

HD Chasing new highs, profits

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Chasing new highs, profits

The growing **business** of synthetic drugs has rapidly rewritten the rules of the 'highs' industry while generating **millions** in profits. RORY CALLINAN reports.

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NEW HIGHS: (Clockwise from main) the trade in psychoactive substances is evolving; David Caldicott; drugs on **sale**. Photos: Peter Stoop, Katherine Griffiths, Ken Irwin

'The rate of change is so fast that something big and ugly is just around the corner.' Medicine specialist David Caldicott, who is monitoring the new drugs via the emergency department of Calvary Hospital.

The Queensland sex shop employee is understandably nervous talking about her industry's profitable, but illegal, sideline. "I could get into real trouble for this. I'm pretty sure there's a corrupt policeman involved who is tipping people off," she says, asking that her name not be used. "They're making tens of thousands of dollars a week travelling down to NSW getting the stuff from postboxes just over the border. Then they drive it north to where it is distributed among the adult shops. "The suppliers won't send it to Queensland because they know it's illegal. That's why it comes to a postbox just over the border." They call it a sort of aphrodisiac tea and it's **sold** under the counter, she says. This so-called "aphrodisiac tea" is a synthetic cannabis, or cannabinoid, and the shop assistant's admissions provide a glimpse into the rapidly evolving trade in "new psychoactive substances", or synthetic drugs, in Australia. During the past five years, authorities have watched the lucrative trade explode and have been left struggling to deal with the horrific fallout that has caused five fatalities in just over a year. In November, health authorities warned Victorians to avoid synthetic drugs, particularly one called "Marley" after three users became seriously ill. The three men who smoked it, after buying it from a Pakenham sex store, wound up in intensive care. About the same time, Newcastle truck driver Glenn Punch injected a substance known as bath salts. He stripped naked and jumped a fence before he started foaming at the mouth, had a fit and stopped breathing. Less than a month later, NSW schoolboy Nick Mitchell, 15, died in his bedroom after taking NBOMe - a synthetic substance supposedly designed to mimic the effects of LSD, but far more dangerous. Other deaths have been linked to the same drug. This loss of life prompted outrage and changes to laws. The Victorian government has slapped a ban on 10 synthetic drugs since 2011. But the jury is out on whether the legal moves are working - experts say the drugs can be easily doctored to circumvent the laws - or whether they have had an impact on the Mr Bigs of the trade. What is obvious is that the **business** of "new psychoactive substances" (as the police call them) has rewritten the old rules of the "highs" industry and turned on its head the paradigm of drug dealers, suppliers and users, while generating **millions** in profits. Producers of the raw materials are not machinegun-toting Afghan farmers or tattooed biker speed cooks, they are white-coated lab technicians based in legally operated industrial complexes in southern **China**, India and Pakistan, where they brew deadly substances designed to mimic illegal drugs. The

chemical structures of the potions are engineered to fall outside existing laws in the buyers' countries, but often the potions are illegal anyway. The buyers - the top-level dealers - are not gangsters, but often hip young university graduates, whose **operations** turn over six-figure sums in days and who know more about the structure of their personally ordered chemicals than the government chemists who regulate them. Using the internet, these entrepreneurs advertise and co-ordinate their **business** online and use slick marketing, packaging and incentive deals to attract customers using the "legal highs" tag. The local

postman becomes an unwitting mule, delivering to users and low-level dealers, who can be anyone from the owner of the local sex or tobacco shop to naive teenage school students or mine workers and military personnel trying to dodge drug-testing regimes. In the sex-shop case, the drugs are supposedly being imported into Victoria, posted to northern NSW, then driven into Queensland to take advantage of the variations in state laws. Governments, law-enforcement and medical authorities have been left scrambling to implement major changes to procedures and laws in a bid to catch up. "It has been a wild, unrestrained evolution that kind of came out of left field. You have a hierarchy of well-informed, chemically educated people, who are speculating and commissioning the manufacture of novel products," says British

emergency medicine specialist David Caldicott, who has been studying the synthetic drugs in Australia and Britain for years. "I get concerned because the rate of change is so fast that something big and ugly is just around the corner." Caldicott is monitoring the new drugs via the emergency department of Canberra's Calvary Hospital. His concerns are shared by the acting chief executive of the Australian Crime Commission, Paul Jevtovic. "The reality is, we can't keep up," Jevtovic says. "The European Monitoring Centre for Drugs and Drug Addiction has found that since 2011 we are seeing a new drug in this category every week." An indication of the increasing amounts coming into Australia is to be found in Customs seizure records. Last financial year, the agency recorded an increase of more than 1000 per cent in the size of seizures of synthetics. Until now, the source of the drugs and their distribution have been difficult to track. However, information has started to trickle out of the first prosecutions under new laws, which are yet to be tested in higher courts. In Queensland, one man was committed to face trial in Brisbane District Court charged in connection with the alleged supply of a product that allegedly contained alpha-PVP (alpha-Pyrrolidinovalerophenone), an analogue of the substance Methcathinone, which is supposed to act like an amphetamine. District Court documents relating to a restraining order sought by the

Australian Federal Police over the man and his **company's** assets reveal the **company** turned over hundreds of thousands of dollars and allegedly supplied a network of adult shops and tobacconists. Much of the money appeared to go to a NSW **company** that had been set up by a man from a wealthy Sydney family. The NSW man cannot be named because he is facing charges. The same court documents reveal a connection with New Zealand through credit card records associated with the Queensland **company**, showing a transaction with a **company** from Christchurch. This NZ **company** has previously been known to supply herbal products and other so-called relaxant substances. Efforts to contact the Christchurch **company** were unsuccessful. It's not the only connection with New Zealand, which has recently introduced laws that could see the legalisation of the drugs in a manner similar to the way medicines are regulated. Before the laws come into force, sellers of the drugs can apply for an interim licence. One seller that has applied for a licence is a **company** called Lightyears Ahead Limited, an Auckland operation that was allegedly owned by the country's "King of Kronic", Matthew Wielenga. Kronic is a synthetic form of cannabis and Wielenga earned his nickname through his promotion and selling of the synthetic drug prior to its ban. His **business** has previously been linked to the so-called "father of legal highs", Kiwi rock star Matt "Starboy" Bowden.

Bowden has boasted how he pioneered the trade in a legal and supposedly harmless party pill that mimicked the effects of ecstasy - something he was able to sell for years before it was also banned by the government. The profits appear to have made him a wealthy man, to the point where he and his former Penthouse pet wife, Kristy, made headlines when they celebrated his 40th birthday with a \$130,000 party. Fairfax believes that at one point, Bowden supplied some products to Wielenga's operation but was not directly involved in the Kronic **business**, and he denies any involvement or interest in selling the drugs to Australians. In 2011, Wielenga allegedly branched into Australia and began selling other synthetic drugs in Queensland through a **company** called Subliminal Marketing Pty Ltd, according to documents filed in Queensland's Supreme Court. The same year, Queensland Police raided Subliminal Marketing's **Gold Coast** operation and have since alleged the **company** was selling cannabinoid products intended to be similar to already banned compounds and therefore in breach of the state's laws aimed at the new synthetic drugs. Wielenga denies any impropriety. Authorities have sought a restraining order over the **company's** assets, which include a \$4million shopping centre. Several Australian entrepreneurs are trying to mimic these profits while avoiding any illegalities. Fairfax has obtained an order form for various substances that lists a **company**

allegedly owned and run by one of the pornography industry's major figures. Efforts to contact the man were unsuccessful. One positive for police is that they believe organised crime has not been heavily involved. But, Jevtovic says, "there are strong indicators that this is exactly the type of market they will want to control". Suppliers of the engineered chemicals are thought to be openly operating legal labs in Asian countries that don't regulate production of these chemicals, police say. "Most of the stuff is coming out of **China** - if not all from **China** - and it can come two ways: already pre-packaged, or in a powder form," says Detective Superintendent Nick Bingham of the NSW drug squad. "We have seen this a few times, where a person buys the powder out of **China** and they mislabel it as white **milk** or something, and they bring it here, mix it with acetone, and then spray it on an inert leaf, not in sterile conditions, and bag

it." Jevtovic says the ACC has seen evidence that the **China**-based suppliers have a significant influence on the market, even to the point where the suppliers have told people how to evade detection at Australian borders. David Caldicott says the key area is in Guangdong, in south-west **China**. "There's a very big pharmaceutical concern based in that region that is making legitimate pharmaceuticals. But for the same process, they can manufacture 100kilograms or so of something more speculative and turn a nice profit," he says. Despite the producers being out of reach, Australian authorities believe the laws they have introduced have been effective in starting to control the trade, with several arrests.

Detective Clay Butler, of Queensland Police, says that state's legislation refers to 35synthetic cannabinoid compounds, but also has an extended definition of the dangerous drugs legislation that includes any substance that is intended to have a substantially similar pharmacological effect to already banned substances. "That's the one the industry doesn't like," he says. Butler says there are several cases before the courts in relation to the new laws, but they are all yet to be decided. While Australian politicians are establishing a new legal framework, others who work closely with the industry, such as Caldicott, believe banning the drugs is not going to work. "There is this mythology about consumers who are pursuing the recreational high that they must be dumb. You can't infer that assessment of their IQ from their behaviour. Some of these people are incredibly clever and they have very detailed and sophisticated knowledge of chemicals. They are chemists," Caldicott says. "What about euphoria. If someone gets happy eating chocolate, are they going to ban it? People always find a way around it. That's why a knee-jerk approach of banning products will not work in years to come. We need to be more clever and nimble."

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