phase, the launderer engages in a series of movements of the funds to distance them from their source. The funds might be channeled through the purchase and sales of investment instruments. The launderer simply wire the funds through a series of accounts at various banks across the globe. The launderer disguise the transfers as payments for goods or services, thus giving them a *legitimate* appearance.

After successfully processing through the first two stages of the money laundering process, these are then moved to the third stage namely *integration* in which the funds re-enter the *legitimate* economy. The funds are invested into real estate, luxury assets, or business ventures etc.

### 9. Global Initiatives to Curb Laundering

To combat the problem of money laundering, a series of initiatives was taken by the international community. Some of the initiatives are outlined below:

The United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (commonly referred to as the 1988 Vienna Convention) called for prevention of laundering of proceeds of drug crimes and other connected activities and confiscation of proceeds derived from such offence. The Government of India also ratified the Convention (United Nations, 2003).

The Political Declaration and Global Programme of Action was adopted by United Nations General Assembly by its Resolution No.S-17/2 of 23 February 1990. This declaration called upon the member states to develop mechanisms to prevent financial institutions from being used for laundering of drug-related money and enactment of legislation to prevent such laundering (United Nations, 1990).

The 1990 Strasbourg Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime, while considering the fight against serious crime, which has become increasingly an international problem, called for the use of modern and effective methods to fight against serious crimes (Council of Europe, 1990).

### 10. Impact of Drug Trafficking

Traffickers in illicit drug have been described as, "*Merchants of Death and Destruction*". June 26 is celebrated as International Day against Drug Abuse and Illicit Trafficking every year. It is an exercise undertaken by the world community to sensitize the people in general and the youth in particular, to the menace of drugs. With a turnover of around *\$500 billions*, it is the third largest business in the world, next to petroleum and arms trade.

Drug Abuse and Illicit Trafficking which is a worldwide phenomenon, affects indiscriminately the individual, the family and all segments of the community.

Drug Trafficking and its abuse is the scourge of humanity. Just as any virus, use of drugs and drug trafficking knows no bonds or limitations. It spreads all over a country; from nation to nation; to the entire globe infecting every civilized society irrespective of caste, creed, culture and geographical location. Drug abuse is a social evil. It has led to detrimental impact on the society. It has led to increase in the crime rate. Addicts resort to crime to pay for their drugs.

So far as India is concerned, drug trafficking is determined by local, social, cultural reality in addition to geographical position in terms of vulnerability to trade whether being close to border areas or poppy cultivating areas in the country. The profit margin in drug trafficking illegally and in dealing with synthetic derivatives is strengthened by the presence of corruption in different levels of the society.

### 11. Magnitude of Drug Trafficking

The phenomenon of illicit trafficking in narcotic drugs, psychotropic substances and precursors is considered a global problem that almost every community suffers from its direct and indirect effects. Today trafficking in narcotic drugs is the most lucrative business which attracts profits higher than that of the entire oil industry and second only to the arms trade. The global menace of smuggling narcotic drugs is on an increase in the length and width of the country. According to estimates made by the World Health Report, at least 10,000 million people throughout the world regularly use alcohol and 13.5 million people use opioids. In India, too, the problem is slowly increasing and it is estimated that 75 million people are alcohol users and as many as 3.0 million people are opioid users of which majority of them require urgent medical treatment and rehabilitation.

In recent times, there has been significant development of the communication systems and means of transportation. Drug traffickers have used the opportunities presented by the changing global economic environment to enlarge their activities and expand their markets. They are highly mobile, employ the latest communications technology and *move their money* around the world electronically. The consequences of this type of increasingly organized trafficking are severe: systemic crime and violence are becoming endemic in the country's worst affected, while traffickers efforts to corrupt public officials and attract new generations to the drug trade help to protect them from attack. This has also led to considerable increase in Narcotics drug trafficking. The drug traffickers have been able to flourish despite stringent punishments provided under the 'Narcotic Drugs and Psychotropic Substances Act'. They are able to evade the process of law and cause great harm to the social and economic growth of the country and particularly the young generation. This result in seriously hampering the socio-economic growth and multi-dimensional development of the country. The punishment for drug trafficking became more and more stringent by the passage of time, but it has not been able to provide real solution to the basic problem.

The narcotic drugs and psychotropic substances problem has become one of the world's major issues. In the past, the

problem of drugs trafficking was of concern only to a limited number of countries that suffered there from, but nowadays it is threatening all people and the entire global community; the countries that do not have a drug problem are only an exception. The international nature of illicit trafficking in narcotic drugs and psychotropic substances is evident in the cultivation and production of drugs in many countries as well as smuggling them across another country to be consumed in a third one.

The above mentioned areas are the most obvious drawbacks stemming from unhindered trafficking, but are by no means exhaustive. The ramifications are tremendous, and the damage inflicted can last for generations. The pain and the sorrow, the anger and the violent frustration, the aggravation and the despair are a few by-products of the *greed* generated by and through the drug trade.

Illicit trafficking in narcotic drugs and psychotropic substances represents 8% of total world trade. Quantities of drugs seized compared to smuggled quantities represent for instance 10% of heroin and 30% of cocaine. International and national measures to combat the spread of drugs, raise awareness of the harm they cause and treat drug addicts, cost about \$120 billion annually.

The billions of dollars yielded from drug trade mainly goes in the kitty of international criminal syndicates or some individual traffickers. Drug trafficking is a clandestine activity. Hence, it is impossible to assess its magnitude precisely. However, the quantity of drugs seized by enforcement agencies throw light to the alarming rate of illegal activities connected with drugs. India accounts for 1.62% of the world's seizures. Proximity to South East Asia and South West Asia can be regarded as the immediate cause for drug trafficking in India. Unhindered air and sea linkage with other countries also make India vulnerable to drug trafficking.

Drug trafficking activities have sharply increased over the years and unscrupulous persons dealing in drugs have flourished despite hard punishments provided under the law. It is because drug traffickers find ways to evade law enforcement authorities, through enhanced monitoring of the large trafficking industry.

## 12. Significant Seizures and Arrests during October-December, 2010

Following are the significant seizures and arrests made during the last quarter of calendar year 2010.

On 26<sup>th</sup> October, 2010, officers of the Narcotics Control Bureau, Ahmedabad, busted an ephedrine laboratory at Ankleshwar, Gujarat and seized 238 kg of ephedrine and arrested six persons.

On 27<sup>th</sup> October, 2010, officers of the Narcotics Control Bureau, Mumbai, busted an ephedrine laboratory in Raigad, Maharashtra and seized 93 kg of ephedrine and arrested two persons.

On 13<sup>th</sup> November, 2010, officers of the Narcotics Control Bureau, Mumbai, intercepted a truck and seized 68 kg of hashish and arrested four people. The drug was concealed in specially made cavity in the roof of the drivers' cabin of the said truck.

On 16<sup>th</sup> November, 2010, officers of the Directorate of Revenue, New Delhi seized 51.685 kg of heroin. One Afghan national was arrested. The suspected source of the seized drug was Afghanistan.

On 1<sup>st</sup> December, 2010, officers of the Assam Rifles and Narcotics Control Bureau, Imphal, seized 3,248 kg of cannabis herb near Tadubi, located at the Senapati District of Manipur.

On 20<sup>th</sup> December, 2010, Officers of Directorate of Revenue Intelligence, Gorakhpur, seized 127 kg of hashish which was concealed in the wall of the gallery between the toilets of a train in two cases.

On 24<sup>th</sup> December, 2010, Officers of the Narcotics Control Bureau, New Delhi, intercepted two vehicles, seized 65 kg of hashish and arrested six persons. Nepal was suspected to be the source of the seized drug.

On 25<sup>th</sup> December, 2010, officers of the Goa Police apprehended one Italian national at Goa and seized MDMA from his possession.

On 26<sup>th</sup> December, 2010, officers of the Haryana Police seized 121.9 kg of charas at Tikri Border in Bahadurgarh and arrested three persons.

<b>ALARMING FIGURES</b>							
Year	Cases	Heroin	Smack	Charas	Opium	Poppy husk	Bhang in kg
1999	1,741	1.91	2.83	30.57	406	90,440	518
2000	2,192	96.02	7.58	123.42	523	1,23,801	1,175.7
2001	2,231	15.45	4.92	41.12	577	1,13,286	339.75
2002	3,405	2.32	13.02	66.06	605	1,42,197	491.9
2003	3,545	9.80	18.97	94.36	385	1,20,992	359.6
2004	3,226	5.38	22.78	74.50	384	1,59,644	8.6
2005	4,464	39.68	23.78	67.68	450	1,35,885	336.6
2006	4,861	53.88	33.33	98.72	520	89,140	126.50
2007	6,111	134.93	31.86	98.08	500	89,409	494.22
2008	5,056	269.04	55.49	106.52	563	60,092	66.92
2009	4,462	155.64	63.86	98.76	746	82,874	1,062.40
Total	41,294	784.05	278.42	899.79	5,659	12,07,780	4,980.19

Cited from *The Tribune*, recently, the above data pertaining to the past more than 10 years is compiled by the Anti-Narcotics Task Force from police stations all across the state. It reveals an increasing menace of drugs with more than 43,294 cases registered under the NDPS Act.

A total of 784 kg of heroin, 278 kg of smack, 899 kg of charas, 5,660 kg of opium, 12,07,759 kg of poppy husk and 4,980 kg of bhang were recovered by the Punjab police in a span of 10 years from 1999 to 2009. The data reveals how consumption of narcotics is increasing year after year.

In 2011, the police arrested 310 persons and registered 289 cases under the NDPS Act in Patiala alone. Further, 42.56 quintals of poppy husk, 24.5 kg of sulphur, 52,947 capsules and 105 injections of banned drugs, over 31 kg of ganja, 1.6 kg of bhang and various other drugs were recovered from the city.

The data shows that from 2006 till February, 2010, a total of 20,490 cases were registered under the NDPS Act and over 23,567 persons were arrested. Of these, 8,719 persons were convicted while 4,368 were acquitted by the courts.

The data also shows that 555 number of case properties worth Rs 51.25 crore of 298 smugglers were seized by the government in 21 police districts of the state in the same period.

In 2009, Sangrur and Bathinda top in the recovery of poppy husk with 43,711 kg and 24,282 kg, respectively. The data shows that from 2006 till February 2010, a total of 20,490 cases under the NDPS Act were registered and over 23,567 persons were arrested of which 8,719 were convicted while 4,368 were acquitted by the courts. The ever increasing demand of drugs, especially ahead of the paddy season has made Punjab a preferred destination for drug peddlers. Smugglers have outsourced the work of supplying the contraband, which they now do mainly through couriers.

According to senior police officer from the detective wing, due to excess production of opium in the neighbouring state the price has gone down there and to fetch a better price, the smugglers are eyeing states like Punjab. "While the recently recovered 30 kg of opium might be worth Rs 9 lakh in Rajasthan, the same could have easily fetched Rs 25-28 lakh in Punjab."

Apart from the above data, more recent cases have come forward from different states. Following are the reports of the seized drugs of current year.

On 1.02.2014, officers of Special Narcotics, CID [Crime], Patna Zonal seized 7,000 kg of Ganja at RPF Post, Ara Railway Station, Bhojpur, Bihar, two persons were arrested.

On 1.03.2014, officers of NCB, Chennai Zonal Unit jointly with Tamil Nadu Police seized 65,000 kgs of Pseudo-Ephedrine at Chennai.

On 1.03.2014, officers of NCB, Lucknow Zonal Unit seized 19.600 kg of Ganja at Lucknow Railway Station. 1 person was arrested.

On 5.03.2014, officers of NCB, Kolkata Zonal Unit seized 26.000 kg of Ganja at Nalhati Uchha Balika Bidyalaya Para, Mouza-Na Nalhati, West Bengal. One person was arrested.

On 7.03.2014, officers of NCB, Jodhpur Zonal Unit seized 18000 kg of Hashish at Kalwar Road, Jhotwada, Jaipur. Two persons were arrested.

On 7.03.2014, officers of NCB, Ahmedabad Zonal Unit

seized 4.120 kg of Ephedrine, 690 grams of Amphetamine and busted illicit clandestine laboratory. One person was arrested.

Well, conclusively, if these drugs were not seized, the money obtained out of such criminal activity would have been laundered through various means. Hence, it is also important to understand the number of drug trafficking cases that do not result in seizure. If the drugs that do not result into seizure could have been roughly around 10 times of the size of the seized drugs the money involved.

In 2009-10, the Home Ministry had decided to form a joint mechanism involving various government agencies of northern states sharing borders with Pakistan and the Centre to keep a check on drug trade. It had decided to form the Drug Law Enforcement Agency under the aegis of the Narcotics Control Bureau. The agency was meant to jointly confiscate properties of the accused, arrest proclaimed offenders, track their movement and initiate criminal action against drug peddlers. From the above recent seizures, however, nothing much could be attained till date.

### 13. Concluding Observations and Remarks

The present day society is faced by a crime of different nature, *i.e.* the crime of drug trafficking which is slowly but surely eroding into the fabric of our society, and it affects the economy of the country. The high-risk, high-gain nature of drug trafficking is well known. Profits from the drug traffic flow back into the coffers of *sophisticated criminal organizations* with financial interests in other illicit areas. The drug problem and the recycling of profits derived from the drug trade and correlated activities is a truly complex problem, involving a complex set of interactions played out in different *albeit* connected scales of organization. Numerous illegitimate activities take place globally that generate substantial proceeds that are then laundered or that can be used to finance criminal activity. It has also been shown that the government has adopted various measures to detect and control these problems. However, it is apparent that these measures have not been able to deal with the problems effectively. This is attributable to limitations in the policy and regulatory frameworks and institutional structures.

Crime has become more organised, more sophisticated and increasingly international in nature. It has also become more profitable. Crime is an increasing source of concern in the international arena. Money launderers showing a very high level of adaptability to the changing regulations and counter measures makes it all the more important that all actors involved in global economy join hands to fight this crime.

The method by which the proceeds of crime are given the appearance of legality, often referred to as '*money laundering*', is intimately connected with the *profitability and regeneration of criminal activities* and the existence and prosperity of criminal organisations. There is no doubt that these activities generate a large amount of the total criminal funds laundered world-wide, a sum variously estimated to be between several hundred billion and a trillion US dollars annually.

Governments that are unable to control major insurgent movements representing a direct challenge to their authority

are unlikely to be successful in controlling a *drug trade that generates enormous amounts of money* to buy influence or weapons. Nor will such governments find it easy to implement programmes of national development in the areas most vulnerable to production of illicit drug crops.

Illicit trafficking in drugs and psychotropic substances is considered a serious crime. It usually transforms the offense of drugs and psychotropic substances from an *individual crime to an international organized crime*; therefore, cooperation at the international level among countries, organizations and international bodies, or among the concerned entities and bodies inside one country, has become necessary to combat illicit trafficking in drugs and psychotropic substances and other offences linked thereto such as terrorism, violence, corruption and laundering proceeds of such crimes. It is time all efforts should be made to bring this menace under control.

The General Assembly encourages the Commission on Narcotic Drugs (CND) and the United Nations Office on Drugs and Crime (UNODC) to continue their efforts in the international drug control and urges all governments and competent bodies to pursue their efforts and activities against the drug problem and to coordinate, expand and strengthen their operational and technical activities with international bodies to achieve concrete positive results in the field of combating illicit trafficking in narcotic drugs and psychotropic substances.

Drug Trafficking and abuse ruin individual lives, drain billions of cash each year from government worldwide, it also erode the nations' quality of life, it threatens the entire government and the stability of any nation also the nations' national security will be jeopardized. By way of conclusion, it is opportune to indicate that, international co-operation is one of the most potent tools in this common fight. It is high time to evolve a comprehensive policy and legal frame work for combating drug trafficking and its menace.

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