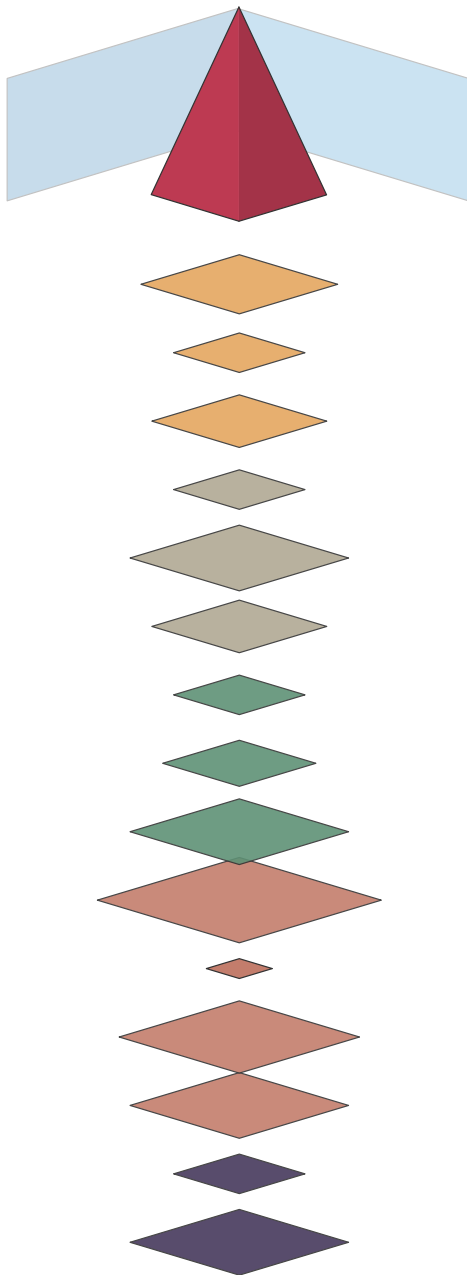


 **AZERBAIJAN**



 **4.80**
CRIMINALITY SCORE

112th of 193 countries
33rd of 46 Asian countries
4th of 8 Central Asian and Caucasian countries

 **CRIMINAL MARKETS** **4.10**

HUMAN TRAFFICKING	4.50
HUMAN SMUGGLING	3.00
EXTORTION & PROTECTION RACKETEERING	4.00
ARMS TRAFFICKING	3.00
TRADE IN COUNTERFEIT GOODS	5.00
ILLICIT TRADE IN EXCISABLE GOODS	4.00
FLORA CRIMES	3.00
FAUNA CRIMES	3.50
NON-RENEWABLE RESOURCE CRIMES	5.00
HEROIN TRADE	6.50
COCAINE TRADE	1.50
CANNABIS TRADE	5.50
SYNTHETIC DRUG TRADE	5.00
CYBER-DEPENDENT CRIMES	3.00
FINANCIAL CRIMES	5.00

 **CRIMINAL ACTORS** **5.50**

MAFIA-STYLE GROUPS	5.50
CRIMINAL NETWORKS	5.50
STATE-EMBEDDED ACTORS	7.50
FOREIGN ACTORS	6.00
PRIVATE SECTOR ACTORS	3.00

 **3.96**
RESILIENCE SCORE



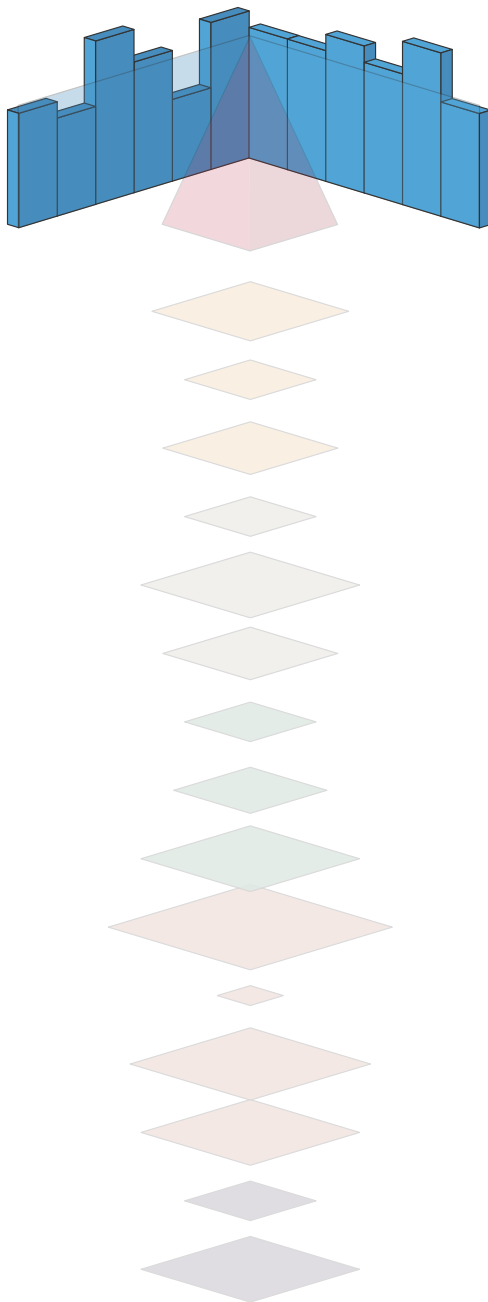
Funding provided by the United States Government.



Funded by the European Union

ENACT is funded by the European Union and implemented by the Institute for Security Studies and INTERPOL, in affiliation with the Global Initiative Against Transnational Organized Crime.

 **AZERBAIJAN**





 **3.96**
RESILIENCE SCORE

134th of 193 countries
28th of 46 Asian countries
4th of 8 Central Asian and Caucasian countries

POLITICAL LEADERSHIP AND GOVERNANCE	3.50
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	3.00
INTERNATIONAL COOPERATION	5.00
NATIONAL POLICIES AND LAWS	4.00
JUDICIAL SYSTEM AND DETENTION	2.50
LAW ENFORCEMENT	4.50
TERRITORIAL INTEGRITY	4.00
ANTI-MONEY LAUNDERING	4.00
ECONOMIC REGULATORY CAPACITY	4.50
VICTIM AND WITNESS SUPPORT	4.00
PREVENTION	5.00
NON-STATE ACTORS	3.50

 **4.80**
CRIMINALITY SCORE

 CRIMINAL MARKETS	4.10
 CRIMINAL ACTORS	5.50



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CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Azerbaijan is a source, destination and transit point for human trafficking, targeting domestic and foreign people both locally and abroad. Azerbaijani men and boys are mostly exploited in forced labour, domestically and in countries like Qatar, Russia and Turkey. Women and children from Azerbaijan are exploited in sex trafficking within the country, and in the likes of Iran, Malaysia, Pakistan, Qatar and Russia. Azerbaijan is also a destination country for victims of sex and labour trafficking from China, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan and the Philippines. There are also reports suggesting the exploitation of children through forced begging, forced labour and forced marriage. Azerbaijan similarly serves as a transit country for victims of sex and labour trafficking from Central Asia to Iran, Turkey and the United Arab Emirates. Due to cooperation between Azerbaijani and foreign traffickers, profits are accrued on a domestic and international level, and the market meets domestic and foreign demand. However, it is difficult to assess the scale of this criminal market due to shortcomings in identifying human trafficking victims.

When it comes to human smuggling, Azerbaijan is a source and transit country. Azerbaijani nationals often employ the services of smugglers to reach the EU. On the other hand, foreign nationals from across the Middle East and from Central and South East Asia are smuggled through Azerbaijan on their way to Russia, Georgia and Turkey, or onward to Europe. Reports also indicate that Azerbaijan is a transit country on a less common smuggling route between South West Asia and the EU. Migrants on this route tend to use fraudulent documents at legitimate ports, rather than clandestine border-crossing strategies. However, as Azerbaijani citizens have visa-free access to Russia – a prime destination for Azerbaijani labour migrants – irregular migration from Azerbaijan to the EU is relatively limited. Extortion and protection racketeering are also prevalent in the country. These activities are known to cause an additional expense to businesses operating in Azerbaijan.

TRADE

Due to the Nagorno-Karabakh conflict on the border with Armenia, weapons imports are managed and monopolized by the state. As a result, small arms trafficking in Azerbaijan is relatively limited. However, legal arms imports to Azerbaijan are notably high, which could potentially nurture the illicit arms trade at a local level.

There is a considerable black market in Azerbaijan for smuggled and counterfeit goods. Azerbaijan is also a transit point for counterfeit goods due to the weak enforcement of intellectual property laws. The growing market of counterfeit products adversely affects all sectors, including the technology and the fast-moving consumer goods sectors. Illicit trade in excise goods, specifically alcohol and tobacco products, is also prevalent in the country. These products reportedly originate from Georgia, Abkhazia, Ossetia and Dagestan.

ENVIRONMENT

Even though illegal logging occurs in Azerbaijan, it is primarily carried out by impoverished local residents as a fuel source (especially in rural areas) rather than by criminal organisations. There has been a decreasing trend in illegal logging in recent years due to stricter surveillance and severe punishment. In any event, the size of this criminal market seems to be modest and there is no evidence that organized criminal groups are involved.

Despite bans, illegal trading in black caviar and sturgeon takes place openly. Azerbaijani caviar is smuggled through Georgia and Turkey to the EU (mainly using land routes) and is often sold as counterfeit Russian caviar. Azerbaijan also imports caviar and caviar substitutes from the Seychelles, raising suspicions regarding the country's potential role as a source and transit country for the global illicit caviar market. Poaching of wildlife, especially birds, is also prevalent in protected areas, although the data on this is limited.

Corruption is widespread in the oil and gas extraction industry in Azerbaijan. There is a severe lack of transparency especially when it comes to profit distribution, which enables bribery to flourish. In addition to state-embedded actors, many organised crime groups in Azerbaijan engage in this market through oil theft and smuggling to neighbouring countries, particularly Georgia, Turkey, Russia, Ukraine and Armenia. Ad-hoc hydrocarbon tapping reportedly occurs on Azerbaijani export pipelines that lead from the capital, Baku, to Russia, Georgia and Turkey.

DRUGS

Azerbaijan is a transit country for heroin and opium, mostly trafficked from Iran and Afghanistan to Russia and the EU. Heroin seizures (and opium seizures) have increased in recent years, suggesting that the size of this criminal market has grown, and that Azerbaijan has become an important branch of the Balkan (and probably Northern) Route. Azerbaijan is also a transit point for South West Asian opiates bound for Russia, and to a lesser extent the rest of Europe. Beyond news of sporadic cocaine seizures, little

information is available about trafficking, which suggests that the cocaine trade in the country is limited.

Azerbaijan is also a source and transit country for the cannabis trade, which is exacerbated by the country's location along major drug trafficking routes from Afghanistan and Iran to Europe and Russia. Drug use and cultivation exist in Azerbaijan, but on a relatively small scale. Illicit cannabis is cultivated, mostly for consumption within the former Soviet sphere. The country is a transit and destination country for synthetic drugs, especially methamphetamine, which is trafficked out of Afghanistan and Iran. In recent years, a significant increase in the trafficking of synthetic drugs from Iran into Azerbaijan has been observed. The domestic market for synthetic drugs is notable too, especially among the youth.

CYBER-DEPENDENT CRIMES

There has been growth in cyber-dependent crime and threats related to information security in recent years, including ransomware and distributed denial-of-service (DDoS) attacks. Most of these cybercrimes have been generated from abroad and have mainly targeted government and government-related websites and infrastructure facilities. The Nagorno-Karabakh conflict continues to fuel politically motivated cyber-attacks between Armenia and Azerbaijan. An extensive dataset belonging to different organizations in Azerbaijan, including local government, banking, digital media and education, has been found on the deep web, suggesting successful cyber-attacks by malicious actors.

FINANCIAL CRIMES

Embezzlement and the misuse of funds on a large scale are the most common forms of financial crime in Azerbaijan. Both are exacerbated by rampant corruption. Despite a lack of investigations and a lack of accurate reporting, there are some reports suggesting that high-level politicians and members of the business elite are involved in such criminal activities. Even though there are anecdotal reports about phishing attacks, financial fraud and Ponzi schemes targeting individuals and carried out by local and foreign

actors alike, large-scale financial crime is not widespread in Azerbaijan.

CRIMINAL ACTORS

Azerbaijan has a dominant political elite that reportedly colludes to control business and organized crime. This network provides patronage to businesses in return for economic gain. Corrupt officials allegedly influence the democratic process, too, by restricting the civil and political rights of Azerbaijani citizens. Due to the prominence of state-embedded actors in Azerbaijan, and the control they exert, the influence of other mafia-style groups in Azerbaijan is fairly modest. Limited information points to the existence of a single mafia-style group, the so-called Cigánska Mafia, which allegedly has a large membership and a strong connection to the political elite, but whose structure is unknown. Some of Azerbaijan's 'thieves in law' and other crime bosses have strong links to other states, including Russia, and they exert influence on criminal groups there. There are reports suggesting that organized crime in Azerbaijan has matured from street gangs to financial crime, and that criminals have been embedded in new capital-based oligarchic structures. These business groups are reported to be involved in shadowy, semi-criminal and outright criminal activities such as embezzlement of oil revenue at a large scale, and tax evasion.

There is little evidence to indicate that any foreign diaspora in Azerbaijan solely control any specific criminal markets in the country, as most criminally active foreign nationals are members of broader organized crime groups. Foreign actors do play a major role in those groups, however, with reports of involvement in sex, labour and drug trafficking. Local Azerbaijani criminal networks also engage in a range of criminal operations, mostly at domestic level. These groups are known to participate in cross-border heroin and opiate trafficking with Russian groups – their joint operations run from the southern to the northern Caucasus. Domestic networks also likely have ties to similar groups in Turkey, Iran and the EU. Generally, the involvement of private sector actors in organized crime is limited to financial crimes like tax evasion, embezzlement of funds, bribery and money laundering, as well as the production and retail of counterfeit products.

RESILIENCE

LEADERSHIP AND GOVERNANCE

In general, political leadership does not demonstrate a genuine will to combat organized crime, except for cyber-dependent crimes. On the contrary, corruption, cronyism and patronage persist in both the state apparatus and the country's major industries, particularly the oil and gas sectors. Efforts to curb corruption by the Azerbaijani authorities, including an increase in corruption investigations carried out in recent years, is viewed as a cover-up for the government's poor record of combating this crime. Moreover, access to government information remains highly restricted.

Azerbaijan is party to all relevant international treaties and conventions pertaining to organized crime and it has signed several extradition treaties. It has also entered into a collaborative agreement with Iran to enhance border security and intelligence-sharing, in an effort to combat drug smuggling along the Azerbaijan-Iran border. Even though there has been increased cooperation between law enforcement agencies in Azerbaijan and their international counterparts (especially in drug-trafficking interdiction and counterterrorism activities) the effectiveness of these efforts remains questionable. National policies and laws are adequately equipped to tackle cross-border offences, including human trafficking and flora and fauna crimes. Nevertheless, the implementation of that framework, however, is lacking.

CRIMINAL JUSTICE AND SECURITY

There is evidence that judges, who are underpaid by the state, routinely accept bribes in return for favourable verdicts. The executive branch of the government controls promotions and appointments in the judicial system, thereby undermining its work. Despite the presence of a legal framework for an independent and effective judicial system, which respects fair trial and due process, in practice the Azerbaijani judiciary lacks independence. Judges often show favouritism during trials; and authorities tend not to respect provisions of fair trial and due process in many cases, predominantly those perceived to be politically motivated. Due to measures taken by the bar association, such as disciplinary proceedings and disbarment, there are a limited number of defence lawyers who are willing or capable of representing defendants in politically sensitive cases. When it comes to the penal system, an assessment of the treatment of people in custody and conditions of detention has implicated Azerbaijan's temporary detention centre for combating organized crime as potentially abusive. There are also reports suggesting ill-treatment and torture of Armenian prisoners of war during their capture, transfer

and custody by Azerbaijani forces, and there are allegations of police violence against detained protesters.

Azerbaijan has effective law enforcement, which was strengthened by the establishment of an organized crime department to tackle the most dangerous types of criminal offences, including terrorism, banditry, kidnapping, extortion and money laundering. In addition to operations, search, detection and neutralization activities, this department is also involved in the collection and storage of data about organized crime, as well as data analysis and the drafting of manuals. Despite the improvements, reform is still needed for some separate law enforcement departments, which lack proper oversight or control mechanisms, and which sometimes have overlapping functions.

Azerbaijan's geographical position at the crossroads of Asia, Africa, Europe and the Middle East – and its shared borders with Iran renders the country highly vulnerable to trafficking. Even though its territorial integrity was strengthened through the victory against Armenian forces and the control of the majority of the territories in dispute, there is a renewed conflict over the contested Nagorno-Karabakh region that has resulted in casualties on both sides. Azerbaijan's integrity has also been targeted through cyber-attacks, a problem that is exacerbated due to the lack of a competent authority in the field of cyber-security.

ECONOMIC AND FINANCIAL ENVIRONMENT

Azerbaijan has invested substantially in measures to combat illicit financial flows. Progress has been made in meeting anti-money laundering global standards to ensure adequate safeguards in commercial banks, and to inhibit the proceeds of illicit activities from flowing through the financial sector. Azerbaijan is now considered to be fully in line with the key UN conventions, the Financial Action Task Force (FATF) 40 recommendations, and relevant EU directives. However, money laundering cases continue to be hampered by layers of bureaucracy that make seizures and confiscation of assets cumbersome.

The country has been applying relatively satisfactory economic regulation measures to deal with the consequences of COVID-19. However, it also stated that important governance weaknesses and corruption vulnerabilities remain in a number of areas, including judicial independence, anti-money laundering and terrorism financing, public procurement and transparency in the extractive industry. Cross-border business and trading costs continue to skyrocket due to prevalent bribery and the facilitation of informal payments on imports and exports.

CIVIL SOCIETY AND SOCIAL PROTECTION

Despite a number of positive developments in victim support, Azerbaijan has not increased overall protection efforts – evident in a lack of proactive victim identification. Funding for victim assistance has increased, however, and there are various government-run victim assistance centres. The government has also maintained prevention efforts for certain criminal markets, specifically human trafficking and flora crimes. These have mainly been limited to awareness campaigns, hotlines and stricter surveillance.

Media freedom in Azerbaijan is dire. The state closely monitors the work of media; journalists and/or bloggers who are critical of the government are routinely harassed and subjected to arbitrary travel bans, detention and sentencings on politically motivated charges. A new regulation prescribing imprisonment for failure to prevent the publication of false information that could pose a threat to public health and safety, which was promulgated during COVID-19, has been used as a censoring mechanism by authorities to compel internet users to delete online posts criticizing the government's response to the pandemic.

This summary was funded in part by a grant from the United States Department of State. The opinions, findings and conclusions stated herein are those of the authors and do not necessarily reflect those of the United States Department of State.