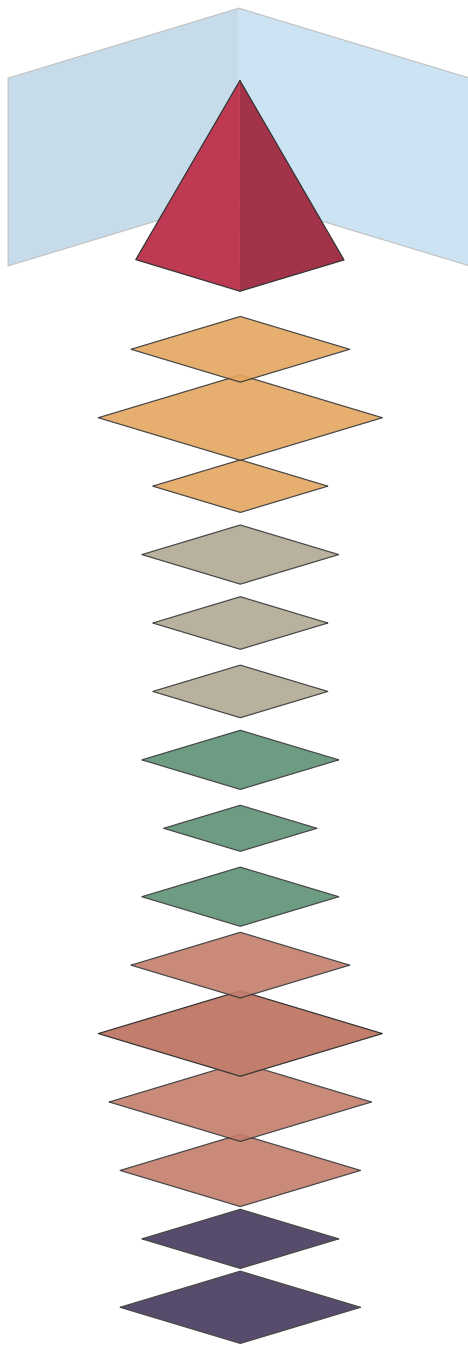




CROATIA



5.15

CRIMINALITY SCORE

88th of 193 countries

16th of 44 European countries

10th of 17 Central & Eastern European countries



CRIMINAL MARKETS

4.90

HUMAN TRAFFICKING	5.00
HUMAN SMUGGLING	6.50
EXTORTION & PROTECTION RACKETEERING	4.00
ARMS TRAFFICKING	4.50
TRADE IN COUNTERFEIT GOODS	4.00
ILLICIT TRADE IN EXCISABLE GOODS	4.00
FLORA CRIMES	4.50
FAUNA CRIMES	3.50
NON-RENEWABLE RESOURCE CRIMES	4.50
HEROIN TRADE	5.00
COCAINE TRADE	6.50
CANNABIS TRADE	6.00
SYNTHETIC DRUG TRADE	5.50
CYBER-DEPENDENT CRIMES	4.50
FINANCIAL CRIMES	5.50



CRIMINAL ACTORS

5.40

MAFIA-STYLE GROUPS	4.00
CRIMINAL NETWORKS	6.50
STATE-EMBEDDED ACTORS	6.00
FOREIGN ACTORS	5.00
PRIVATE SECTOR ACTORS	5.50



5.92

RESILIENCE SCORE



Funding provided by the United States Government.

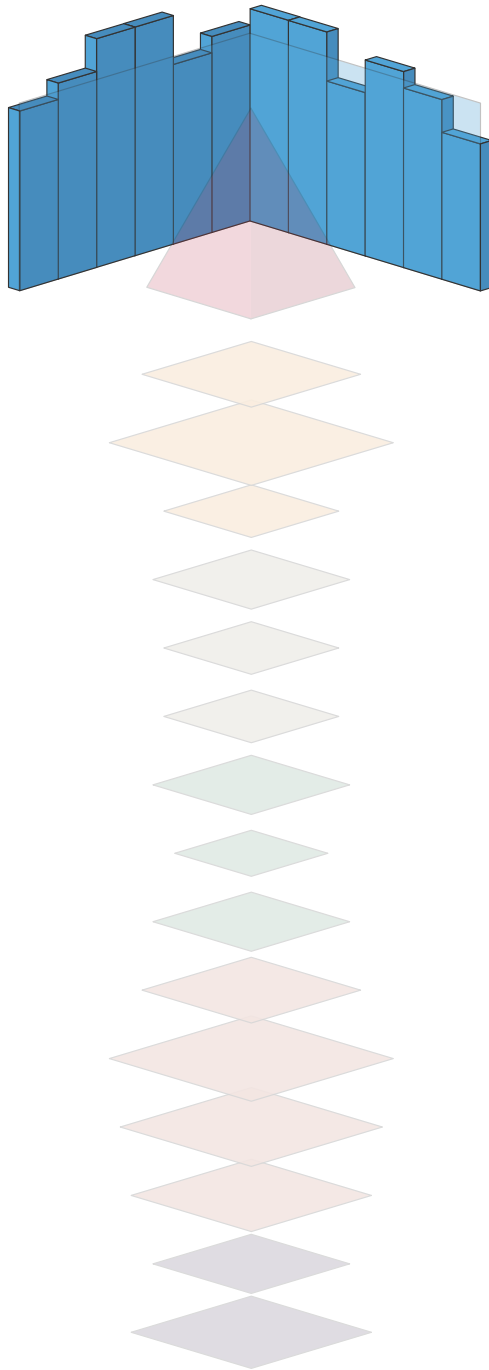


Funded by the European Union

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CROATIA



5.92

RESILIENCE SCORE

40th of 193 countries

26th of 44 European countries

4th of 17 Central & Eastern European countries

POLITICAL LEADERSHIP AND GOVERNANCE	5.50
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	6.00
INTERNATIONAL COOPERATION	7.00
NATIONAL POLICIES AND LAWS	7.00
JUDICIAL SYSTEM AND DETENTION	5.50
LAW ENFORCEMENT	6.00
TERRITORIAL INTEGRITY	6.50
ANTI-MONEY LAUNDERING	6.50
ECONOMIC REGULATORY CAPACITY	5.00
VICTIM AND WITNESS SUPPORT	6.00
PREVENTION	5.50
NON-STATE ACTORS	4.50



5.15

CRIMINALITY SCORE



CRIMINAL MARKETS 4.90



CRIMINAL ACTORS 5.40



CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Croatia is a source, transit, and destination country for human trafficking. Local and foreign victims, including men, women, and children, are recruited for sex trafficking and forced labour in the country. Organized crime groups active in the human trafficking market in Croatia target mostly Balkan nationals or other foreign nationals willing to enter the EU zone. Moreover, economically marginalized Romani children from the country are at particular risk of forced begging in Croatia and throughout Europe. The internal market is scattered and mainly run by criminal networks consisting of a few perpetrators, whereas the transit market is operated predominantly by foreign mafia-style groups. Social and economic fragilities derived from the COVID-19 pandemic may have exacerbated the vulnerability of certain groups. Furthermore, traffickers increasingly use the internet, especially social media, to recruit minors and adult victims into sex trafficking.

Croatia is a transit hub for human smuggling, especially the region of Karlovac, as the country has been an attractive option for irregular migrants who want to reach the West. International criminal actors continue to dominate the human smuggling market in Croatia, but locals are also involved, albeit to a much lesser extent. The continuation of the migrant crisis along the Balkan route has increased Croatia's vulnerability to human smuggling, with people predominantly from Afghanistan, Pakistan, Syria, Algeria, and Morocco being smuggled into the country. Even though irregular migrants enter countries that are part of the Balkan route without assistance from smugglers, many continue their journey across Croatia and onwards to their destinations with the assistance of smuggling rings. These groups tend to recruit people in camps in Bosnia and Herzegovina and smuggle them to countries like Slovenia, Italy, and Spain. Extortion and protection racketeering are mostly committed by individuals or small local groups, rather than large organizations, and usually target businesspeople.

TRADE

The Croatian arms trafficking market is transnational in nature and is expanding, albeit still moderately thanks to the country's strong legal framework. Weapons are mostly acquired by organized crime groups across the Balkans, and Croatia is used as a corridor into Western Europe. Criminal actors involved in this market are also engaged in drug trafficking. Large quantities of firearms and explosives were handed over to law enforcement in

recent years as part of a firearm amnesty that has been ongoing since 2007. Even though the possible effects of the Ukraine-Russia war on the arms trafficking market in the country are unknown, it is expected that there will be a further increase in arms-trafficking activities in the region.

There is limited information available about the trade in counterfeit goods in the country. However, there have been indications of an increase in counterfeit products, especially pharmaceuticals, in recent years. Trade in counterfeit products is conducted via the internet and traditionally occurs on a smaller scale, especially in border areas. With regards to the illicit trade in excise goods, it is reported that the criminal market in the country revolves around the illegal trade of tobacco products. The loss of tax revenue because of the consumption of untaxed tobacco products is estimated to amount to €173 million per year. Recent law enforcement operations revealed the Croatia's role as a trans-shipment country for the illicit cigarette trade, with cigarettes shipped from Dubai being transported to other EU member states through the Port of Ploče.

ENVIRONMENT

Croatia is a source and transit country for the illegal timber trade in Europe with some indications that an active wood mafia operates in Croatia, illegally trafficking timber to neighbouring countries. Legitimate private sector actors operating in Croatia are also reportedly engaging in transnational timber trafficking, especially by using ports of entry with low levels of law enforcement. It is likely that significant profits from timber trafficking have been laundered into Croatia's legal economy. Other flora-related crimes that may occur on a very small scale in the country are linked to construction in tourist areas as well as new villas and gardens, where exotic plants may be grown.

Similarly, Croatia is a transit and source country for the illegal wildlife trade in Europe. Wildlife being traded in the country includes reptiles and corals destined for European countries. Moreover, poaching is defined as a wildlife crime problem in Croatia with species such as wolves and raptors and traditionally hunted species including wild boar, deer, lynx, and bear, as well as birds, being targeted. There are also concerns about the smuggling of protected indigenous shell and clam species such as periwinkle and fingerling. Illegal birds and protected shell and clam species are reported to be smuggled into the Italian market. Despite the existence of this fauna crime market, there are no indications that organized crime groups are heavily involved in the illegal wildlife trade in Croatia.

There are indications of natural gas and oil smuggling in the country, however the extent of this market as well as

the crime groups involved are unknown. There is evidence suggesting that the smuggling of migrants and drugs happens on the same routes used for smuggling oil. Instances of corruption related to the legal oil trade have been recorded.

DRUGS

Croatia is predominantly a transit country for heroin that originates in Afghanistan and is then smuggled along Ottoman-era routes to south-eastern and western Europe, making the market transnational in nature with actors from a wide variety of countries with flexible organizational structures. Though large cocaine seizures in Croatia remain sporadic, the number of cocaine seizures and the amounts seized have been increasing in recent years. Historically, cocaine shipments, usually arriving from South and Central American countries, were trafficked into Croatia by sea or by land from Western Europe or Turkey. However, more recently, organized crime groups in the Western Balkans, some of which have Croatian members, have established more direct cocaine trafficking routes from Latin America into the European market in collaboration with South American cartels. Domestic cocaine use, which has been increasing in recent years, mostly happens in large cities such as Zagreb, Split, and Dubrovnik.

Cannabis use continues to be widespread in Croatia with herbal cannabis remaining the most-frequently seized substance in the country. Although the number of dismantled cannabis plantations in the country has remained stable over the past three years, there has been an increase in the number of dismantled indoor cultivation sites. Despite the domestic cultivation, most cannabis originates in Albania and is smuggled into Croatia via Montenegro and Bosnia and Herzegovina. Groups smuggling cannabis into Croatia use land and maritime routes. Although there has been a decline in the consumption of Ecstasy (MDMA) in recent years, it continues to be the most-frequently seized synthetic drug in Croatia. Amphetamine and MDMA are primarily smuggled from producer countries such as Belgium and the Netherlands, and methamphetamine is smuggled from Eastern Europe and Asia. Several small production facilities in the country have been identified and dismantled in recent years.

CYBER-DEPENDENT CRIMES

Cyber-dependent crimes, mostly targeting individuals and businesses as well as telecommunication operators, have been on the rise in Croatia in recent years. Such crimes mostly consist of malware and ransomware attacks. A recent ransomware attack targeting a Croatian telecommunications operator showcased the vulnerability of the country to such criminal activities.

FINANCIAL CRIMES

Financial crime in the form of fraud, embezzlement, tax evasion, and misuse of funds, among others, remains a serious problem in Croatia, especially following the accession of the country into the EU. With the high vulnerability of the financial sector, internet banking often falls prey to organized fraud schemes. Shell companies are heavily used for the tax evasion. Organized crime groups and state-embedded actors, including members of the political elite, are involved in this criminal market.

CRIMINAL ACTORS

Local criminal networks dominate the criminal markets in Croatia with their primary focus being human and drug trafficking. These groups vary in size, but are for the most part relatively small, consisting of five to 10 members. Even though there is no evidence to suggest that the state itself exerts control over or even engages in specific criminal markets, involvement of state-embedded actors in financial crimes as well as recent corruption scandals indicate an increased abuse of position and widespread corruption within the state apparatus. Private sector actors are predominantly involved in financial crimes, specifically tax evasion and fraudulent trade.

Anecdotal evidence suggests there are major mafia-style groups in Croatia, but arguably only one – Pridošlice i zaštitari – fits the criteria. The group reportedly has a leader and two lieutenants below him, with lower-ranking figures known to the authorities. Members of the organization are predominantly active in extortion, have access to weapons and use violence. Usually, they carry knives and small arms. Local criminal organizations, including mafia-style groups and criminal networks, are reported to have links to their Italian counterparts. Although there is not much evidence to suggest the influence of foreign actors, who, for the most part, are believed to use the country as an access point for maritime and other trafficking routes in Europe, it is highly probable that international criminal groups operate in the country, given the geographical importance of the Balkan route.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Given the country's socio-economic and geographic vulnerability, combating organized crime continues to be a political focus in Croatia. International initiatives in this field are a high priority within the framework of multilateral foreign policy activities. Even though the government suffered a drop in trust in recent years, predominantly because of the way it handled the COVID-19 pandemic, Croatia remains a stable country in Europe. Despite the existence of anti-corruption mechanisms and legislation, as well as considerable efforts made by the country to improve governmental transparency in recent years, abuse of power and different levels of corruption continue to be a challenge for Croatia. This has become more evident because of recent corruption scandals that have been uncovered by the media.

At the international level, Croatia is party to all relevant international treaties and conventions pertaining to organized crime. The country is an active participant in a number of global and regional initiatives, including the Southeast European Law Enforcement Center and Europol. Thus, cooperation in law enforcement and information exchange between domestic law enforcement and intelligence agencies and their foreign counterparts are well established. Moreover, Croatia has become the latest country to join the eurozone as of January 2023. At the national level, Croatia's legislative framework covers all the relevant criminal markets as well as corruption, and is in line with its international commitments to countering organized crime. The country's national legislation is not only aligned with international standards but also more stringent than those in certain areas. Despite these measures, the implementation of legal mechanisms continues to be often problematic.

CRIMINAL JUSTICE AND SECURITY

Despite the existence of a specialized unit mandated to prosecute cases involving organized crime and corruption, the functioning of the entire judicial system is controversial in Croatia. Trust in the Croatian judicial system is the lowest across the EU, with political and economic pressures being among the leading reasons for people's mistrust. Having said that, corruption in judiciary has been seriously addressed in recent years and some judges are now under investigation and/or being prosecuted for corruption. As for the penitentiary system, even though there were no reports pertaining to overcrowding or inhumane conditions, reports of mistreatment of migrants in detention centres have raised concerns in recent years.

Similarly, Croatian law enforcement also has a specialized department with a mandate to investigate and prosecute corruption and organized crime. The security and intelligence agency of Croatia is tasked with the collection and analysis of information that will ultimately provide actionable intelligence to detect, prevent, and disrupt organized crime. To this end, the customs administration plays a significant role. All units report good cooperation with their international counterparts, as is evidenced in a number of joint investigations and anti-organized crime operations. Although Croatia has a robust law enforcement framework in place, corruption in various forces and public offices remains a problem. Moreover, Croatian border police have been subject to scrutiny in recent years for their inhumane treatment of migrants.

The country's borders, especially the long and porous one with Bosnia and Herzegovina, continues to be vulnerable to trafficking flows as Croatia is an extension of the Balkan route. Furthermore, the country's border control has been under strain since Europe's migrant crisis began. Although flows have reduced since the 2015 peak, irregular migrants using smugglers still try to enter the EU by using unofficial border crossings between Croatia and Bosnia and Herzegovina. Notably, there are reports of brutal treatment of migrants by Croatian border police. The country's integrity has been under threat in recent years because of cyber-attacks targeting information systems of ministries, including the Ministry of Foreign and European Affairs and the Ministry of Defence.

ECONOMIC AND FINANCIAL ENVIRONMENT

An anti-money laundering office was established within the Croatian finance ministry to conduct financial investigations related to organized crime. The office analyzes suspicious transactions and cooperates with other competent authorities in Croatia, as well as with its international counterparts. Overall, Croatia seems to have a robust AML/CFT framework in place and is highly resilient to money laundering. Conversely, despite implementing certain reforms to strengthen regulatory policy, the economic regulatory environment is burdensome and inefficient, yet is still conducive to doing business. Financial and economic crimes are an issue that Croatia does not have the capacity to effectively counter. Despite ongoing economic challenges caused by a long recovery after the economic crisis and the recent pandemic as well as ongoing conflict in Ukraine, the government adopted the euro in 2023.

CIVIL SOCIETY AND SOCIAL PROTECTION

The government has a fairly robust framework in place to provide support to victims of modern slavery. There is a national committee for monitoring and improving the victim and witness support system in the country, and Croatia's justice ministry is a member of Victim Support Europe. Nevertheless, NGOs continue to cite a lack of help from the government in their victim- and witness-support efforts.

The country has a national team working on the prevention of human trafficking. Additional prevention assistance is provided by, and cooperation with respect to prevention efforts exists between, prisons, social services, police, probation offices, and NGOs. Furthermore, Croatia's new whistle-blower law came into force in April 2022. Even though the relevant regulation aims to protect whistle-blowers by providing convenient and reliable ways of reporting irregularities, the effectiveness of its implementation has to be monitored.

The environment for civil society organizations has reportedly deteriorated in the last few years with the civic space narrowing in 2021 through tactics including limiting of association, criminalization of humanitarian support to asylum seekers, limiting access to funding, and exclusion from public consultations. Croatia shows little progress in terms of freedom of the media and continues to hold the EU record in terms of strategic lawsuits against public participation suits, also known as SLAPP suits. It appears that journalists who investigate and report cases of corruption and organized crime are harassed, often with threats, cyber-violence, and physical attacks. The public broadcaster continues to be under political pressure, with certain groups attempting to influence its internal policies and operations.

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