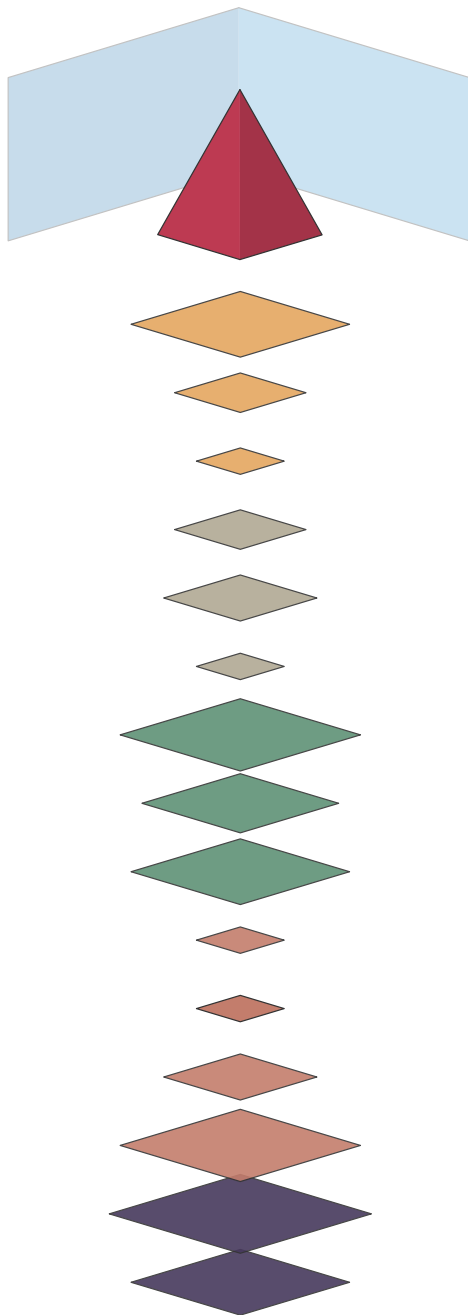


 **MONGOLIA**



 **4.12**
CRIMINALITY SCORE

148th of 193 countries
40th of 46 Asian countries
5th of 5 Eastern Asian countries

 **CRIMINAL MARKETS** **3.83**

HUMAN TRAFFICKING	5.00
HUMAN SMUGGLING	3.00
EXTORTION & PROTECTION RACKETEERING	2.00
ARMS TRAFFICKING	3.00
TRADE IN COUNTERFEIT GOODS	3.50
ILLICIT TRADE IN EXCISABLE GOODS	2.00
FLORA CRIMES	5.50
FAUNA CRIMES	4.50
NON-RENEWABLE RESOURCE CRIMES	5.00
HEROIN TRADE	2.00
COCAINE TRADE	2.00
CANNABIS TRADE	3.50
SYNTHETIC DRUG TRADE	5.50
CYBER-DEPENDENT CRIMES	6.00
FINANCIAL CRIMES	5.00

 **CRIMINAL ACTORS** **4.40**

MAFIA-STYLE GROUPS	2.00
CRIMINAL NETWORKS	4.50
STATE-EMBEDDED ACTORS	5.00
FOREIGN ACTORS	5.50
PRIVATE SECTOR ACTORS	5.00

 **5.21**
RESILIENCE SCORE



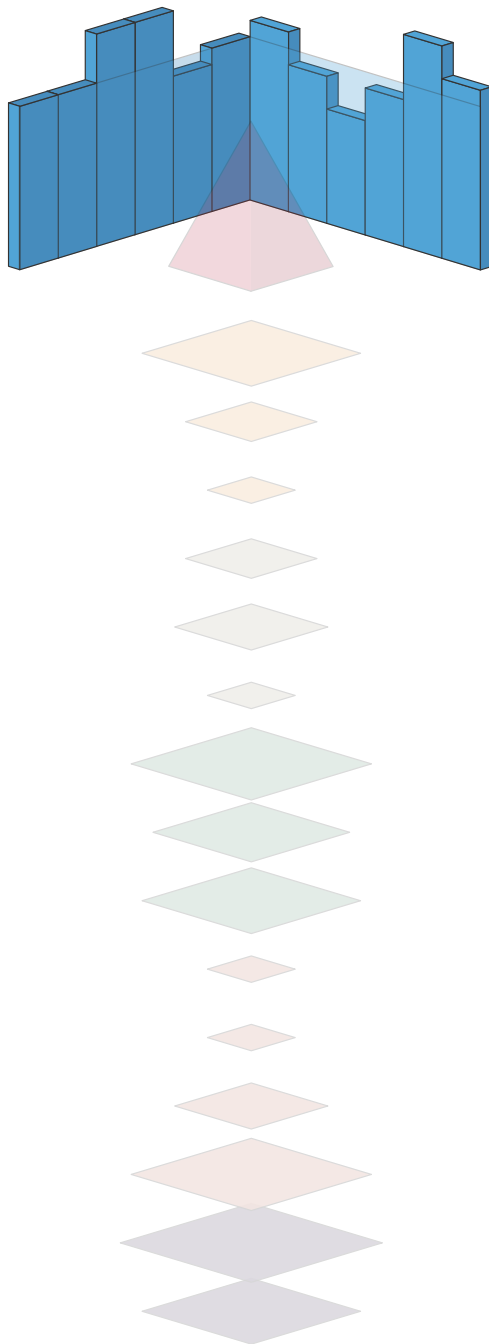
Funding provided by the United States Government.



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.

 **MONGOLIA**





 **5.21**
RESILIENCE SCORE

77th of 193 countries
14th of 46 Asian countries
4th of 5 Eastern Asian countries

POLITICAL LEADERSHIP AND GOVERNANCE	5.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	5.00
INTERNATIONAL COOPERATION	6.50
NATIONAL POLICIES AND LAWS	6.50
JUDICIAL SYSTEM AND DETENTION	4.50
LAW ENFORCEMENT	5.00
TERRITORIAL INTEGRITY	5.50
ANTI-MONEY LAUNDERING	4.50
ECONOMIC REGULATORY CAPACITY	3.50
VICTIM AND WITNESS SUPPORT	4.50
PREVENTION	6.50
NON-STATE ACTORS	5.50

 **4.12**
CRIMINALITY SCORE

 CRIMINAL MARKETS	3.83
 CRIMINAL ACTORS	4.40



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CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Mongolia is an origin, transit, and destination country for human trafficking, with sexual exploitation being the main form of trafficking. Women and children are particularly vulnerable, which is a result of high levels of gender-based violence and gender inequality in the country. Victims are often forced into domestic servitude or sex work through commercially-brokered marriages, and child sex tourism is becoming increasingly common among tourists from Japan and the Republic of Korea (South Korea). Traffickers lure victims with offers of work, scholarships, English language programmes, and drugs, and many victims are subjected to violence.

Since the market for human smuggling in Mongolia is small, there is limited information available on the methods and routes used to smuggle Mongolian nationals. Reports suggest that air routes through China, Hong Kong, and the Republic of Korea are more commonly used than land routes. The destination countries for human smuggling from Mongolia include Austria, the Czech Republic, Estonia, the Republic of Korea, Slovakia, and Sweden. Although Mongolia was previously used as an alternative transit country for North Korean nationals attempting to reach the Republic of Korea, tighter Chinese border controls have now closed this route. There is no evidence of widespread extortion or protection racketeering activities committed by organized crime groups, despite sporadic individual cases.

TRADE

In Mongolia, there is no significant market for arms trafficking, as guns are primarily used for legal and illegal hunting purposes. Although there have been cases of illegal domestic exchanges of weapons, there is no indication that it is part of a larger problem.

Trade in counterfeit goods, specifically irregular and unlicensed pharmaceutical products, happens in Mongolia. Although studies have not been able to differentiate between counterfeit and genuine sub-standard medicines, they have confirmed the existence of a lively counterfeit market in the country. Counterfeit goods, particularly the branded kind, are sold in open-air markets and are probably imported through the shuttle trade, which consists of repetitive movements of small amount of counterfeit goods across the borders to evade detection, from China and/or Russia.

Mongolia's illicit market for tobacco is smaller than the regional average because of its low tax-to-price ratio policy. This reduces the incentive for consumers to turn to the

black market, making Mongolia less attractive to crime groups involved in tobacco smuggling. There is evidence of the illicit trade of alcohol, with criminal organizations smuggling alcohol excise stamps across the border to evade large excise taxes.

ENVIRONMENT

Mongolia loses hundreds of thousands of hectares of forest annually because of various factors such as fires, pests, grazing, and illegal logging. Illegal logging is the most significant flora crime in the country. The demand for wood, especially firewood and timber, has led to the growth of the illegal market. The government's approach of protecting forests without creating a regulated wood industry has allowed the illegal market to thrive. However, local citizen groups have successfully reduced illegal logging in some parts of the country. The widespread illegal harvesting of pine nuts and illegal mining operations near forest areas have caused substantial damage.

Illegal wildlife trade is a major issue in Mongolia. Because of a long tradition of hunting and increased demand from China, international trade plays a significant role in the market. Mongolia is a transit country for wildlife products from Russia to China. Domestically, the largest illegal hunt is for marmots which are hunted for food, and antlers of red deer and gazelles are also traded. Extracts and oils from five different endemic species have been identified, including deer oil and brown bear oil. Illegal hunting surpasses lawful trade quotas many times over, leading to the decline of some species. Attempts to regulate hunting have caused hunters to become less open about their activities, and there are conflicting opinions on whether the levels of hunting are unsustainable or have resulted in declining animal populations. Corruption and bribery lead to the inappropriate issuing of hunting licences that are inconsistent with conservation efforts.

Illegal mining is another significant issue in Mongolia, especially small-scale artisanal mines where gold is illegally refined with mercury. Chinese criminal networks are involved in this illegal market, which largely employs Mongolians. Because of the role of artisanal mining in society, it is challenging to curb the illegal market. The use of heavy machinery is becoming more common. The production and sale of counterfeit fuel is also a common occurrence in the country.

DRUGS

The heroin and cocaine markets in Mongolia appear to be small as there is limited documented evidence of the drugs' trafficking. In contrast, cannabis grows naturally in the country and is popular across the society, but there is no evidence that organized crime groups profit significantly from its trade. The synthetic drug trade, especially methamphetamine, is the most significant drug-related challenge facing Mongolia. Methamphetamine is primarily produced in China and smuggled into Mongolia. There are concerns over the country's proximity to Russia and China, which have large drug markets, increasing the risk of drug trafficking into and through Mongolia.

CYBER-DEPENDENT CRIMES

Mongolia has experienced a surge in cyber-attacks over the past decade, including a major security breach in recent years at one of the country's largest certificate authorities. Mongolia is experiencing a concerning level of cyber-activity carried out by Russian and Chinese hacking groups. The development of technological infrastructure in Mongolia may be promoting the use of cyber-tools by criminal organizations, which could increase cybercrime and compromise national cyber-security. Frauds involving cryptocurrency has also been emerging in the country.

FINANCIAL CRIMES

Financial crimes do not appear to be a common criminal market for organized crime groups in Mongolia. However, reports of pyramid schemes and cyber-enabled frauds have emerged recently, with considerable impact on the country. In the last few years, corruption related to the mismanagement of government loan programmes and

the operations of a development bank were significant issues. Loans were distributed to ineligible people who later refused to return them, resulting in significant problems.

CRIMINAL ACTORS

Corruption is a major challenge for Mongolia, and state actors often support illegal activities carried out in the country. Local and national politicians have been found to be involved in a range of illicit practices, with illegal mining being the most prominent. Judges and police have been bribed or have faced political pressure from powerful actors linked to criminal networks. Furthermore, some parts of the private sector have also been cooperating with and profiting from the activities of organized crime. Massage parlours, hotels, bars, and karaoke clubs use victims of human trafficking, sometimes with the facilitation of local police. Tobacco companies have been known to participate in the illicit trade of cigarettes into Mongolia, gaining huge profits from tax evasion at the country's borders. Some oil extraction and sales companies have been producing counterfeit fuel, which is then sold to gas stations for public consumption, operating in conjunction with organized crime groups to generate illicit profits.

Mafia-style groups do not appear to have a significant presence in Mongolia, and their influence on society is minimal. Instead, loose criminal networks are a prominent feature of organized crime in the country, particularly in the illegal mining industry. Criminal markets in Mongolia are linked to demand from abroad, and local actors are required to work with foreign networks to carry out trafficking activities. For instance, Chinese criminal networks collaborate with illegal artisanal miners to export gold to China.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Political parties in Mongolia do not campaign on organized crime as an issue, but instead focus on corruption, the economy, and political mismanagement. Specifically, corruption has been a decade-long issue in the country and it is considered to enable criminal activity, further undermining government leadership. Mongolia has also faced political crises and concerns over the consolidation of presidential power and the erosion of democracy. It is still considered a high-risk country for corruption, which is pervasive in the judicial and political systems. Political initiatives to reduce corruption have included reducing bureaucracy, improving the legal environment, and extending legal protections to

human rights defenders, whistle-blowers, and investigative journalists. Nevertheless, corruption remains the greatest obstacle to political and socio-economic progress, with anti-corruption laws either rarely enforced or non-existent.

Mongolia has signed and ratified all international treaties and conventions related to organized crime. However, implementation has been limited, especially in terms of cooperation with other countries because of language barriers and tensions between law enforcement and immigration officials. Mongolia has extradition treaties and mutual legal assistance with different countries and has been constructive in promoting international cooperation. The country's foreign policy emphasizes balanced relations

with Russia and China. Mongolia's legal framework is strong, but the enforcement and implementation of laws remain the biggest challenges. The country's legislation covers all criminal markets and criminalizes participation in organized crime groups. In recent years, the country tightened its drug legislation, imposing harsher sentences for drug smuggling and making organizing drug trafficking punishable by a life sentence. Mongolia's parliament passed a bill that protects whistle-blowers from harassment and crime.

CRIMINAL JUSTICE AND SECURITY

The judiciary in Mongolia is professionalized, but there have been calls for greater independence. The system is facing various challenges, including corruption, political influence, and inconsistent rulings. Despite ongoing efforts to train and professionalize judges, instances of bribery to obtain favourable judgments have been reported. A new law aimed at re-establishing the judiciary's independence was introduced, but the recent arrests of five candidates during the election campaign were widely viewed as politically motivated and highlighted the lack of professionalism within the courts. Due-process rights are generally respected, but cases of illegal arrests, arbitrary detention, and extended imprisonment that have not led to effective judicial processes have been documented.

Mongolia has a specialized unit dedicated to combating organized crime, as well as others like eco-police and a unit for anti-human trafficking operations. The country's intelligence agency can conduct criminal investigations into cross-border trafficking and organized crime. The police share intelligence with Russia, China, and other countries through INTERPOL. However, their ability to follow up on drug trafficking, human trafficking, and contraband crimes is limited.

Mongolia shares a lengthy border with China which is difficult to monitor because of inadequate infrastructure, and the country is concerned about the risk of trafficking across its borders. Mongolian border guards report maintaining relationships with many foreign border guard organizations, but also cite a high risk of corruption in customs administration. Thanks to international cooperation projects on cyber-security and new technologies, Mongolia has improved its capacity to resist cyber-attacks and raise awareness of terrorist cyber-threats to national critical infrastructures.

ECONOMIC AND FINANCIAL ENVIRONMENT

Money laundering is a significant challenge for Mongolia, especially in the gold sector. Mongolia has made efforts to combat money laundering and has met the requirements to no longer be internationally greylisted because of this crime. Despite this, there are still major limitations such as the police's investigative capacity and ability to track assets abroad. The lack of official gambling legislation and concrete crowdfunding laws may increase the risk of money laundering activities. In this respect, the country

is considered a medium- to high-risk country for money laundering by several organizations and measurement tools.

The economic regulatory environment in Mongolia presents challenges for businesses because of corruption in the judiciary and land administration, as well as political interference in property rights within cities. However, the government's new recovery policy aims to address economic constraints and increase industrialization, energy, urban and rural development, green development, and efficient governance. The connection between politics and business poses a challenge for setting and enforcing effective long-term policies.

CIVIL SOCIETY AND SOCIAL PROTECTION

Victim support facilities in Mongolia are inadequate and psychosocial care is limited. A culture of victim-blaming persists. The government provides funding to anti-trafficking NGOs that support victims of human trafficking, but medical care for drug users is insufficient and they often end up in the criminal justice system. In recent years, Mongolia's Parliament passed a bill to protect whistle-blowers from harassment and prevent them from becoming victims of crime or revenge. However, it remains to be seen how effectively this bill will be implemented.

Mongolian officials provide daily public service announcements and awareness programmes to reduce demand for commercial sex acts and forced labour. Mongolia has made progress in terms of preventative measures with the help of foreign NGOs and embassy communities. Despite these efforts, national action plans on the prevention of organized crime and corruption are either non-existent or not effectively implemented.

Mongolia is considered a free country, with civil society organizations playing a fundamental role in various fields. NGOs play a vital role in anti-corruption work, preventing and caring for victims of human trafficking, and victim support, among others. The government seeks feedback from community support officers on law-making processes, and the Mongolian police cooperate with NGOs on victim support. NGOs also defend freedom of expression and media freedom. Although press freedom is generally respected, violations have been documented. Mongolia's civil society is organized into interest groups, prominent NGOs, and lobby organizations. However, media ownership is highly concentrated, and media are often affiliated with political parties, limiting their ability to act as watchdogs because of imperfect media legislation and susceptibility to government criticism. Mongolian journalists have been subject to threats and pressure that undermine media independence.

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