The Economic Geography of Darknet Marketplaces

Martin Dittus, Joss Wright, Mark Graham Oxford Internet Institute 2017-2018

Presented in July 2021

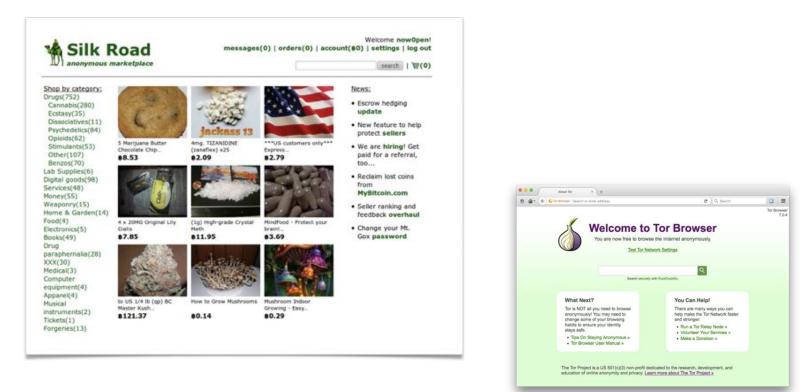
About the research

Martin Dittus, Joss Wright, Mark Graham -**The Economic Geography of Darknet Markets** Oxford Internet Institute 2017-2018

- Little is known about the geography of illicit darknet markets
- Techniques from computational social science and digital geography
- Scrape geographic information on darknet markets, at country level
- Map, visualize, analyse the geography of illicit products and services

https://www.oii.ox.ac.uk/research/projects/economic-geog-darknet/

Darknet markets: platforms for illicit trades, using anonymity-preserving Tor browser



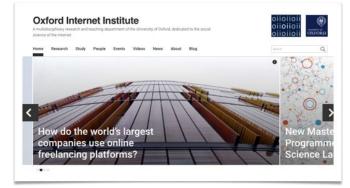
The information geography of darknet marketplaces

A 9-month research project at the Oxford Internet Institute, Univ. of Oxford

Understanding the illicit trade on darknet marketplaces:

- 1. Scrape **product inventories & trades**, build a reusable data set
- Map, visualise, analyse the information geography: what trading happens where?

I was hired to execute the research, from data collection and analysis to publication.



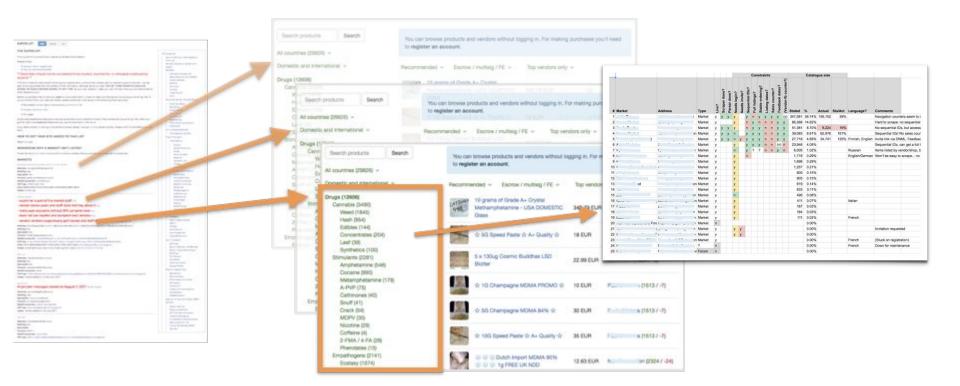
The Oxford Internet Institute is launching a new project to map and measure trade on the darknet. Relatively little is known about the geography of this global trade. Although the strong anonymity on darknet markets severely limits data collection about the geography of consumption of products such as drugs and weapons, there is a large amount of data available about the sale of such goods and services.

This project seeks to employ techniques from computational social science and dioital geography in order to achieve two primary objectives. First, we seek to scrape relevant geographic information from datasets of darknet sales, building re-usable data at the country level (e.g. 'the number of heroin sellers based in every country', 'the total number of vendors selling weapons in every country' etc.). Second, we seek to map, visualize, and analyse those data using multiple variables (the various categories of products and services) to ask what is the geography of illicit products and services? We further hope to ask 'does the online trade of illicit goods and services have a significantly different geography from conventional mappings of that trade?' In other words: can data from the darknet be used as a proxy for more traditional (and much harder to collect) data about illegal economic

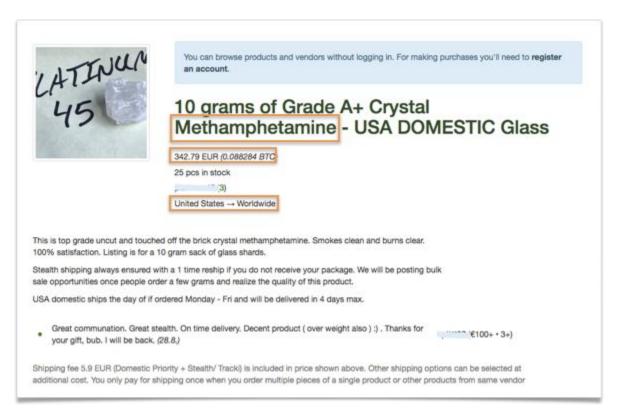
Dittus, Wright, Graham - Economic Geography of Darknet Markets

activities?

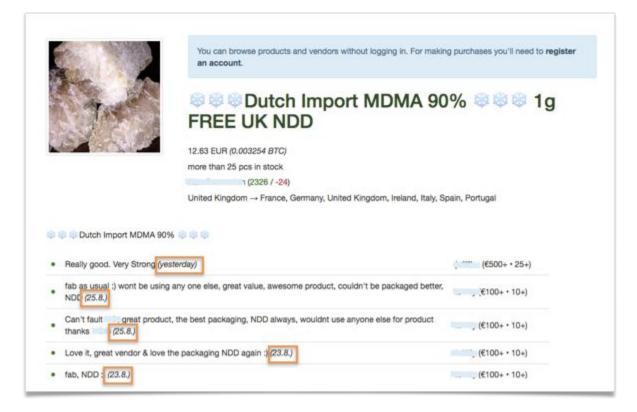
A survey of the largest markets



Product metadata



Buyer reviews as trading indicator



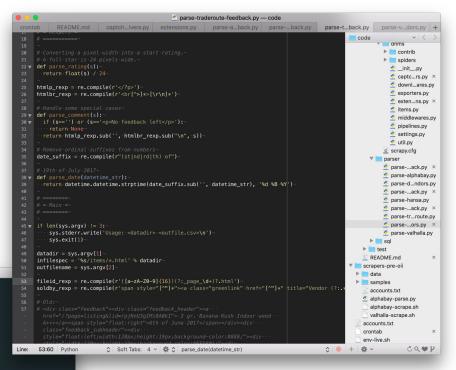
Custom scraper software

Crawling the largest markets.

Millions of web requests, collecting and parsing many GBs of raw HTML.

3,500 lines of Python, Scrapy.

• • •	martin@oii-harbin: ~ (ssh)
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Data summary

In total we identified **250k listings** and **1.8 million buyer reviews** across the markets we observed.

According to our estimates, this accounts for 80-90% of the global offerings on darknet markets at the time of data collection.

It is a rich corpus: market-specific product categories, spatial & temporal data, freeform text, ...

CC	1903	Vendor	Title	Market
NA	USA		2 DZ Drystal Methamphetamines 56 Grams	-
EL	OEU		3g Power Plant (* * * Qualitat) - Free Shipping	
N	USA		Anavar - 50mg Winstrol - 50mg Anadrol - 50mg	112.4
N	USA		BudgetBudsExpress Shatter Pack 50g	1.0010-0
N	USA		Modvigil 200mg - Generic Provigil Modafinil 2	
Undeclared	Undeclared		AsiaMoviePass - [PORN LIFETIME ACCOUNT]	
Undeclared	Undeclared		seduce-fast-food-girl XXX PC Game	****
N	CAN		100 HIGH QUALITY DOUBLE DOGED 4MG YELLOW R039	
Undeclared	ndeclared		Rapidgator Premium Account	
Undeclared	Undeclared		The Designers Guide to the Cortex M Processor	
Undeclares	Undeclared		CANNABIS OIL AND TOP MEDICAL MARIJUANA STRAINS	
. DL	NLD		10 x Drange Rolls Royce 200MG	
Unknown	Unknown		Unknown	-
EL	DEU	10000-0000000	LSD - 1 Trip (200 µg)	
N	USA		Digital Counting Scale Grain Kitchen Jewelry B	
EL	DEU		XTC Pillen 210mg 500st	
EL	HUN		XANAX (ALPRAZOLAM) 1 mg x 100 by PFIZER-	
EL.	GBR		Special OFFER - 14g - MDMA 84% Dutch Import 10.	
Undeclared	Undeclared		Videoszin	
EL	Undeclared	and as AM	GHRP2, 10mg/vial, Bio Peptide, 100% Quality	Uner

Developing a simple product taxonomy

Shop by category: Drugs(752) Cannabis(280) Ecstasy(35) Dissociatives(11) Psychedelics(84) Opioids(62) Stimulants(53) Other(107) Benzos(70) Lab Supplies(6) Digital goods(98) Services(48) Money(55) Weaponry(15) Home & Garden(14) Food(4) Electronics(5) Books(49) Drug paraphernalia(28) XXX(30) Medical(3) Computer equipment(4) Apparel(4) Musical instruments(2) Tickets(1) Forgeries(13)

... derived from existing product categories used by markets, as well as our specific research interests.

- Drugs: Cannabis (Marijuana, Concentrates, Hashish), Dissociatives (GBL, GHB, Ketamine, MXE, MXP, PCP), MDMA, Ecstasy, New Psychoactive Substances (2C-B, 2C-E, 2C-I, 4-MEC, AMT, China White, DMAA, Flakka, Kratom, M1, MXE, MXP, Mephedrone, NBOMe, Spice/K2), Opioids (Codeine, Fentanyl, Heroin, Hydrocodone, Morphine, Opioid detoxification, Opium, Oxycodone), Pharmaceuticals (ADHD, Antidepressants, Diazepam, Erectile dysfunction, Modafinil, Painkillers, Sleeping pills, Xanax), Psychedelics (2C-B, DMT, LSD, Mushrooms, NBOMe), Steroids, Stimulants (Cocaine, Crack, Meth, Speed).
- Information goods: Accounts (Amazon, Ebay, Paypal, Porn, TV & Cable, TV Streaming, Uber), Malware (Botnets, Malware, Ransomware), Money (Bank drops, Credit cards, Gift cards).
- Physical goods: Weapons (Ammunition, Explosives, Hand weapons, Long-range weapons).

A first overview of the global trade

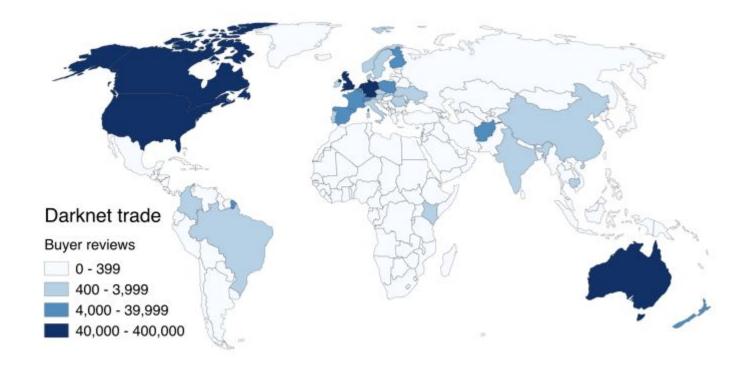
	Product catego	ory:		Country of	of origin:			Variable:	Segmentation:	
All Alphabay Dream Market Hansa Traderoute Valhalla	All Drugs > Cannab Drugs > Cannab Drugs > Cannab Drugs > Cannab Drugs > Cannab	is > Cannabis is > Concentrates	-	All Africa > Algeria Africa > Angola Africa > Benin Africa > Botswana				Number of vendors Number of listings Number of trades Estimated revenue	By market By product category By country of origin	
Cannabis 12.93% (205,301)		Concentrates 3.56% (56,553)	MDMA 4.99% (79,159)		Xanax 3.05% (48,449)		Credit cards 3.44% (54,586) Other	Bank a Paypa 0.56% († 0.53% Gift ca	(8,	
		Hashish 2.88% (45,648)	Ecstasy 3.28% (52,069)		ADHD 1.03% (16,426) Erectile dysfu 0.76% (12,078)		28.39% (450,578)			
Cocaine 7.35% (116,694)	Spec 2.91%	ed Meth 6 (46,1 2.76% (43,	LSD 3.80% (60,356)	Mush	nrooi DMT Ke 5 (23, 1.12% (1.4	HB M				
			Heroin 2.64% (41,849)	Oxycodd		eroids 31% (20,72				

A first overview of the U.K. trade

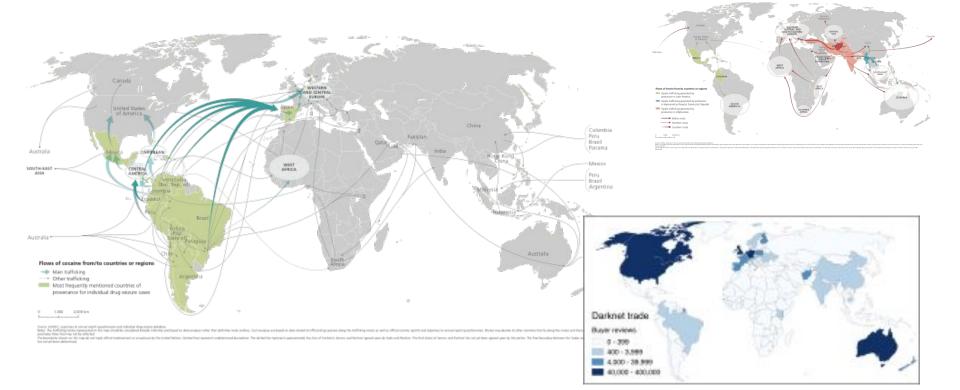
An integrated dat Market:	a set of offerings and trac Product category:	les across the lar	gest marketplaces. Export currer Country of origin:	nt view as CSV		Variable:	Segmentation:
All Alphabay Dream Market Hansa Traderoute Valhalla	All Drugs Drugs > Cannabis Drugs > Cannabis > Can Drugs > Cannabis > Con Drugs > Cannabis > Has	centrates	Europe > Switzerland Europe > Ukraine Europe > Undeclared	om of Great Britain and North ua and Barbuda	nern Ireland	Number of vendors Number of listings Number of trades Estimated revenue	By market By product category By country of origin
Cannabis 20.54% (62,875)		Hashish 7.53% (23,057)	Cocaine 9.57% (29,298) Speed Meth 2.38% (7,288) 0.61%	MDMA 6.47% (19,819) Ecstasy 4.07% (12,450)	Credit cards 2.60% (7,951 Other 12.71% (38,9) 0.4	
		Concentrates 1.39% (4,259)	Crack LSD DMT				

Initial data exploration Daily sales feedback volume Total Stated origin - Underlared origin 1.05-15 2.05.22 1.04.24 xxx media filipi mengang kang mengeng mengeng periodi periodi kang periodi kang periodi kang periodi kang menge Kang mengengkan kang mengengkan kang mengengkan kang periodi kang periodi kang periodi kang periodi kang mengeng rugs > Opioi > TV & Cab nts > Fba

Vendor geography on darknet markets



Vs. known production of cocaine, opium



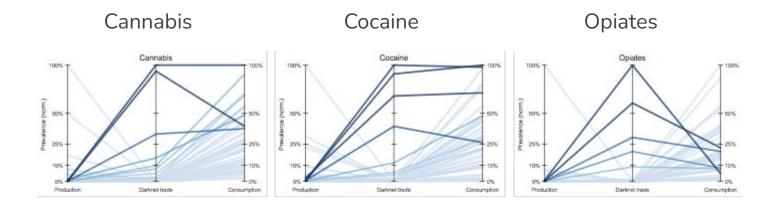
Paper: the `last-mile' geography of darknet markets

Seized production, darknet trade, and population demand for three plant-based drug types:



Dittus, Wright, Graham (2018). Platform Criminalism: The 'Last-Mile' Geography of the Darknet Market Supply Chain. ACM WWW 2018. <u>https://arxiv.org/abs/1712.10068</u>

For cocaine and cannabis, darknet vendors are situated on the *demand side*



Aspect	Variable	Cannabis	Cocaine	Opiates
Production	Seizures	(-0.08)	(-0.11)	(0.02)
Consumption	UseInPop	0.38	0.48	(-0.08)
	Intercept	(-0.05)	(-0.07)	(0.06)

Table 2: Regression coefficients for three drug models to explain national trading volumes (Trades) based on national production (Seizures) and consumption (UselnPop) of each drug. Coefficients in bold are significant with p < 0.001, those in brackets are not significant.

Dittus, Wright, Graham (2018). Platform Criminalism: The 'Last-Mile' Geography of the Darknet Market Supply Chain. ACM WWW 2018. <u>https://arxiv.org/abs/1712.10068</u>

Serving the `last mile' of the global drug trade...

The common prior assumption was that online trading platforms will disintermediate existing distribution channels, cutting out the middleman.

Yet, darknet markets don't appear to replace existing drug traffickers. Vendors likely rely on existing trafficking channels for supply, and then use darknet markets for regional retail distribution.

In other words, these are not fully globalised markets!

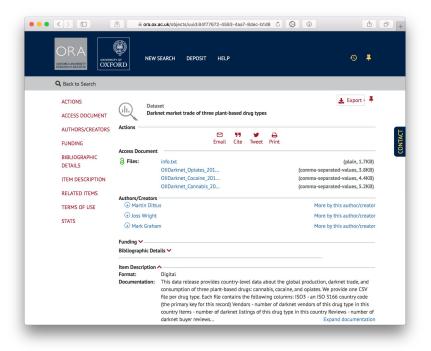
This may in part be a risk management strategy: all shipment happens by mail, and international delivery is risky.

Dittus, Wright, Graham (2018). Platform Criminalism: The 'Last-Mile' Geography of the Darknet Market Supply Chain. ACM WWW 2018. <u>https://arxiv.org/abs/1712.10068</u>

Public outreach: blog posts, social media, media interviews, public speaking

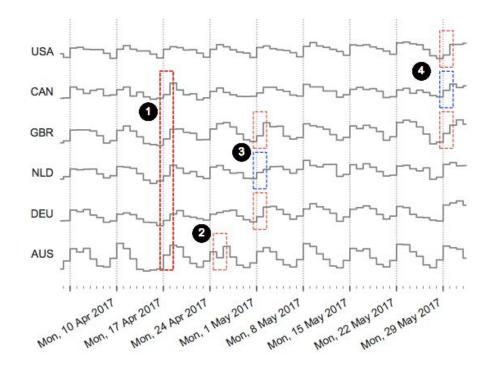


A downloadable data set



Dittus, M., Wright, J., & Graham, M. (2018). Darknet market trade of three plant-based drug types. University of Oxford. <u>https://ora.ox.ac.uk/objects/uuid:84f77672-4593-4aa7-8dec-b1d890aedf54</u>

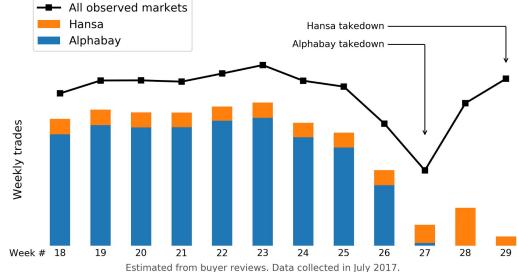
Further investigations: trading slumps during public holidays



Further investigations: a distributed resilience after police takedowns



Trading volume on darknet markets



By Martin Dittus, Joss Wright, Mark Graham · @OiiDarknet · Oxford Internet Institute

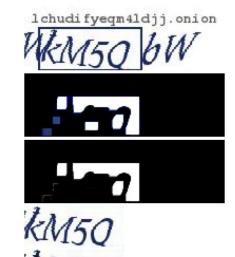
Aside: a custom captcha solver using image analysis and OCR...

	DDOS Pro	tection	
Please solve the fo	bllowing challenge	¢	
Challenge Result	1 + 0	(?)	Solve

Original:

Boundary box detection:

Text isolation:



Guess: W50, correct answer: kM5Q

OCR:

Thank you!

"From zero to publication in 6 months..."

The Economic Geography of Darknet Marketplaces Oxford Internet Institute

<u>www.oii.ox.ac.uk/research/projects/economic-geog-darknet</u> @OiiDarknet

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