

**3.90**

**CRIMINALITY SCORE**

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

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

4<sup>th</sup> of 8 Northern European countries



**CRIMINAL MARKETS**

**4.50**

HUMAN TRAFFICKING	5.00
HUMAN SMUGGLING	4.50
EXTORTION & PROTECTION RACKETEERING	3.50
ARMS TRAFFICKING	3.50
TRADE IN COUNTERFEIT GOODS	6.00
ILLICIT TRADE IN EXCISABLE GOODS	6.00
FLORA CRIMES	1.50
FAUNA CRIMES	2.00
NON-RENEWABLE RESOURCE CRIMES	2.00
HEROIN TRADE	4.50
COCAINE TRADE	5.50
CANNABIS TRADE	5.50
SYNTHETIC DRUG TRADE	5.50
CYBER-DEPENDENT CRIMES	6.00
FINANCIAL CRIMES	6.50



**CRIMINAL ACTORS**

**3.30**

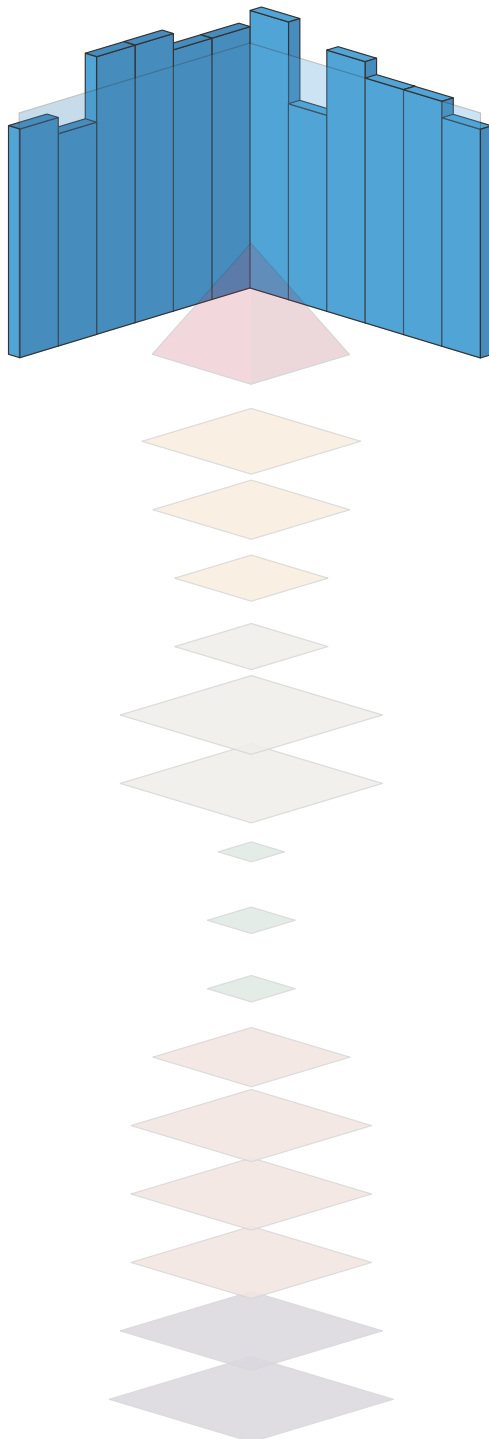
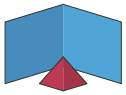
MAFIA-STYLE GROUPS	4.00
CRIMINAL NETWORKS	3.50
STATE-EMBEDDED ACTORS	2.00
FOREIGN ACTORS	4.50
PRIVATE SECTOR ACTORS	2.50



**7.58**

**RESILIENCE SCORE**





**7.58**

**RESILIENCE SCORE**

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

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

6<sup>th</sup> of 8 Northern European countries

POLITICAL LEADERSHIP AND GOVERNANCE	<b>7.00</b>
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	<b>6.50</b>
INTERNATIONAL COOPERATION	<b>8.50</b>
NATIONAL POLICIES AND LAWS	<b>8.50</b>
JUDICIAL SYSTEM AND DETENTION	<b>8.00</b>
LAW ENFORCEMENT	<b>8.00</b>
TERRITORIAL INTEGRITY	<b>8.50</b>
ANTI-MONEY LAUNDERING	<b>6.00</b>
ECONOMIC REGULATORY CAPACITY	<b>8.00</b>
VICTIM AND WITNESS SUPPORT	<b>7.50</b>
PREVENTION	<b>7.50</b>
NON-STATE ACTORS	<b>7.00</b>



**3.90**

**CRIMINALITY SCORE**



**CRIMINAL MARKETS 4.50**



**CRIMINAL ACTORS 3.30**



# CRIMINALITY

## CRIMINAL MARKETS

### PEOPLE

Latvia's recent economic progress has made it an enticing destination for human traffickers, especially in cases of labour exploitation. Ukrainians who have been affected by the war are also at risk of falling victim to trafficking in Latvia. The absence of risk-prevention measures, and unregistered refugee centres, contribute to the vulnerability of potential victims. Authorities have observed a rising number of Ukrainian workers being classified as 'posted workers' during inspections targeting illegal employment and violations at construction sites. At the same time, Latvian nationals are subjected to forced labour in other parts of Europe – a practice often facilitated by organized crime groups. Women are trafficked domestically and elsewhere in Europe, where they are often recruited for brokered marriages. The use of modern technology in fraudulent marriages complicates the detection and prosecution of these crimes, leading to substantial financial gains for organized criminal groups.

When it comes to human smuggling, Latvia is a transit area for individuals attempting to reach Scandinavian countries. Organized crime groups take advantage of Latvia's strategic location to facilitate smuggling between Asia and Europe. Source countries include Vietnam, Russia, Ukraine, Afghanistan, Iraq and India. The influx of refugees from both sides of the Russia/Ukraine conflict might have stabilized, but there has been a recent surge in irregular state border crossings, particularly by Iraqi citizens of Kurdish origin. The smuggling of people primarily occurs from east to west; Riga has been identified as a central hub for this illicit activity. Local actors in border communities play a role in facilitating human smuggling, while online platforms are used for recruitment, logistics, exploitation and the advertisement of prostitution.

Extortion and protection racketeering are not common in Latvia. Most occurrences are digital in nature, but more traditional forms of extortion are still perpetrated by some organized crime groups, mainly performed in the context of the privatization of state-owned companies. Criminal organizations engaged in extortion also tend to operate in related fields of car theft, fraud and counterfeiting.

### TRADE

The arms trafficking market in Latvia is relatively small but it does pose a moderate threat. While organized criminal groups have limited involvement, individuals play a key role in the illegal movement of firearms. Due to its location,

Latvia has the potential to be an attractive transit hub for transporting stolen weapons. There has been an increasing trend in trafficking reactivated firearms and modified gas pistols; many criminal offenses are associated with the illegal excavation and modification of these weapons. The country also faces challenges concerning legacy firearms, including the illicit retrieval of World War II-era weapons and the unlawful possession of historical arms from other wars and the Soviet occupation. Latvian authorities have discovered firearms of German or Soviet manufacture, which can be restored and adapted for firing. Residents, particularly in rural areas, store unregistered weapons and ammunition and sometimes engage in illegal hunting. There are also reports of trafficked firearms between Latvia and Lithuania, with an intra-regional route passing through the Netherlands. Smuggling between Latvia and Russia has also been reported.

The sale of counterfeit goods causes millions of euros in losses in Latvia every year. In recent years, there has been an increasing trend in the online purchase of counterfeit goods, including counterfeit medicine, cosmetics, perfumes, toys and more. The consumption of counterfeit cigarettes is rapidly increasing as illegal manufacturers use more sophisticated methods. Organized criminal groups are increasingly involved in the illicit trade of excise goods: these activities, which encompass the illegal movement, sale and purchase of excisable goods such as cigarettes and tobacco products, are detected on a daily basis. The trade in illegal excise goods is driven by significant price disparities between neighbouring countries like Belarus, Ukraine and Russia, where prices are much lower than in Latvia and other EU countries. The smuggling of excise goods not only involves the influx of these products into the country, but also a number of illegal cigarette and alcohol production facilities. Illicit excise goods are mainly sold through illegal outlets known as 'tochkas', which are located in rural areas and cities and cater to low-income individuals who either consume alcohol regularly or cannot afford legally available products. Goods are stored in various locations and distribution involves small quantities to minimize legal consequences. The COVID-19 pandemic has contributed to an increase in tolerance toward purchasing smuggled goods.

### ENVIRONMENT

There is no established or well-developed market for flora crimes in Latvia. However, the country's economy relies heavily on timber, which is its primary natural resource and main export product. Even so, the risks associated with illegal logging are currently considered to be low. Fauna-related crimes are also not widespread, but they do exist; Latvia is a source and destination country in

this regard. Incidents have been recorded involving the escape of exotic animals from private owners. There have also been individual incidents involving various fauna by-products, like a polar bear skin, different bird species, wolves, lynxes, a black panther and a monkey. Coral and crocodile products, along with other smuggled souvenirs and gift items, are commonly found in Latvia. The border with Russia facilitates the entry of illegal wildlife into the country for further distribution in the European market.

The illicit market for non-renewable resources in Latvia is primarily focused on fuel smuggling and the illegal trade of amber. Like other Baltic countries, Latvia's fuel market attracts criminal groups due to disparities in fuel tax. Fuel smuggling from Russia into Latvia has become more challenging since the war in Ukraine. Even though there are active groups involved in non-renewable resource crimes in Latvia, the size of this shadow economy is smaller compared to other Baltic states. The illicit market for non-renewable resources consequently has limited influence on society and generates relatively low value.

## DRUGS

Latvia is primarily a transit country for the heroin trade, which is largely controlled by Russian organized crime groups. While overall heroin usage has been declining in the country, it remains one of the most popular drugs. Heroin enters the country through land routes from Russia and Belarus, with the highest risk of narcotics trafficking occurring at the Latvian-Russian border, and on ferry lines from Western Europe. Organized crime groups do not earn their main income from heroin sales within Latvia, but rather from smuggling heroin through the country. The heroin market has witnessed a shift towards carfentanil, a synthetic opioid that is cheaper and more potent.

Cocaine has gained in popularity among local consumers. Latvia primarily serves as a transit point for trafficking: the drug is further transported to Russia and Scandinavian countries. Latvian and other eastern Baltic nationals have been involved as couriers in these operations. Former communist countries around the Baltic Sea have become important hubs for cocaine smuggling, with notable seizures in ports such as Riga in Latvia, Klaipeda in Lithuania, and Tallinn Airport in Estonia. Organized crime groups act as consignors and consignees in the cocaine trafficking trade, while transportation within Latvia is often carried out by legal logistics companies. The use of the internet, cryptocurrencies, postal services and courier services all facilitate the transfer and sale of cocaine: smuggling techniques including concealing drugs among legal goods in trucks displaying popular freight company logos.

The cannabis trade in Latvia involves cultivation, distribution and transit. The country is a known hub for production: cannabis is grown both indoors and outside in uninhabited spaces. In recent years, the number of confiscated plants

has decreased. The distribution of marijuana is concentrated in the Riga region; several marijuana farms have been discovered in the area. Cannabis use is prevalent among young adults, particularly males, and recent trends indicate an increase in marijuana use among youth. Despite the impact of COVID-19, general cultivation and self-cultivation for personal use have both increased. Herbal cannabis is imported from countries such as the Netherlands, the UK and Germany, while cannabis resin primarily originates from Morocco and enters Latvia through other EU states, often en route to Russia.

The synthetic drug trade has become prevalent in Latvia, where synthetic opioids are busy replacing heroin in the illicit market. These synthetic drugs, some of which are extremely potent, present challenges for doctors treating overdoses. Drug distribution occurs through various means, including air and road transportation, as well as postal and courier services. The COVID-19 pandemic led to an increase in drug distribution on the dark web. Synthetic substances are mainly imported from European countries, but there is also domestic production within Latvia, carried out by organized criminal groups operating professional laboratories, or by chemistry enthusiasts setting up homemade labs. Domestic production of synthetic drugs has been on the rise, with instances of raw materials being transported to Russia and Belarus. Carfentanil, a synthetic alternative to heroin, is sold by drug dealers at the same price as heroin, making it more profitable.

## CYBER-DEPENDENT CRIMES

Cybercrimes have increased in Latvia due to technological advancements and the growing popularity of cryptocurrencies. Criminals are using increasingly sophisticated methods and creating complex schemes that make the detection and investigation of these crimes more challenging. The availability of viruses, malware and ransomware on online marketplaces and forums are key factors that facilitate cybercrimes.

Since the onset of the war in Ukraine, there has been a rise in cyberattacks in Latvia. However, the actual impact of these attacks is often unclear, as cyberattacks by pro-Kremlin 'hacktivist' groups typically achieve nothing more than publicity. Nevertheless, these incidents remain a cause for concern.

## FINANCIAL CRIMES

Financial crimes have undergone a digital transformation, making it more challenging to identify perpetrators and prove their guilt. The COVID-19 pandemic saw a noteworthy surge in fraud cases, particularly on websites and in the media. Latvian nationals have increasingly fallen victim to telephone fraud and online scams, where fraudsters use deceptive tactics like courier company logos to mislead individuals into purchasing unseen goods. Various forms of financial fraud have been observed, including phishing, telephone

fraud and attempts to acquire customer payment card data. Fraudsters often impersonate well-known companies and employ tactics such as creating fake internet banking websites. Additionally, victims are enticed into investing in dubious websites with promises of high returns.

## CRIMINAL ACTORS

Foreign criminal activity in Latvia is noticeable but not pervasive. Lithuanian organized crime groups have a significant influence, particularly in vehicle-related offenses and property crimes such as theft. As COVID-19 restrictions eased, the presence of foreign criminal groups became more apparent, especially in the cyber realm. Russian organized crime groups dominate the landscape when it comes to foreign mafia-style groups operating in Latvia. These groups engage in activities such as human trafficking, illicit tobacco trading, drug trafficking, theft and money laundering. Language and cultural barriers often limit their interaction with locals. Certain Russian groups have alleged connections to the Russian government, raising concerns about their potential influence over governments in Eastern and central Europe. Other foreign criminal groups, like the Azerbaijani mafia, are involved in activities such as human smuggling.

Mafia-style groups are involved in various illicit activities in Latvia, including drug trafficking, theft, fraud, armed

robbery and money laundering. The leaders of some of these groups are believed to have connections with Russian criminal groups and similar organizations in Europe. While there are numerous organized crime groups in Latvia, only a few operate internationally. Outlaw motorcycle gangs are active and engage in illegal activities at national, regional and transnational levels. However, the number of criminal networks has been decreasing in recent years, partly due to the impact of the COVID-19 pandemic and the implementation of more effective regulations by the police. Drug trafficking remains a prominent source of income for Latvian organized crime groups. Leveraging its strategic geographical location next to Russia, Latvia serves as a significant transit point for the illicit transportation of narcotics from western countries to Russia.

Private sector actors are mainly involved in financial crimes, particularly money laundering cases. The market often relies on individuals known as 'money mules', who agree to allow criminals to use their bank accounts for a fee, or assist in transferring small amounts of cash. These money mules are often students or individuals facing financial difficulties. Professional money launderers, well-versed in the financial system, devise more sophisticated schemes and seek ways to circumvent national laws. Crimes involving public officials are rare in Latvia. Evidence implicating public figures (often customs officials) in bribery or other forms of corruption is limited.

# RESILIENCE

## LEADERSHIP AND GOVERNANCE

Despite a low level of public trust in the government and parliament, some efforts have been made at the ministerial and political levels to combat organized crime. Although Latvia is relatively stable compared to other countries, the perception remains that internal security, including the fight against organized crime, is insufficient; and the allocation of financial resources to the internal affairs system, including the state police, is limited. Corruption is recognized as a notable problem affecting politics, the judiciary and the overall criminal justice system in Latvia. While the government has taken steps to combat corruption and money laundering, investigative and auditing bodies have faced challenges due to a lack of consolidated power within their areas of competence. Although Latvia has an extensive legislative framework for transparency and accountability, there is a lack of transparency in state-owned companies and public procurement processes. Access to information is considered poor, and there is no external administrative level of appeal for information requests. According to public opinion, the perception of corruption is

highest among parliament members, government officials, municipality employees, banking sector employees and leaders of private companies.

Latvia cooperates at an international level to combat organized crime, collaborating with various international organizations and participating in extradition, mutual legal assistance and other forms of legal cooperation. The effectiveness of Latvia's international cooperation is evident in successful operations such as the arrest of an international criminal group involved in the distribution of narcotics and psychotropic substances across multiple countries. To combat transnational organized crime, Latvia has implemented various national policies and laws. Offenses such as human trafficking, human smuggling, money laundering, arms crime, drug crimes, flora crimes, fauna crimes and illegal organ harvesting have been criminalized. Latvia has also adopted national strategies for the prevention of human smuggling and has established penalties for these crimes. While the country's national policies and laws are

generally implemented well, there are still shortcomings in the implementation of the anti-corruption framework.

## CRIMINAL JUSTICE AND SECURITY

The judicial system in Latvia has shown gradual improvement. While the system is generally considered efficient, challenges persist regarding judicial independence and public expectation. According to research, about half of the general public (and companies) in Latvia perceive the courts to be independent. Issues remain regarding the prosecution and adjudication of corruption cases, which are often lengthy and drawn-out. Efforts are underway to enhance lobbying transparency and strengthen conflict-of-interest regulations. There are some concerns about inconsistencies regarding the provision of legal aid, and incidents of interrogation without a lawyer present. Lengthy pre-trial detention periods and a backlog of criminal cases also hamper the justice system, particularly in human trafficking cases where lenient sentences are common.

Law enforcement in Latvia is resilient at combating organized crime. Although a new plan for the prevention and combating of organized crime was approved, that plan has not yet been adopted. Insufficient financial resources hinder the safe implementation of laws. While the risk of corruption in Latvian law enforcement is low, there are concerns about how reliable law enforcement is at protecting citizens from crime and upholding the rule of law.

Latvia is part of the Schengen Area and benefits from open borders with neighbouring countries such as Lithuania, Estonia and a maritime border with Sweden. However, the country faces challenges on its borders with Belarus and Russia. To address security concerns, Latvia has constructed a barbed-wire fence along its Russian border and plans to build a similar fence along the Belarusian border. The state of emergency has been extended in border areas due to an increase in illegal border crossings, particularly from Belarus. The eastern regions of Latvia, such as Latgale, have territorial integrity issues due to the influence of Russian and Belarusian media and socioeconomic disparities. Riga, the capital city, has been identified as a hub for smuggling and money laundering: efforts are being made to combat these activities.

## ECONOMIC AND FINANCIAL ENVIRONMENT

Money laundering remains a significant concern; Latvian banks are being exploited to legitimize illicit funds from abroad. In response to international pressure, Latvia has taken steps to improve its money laundering laws and enhance cooperation among local and international authorities. The establishment of a financial intelligence unit has been crucial in recovering assets and combating money laundering in general. Money laundering activities often involve funds connected to offshore accounts: popular locations include the Seychelles, the British Virgin Islands,

Belize, Panama and Hong Kong. Despite some improvements, Riga is still seen as a hub for money laundering, and money laundering schemes continue to operate there. The country has made progress in areas such as financial sanctions, client assessment, regulation of financial institutions and international cooperation. Additionally, action plans have been approved for anti-money laundering and combating the financing of terrorism.

Latvia's economic regulatory environment faces challenges, particularly concerning organized crime and the shadow economy. The prevalence of the shadow economy seems to have increased during the pandemic. Concerns exist that certain groups and criminal interests may exploit EU funds. Entering the Latvian market can be expensive for businesses due to the country's small population, leading many companies to consider Latvia as part of the broader Baltic region or the EU market. Additional challenges include local labelling requirements, the potential for market saturation, and the difficulty of protecting business secrets in a small market. Despite these challenges, Latvia demonstrates the capacity to uphold land and property rights, as reflected in its economic regulatory framework.

## CIVIL SOCIETY AND SOCIAL PROTECTION

Latvia has both a legislative framework and concrete mechanisms to combat human trafficking and provide support to victims and witnesses of crime. The state-funded victim assistance programme offers comprehensive services, including medical, psychological and legal support, as well as housing and reintegration assistance. However, there are shortcomings, such as the lack of specialized legal aid and long-term psychological support and the lengthy duration and monitoring of assistance need to be addressed. The identification of victims remains a concern, particularly child victims and those involved in sexual exploitation within the legal prostitution industry. Despite the country's generally supportive framework, not all victims seek assistance from relevant authorities.

The Latvian government has implemented various methods to monitor and assess the effectiveness of their efforts in combating organized crime. Some methods include the monitoring of reports regarding illicit activities such as the movement of tobacco and petroleum products, and surveys to gauge public experience with combating crime. At municipal level, task forces and training programmes have been established to address human trafficking. The government has also undertaken awareness-raising initiatives, such as publishing books by trafficking survivors for use in schools. Specific measures to reduce demand within the commercial sex industry have not yet been reported.

Non-governmental organizations (NGOs) play a major role in running government-funded victim assistance programmes in Latvia, providing various forms of support to victims of human trafficking. While the government has made efforts

to improve civil society protection measures, the civic space in Latvia is still considered limited and advocacy by NGOs is sometimes seen as partisan. In terms of media freedom and pluralism, Latvia has passed legislation to enhance the independence of the media regulator and safeguard journalists' rights and access to information. However, journalists continue to face personal attacks online, often from politicians, indicating ongoing challenges in this area. Concerns have also been raised regarding restricted access to Russian media outlets due to propaganda concerns. Lagging media literacy, the spread of hate speech and increasing online attacks against journalists are growing concerns that need to be addressed.

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