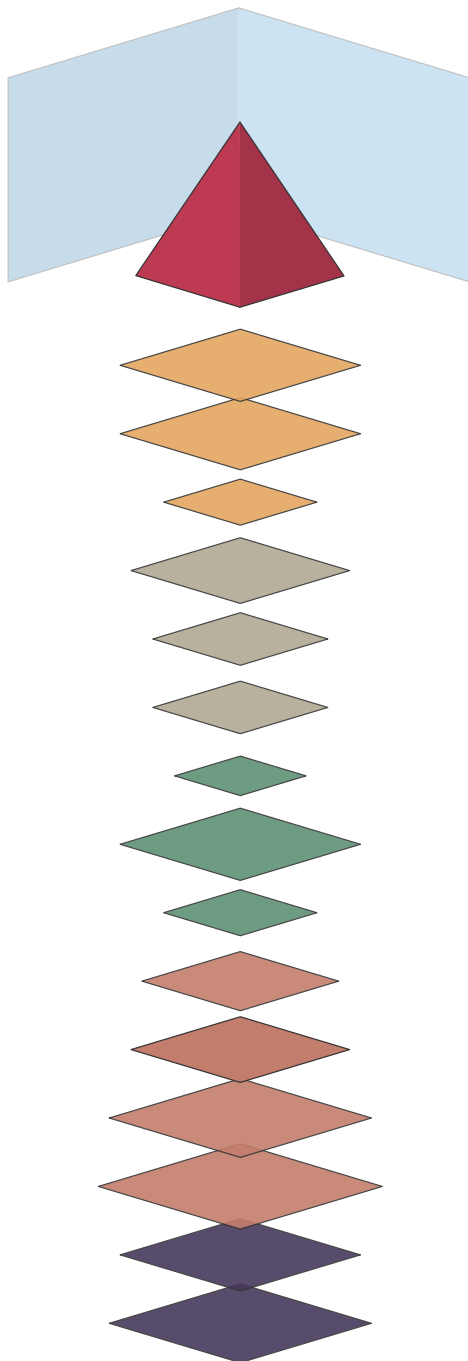




# CZECH REPUBLIC



4.68

## CRIMINALITY SCORE

119<sup>th</sup> of 193 countries

25<sup>th</sup> of 44 European countries

13<sup>th</sup> of 17 Central & Eastern European countries



### CRIMINAL MARKETS

4.87

HUMAN TRAFFICKING 5.50

HUMAN SMUGGLING 5.50

EXTORTION & PROTECTION RACKETEERING 3.50

ARMS TRAFFICKING 5.00

TRADE IN COUNTERFEIT GOODS 4.00

ILLICIT TRADE IN EXCISABLE GOODS 4.00

FLORA CRIMES 3.00

FAUNA CRIMES 5.50

NON-RENEWABLE RESOURCE CRIMES 3.50

HEROIN TRADE 4.50

COCAINE TRADE 5.00

CANNABIS TRADE 6.00

SYNTHETIC DRUG TRADE 6.50

CYBER-DEPENDENT CRIMES 5.50

FINANCIAL CRIMES 6.00



### CRIMINAL ACTORS

4.50

MAFIA-STYLE GROUPS 3.50

CRIMINAL NETWORKS 4.50

STATE-EMBEDDED ACTORS 5.00

FOREIGN ACTORS 4.50

PRIVATE SECTOR ACTORS 5.00



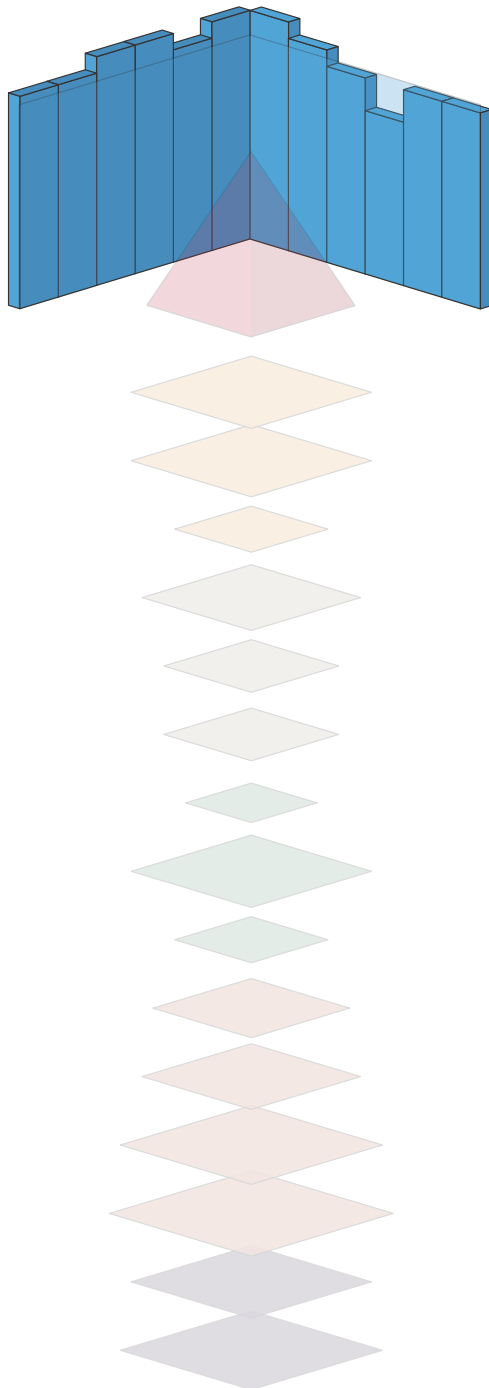
6.42

## RESILIENCE SCORE





# CZECH REPUBLIC



6.42

## RESILIENCE SCORE

32<sup>nd</sup> of 193 countries

23<sup>rd</sup> of 44 European countries

1<sup>st</sup> of 17 Central & Eastern European countries

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



4.68

## CRIMINALITY SCORE



**CRIMINAL MARKETS** 4.87



**CRIMINAL ACTORS** 4.50



# CRIMINALITY

## CRIMINAL MARKETS

### PEOPLE

The Czech Republic is a source, destination, and transit country for human trafficking. Although most people trafficked within the country are Czech, there has been an increase in the trafficking of non-EU nationals. Foreign victims frequently originate in the Balkans as well as in South and South East Asia. While male victims are often subjected to forced labour in physically demanding sectors, women and underage victims are frequently forced into sex trafficking inside and outside the country. The Czech Republic is a hub for pornography production, and many victims of human trafficking are exploited in the industry. Additionally, female victims continue to be subjected to forced marriages to non-EU nationals under the pretence of an 'advantageous' marriage, and are subsequently exploited through sex and/or labour trafficking. It is common for criminals to recruit victims through employment agencies or deceptive, private, unregistered labour agencies. Refugees from Ukraine, predominantly women and children, seeking refuge in the country following the Ukrainian war are vulnerable to trafficking. Although Czech nationals constitute most traffickers, collaboration continues with foreign nationals who target people of their own nationality.

As part of the Central European migration corridor, the Czech Republic continues to act as a significant transit country for migrants smuggled to Western European countries. Illegal Schengen visas and altered, stolen or lost IDs and documents are sold from the Czech Republic to foreign nationals to aid smuggling. There has been an increase in irregular migration in the past few years, especially along the border with Slovakia. Most of the migrants are from Syria and transiting through the Czech Republic to reach either Germany or Austria. Criminal networks, foreign actors, and, in some cases, mafia-style groups are involved in facilitating the expanding human smuggling market. These groups allegedly smuggle people through the use of forged documents. There are reports of people being smuggled in to serve prison time in lieu of sentences handed down to leaders of the criminal community. The extortion and protection racketeering crime market is small in the Czech Republic with limited involvement of organized crime groups. However, profit-driven actors such as landlords and real estate agents have extorted tenants by fabricating debts, such as utility bills, to threaten them with sudden evictions.

### TRADE

The Czech Republic is a source and transit country for arms trafficking. Converted and reactivated firearms are an important source of illicit firearms in the country. Illegal firearms and old Czech military equipment are often trafficked into Europe and conflict zones in Africa and the Middle East. The reports suggest an increased proliferation of Czech weaponry in the country because of a lack of oversight of the export of firearms to Ukraine. Illicit firearms activity in the Czech Republic is facilitated by actors from an increasingly diverse range of nationalities, although Czech nationals appear to dominate the market.

Over the years, there has been a steady reduction of the counterfeit goods market in the Czech Republic because of the control standards set by customs management. However, the infringement of intellectual property rights and the distribution of counterfeit goods continue to occur in the country, although not at the same level as before. The most commonly identified intellectual property right infringements in the country pertain to textile, and toy products, and the most frequently seized counterfeit trademarks include sportswear and luxury brands. Counterfeit goods consist of imitation designer products such as jewellery, watches, and bags, as well as other clothing and accessory items.

The consumption of illegal cigarettes in the country was in a steady decline until 2021, and especially in 2020 because of the COVID-19 pandemic. This trend has now shifted in the country, as well as in many other parts of Europe, because of rising inflation and the high taxation of tobacco products. Tobacco products originating in Belarus are believed to be common on the Czech black market. Russian organized crime groups are building and managing factories for the production and distribution of illicit cigarettes in the Czech Republic. Moldovan workers are brought to work in these factories in exploitative conditions. Illicit gains from the production and smuggling of cigarettes fuel other criminal activities perpetrated by these organized crime groups. It is believed that, although a growing market, the sale of illicit beer remains negligible in contrast to the faster-growing illicit wine market.

### ENVIRONMENT

The forests of the Czech Republic are considered a productive source of illegal timber in Europe. The country is also a transit point for illegal timber smuggled from Myanmar to the Netherlands. Companies in the Czech Republic are known to have purchased timber linked to the largest illegal timber scam in Russia. Nevertheless, the Czech Republic has been evaluated as a low risk for illegally harvested timber and illegal logging is not considered a major issue.

The Czech Republic is a significant fauna market in Europe. Live reptiles and birds such as parrots and birds of prey are smuggled into Western Europe via the Czech Republic, facilitated by ties with South America and Eastern Europe. The country is a central point of post-mortem poaching, where CITES-protected species are imported from Poland and Slovakia to be further processed for traditional Chinese medicine. Tigers are often bred domestically and animal parts, such as skins or parts used to manufacture traditional medicine and tiger bone wine, are not only sold to the Czech-Vietnamese diaspora, but also exported to Asian countries to be used in traditional medicine. Czech and Vietnamese crime groups seem to play an important role in the illegal wildlife trade in Europe. Organized crime groups involved in the illegal wildlife trade in the Czech Republic are linked to other crimes, including drugs, cigarettes, and counterfeit goods. Profits are made by domestic sellers and foreign smugglers, and there is local and foreign demand.

The Czech Republic is a source and a destination country for non-renewable resource crimes. Coal, lignite, graphite, clay, and metallic ore are some of the main natural non-renewable resources extracted in the Czech Republic. The country is also known for oil and coal smuggling and for oil- and coal-related fraud. Furthermore, illegal moldavite mining is becoming increasingly common in Southern Bohemia as a result of rising prices, and this is having a detrimental effect on the Czech natural landscape. Criminal networks involved in the non-renewable resource crime market are allegedly connected to state-embedded actors and in some instances to foreign actors with political influence.

## DRUGS

Heroin is now one of the least popular substances in the Czech Republic as COVID-19 restrictions led to heroin being replaced with synthetic drugs that have similar effects. The country is primarily a transit country and, to a lesser extent, a source and destination country for the drug. Although drug trafficking is illegal in the Czech Republic, drug use is not deemed a criminal offence regardless of the drug type. Organized crime groups from the Western Balkans are most active in heroin imports, with Kosovan and Albanian organized crime groups facilitating heroin trafficking in the Czech Republic. Profits from the heroin trade are laundered in the Czech Republic through chains of casinos to avoid detection by law enforcement.

There has been an increase in the cocaine trade in the Czech Republic. Various criminal groups and local actors cooperate to facilitate this drug trade in the country. The Mexican Sinaloa Cartel is increasingly present in Europe's cocaine market, which also affects the Czech cocaine market. Criminal actors use the Czech Republic's real estate market to launder proceeds from the cocaine trade. COVID-19-related measures have led to a shift in cocaine trafficking routes from air to road, and an increased reliance on the dark web to sell the drug.

The Czech Republic is predominantly a source country for the cannabis trade, with an increasing number of small home growers of cannabis. Domestic production of cannabis makes it difficult to gauge the consumption rate and the extent of the Czech Republic's role as a destination country. Nevertheless, reports indicate that cannabis is entering the country from Slovakia and Hungary. Illegal production and trade of cannabis in the country is facilitated by Czech nationals, Vietnamese diaspora, and other minorities. The market is driven by internal and external demand, and profits from the trade are mainly raked by domestic actors as the drug is produced locally. The country also remains a source and destination country for synthetic drugs, specifically methamphetamine. Although most domestic consumption is of locally produced drugs, some imports are reported to originate from the Netherlands, Belgium, and Poland. Additionally, foreign nationals with long-term residence in the Czech Republic are most frequently responsible for the import of precursor drugs from Southern European states. The country has long had the highest number of small-scale methamphetamine production sites. Furthermore, the Czech Republic continues to be a destination country for Ecstasy (MDMA), primarily from the Netherlands and Belgium. Methamphetamine and MDMA trade are now being taken over by Mexican cartels that are opening laboratories on the Czech-German border.

## CYBER-DEPENDENT CRIMES

Cyber-dependent crime is a concern in the Czech Republic, especially given the current geopolitical situation in Europe. In April 2022, the Czech National Cyber and Information Security Agency issued a warning about the threat of cyber-attacks and cyber-espionage in the country as a result of the armed conflict between Russia and Ukraine, as cyber-attacks against critical infrastructures increased following the conflict. The country witnessed an increase in cyber-attacks in recent years, with small and medium enterprises located in the Czech Republic encountering forms of this type of crime including viruses, spyware, and ransomware. The most frequent types of attacks included blackmail by hackers and external network scanning. Cryptocurrency scams and hacks affect users in the country, where the market is largely unregulated in the absence of national-level policies.

## FINANCIAL CRIMES

Financial crimes, especially financial fraud, embezzlement, and tax evasion are common practices in the Czech Republic. The most common version of financial fraud encountered by the public is fraudulent calls made by criminals introducing themselves as bank employees and asking for sensitive personal information to gain access to their victims' bank accounts. The public is also vulnerable to fake online investment schemes, where victims are lured through social media accounts to fake broker websites. Banks and insurance companies are targeted by credit and

insurance fraud activities perpetrated by criminal networks. Additionally, tax evasion has been at the forefront of Czech politics in recent years, as the Pandora Papers revealed how the wealthy avoid taxation by using offshore tax havens and shell companies to make large property purchases.

## CRIMINAL ACTORS

Private sector companies in the Czech Republic, such as development and investment companies, real estate agencies, exchange offices, casinos, gaming rooms, antique shops, restaurants, and taxi companies, are heavily engaged in financial crimes as well as money laundering through various illegal activities. These actors use cryptocurrency to launder illicit funds, as the cryptocurrency market remains unregulated and its operation is largely outside of state control. As for state-embedded actors, apart from some reports of corruption, there is no evidence that the Czech state facilitates the actions of criminal markets. However, there have been accounts of money laundering, corruption, and the misdirection of funds originating from state-embedded actors.

Loose criminal networks in the Czech Republic are involved in most sectors of organized crime prevalent in the country. These include the cannabis and synthetic drug markets, illicit fauna markets, human smuggling and trafficking,

arms trafficking, and non-renewable resource crimes. With regard to the latter criminal market, the number of illegal moldavite miners is growing in Southern Bohemia, and they are becoming more aggressive when confronted. Transnational linkages exist in human smuggling and trafficking networks, as well as in the arms and drug trade. The issue of foreign organized crime actors using the country as a logistics hub, safe haven, and a location for money laundering has been underreported for a significant amount of time. These foreign nationals frequently work alongside their local counterparts active in human trafficking and smuggling markets. The local counterparts facilitate access to trafficked and smuggled individuals of their own nationality. Foreign actors are presumably involved in the illicit sale of excise goods in the country. The Vietnamese criminal diaspora has been cited as one of the most prominent in the country, and is mostly linked to fauna crimes, the arms trade, and the production and distribution of cannabis and methamphetamine. There are also reports of increasing activities of Ukrainian organized crime groups in the country. There is no official or credible evidence that traditional domestic mafia-style groups systematically operate in the country at present. However, small hierarchically-structured organizations are still active in a series of markets traditionally associated with mafia-style groups, such as extortion, armed theft and bribery of law enforcement officials.

# RESILIENCE

## LEADERSHIP AND GOVERNANCE

The current government is a centre-right led coalition consisting of five parties, which took office at the end of 2021. The government's focus seems to be limited to inflation, energy prices and the country's budget deficit, while its stance towards organized crime and corruption is yet to be expanded upon. The Czech Republic has the legislative and institutional framework to prevent and fight corruption in an effective manner. For instance, the conflict of interests and anti-corruption department of the justice ministry oversees the framework for anti-corruption at the governmental level. The anti-corruption strategy contains targets in relation to the adoption of legislative acts on whistle-blower protection and on lobbying, as well as on transparency, access to information, and COVID-19-related corruption risks. The country collaborates with international and EU bodies to call for more transparency at the EU-level judicial system. Recently, the Czech government approved legislation requiring transparency regarding real (or 'beneficial') ownership of companies to combat corruption. However, over the years major state actors have

been accused of being involved in various corruption and money laundering scandals, such as the Pandora Papers.

International cooperation is traditionally one of the most successful components of the Czech policy against organized crime, with most of the international treaties regarding organized crime having been signed by the country. The Czech Republic is fully integrated within international justice and police cooperation. Additionally, the Czech Republic has been actively collaborating with international organizations and foreign governments to combat human trafficking, human smuggling, cybercrime, and money laundering. Similarly, the Czech Republic's legislative framework is robust and criminalizes most organized crime activities. Furthermore, the Czech Republic is one of just over half of EU member states that expressly distinguishes petty and grand corruption in their criminal code, which stipulates that any corruption perpetrated by a holder of public office is to be automatically classified as grand corruption. However, punishments for drug-related offences are considered comparably lax. Although drug

trafficking is illegal in the Czech Republic, drug use is not deemed a criminal offence regardless of the drug type.

## CRIMINAL JUSTICE AND SECURITY

The Czech judiciary remains largely independent, with rule of law usually prevailing in criminal and civil cases, despite slow judgment delivery and instances of corruption. In recent years, concerns have been raised about political influence on the Czech judiciary. However, the Czech prison system does not report overcrowding and claims to provide prisoners with access to spiritual/religious services, employment training, and recreational activities.

The Czech Republic is fully integrated within international justice and police cooperation efforts. Specific units of the Czech police force deal with organized crime, such as the national organized crime agency, an independent police unit dealing with crimes including tax fraud that damage public budgets, investment scam schemes, arms trafficking, and poisoning attempts. Cyber-dependent crimes, such as hacking, are addressed by the organized crime unit of the Czech police in collaboration with the country's National Agency for Cyber and Information Security. The police are considered one of the most trustworthy organizations in the country. However, corruption remains a problem among law enforcement bodies with the leaking of information in exchange for payments; the unauthorized use of law enforcement databases, typically searching for derogatory information; acceptance of bribes in connection with criminal proceedings and other procedures (for example, issuance of permits); and unlawful influencing of law enforcement procedures.

The country has paid significant attention to border control, particularly in the context of the migration crisis. The central location of the Czech Republic increases its appeal as a transit country for organized crime. The country continues to prepare for influxes of migration by installing provisional checkpoints along its border with Slovakia. Furthermore, the country's integrity has been challenged through the recent cyber-attacks targeting critical infrastructure and institutions, including Czech railways, regional airports, and the interior ministry's civil service server by pro-Russian hacker groups.

## ECONOMIC AND FINANCIAL ENVIRONMENT

Efforts to counter money laundering in the Czech Republic continue to increase and the country is at relatively low to medium risk of money laundering and terrorist financing. As a policy priority, Czech authorities rely heavily on freezing and seizing assets that have been identified as related to money laundering. Transnational organized crime groups and public officials are significantly involved in money laundering. The Czech Republic has made great progress through legislative reforms and increased efforts in pursuing investigations. However, the Czech judiciary system lacks

experts, specifically judges, who have extensive knowledge of international money laundering schemes as well as anti-money laundering policies.

There are no specific economic sectors in the Czech Republic that appear to be significantly controlled by organized crime groups. However, there is some evidence of organized crime and corruption, particularly in relation to money laundering and property, with businesses acting as a front for illegal practices. Over the past two decades, the Czech Republic has eased the process of filing and paying taxes significantly, resulting in a reduction of time needed to accomplish these tasks.

## CIVIL SOCIETY AND SOCIAL PROTECTION

The country has support mechanisms in place for victims of organized crime through state and NGO/civil society initiatives. The Czech government provides funding to a number of NGOs that provide migrants and refugees with legal, social, and other support. NGOs in the country also provide assistance to drug addicts, including rehabilitation, testing, re-socialization, and prevention in at-risk communities. Under the government and NGO programmes, adult victims are given medical care, psychological and crisis counselling, housing, legal representation, vocational training, and other specialized services, regardless of their immigration status. There is a separate national referral mechanism for child victims, and social workers have developed individualized support plans for potential child trafficking victims, who receive welfare benefits such as shelter, food, clothing, and medical and psychological counselling. There is a high level of cooperation between the authorities and civil society on victim identification and protection efforts. However, there are concerns regarding effective identification of adult and child victims, and this is attributed to: authorities' challenges in identifying labour trafficking victims among migrant workers or detainees in immigration detention facilities; insufficient screening of asylum seekers; and inadequate training and high levels of turnover of front-line responders, particularly local police.

The Czech government has increased its human trafficking prevention efforts with ministries, agencies, and NGOs, as well as international collaboration through an inter-ministerial coordination group. The government funds several NGO-run multilingual hotlines to identify and assist potential and officially recognized victims. NGOs reported more calls in 2021 than before the pandemic. The interior ministry funds prevention campaigns, including public awareness efforts and NGO outreach to vulnerable groups and areas. The Czech Republic has an active NGO presence specializing in different areas. The state encourages NGO activity in some sectors relating to organized crime, for instance in providing assistance to drug addicts and victims of human trafficking. It is important to note that, given the high level of re-offence in the Czech prison system, some NGOs play an important role in helping former prisoners

with reintegration. Additionally, civil society organisations have played a crucial role in the Ukrainian refugee crisis in the country. As for the media landscape in the country, politicians often threaten media and journalists, highlighting concerns for press freedom in the Czech Republic. Media ownership is a great concern, as oligarchs have been purchasing media outlets to drive their own agendas. Though the country has seen improvement in its press freedom, journalists still face challenges stemming from alternative news proliferation, smear campaigns, and verbal attacks.

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