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# Prison drug cartel in the United States

Sally Ramage



## Barrio Azteca

A prison drug cartel, called Barrio Azteca (BA), came to light in 2008 in Texas, United States. The criminal enterprise was prosecuted. Group members were charged with drug trafficking and distribution, extortion, money laundering and murder. The six defendants included the organization's three bosses, Benjamin Alvarez, Manuel Cardoza, Carlos Perea Said Francisco Herrera, Eugene Mona; and Arturo Enriquez. The cartel BA operated in El Paso, West Texas, New Mexico and Arizona. Mexico's cartels sell drugs- marijuana, cocaine and heroin- in the United States and BA is not the only prison drug cartel in the United States with ties to Mexico.

**The full article can be bought from Westlaw, Thomson Reuters.**

## Global cartels

Sally Ramage

What are cartels? Are there many types? How can there be cartels when the companies concerned are usually incorporated and with shareholders and watch-dogs around? If we assume that directors and other officers are around year after year and that Professor Bebchuk's survey (2002) is correct, ie. that anything the directors do to keep their positions must be harmful to shareholders, then cartels must be run by entrenched directors in companies whose shareholders are, or have had their stamina weakened to allow directors to empire-build and allocate fringe benefits to themselves (Manne ,1965). So let us look at cartels and unpack what is there, using all the financial analysis, legal armament and management research we can. To understand cartels, we will also

examine the agencies that combat cartels to look for differences and similarities...



#### **Anti-trust agencies**

Among anti-trust agencies are- UNCTAD – United Nation’s Confirmation of Trade and Development; OECD- Organisation for European Co-operation and development; APEC – Asia Pacific Economic Community ICN - International Competition Network; IBA – International Bar Associations Global Forum; IMF- International Monetary Fund. There are a wide variety of organizations that may reasonably be described as international cartels. Explicit price-fixing or market division agreements are known as ‘hard core’ cartels, among private producers from multiple countries. Producers form a cartel with the goal of limiting competition. By restricting output and increasing price, ideally to the price a monopolist would set. These agreements are illegal in the United States (US) and in the European Union (EU). The US and EU have increased prosecution of international cartels but few developing countries have similar enforcement even though cartels have significant effects on developing economies. ...

**The full article can be bought from Westlaw, Thomson Reuters.**

## **Recent changes to legislation on Controlled Drugs**

**Leonard Jason Lloyd**

On 28th March 2011, significant changes were made to misuse of drugs legislation, namely the Misuse of Drugs Act 1971 (the “MDA 1971”) and the Misuse of Drugs Regulations 2001 (the “2001 Regulations”). First, two drugs were included under the MDA 1971 and the 2001 Regulations as controlled substances; these are Tapentadol and Amineptine. Secondly, the drug Mephedrone, which was included as a controlled substance last

year, remains as such but has been included within the generic definition of similar substances elsewhere in the legislation. Thirdly, technical changes have been made regarding some of the derivatives of two other existing controlled drugs, namely Gamma-butyrolactone (GBL) and 1,4-Butanediol (1,4-BD). Further discussion on all these changes will now follow, with particular reference to the information provided by Home Office Circular 005/2011.

### ***Tapentadol***

This has been classified as a Class A controlled drug under Part 1 of Schedule 2 to the MDA 1971 as it has similar effects to morphine and other opioids that are used to relieve pain. Although this drug has only recently been developed and not yet marketed in this country, it is considered that there is a risk of addiction and subsequent misuse in the event of its likely emergence in the UK. The Home Office circular mentions the risks associated with this drug such as vomiting, unconsciousness, seizures, breathing difficulties and likely fatal consequences arising from serious complications. The Class A classification of this drug under the MDA 1971 was effected by The Misuse of Drugs Act 1971 (Amendment) Order 2011 (SI 2011/744) which came into force on 28<sup>th</sup> March 2011. Tapentadol has been placed under Schedule 2 to the 2001 Regulations by The Misuse of Drugs (Amendment) (England, Wales and Scotland) Regulations 2011 (SI 2011/448). Schedule 2 controlled drugs may be lawfully possessed, supplied, manufactured, imported and exported, but under the provisions set out in that schedule.

### ***Amineptine***

This drug is described as a “powerful and fast acting antidepressant,” and that there are reports of its misuse, mainly in Europe and Asia. As well as having potential for dependence and misuse, other risks associated with this drug include withdrawal symptoms such as anxiety and insomnia. Amineptine has therefore been classified as a Class C controlled drug under Part 3 of Schedule 2 to the MDA 1971 by The Misuse of Drugs Act 1971 (Amendment) Order 2011 (SI 2011/744) which took effect on 28<sup>th</sup> March 2011. This drug was placed under Schedule 2 to the 2001 Regulations by The Misuse of Drugs (Amendment) (England, Wales and Scotland) Regulations 2001 (SI 2011/448).

### **The drug 4-Methylmethcathinone**

The drug 4-Methylmethcathinone, more widely known as Mephedrone, was classified as a Class B controlled drug on 16 April 2010 under The Misuse of Drugs Act 1971 (Amendment) Order 2010 (SI 2010/1207). As of 28<sup>th</sup> March 2011, SI 2011/744 has removed this drug as a specifically named substance and it thus falls within the generic definition of other cathinones, whilst remaining a Class B controlled drug under the MDA 1971 and also as a Schedule 1 drug under the 2001 Regulations. With regard to the latter, Schedule 1 controlled drugs are subject to the greatest restrictions in terms of their import, export, supply, manufacture and possession. Generally, such drugs are restricted to research under the authority and conditions set out in a Home Office licence. Any deviation from such conditions may constitute a criminal offence. Mephedrone (referred to in this context as 4-Methylmethcathinone) has been removed from Schedule 1 as a specifically named drug but placed under the generic definition of other cathinones. This was effected by The Misuse of Drugs (Amendment)

(England, Wales and Scotland) Regulations 2011 (SI 2011/448) reinforced by The Misuse of Drugs (Designation) (Amendment) (England, Wales and Scotland) Order 2011 (SI 2011/447).

### **Mephredone**

Mephedrone captured the news headlines for several months before its eventual classification as a controlled substance. This issue was raised during an open meeting of the Advisory Council on the Misuse of Drugs on 12<sup>th</sup> April 2011 when its Chairperson, Professor Iversen, expressed concern over the time it took to bring this drug under the control of the MDA 1971. He stated that there was little doubt that dealers were stockpiling this drug prior to its eventual inclusion under misuse of drugs legislation and remarked that this drug was marketed under the guise of plant food, bath salts, as well as having the words “not for human consumption” included on the packaging. This was done to sidestep legal controls of these substances, and such a ploy continues because as many as about 30-40 “legal highs” are known to be on the market. The proposed Temporary Class Drug Orders, under the Police Reform and Social Responsibility Bill, are intended to quickly bring such drugs under certain restrictions for up to a year, during which investigations as to their potential dangers can be evaluated. Permanent control under misuse of drugs legislation may then follow depending upon the research results.

### ***Gamma-butyrolactone (GBL) and 1,4-Butanediol(1,4-BD)***

On 23<sup>rd</sup> December 2009, both these drugs were included under Part III of Schedule 2 to the MDA 1971 as Class C controlled drugs. However, the inclusion of these drugs under a schedule within the 2001 Regulations was not straightforward as they had a number of legitimate industrial uses such as nail enamel removers and as a fragrance and flavour ingredient. In order to avoid impeding legitimate commercial activity, paragraph 4B was created within the 2001 Regulations which provides that offences will not be committed if steps are taken to avoid the human ingestion of these substances. For reasons that will be explained below, paragraph 4B has been substituted by a new paragraph 4B which allows the import and export, production and supply (and offers to supply), or possession of GBL or 1,4-BD unless it is known or believed that any of them will be used for human ingestion other than as a flavouring for food. The paragraph then describes the technical variations of GBL and 1,4-BD which differ from the original versions for the reasons stated in the Home Office circular as follows: ‘The meaning of GBL and 1,4-BD given in Regulation 4B included “stereoisomeric” forms of both drugs. Both drugs do not have any “stereoisomeric” forms. The new paragraph 4B substituted by the SI 2011/448 removes “stereoisomeric forms in the meaning of both drugs and includes ethers or esters, or both an ether and an ester of 1,4-butanediol. This clarifying amendment does not affect the classification or offences relating to both drugs under the 1971 Act.’ This change was effected by The Misuse of Drugs (Amendment) (England, Wales and Scotland) Regulations 2011 (SI 2011/448) which came into force on 28<sup>th</sup> March 2011.

### **Incomplete changes**

Some readers may breathe a sigh of relief on completion of reading this rather complex article, but they are advised not to hold their breath for very long because more changes to misuse of drugs legislation are almost certain to follow in the not too distant future.

**LEONARD JASON-LLOYD- Visiting Fellow, Midlands Centre for Criminology & Criminal Justice, Loughborough University, and author of *Misuse of Drugs* (2009) Jordan Publishing (Bristol).**

## IMF cajoles UK out of its financial dire straits

Sally Ramage



### IMF 2010 Article IV consultation with the UK

The IMF investigated the UK's financial situation and made a report and conclusion in September 2010. The IMF will be conducting a comprehensive financial system stability assessment for the UK in 2011. This assessment will be prepared under the IMF's 'Financial Sector Assessment Program' (FSAP). It is to be noted that IMF surveillance of every major economy is carried out primarily through annual consultations between Fund staff and member Governments and central banks. These consultations are known as Article IV consultations, as they form part of the IMF's Articles of agreement. The resulting reports are discussed at the IMF's Executive Board. The IMF's concluding statement for the UK's 2010 Article IV consultation is that the UK is on the mend and the government's strong and credible multi-year fiscal deficit reduction plan is essential to ensure debt sustainability. Upside and downside risks around a central scenario of moderate growth and gradually falling inflation are balanced.

**The full article can be bought from Westlaw, Thomson Reuters.**

## United Kingdom's cybercrime

Sally Ramage

Senior police officers have warned that the UK's economy will suffer if the growing threat of cyber crime is not tackled. The Deputy Assistant Commissioner of the Metropolitan police and the Association of Chief Police Officers' lead on cybercrime believes that online fraudsters and hackers will cause a fall in the value of shares, pensions and business investments if they are not stopped. In line with this, the government upgraded cybercrime to a 'tier-one' threat in October, 2010, putting it on the same level as international terrorism or a flu pandemic.



The government has set aside £650 million to combat the threat. £30 million of the funding will be used to set up regional e-crime units which will more thoroughly police internet crime. Online retailers and cyber criminals are both groups, which work overtime during the Christmas holiday season when there is a rise in the number of fraudulent orders....

**The full article can be bought from Westlaw, Thomson Reuters.**

## **Covert investigation in the UK- a nation spied on**

**Sally Ramage**

### **Covert investigation**

Covert Investigation is a means to detection. This includes why investigate covertly, the drawbacks, directed and intrusive surveillance, interception of communications, mobile phones, computers, CHIS's and the legal issues including the effect of the Human Rights legislation. At the risk of inducing apoplexy in die-hard detectives, the key to successful covert investigation management is to think like managers, not investigation practitioners. Managing covert investigation is more than just ensuring the quality and accuracy of authorisation applications: it involves skilled investigation management but also complex resource management in an environment in which there are frequently many competing priorities for scarce skills and capacity. ..



**The full article can be bought from Westlaw, Thomson Reuters.**

## **Local Authority Fraud Strategy in Scotland**

**Sally Ramage**

Local authorities have core values, which guide the way they operate, and these values are: equality; openness and accountability; and honesty and integrity; and all are committed to the elimination of fraud and corruption. Fraud is the intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain....



**The full article can be bought from Westlaw, Thomson Reuters.**

## Extraordinary rendition: torturing captives to obtain information

**Sally Ramage**

U.S. and NATO forces in Afghanistan in 2005 began turning detainees over to the Afghan National Directorate of Security (NDS), despite its well-known reputation for torture. Evidence now available show that United States and other NATO governments become complicit in NDS torture of detainees for two distinctly different reasons. For the European members of NATO - especially the British and Dutch - the political driver was the need to distance themselves from a U.S. detainee policy already tainted by accounts of U.S. torture...



**The full article can be bought from Westlaw, Thomson Reuters.**

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