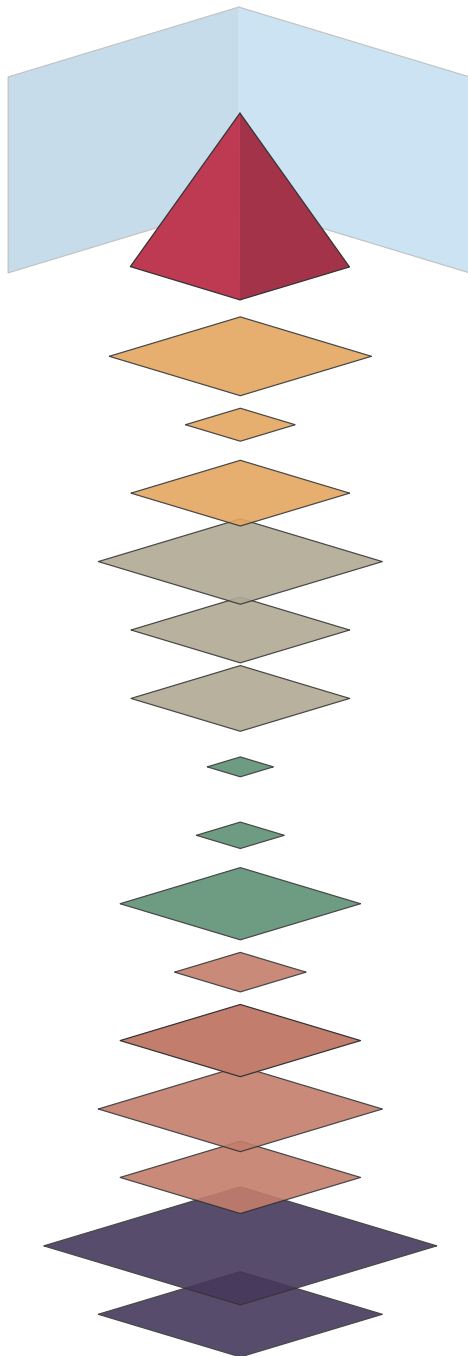




ISRAEL



4.85

CRIMINALITY SCORE

109th of 193 countries

31st of 46 Asian countries

13th of 14 Western Asian countries



CRIMINAL MARKETS

5.00

HUMAN TRAFFICKING 6.00

HUMAN SMUGGLING 2.50

EXTORTION & PROTECTION RACKETEERING 5.00

ARMS TRAFFICKING 6.50

TRADE IN COUNTERFEIT GOODS 5.00

ILLICIT TRADE IN EXCISABLE GOODS 5.00

FLORA CRIMES 1.50

FAUNA CRIMES 2.00

NON-RENEWABLE RESOURCE CRIMES 5.50

HEROIN TRADE 3.00

COCAINE TRADE 5.50

CANNABIS TRADE 6.50

SYNTHETIC DRUG TRADE 5.50

CYBER-DEPENDENT CRIMES 9.00

FINANCIAL CRIMES 6.50



CRIMINAL ACTORS

4.70

MAFIA-STYLE GROUPS 5.50

CRIMINAL NETWORKS 4.00

STATE-EMBEDDED ACTORS 5.00

FOREIGN ACTORS 4.00

PRIVATE SECTOR ACTORS 5.00



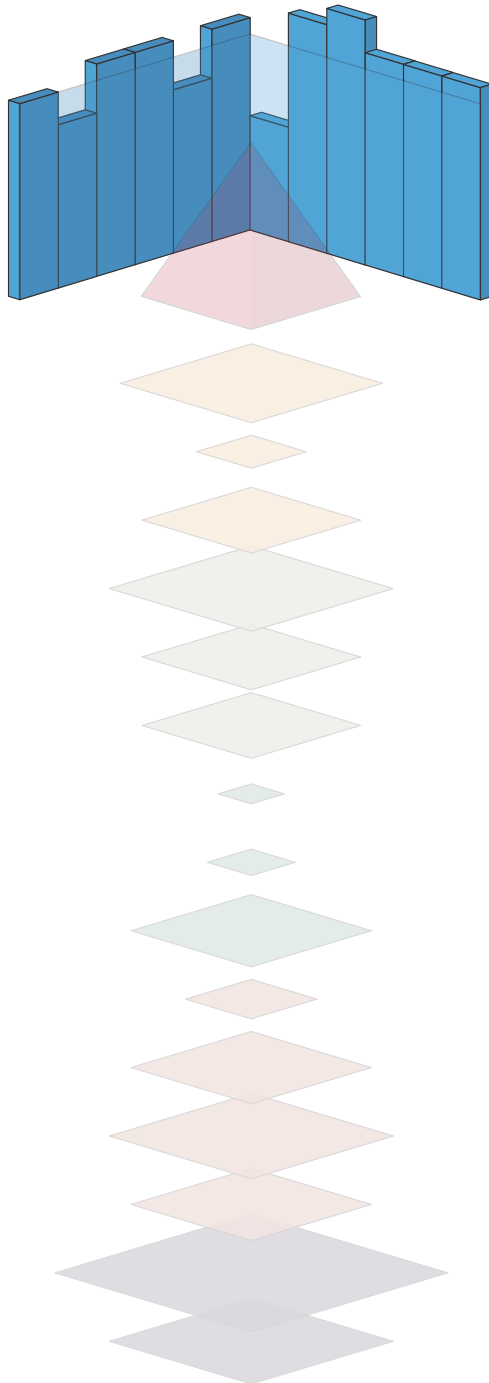
6.08

RESILIENCE SCORE





ISRAEL



6.08

RESILIENCE SCORE

35th of 193 countries

4th of 46 Asian countries

1st of 14 Western Asian countries

POLITICAL LEADERSHIP AND GOVERNANCE	6.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	5.00
INTERNATIONAL COOPERATION	6.50
NATIONAL POLICIES AND LAWS	6.50
JUDICIAL SYSTEM AND DETENTION	5.00
LAW ENFORCEMENT	6.50
TERRITORIAL INTEGRITY	3.50
ANTI-MONEY LAUNDERING	7.00
ECONOMIC REGULATORY CAPACITY	7.50
VICTIM AND WITNESS SUPPORT	6.50
PREVENTION	6.50
NON-STATE ACTORS	6.50



4.85

CRIMINALITY SCORE



CRIMINAL MARKETS 5.00



CRIMINAL ACTORS 4.70



CRIMINALITY

CRIMINAL MARKETS

PEOPLE

In recent years, Israel has been grappling with human trafficking cases in which most victims were subjected to forced labour or sexual exploitation. Refugees and economic migrants are particularly vulnerable to exploitation. Women who travel willingly to Israel to work in the legal prostitution market are at risk of sexual exploitation or extortion. Victims of forced labour and sexual exploitation come mainly from South and Southeast Asia, countries of the former Soviet Union (particularly Ukraine) and the Palestinian territories. Perpetrators of sexual exploitation are often part of organized crime networks with diverse activities, and criminal networks in Israel may have ties to those in other countries, namely the countries of origin of the victims. The number of children forced into begging and labour exploitation has increased in the last two years, especially among those of Palestinian and Arab origin. Sex traffickers have been using social media and dating apps to exploit especially Israeli children, Israeli Bedouins and Palestinian women and girls. Some foreign workers in Israel have also reported having to pay extraordinarily high fees to recruitment agencies and falling into high-interest loans with informal moneylenders – so-called debt traps. The human smuggling market in Israel is small since the completion in 2013 of the southern border fence with Egypt. Although Tel Aviv southern districts have recently started to attract irregular migrants due to the high demand for unskilled labour, the country remains largely exempt from human smuggling flows.

Extortion and protection racketeering pose significant challenges to Israel, and are a major source of income for organized crime groups within the country. Notably, while this type of organized crime has an exceptional impact on certain migrant populations and Arab communities, the issue is almost absent in most of the country. These criminal activities are generally prevalent in the northern regions, especially within Arab communities, where various criminal networks engage in territorial disputes and use illegal weapons to exert violence on the local population. Tuba, located in the north, is a particular hotspot for such activities, where organized crime groups have reportedly engaged in conflict over territorial control. This dispute is spilling over onto local families and businesses, with agricultural workers and business owners in the region being particularly vulnerable to extortion. Reports indicate a surge in crimes related to protection racket fees; small businesses such as cafes and restaurants are heavily targeted in the north. They have reportedly been forced to pay protection fees to avoid having their businesses robbed or burned down.

TRADE

Israel has a significant illegal arms trafficking market. Weapons sold on the illicit market are often stolen, diverted from legal stockpiles or smuggled into the country. The country's illicit arms market continues to be fuelled by the supply of weapons from both state and non-state actors via neighbouring countries. The decades-long conflict between Israel and Palestine drives much of the arms trafficking throughout the country, with some weapons destined for Palestinian groups or individuals in the West Bank and Gaza Strip. Demand is also driven by local criminal gangs, as well as foreign sources interested in smuggling weapons into Israel to destabilize the security situation. The supply of weapons is moved by both state and non-state actors, often through the countries bordering the Palestinian territories and Israel. The profits and arms themselves mostly accrue to foreign criminal actors, and to a lesser extent domestic Israeli groups.

In addition, Israel remains a prominent transit country for counterfeit goods and excisable items. Although border closures to contain the spread of COVID-19 may have had an impact on the illicit trade of cigarettes and other excisable goods, there is no direct evidence that this market has decreased. Instead, the tobacco smuggling rate in Israel remains relatively high.

ENVIRONMENT

Israel's involvement in the illicit trade of flora and fauna is relatively small. However, there have been reported cases of smuggling of the khat plant, which is legal in Israel but banned in Europe. This trade has been especially prevalent between the two regions. Israel has a negligible market for fauna crimes, and there have only been a few reported cases.

There are, however, allegations of involvement in illegal procurement, sale and exploitation of other countries' natural resources. Accusations mainly stem from the exploitation of natural resources in the Palestinian territories and the Syrian Golan Heights, as well as the procurement of African rough diamonds. Reportedly, the diamond trade is one of the biggest markets in Israel, accounting for a significant portion of the country's gross national income. Rough diamonds are sourced from South Africa, Sierra Leone, Angola, Congo, Liberia and the Ivory Coast, as well as Russia and Canada. Reports claim Israel has made deals with militant groups in Africa that source blood diamonds in return for weapons.

DRUGS

Even though the domestic market for heroin is insignificant compared to the markets for cannabis and synthetic drugs, heroin is becoming increasingly popular in urban centres such as Tel Aviv and Jerusalem. Cocaine use has also been on the rise in Israel, as the drug becomes more socially acceptable. Allegedly, Israeli crime organizations use Dubai as a hub for cocaine transported from South America to Israel, and liquid cocaine has reportedly been smuggled into the country in wine bottles or absorbed in clothes.

Although Israel is not a major hub for the cannabis trade in the region, the local market is growing, and an increasing number of people are using cannabis and cannabis resin. Despite ongoing efforts to decriminalize the recreational use of cannabis, smuggling continues to be a significant issue, especially at the Israeli border. Reports suggest that there are thousands of cannabis greenhouses throughout the country, particularly in the Negev region, where a number of tribal groups are involved in the trade.

Israel is grappling with a growing market for synthetic drugs, especially ecstasy. Israeli youth are increasingly turning to new psychoactive substances, and there is concern about the alarming rise of methamphetamine, which is manufactured in Europe and finds a market in Israel. Synthetic cannabis is also making a comeback in recent years. The development and availability of synthetic drugs have been compounded by messaging platforms and home delivery services.

CYBER-DEPENDENT CRIMES

In recent years, Israel's substantial role in the global cybercrime landscape has become a growing concern. The country is now considered a central hub in the cyber-dependent crime market. The country has experienced a notable surge in cybercrime incidents, especially distributed denial of service attacks, with thousands of attacks launched against Israeli targets each year. These targets comprise government entities and defence companies, as well as social media pages, news publications and academic institutions. Iran, in particular, has been accused of conducting numerous cyber-attacks on Israel and disabling its government networks and websites. Alongside state-sponsored attacks, pro-Palestinian hacktivist groups have also initiated cyber-attacks against Israeli targets. Conversely, Israel is also known for conducting cyber-attacks against its adversaries abroad, notably Iran, with whom it has longstanding political disputes. In 2022, reports surfaced that the Israeli police had employed Pegasus spyware to surveil journalists, activists and government officials in multiple countries. This incident sparked global concerns over the ethics of governmental use of spyware, which is heavily exported by Israeli companies, making the country a major hub for commercial spyware.

FINANCIAL CRIMES

Israel has a sizeable market for financial crime. The rise of online trading platforms has made it easier for criminals to carry out sophisticated fraud schemes and scams. Internet fraud, particularly phishing attacks, poses the biggest financial crime threat in Israel, with nearly half of all financial fraud reports being linked to this type of attack. Organized criminal networks are increasingly using online fraud and scams, such as forex and investment fraud, directed at both Israeli consumers and people abroad. The prevalence of fraud and scams is a significant source of criminal income, with major Israeli organized crime groups and entities connected to terrorism also involved in online scams. Criminals are taking advantage of the easy access to potential victims on the internet and the low cost and risk involved in carrying out these schemes.

CRIMINAL ACTORS

Mafia-style groups are the most prominent type of criminal actor in Israel, with different entities having various levels of organization, membership and field of operations. The latter includes crimes such as prostitution, extortion, protection, drug dealing, gambling, investment fraud, arms trafficking, illegal quarrying and loan sharking, among others. While there is no concrete information on their membership, their well-defined structure implies a moderate to large membership. Most of these groups have a family-based leadership structure, with defined successors. They have a long history of violence, with clashes and wars between groups resulting in the formation of new groups. In the Arab community in Israel, organized crime groups are heavily linked to violence and protection rackets, with some mafia-style groups suspected of having been subcontractors for now-defunct Jewish crime organizations. The Israeli mafia has no control over the prison system, but inmates have reportedly been terrorized by members of criminal groups.

While no conclusive evidence directly links state actors to these activities, there are allegations that state actors control, facilitate or engage in criminal activities. Some high-level officials have been accused of influencing the diamond trade and have alleged ties with criminal groups on the African continent. In addition, there are widespread claims of investment scams involving businesses with ties to the Israeli Parliament. Limited high-level corruption has also been reported, including one instance in which a Knesset member's debts were paid by a member of a criminal family. These groups are also involved in investment scams that have stolen billions of dollars from victims worldwide. Reports also suggest the complicity of state-embedded actors in cyber-dependent crimes, particularly illegal cyber-surveillance and spyware.

Private sector actors in Israel are vulnerable to organized crime. The banking, car, foreign exchange and real estate industries have all been identified as sectors that are

susceptible to criminal activity, and there are concerns about the involvement of Israeli companies in human rights abuses.

Criminal networks in Israel primarily consist of small, unstructured groups that operate nightclubs, particularly in the Tel Aviv-Jaffa area, where forced prostitution and sexual exploitation are rampant. These groups also engage in drug and arms trafficking, which occurs throughout the country. In addition to physical violence, criminal networks increasingly use online fraud and scams to generate income, including phishing attacks and various forms of investment

fraud that target both Israeli consumers and people abroad. The use of technology has made it easier for them to operate under the radar, which makes monitoring and tracking their activities more challenging for law enforcement agencies. Moreover, nearly all criminal networks in Israel operate transnationally, and it is likely that some of these groups have ties to foreign networks, including in neighbouring countries. While foreign citizens have been involved in drug trafficking and prostitution, there is no evidence to suggest that they control these markets.

RESILIENCE

LEADERSHIP AND GOVERNANCE

In Israel, organized crime is not as high on the agenda as terrorism, which has impeded to an extent anti-organized crime efforts. While the country is politically among the most stable in the region, systematic discrimination against Arabs and other ethnic and religious minorities leads to significant social disparities, which are major issues that undermine Israeli democracy and stability. Arab citizens of Israel frequently express concerns about the failure of the Israeli police to fight organized crime in their neighbourhoods, as demonstrated by the frequent escalation of violence in Jerusalem and throughout the country. Activists and leaders have accused the government and police of being racist and deliberately neglecting the issue of organized crime because it does not pose a security threat to Israeli Jews. While Israel has anti-corruption laws in place, political members are widely accused of fraud, bribery and breach of trust. The corruption trial against Prime Minister Benjamin Netanyahu on these charges showcases the level of perceived governmental corruption in the country. There are also growing concerns over the disregard for accountability and the rule of law which is being exacerbated by the newly-elected government, considered the most right-wing government in Israel's history.

Israel is a party to most relevant conventions and treaties pertaining to organized crime. The country has an agreement with Europol to combat organized crime, including cybercrime and terrorism. Nevertheless, although it has signed, it has yet to ratify the Arms Trade Treaty, and concerns have been expressed over Israel's inaction on financial crime. Extradition of Israeli citizens is also complicated and requires extensive litigation. Although Israel recently seems to be more open to extraditing its citizens to other countries, the country is often used as a haven to avoid prison sentences. The Israeli government has implemented laws to combat human trafficking, but they are inconsistent with international law. Laws are also in place to combat drug

and arms trafficking, with new regulations proposed to decriminalize recreational cannabis use. These regulations aim to make cannabis use an administrative offence instead of a criminal one, and void criminal records for personal possession of cannabis if requested.

CRIMINAL JUSTICE AND SECURITY

In Israel, the state attorney is the main body responsible for managing cases related to drug trafficking, human trafficking and other forms of organized crime. Professional judges adjudicate all criminal proceedings in the independent Israeli judicial system. However, there is an overall lack of confidence in the judicial system among citizens. Israel's prison system has also faced criticism for poor living conditions, inhumane treatment and torture, as well as racial profiling of Palestinian inmates. While there is no evidence that organized crime has taken over prisons, the Israeli prison system has reported crackdowns on inmates who belong to mafia-style groups that have terrorized other inmates and guards. This comes in light of alleged organized crime-related coordinated attacks on prisons due to the poor living conditions experienced by certain inmates. Even though Israeli law enforcement is considered one of the world's more effective law enforcement agencies in combatting organized crime, given its specialized units for specific criminal markets such as human trafficking and the drug trade, its efforts have been overshadowed by its involvement in the country's ongoing political conflicts and a consistent and well-documented pattern of human rights violations. In addition, the Israeli police face challenges in combatting online fraud and scams carried out by criminal networks due to difficulties in locating perpetrators and establishing an evidentiary basis for prosecution.

Israel's relationships with neighbouring countries are complex, as the country is not recognized as a state by the majority of countries in the region. However, it has

diplomatic relations and peace agreements with Egypt, Jordan, the UAE, Bahrain and Morocco. Israel's annexation of the Syrian Golan Heights defied international law and continues to further tensions. Hamas, the Gaza Strip's de facto governing body, and the Palestinian Authority, which controls parts of the West Bank, are also sources of tension within Israel. Technological advancements, coupled with the ongoing nuclear programme negotiations with the Iranian government, have led Israel to perceive Iran as a direct threat to its national security. Its concerns have grown stronger due to ongoing proxy conflicts between the two countries, emboldened by Iranian-funded groups in Syria and the Gaza Strip. Israel's borders, especially the Lebanese, Jordanian and Egyptian borders, continue to be used by criminal organizations for smuggling illegal arms and drugs.

ECONOMIC AND FINANCIAL ENVIRONMENT

Israel is a member of the FATF and has an overall robust anti-money laundering and counter-terrorist financing system. While the country is no longer on any money-laundering blacklists, it is subject to financial sanctions by the 22 member states of the Arab League. Moreover, the Israeli government is considered to have significant shortcomings in terms of supervision and measures to prevent the misuse of non-profit organizations for terrorist funding. In recent years, Israel implemented new rules regarding crypto assets in line with the FATF's guidelines to control the local crypto market.

Israel has a strong legal framework to ensure businesses can operate freely without being threatened by criminal groups or corruption. The land, tax and customs administrations carry low corruption risks, while the public service and public procurement sectors carry moderate to high risks. Organized crime groups in Israel mainly operate illegal gambling in nightclubs or loan money to other businesses. The diamond trade is linked to illicit procurement from African countries and arms deals to support militant groups accused of committing war crimes. The diamond sector is also riddled with corruption and tax fraud, and the Israeli government has done little to change that despite being one of the world's largest diamond exporters. In 2021, the new Israeli government introduced a national plan aimed at reducing regulation and bureaucracy to boost

the Israeli economy, which was greatly affected by the COVID-19 pandemic.

CIVIL SOCIETY AND SOCIAL PROTECTION

While the Israeli government has made significant progress in combating modern slavery and human trafficking in recent years, there are still areas for improvement, such as increasing funding for national action plans and improving victim identification efforts. The Israeli government has a well-established framework in place to provide support to victims of modern slavery, and authorities maintain their efforts to protect trafficking victims. They offer a range of protective services, including shelters, job training, medical treatment and legal assistance. Victims of human trafficking are also provided with rehabilitation visas or unrestricted work visas. Additionally, the witness protection programme and relocation efforts aim to ensure the safety of witnesses and promote the rule of law.

The government's five-year prevention plan, introduced in 2019, aims to raise awareness of human trafficking and its impact on individuals and communities, while the detailed programme for preventing drug use highlights the government's commitment to protecting citizens from the dangers of drug addiction. Whistle-blowers are also protected and have access to psychological and legal aid.

Civil society plays a crucial role in responding to organized crime in Israel, and the Israeli government cooperates with NGOs to fight organized crime. However, recent crackdowns on Palestinian civil society organizations by the government have raised major concerns over the civil society space in the country. The Israeli media enjoys a great deal of freedom, and regularly reports on organized crime-related issues. However, when reporting on sensitive issues such as events in the Palestinian territories, journalists encounter hostility and verbal attacks by government officials, leading to a degree of self-censorship. Violence against journalists, particularly Palestinian journalists, also takes place.

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