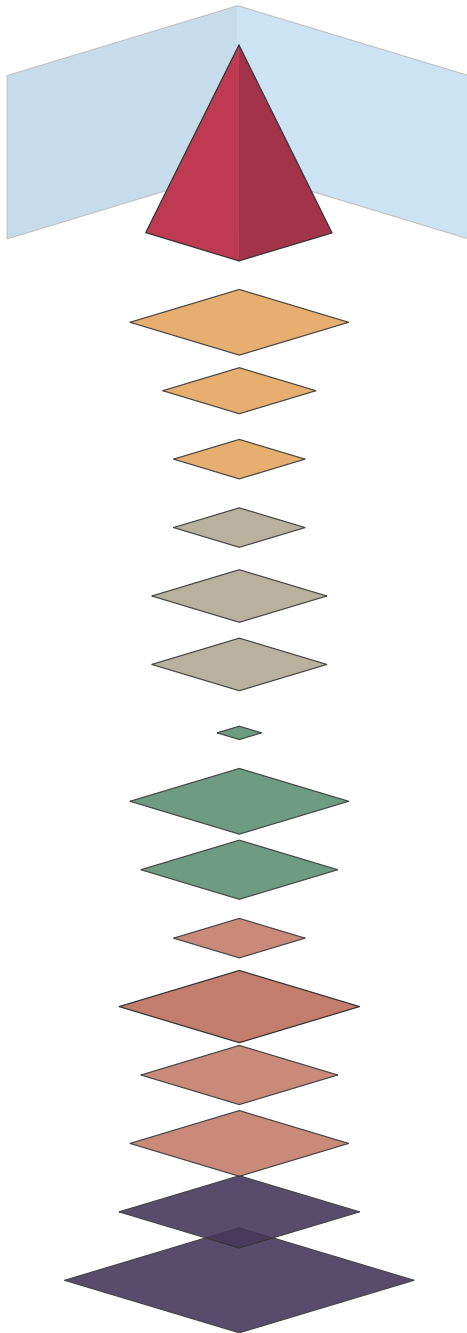


 **MALTA**



 **5.00**
CRIMINALITY SCORE

95th of 193 countries
19th of 44 European countries
4th of 8 Southern European countries

 **CRIMINAL MARKETS** **4.30**

HUMAN TRAFFICKING	5.00
HUMAN SMUGGLING	3.50
EXTORTION & PROTECTION RACKETEERING	3.00
ARMS TRAFFICKING	3.00
TRADE IN COUNTERFEIT GOODS	4.00
ILLICIT TRADE IN EXCISABLE GOODS	4.00
FLORA CRIMES	1.00
FAUNA CRIMES	5.00
NON-RENEWABLE RESOURCE CRIMES	4.50
HEROIN TRADE	3.00
COCAINE TRADE	5.50
CANNABIS TRADE	4.50
SYNTHETIC DRUG TRADE	5.00
CYBER-DEPENDENT CRIMES	5.50
FINANCIAL CRIMES	8.00

 **CRIMINAL ACTORS** **5.70**

MAFIA-STYLE GROUPS	3.00
CRIMINAL NETWORKS	7.00
STATE-EMBEDDED ACTORS	7.50
FOREIGN ACTORS	5.00
PRIVATE SECTOR ACTORS	6.00

 **5.13**
RESILIENCE SCORE



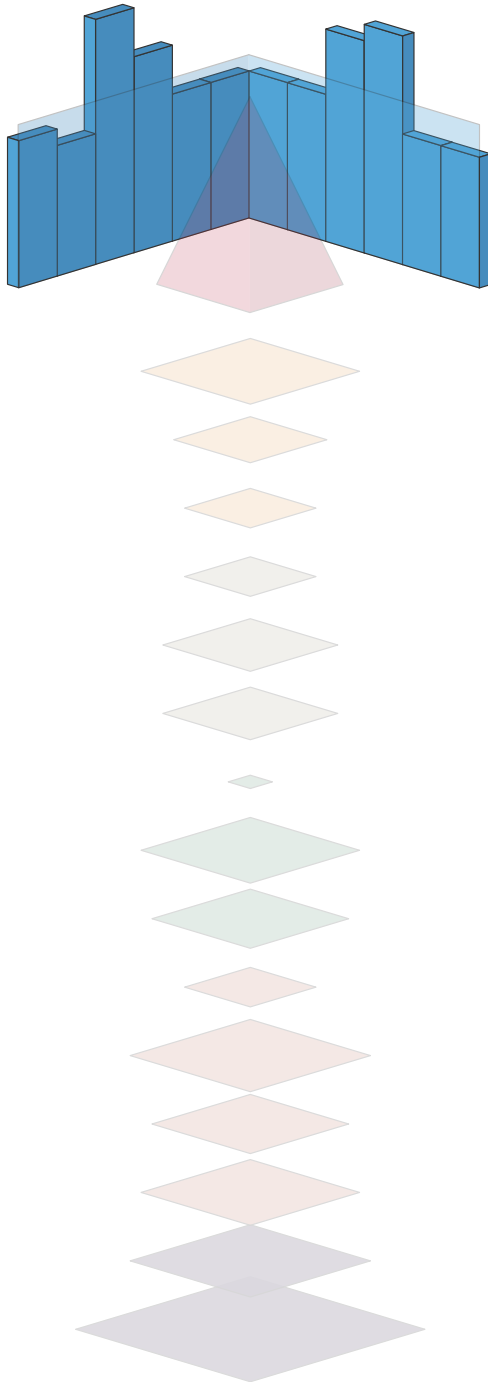
Funding provided by the United States Government.



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.

 **MALTA**





 **5.13**
RESILIENCE SCORE

84th of 193 countries
34th of 44 European countries
7th of 8 Southern European countries

POLITICAL LEADERSHIP AND GOVERNANCE	4.50
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	4.00
INTERNATIONAL COOPERATION	7.50
NATIONAL POLICIES AND LAWS	6.00
JUDICIAL SYSTEM AND DETENTION	4.50
LAW ENFORCEMENT	4.50
TERRITORIAL INTEGRITY	4.50
ANTI-MONEY LAUNDERING	4.50
ECONOMIC REGULATORY CAPACITY	6.50
VICTIM AND WITNESS SUPPORT	7.00
PREVENTION	4.00
NON-STATE ACTORS	4.00

 **5.00**
CRIMINALITY SCORE

 CRIMINAL MARKETS	4.30
 CRIMINAL ACTORS	5.70



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CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Malta remains a destination and transit country for human trafficking. Foreign nationals are trafficked for reasons of sexual exploitation or forced labour in industries such as domestic service, massage parlours, nightclubs, construction, and hospitality. Most victims of sexual exploitation are Eastern European women, while men from various regions including China and South East Asia, increasingly the Philippines, have been identified as victims of forced labour. Additionally, asylum seekers in Malta are vulnerable to exploitation in the informal labour market, with locals and co-nationals known to collaborate to this end.

Although the frequency is decreasing, Malta remains a destination for human smuggling, primarily from Libya. Malta is situated at the heart of the central Mediterranean route, the deadliest sea crossing to Europe. However, despite the country being located in a global hotspot for human smuggling, this criminal market has a relatively small footprint in Malta and the volume of individuals smuggled to its coasts has fluctuated over the years. The vast majority of irregular migrants who arrive on the island are smuggled through operations managed from within Libya, and criminal actors in Malta, both Maltese and Libyan, have been known to provide logistical support to human smuggling networks in the North African country, sometimes as part of an overlap with drug trafficking and fuel smuggling.

The increase in threats and public violence in Malta is related to blackmail and extortion. Although organized cases of extortion and protection racketeering are reported to be limited in the country, recently the Italian police uncovered and dismantled a massive mafia ring linked to the 'Ndrangheta, which collaborated with individuals in Malta in the trafficking of stolen vehicles by means of extortion, kidnapping, bribery, and possession of weapons.

TRADE

Although there is no indication that there is a widespread market in the country, Malta is known to be a transit and destination point for illegal weapons. The illicit firearms trade is influenced by Italian mafia groups that reportedly smuggle arms from Italy to Egypt via Malta. The local trafficking of weapons is mainly related to crimes such as drug trafficking and fuel smuggling and is not seen as organized criminal activity. Several Maltese or Malta-based smugglers with maritime assets are involved in the smuggling of arms between Libya and Turkey, as well as between Libya and Montenegro.

Counterfeit goods are a problem in Malta, with an above-EU-average number of people being misled into buying fake products. These goods can be found both online and in stores, and range from clothing to cosmetics, pharmaceuticals, and electronics. The largest seizure over a five-year period involved footwear. While Malta, thanks to international pressure, has been effective in policing counterfeit goods processed through its trans-shipment ports, it is still struggling to tackle the sale of fake products within its jurisdiction. Nonetheless, the issue has received greater attention and has had more resources dedicated to it in recent years. The illicit trade of cigarettes is another issue in the country, with almost a tenth of the overall consumption being counterfeit and contraband cigarettes. This represents an increase on previous years, driven by the influx of illicit whites, cigarettes that are manufactured legally in one country but then smuggled across borders and illegally distributed. Despite this, the Maltese cigarette market is still considered to be small, with per capita consumption rates having decreased over the past three decades.

ENVIRONMENT

Although Malta is not considered a major hub for flora crime, illegal fauna trade is a persistent problem, especially illegal fishing, mainly involving bluefin tuna, and bird trading, the country being a hotbed for songbird poaching, illegal hunting, and bird trapping. Maltese nationals traffic songbirds from Sicily and southern Italy to Malta, where they are consumed as a delicacy or used as bait. Illegal tuna fishing in Malta is reported to be facilitated by corruption and poor oversight. Shortcomings regarding the monitoring of this market have been outlined. Recently, Tunisian vessels engaged in illegal fishing in Malta's waters have been intercepted by Maltese authorities and their captains fined. Live reptiles from Africa are also trafficked through Malta into the European market.

Malta is also a destination and transit country for illegally sourced non-renewable resources, especially oil products from Libya. Smuggling is carried out by Libyan militias and Maltese crime groups, who use companies registered in Malta to shadow their illegal activities and launder the illegal oil. Although this smuggling has been restructured on a smaller scale and substantially reduced, Maltese actors also continue to be implicated in fuel crimes internationally, including attempts to circumvent sanctions and the smuggling of Libyan petroleum products into Europe.

DRUGS

Malta remains a destination country for heroin, which is typically smuggled from Afghanistan via Western Europe, Turkey, or North Africa. However, heroin use is not widespread on the island, and the number of people entering treatment for it has been decreasing. In contrast, cocaine has become the most prevalent illegal drug seized in Malta by quantity in recent years, with internal consumption increasing and the price per gram decreasing. The island remains a destination and transit country for this drug, most commonly smuggled through Spain and from South America, but has also seen itself become a significant transit point for cocaine travelling to North Africa, with evidence suggesting that Maltese smugglers coordinate with Libyan criminal actors to traffic cocaine to that region.

Malta is a transit country for cannabis, imported mainly from Morocco, via Tunisia and Libya, or from Sicily. However, the influence of the illicit cannabis market on Maltese society is moderate, especially because of its recent legalization for personal use. Although the practice is believed to be confined to small-scale cultivation broadly conforming with the law, cannabis remains the most frequently seized and consumed drug among the Maltese population. Lastly, Malta is a destination country for synthetic drugs such as ecstasy (MDMA) and amphetamines, which are imported from other European countries, primarily Italy and the Netherlands. The Sicily-Malta route has been identified as the primary source of drugs being smuggled into Malta, with foreign and local actors involved in the trade. Online purchases of synthetic drugs, mainly from China, which is an originating source for precursor substances, are also common. However, despite some limited growth in recent years, the new psychoactive substances market remains small.

CYBER-DEPENDENT CRIMES

The COVID-19 pandemic resulted in a surge of cyber-attacks on critical infrastructure and hospitals, as well as fraudulent websites and ransomware attacks. Other recent cyber-dependent crime in Malta has targeted banks, the national transport system, and political parties, resulting in millions of euros in losses and the leak of thousands of individuals' personal information. Despite these incidents, Malta is not generally regarded as a hotspot for cyber-dependent crime, thanks to its relatively robust cyber-security industry and defences against cybercrime.

FINANCIAL CRIMES

Malta is known as a haven for tax evasion and has previously sold passports to various oligarchs and powerful individuals under the so-called 'citizenship by investment programme', before halting it, following the invasion of Ukraine, for applicants from Russia and Belarus. Since the death of journalist Daphne Caruana Galizia, a Pandora's box of financial

crimes, from Ponzi schemes to online financial scams, has been exposed in the country, which became the target of several negative reviews from international institutions. Perhaps the most glaring example of a financial crime scheme in the country is that of the now-shuttered Pilatus Bank, accused of allegedly laundering funds from corrupt schemes on behalf of offshore companies and individuals.

CRIMINAL ACTORS

There have been a number of corruption scandals in the Maltese public sector and the vulnerability to organized crime of Malta's state, political and executive branches, law enforcement, and judiciary is believed to be high. In recent years, instances of state capture and infiltration by criminal groups have raised international concerns about how police activities have been hindered by high-level officials concealing connections between the government and organized crime. Criminal actors are believed to extract resources from the state through bribes and public procurement. The country's party financing system has been strongly criticized for allowing scope for politicians to be bribed and controlled by private interests, leading to criminal influence in the democratic process. In the private sector, the area with the most evidence of infiltration by organized crime is Malta's gambling industry, including online gaming websites. In recent years, Malta has been able to attract numerous gaming companies from all over the world. As a result, the industry is now one of the leading sectors on the island. The complexity of corporate ownership schemes and cross-border firms in Malta makes it difficult to identify the actual beneficial owners of legal entities, and businesses in the country are reported to have, on average, the highest ownership complexity among EU member states. The relocation to (or incorporation in) Malta of foreign-owned gaming companies may also have facilitated infiltration by organized crime, especially related to Italian mafia groups.

Malta has experienced an increase of criminal gangs that utilize violence as part of their illegal activities, and although they do not fit the traditional mafia-style mould, they still pose a considerable threat. Over the past decade, there have been a series of gangland-style assassinations in Malta, and there is a danger that organized crime groups could infiltrate the country from abroad and become established. The Libyan revolution presented numerous opportunities for criminals to escalate and internationalize their activities, forging stronger connections between organized criminal actors in Malta, Libya, Italy, and the Balkans. Malta is home to various criminal networks, including loose domestic organizations engaged in fuel smuggling, illegal fishing, human trafficking, money laundering, drug trafficking, illegal gambling, and assassinations, acting on their own or in collaboration with foreign groups. The smuggling of stolen fuel from Libya to Malta is primarily led by Maltese networks, although foreign actors from Libya and Sicily are also involved. Over the past decade, criminal networks in

Malta have carried out bomb attacks, often associated with drug gangs, loan sharks, and oil smugglers. Owing to its strategic location in the Mediterranean Sea, Malta has become a prime destination for foreign organized crime groups that engage in smuggling operations. Evidence suggests that foreign actors seek the collaboration of local criminals in human and cannabis trafficking and illicit fuel

smuggling operations, where Maltese criminals work closely with African and Italian criminal actors. Reports suggest that Malta has a low level of firearms and ammunition smuggling, but Maltese criminals do have moderate access to weapons, likely due to the strong presence of Italian mafia groups in the country.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Malta is generally viewed as a stable country with regards to political rights and civil liberties. While the current Labour government has taken steps to restore the country's reputation for the rule of law, investigations into political-level involvement in organized crime and corruption have lost momentum. Despite concerns from opposition parties and civil society, the government has not made organized crime and public safety a political campaign issue. Corruption remains a concern in Malta, particularly among high-level politicians. The commission against corruption is perceived as lacking independence and adequate staff, with allegations of nepotism and conflicts of interest being made in relation to various government activities. The legal framework for access to information is limited, and anti-corruption efforts are considered weak.

Malta has ratified several international treaties against transnational crime, and the government has established an international relations unit within the national police force to connect with the INTERPOL community. The country also participates in the European Patrols Network to address irregular migration in cooperation with other European countries. Malta's national policies and laws criminalize human trafficking, human smuggling, and the illicit trade of protected flora and fauna species. While arms trafficking is not explicitly criminalized, it is covered by the provisions of Malta's Arms Act. In 2021, Malta legalized cannabis cultivation and possession for personal use and allowed non-profit cannabis clubs to grow and distribute the product.

CRIMINAL JUSTICE AND SECURITY

The appointment of judges and magistrates in Malta has come under scrutiny for being highly politically charged. In addition, court cases in the country take significantly longer to resolve in comparison to the EU average. Apart from corruption, there are no units specifically focused on organized crime. While the criminal justice system has been criticized for depending on the police to initiate criminal proceedings against corruption defendants, the

recent creation of a new prosecutions office could present an opportunity for improvement. However, despite some positive steps made by the government in response to international pressure, more work needs to be done. The number of people in prison in Malta has more than doubled over the last 20 years, leading to regular complaints of overpopulation. A recent inquiry recommended a major overhaul of the prison system, but in terms of the legal framework, it appears to comply with international standard minimum rules for prisons.

Malta's law enforcement infrastructure, particularly its police force, is severely undermined by a lack of resources, including expert and dedicated investigative capabilities. For this reason, for example, there are several cases related to murder that are yet to be brought to court. The police have also been accused of potentially obstructing justice by leaking information to suspects. Coordination with other stakeholders, such as the national anti-trafficking unit, is slow, and the identification of victims remains inadequate. However, the police do maintain specialized units for investigating certain crimes, including economic crimes, money laundering, and cybercrime.

Malta's central Mediterranean location and proximity to major criminal markets in Europe and North Africa make it a crossroads location for various forms of smuggling and trafficking. Over the last decade, there have been a dozen major smuggling busts involving operations run by Maltese citizens often linked to maritime crime. Authorities have shown little interest in taking charge of the offshore reef Hurd's Bank, which is a known location for various forms of criminal activity. In terms of border control, the situation on land is different, with an efficient customs service and an immigration section established to control points of entry. The risk of corruption at Malta's border is moderate, with irregular payments occurring occasionally.

ECONOMIC AND FINANCIAL ENVIRONMENT

Malta is an international finance centre, with a focus on corporate and transaction banking and fund management, making it particularly susceptible to money laundering, particularly in areas such as non-retail deposits, correspondent accounts, wire transfers, wealth management, e-gaming, and foreign customers. The country has experienced a number of financial crime scandals, leading to it being grey-listed for money laundering, with significant implications for the financial services sector. Although Malta was removed from the list in 2022, following reforms, there are concerns about the strength of law enforcement and prosecution in this area, and whether the current level of due diligence will be sustained.

Malta has a relatively free economic environment, with well-defined property rights protected by law. However, corruption is a significant issue, particularly in public contract awards and procurement, with widespread reports of political favouritism and payments being made in exchange for contracts. Despite reforms, fair competition is still threatened by the size of the economy and society. Nonetheless, starting a business in Malta has become easier in recent years, and the country has attracted significant foreign investment by offering the lowest corporate tax rate in Europe for companies whose owners are not tax residents of Malta. However, this scheme has led to Malta resisting proposals for tax harmonization across the EU, facilitating tax avoidance on an international scale and undermining its credibility in the fight against tax evasion.

CIVIL SOCIETY AND SOCIAL PROTECTION

The police force's victim support unit is Malta's primary point of contact for crime victims, providing crisis counselling, support, protection, and referrals to other services. The national welfare agency offers medical care, employment services, personal and legal counselling, as well as emergency shelters for human trafficking victims. Victims are identified by the police and referred to the government office responsible for providing and coordinating effective assistance, including police protection and legal aid, accommodation, psychological assistance, employment searches, and health services. During the COVID-19 pandemic, some services were delivered virtually. There are five main treatment providers in Malta for drug addiction, three of which are government funded, and two of which are NGOs partially funded by the government. Overall, witness protection is

well legislated; however, in the case of Daphne Caruana Galizia it was reported that the police protection programme was stopped without reason before her death, sparking fears of interference by state-embedded criminal actors.

The lack of national prevention strategies to curb organized crime in Malta is a significant deficiency, particularly in law enforcement and preventative investigation. Although the proliferation of unregulated massage parlours and strip clubs has been flagged as a trafficking risk, the government's action plan does not outline specific measures to be taken by ministries. The prevention of human trafficking is hindered by a lack of prioritization and ineffective communication between ministries, although efforts have been made to improve coordination. Malta's national drug policy framework provides for preventative education campaigns, and its welfare services implement measures alongside NGOs. The national cybercrime unit plays a vital role in raising awareness about responsible internet use, and its members receive specialized training.

The safety of journalists, press freedom, and access to information continue to be problematic issues in Malta, especially in the wake of the murder of journalist Daphne Caruana Galizia. Despite the arrest of the men behind her murder, defamation cases against Caruana Galizia continue posthumously, and strategic lawsuits against public participation have been used to target other journalists. Moreover, Malta's media ownership is highly polarized, lying primarily in the hands of the two main political parties. Media freedom was further threatened during the COVID-19 pandemic by favouritism in the allocation of state funds to media outlets. Although the Maltese government collaborates with NGOs on issues related to human trafficking and drug prevention, there is a significant gap between the government and law enforcement authorities, civil society, and opposition parties regarding the rule of law, corruption, and organized crime. Despite the mobilization of civil society and successes in pushing the rule of law agenda forward, activists working in this field have been unsuccessful in connecting with the Maltese population at large.

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