GLOBAL ORGANIZED CRIME INDEX
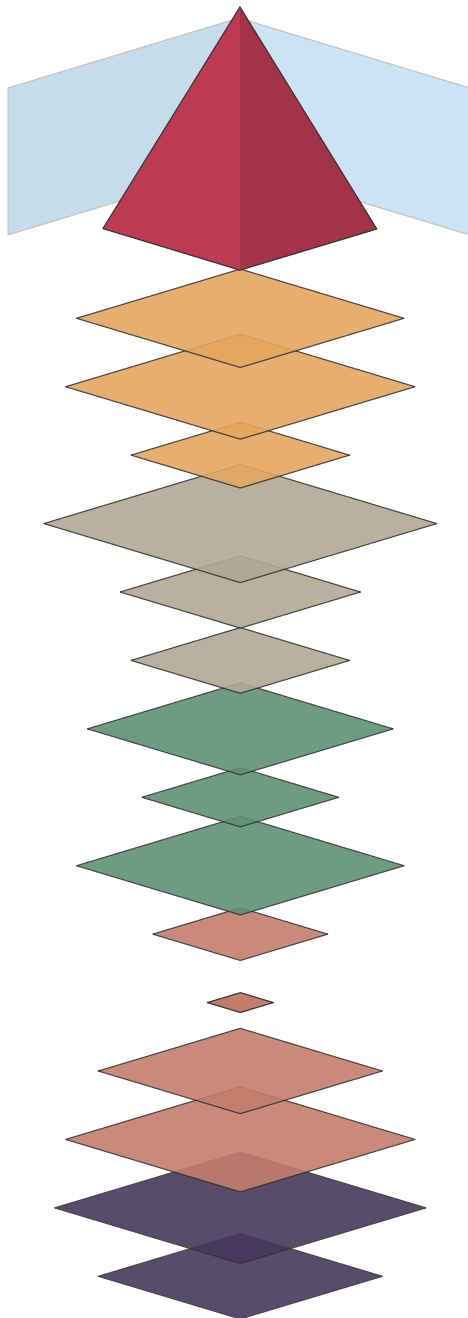
GLOBAL INITIATIVE
AGAINST TRANSNATIONAL
ORGANIZED CRIME

UKRAINE

6.48
CRIMINALITY SCORE

31st of 193 countries
2nd of 44 European countries
2nd of 17 Central & Eastern European countries

CRIMINAL MARKETS	6.27
HUMAN TRAFFICKING	7.50
HUMAN SMUGGLING	8.00
EXTORTION & PROTECTION RACKETEERING	5.00
ARMS TRAFFICKING	9.00
TRADE IN COUNTERFEIT GOODS	5.50
ILLICIT TRADE IN EXCISABLE GOODS	5.00
FLORA CRIMES	7.00
FAUNA CRIMES	4.50
NON-RENEWABLE RESOURCE CRIMES	7.50
HEROIN TRADE	4.00
COCAINE TRADE	1.50
CANNABIS TRADE	6.50
SYNTHETIC DRUG TRADE	8.00
CYBER-DEPENDENT CRIMES	8.50
FINANCIAL CRIMES	6.50

CRIMINAL ACTORS	6.70
MAFIA-STYLE GROUPS	5.50
CRIMINAL NETWORKS	7.50
STATE-EMBEDDED ACTORS	8.00
FOREIGN ACTORS	7.00
PRIVATE SECTOR ACTORS	5.50

4.54
RESILIENCE SCORE

Funded by the European Union

GLOBAL
INITIATIVE
AGAINST TRANSNATIONAL
ORGANIZED CRIME

UKRAINE
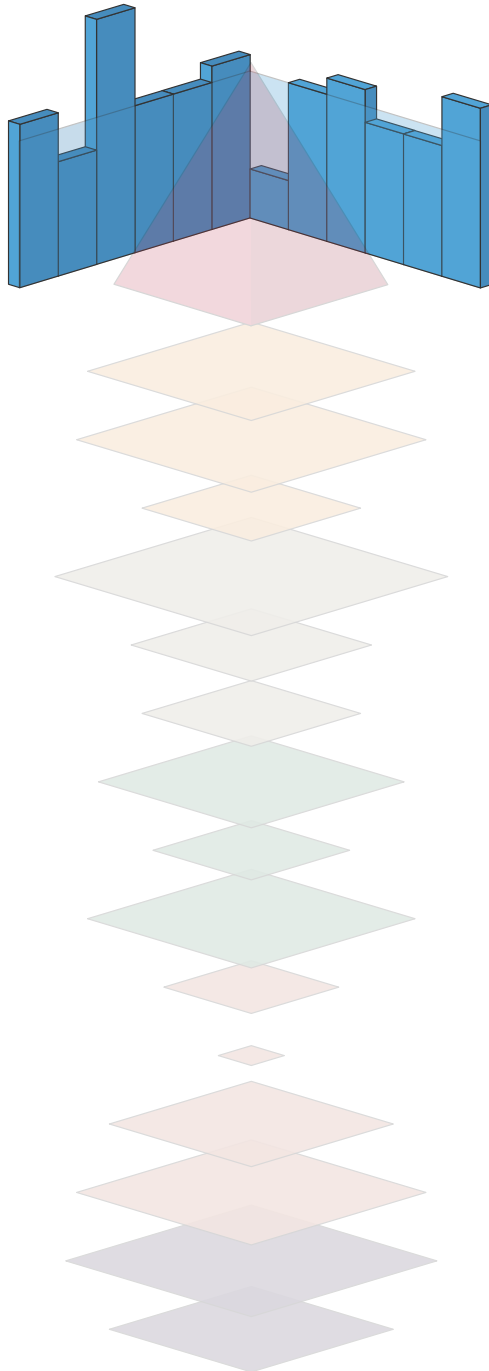
4.54
RESILIENCE SCORE

110th of 193 countries
39th of 44 European countries
13th of 17 Central & Eastern European countries

POLITICAL LEADERSHIP AND GOVERNANCE	**5.00**
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	**3.50**
INTERNATIONAL COOPERATION	**7.50**
NATIONAL POLICIES AND LAWS	**4.50**
JUDICIAL SYSTEM AND DETENTION	**4.50**
LAW ENFORCEMENT	**5.00**
TERRITORIAL INTEGRITY	**1.50**
ANTI-MONEY LAUNDERING	**4.50**
ECONOMIC REGULATORY CAPACITY	**5.00**
VICTIM AND WITNESS SUPPORT	**4.00**
PREVENTION	**4.00**
NON-STATE ACTORS	**5.50**

6.48
CRIMINALITY SCORE

△	**CRIMINAL MARKETS**	**6.27**
↕	**CRIMINAL ACTORS**	**6.70**

CRIMINALITY

CRIMINAL MARKETS

PEOPLE

The human trafficking market in Ukraine continues to be pervasive, with the country acting as a source, transit, and destination point for this activity. Trafficking victims of Ukrainian origin are exploited for sex trafficking and forced labour in Ukraine, Russia, Poland, and other parts of Europe, as well as the Middle East, and a small number of foreign nationals are exploited for forced labour in Ukraine. Human trafficking, which was already on the increase because of the country's worsening economic conditions and resultant labour emigration, has been further exacerbated by the war waged by Russia in Ukraine. Although official data concerning human trafficking has become scarce since the Russian invasion, vast numbers of refugees have fled the country, especially women and children, as well as non-Ukrainians and non-EU citizens who were resident in Ukraine, and these people are extremely vulnerable to trafficking. Russian military personnel are reported to be actively involved in human trafficking, and Ukrainian children from occupied territories such as Donetsk and Luhansk have been taken to Russia.

Human smuggling activities have also been exacerbated by the Russian invasion, especially as non-EU citizens who were residing in Ukraine needed to make use of migrant smuggling networks in order to flee the country. This issue was resolved, however, by the introduction of temporary legal admittance into the EU. The legal framework banning Ukrainian men of military conscription age from leaving the country also created opportunities for smugglers. The smuggling of these Ukrainian men has become one of the most prevalent human smuggling activities in the country. The Russian invasion has made it difficult for people being smuggled from Afghanistan, Iraq, and Syria to enter Ukraine by air. Ukraine is on the migrant route from South East Asia and the Middle East towards Europe, and prior to the war large and well-developed human smuggling groups, made up of opportunistic individuals who were familiar with the paths across the borders and who collaborated with law enforcement officials, were active in the country.

Before the war, organized crime groups in Ukraine were involved in extortion and protection racketeering in various industries, including the mining sector, and these activities became part of a more widespread market after the start of the conflict. Ukrainian police have uncovered several gangs involved in various rackets and extortion.

TRADE

With a substantial stockpile of weapons, few barriers to accessing arms, and millions of small arms and light weapons on the legal and black market, Ukraine is believed to have one of the largest arms trafficking markets in Europe. While it has long been a key link in the global arms trade, Ukraine's role intensified after the 2014 conflict in the eastern part of the country. Seizures carried out in previous years indicated that most of the arms that proliferated throughout the country were Soviet-designed models; only a small percentage comprised recently produced firearms and ammunition. The current war is expected to have an adverse effect on this market, owing to the free circulation of arms among a population who took part in the response against the whole-scale Russian invasion, as well as increased additional supplies provided by European countries and the US. While evidence of the number of arms illegally circulating throughout the country is extremely limited, there are already signs that illegal guns are playing a greater role in crimes carried out both in Ukraine and in nearby regions in Russia.

Trade in counterfeit goods, including clothing, jewellery, luxury goods, and perfume, sourced from China and other Asian countries, is common in Ukraine. Rapid cash flows continue to be generated by this market, and the problem is exacerbated by the ongoing war, the lax enforcement of intellectual property rights, and the normalization of these products within Ukrainian society. However, the largest counterfeit goods markets, such as those in the surroundings of Odesa, where the main production and distribution points were situated, are currently not functioning because of the war. Ukraine has long been a transit country for illicit tobacco products being trafficked into Europe, and it is increasingly becoming a destination point as well, owing to the steady increase in excise taxes, record levels of inflation, and the effects of the ongoing war. A noticeable shift has been observed in this market, with greater volumes now entering through the western borders instead of the eastern ones. Smuggling routes connected to Russia and Belarus have decreased in significance, while those involving Poland, Romania and Moldova have seen an uptick in their involvement in illicit trade within Ukraine. Moreover, the temporary wartime ban imposed on alcohol sales resulted in an increased illicit market for these products, until the lifting of the ban.

ENVIRONMENT

Flora crime, primarily illegal logging, has long been a pervasive problem in Ukraine. In fact, prior to the war, the country was the main exporter of illegally logged trees to the EU. This illegal trade has been exacerbated by high levels of corruption, weak due diligence, and the country's role as

a transit point for illegal timber from Russia. Illegal logging was alleged to be carried out by Russian forces during the invasion of Crimea, and this activity is expected to increase during the ongoing war. Because of the current seaport blockade it has become difficult to transfer Ukrainian wood abroad by means of maritime routes, which has led traffickers to move these shipments by road.

Fauna crimes in general were moderately prevalent in Ukraine before the war. The country was a source and transit point for the illicit wildlife trade, as it was part of the trafficking route into the EU through the borders of Poland and Romania, with the former having been identified as a wildlife trafficking hotspot. Species seized included tigers, tarantulas, snakes, parrots, and corals, as well as elephant ivory. Prior to the war, Russian criminal groups were known to smuggle large quantities of illegal caviar into Europe via Ukraine, reflecting the country's role as a transit point for illegal fish products. It is estimated that there has been an increase in poaching resulting from current insecurity and poor economic conditions.

Ukraine is a source of non-renewable resources, and a variety of these are illegally extracted, predominantly in the Rivne, Volyn, and Zhytomyr regions. The most pervasive of these markets is the illegal amber trade, with most of the demand coming from China, and a widespread criminal network carries out illegal mining of this resource in the north-west of Ukraine. Despite the ongoing war, these illicit activities continue, with law enforcement units unable to intercept the market. The illicit fuel market has also become more extensive, with the smuggling of large consignments of fuel to Ukraine from Belarus and Russia, as well as the presence of illegal filling stations that have been operating since the start of the war. Coal mining has increased, especially in the Donbas region, and illegal operations have been growing steadily. There are also reports indicating that Russian companies are illegally expropriating Ukraine's national resources, such as anthracite, in occupied territories.

DRUGS

Significant seizures made prior to the war indicate that Ukraine was a relatively important transit country for heroin. The drug entered Ukrainian territory along the Balkan and Northern routes, before being transported to Western and central Europe, mainly via the Black Sea. Because of its geographical position, Ukraine was naturally a transit country for Afghan heroin reaching Europe, but is considered a 'spin-off' of the more important Balkan route. Heroin trafficking has decreased during the war, as the high intensity of military hostilities has resulted in a diversion to alternative routes. However, the conflict and growing destabilization in the country may also boost attitudes of impunity in the illicit drug trade, leading to increased trafficking and production. Ukraine's cocaine trade was limited, with a small consumer market, and has

become close to non-existent following the start of the war, as most local consumers are believed to have moved to the EU. Prior to the war cocaine was moved through Ukrainian seaports and airports for both domestic use and transit to EU countries.

Before the Russian invasion, Ukraine's cannabis market was extensive, with reports indicating the existence of numerous marijuana plantations across the country. Cannabis was produced locally as well as being smuggled in from Russia and Moldova. Ukraine was predominantly a destination country for synthetic drugs and psychotropic substances, particularly amphetamine-type stimulants, which were primarily trafficked from Poland, Lithuania, and the Netherlands, and the use of these substances had been growing consistently over the past decade. There was also evidence of clandestine local production, providing supply to the local market as well as, to some extent, neighbouring countries. Production carried out in clandestine laboratories located in the east of Ukraine was disrupted following the start of the war to a certain degree. This resulted in a subsequent shift in the location of laboratories, with an increased number of production sites in the centre and west of the country. It is important to note that because of a lack of data on the drug market, the effects of the war as well as current trends are difficult to assess. However, it is reported that the supply of both cannabis and synthetic drugs has not been affected by the war. On the contrary, local demand for such substances, especially cannabis and a designer drug called alpha-PVP, has been on the rise, in part because of extensive consumption among military personnel. Since the beginning of the war, Ukrainian authorities also reported notable seizures of mephedrone accross the country. The majority of these substances and their precursors are trafficked into Ukraine from China, the EU and the Middle East.

CYBER-DEPENDENT CRIMES

Cyber-dependent crime is widespread in Ukraine, and the number of attacks has increased in recent years. Prior to the war, Ukraine had been used as a testing target for cyber warfare by countries such as Russia, Iran, North Korea, and China, as it had similar infrastructure to that found in Western Europe and North America, but limited resources to counter such attacks. Following the onset of Russian aggression, cyber-attacks targeting critical infrastructure, such as power grids and internet service providers, evidently aiming to undermine Ukraine's ability to defend itself, have drastically increased. Russian hacking campaigns have also supported ground campaigns, and malware has been paired with missiles in several attacks, including against television stations and government agencies. The most common cyber-attacks used by hacker groups supporting Russia include data wiper malware, distributed denial-of-service attacks, and ransomware. Ukraine has also been a source for cyber-attacks targeting Russia. In addition to the ongoing cyber warfare, illegal

activity around cryptocurrencies is also prevalent in the country, with these avenues mainly being used for money laundering purposes.

FINANCIAL CRIMES

Financial crime in the form of tax evasion, embezzlement, and corruption has long been pervasive in Ukraine, predominantly because of the existence of the oligarch class. Since the 1990s, oligarchs have seized key industries and sectors, creating monopolies protected by political corruption. They are also known to commit tax evasion, through offshore companies, with impunity. Cyber-enabled financial fraud as well as credit card theft are widespread in Ukraine. For instance, there has been an increase in the creation of malicious websites that trick victims into believing they are applying for EU financial assistance in order to access their banking details and personal information. Perpetrators also use call centres as a common method to defraud their victims.

CRIMINAL ACTORS

State capture by criminal actors is a pervasive issue in Ukraine, with state-embedded actors either being directly involved in criminal activity or facilitating criminal markets, including drug trafficking, human trafficking, non-renewable resource crime, and goods smuggling. Criminal actors are also embedded in high-level positions in the state apparatus in order to influence the democratic process, by buying votes during elections, supporting and financing certain parties and candidates, and influencing the courts. In addition to state-embedded actors, decentralized and flexible criminal networks are also highly active in Ukraine, mainly in opportunistic crime such as drug trafficking, theft of state property, and robbery. The Russian invasion altered the structure of organized criminal groups, and some began to attempt to obtain higher status in the criminal hierarchy. There have also been reports of local criminal networks cooperating with Russian troops in order to gain more power in occupied territories.

Ukraine is a transit country for various criminal markets, and transnational crime elicits a high level of interaction and cooperation between local and foreign actors. As a result, there are a number of foreign criminal actors, with some of them originating from the Caucasus region, active in Ukraine's larger cities. Moreover, extortion activities have been carried out by foreign actors in the occupied regions of the country. Ukraine has a strong but declining presence of organized mafia-style groups, headed by approximately 40 criminal bosses, known as vory-v-zakone or 'thieves in law', most of whom reside outside the country. These groups are active in multiple markets with a focus on drug trafficking and extortion. There are anecdotal reports of collaboration between small local mafia-style groups and Russian troops to enable the continuance of certain criminal channels in occupied territories. Mafia-style groups continue to wield political influence and have access to all levels of state power in Ukraine, which grants them protection and support in both their illegal and legitimate business. Moreover, some group leaders have become politicians or prominent businesspeople.

As for the involvement of private sector actors in illicit activities, companies owned by oligarchs are known to benefit from corruption, which enables the creation of monopolies in key sectors such as gas, oil, and electricity, among others, and the amassing of fortunes. Ukrainian oligarchs have long been used to strengthen pro-Russian politicians in the country. As the war continues, some oligarchs directly linked to Russian political elite have fled to Russia. Many others have remained in Ukraine to help the war effort, financing military infrastructure and medical aid, among other activities, despite their former stance. Private sector actors are also known to be involved in illicit activities such as tax evasion and money laundering.

RESILIENCE

LEADERSHIP AND GOVERNANCE

The war waged by Russia since February 2022 has further undermined Ukraine's stability, which had already been challenged by regional conflict over the past decade. Although some legislation targeting organized crime was introduced by the leadership, the political and economic establishment in the country has resisted reform. Ukraine has a long history of flourishing organized crime supported by high levels of corruption. However, the current administration has shown a high level of efficiency in organizing the defence and economy of the country during wartime. Despite the ongoing conflict, the government has continued to work at all state levels and to fulfil many international obligations. Moreover, various surveys suggest that trust in government officials has increased. Before the conflict, the government had declared a war on corruption and an objective to reduce the influence of oligarchs through the enactment of legislation. In addition, during the ongoing war, the appointment of independent heads of the National Anti-Corruption Bureau and the Specialized Anti-Corruption Prosecutor's Office is considered to have been a crucial

move in the country's fight against corruption. Despite these changes, however, Ukraine continues to be considered one of the most corrupt countries in Europe, owing to rampant cases of intervention in justice, as well as bribery and corruption at all levels of the state.

Ukraine has signed most of the relevant international treaties against organized crime and cooperates with several international organizations. Despite the war, Ukraine continues or is sincerely attempting to fulfil its international obligations. Politically, Ukraine has substantially increased its cooperation with the G7 countries, the EU, and NATO. The government has managed to move forward with Ukraine's application for EU candidacy, and to establish an advanced dialogue with Western leaders and societies on several issues, ranging from the war effort to anti-corruption measures. On a national level, Ukraine has legislation to deal with all relevant criminal markets, criminalizing the acts and providing processes for investigation, prosecution, and penalties. Their implementation and effectiveness, however, have been questioned, a situation adversely affected by widespread corruption in the judicial system.

CRIMINAL JUSTICE AND SECURITY

Corruption in the judicial system continues to be widespread in Ukraine, and recent reform initiatives have stalled or fallen short of expectations. In general, courts have historically failed to establish any meaningful independence, with judges being pressured or influenced for political purposes. Despite an increase in public trust in several governmental bodies and branches, trust in the country's judicial system continues to be low. Regarding Ukraine's penitentiary system, human rights violations occur, conditions are poor, and there are high levels of pre-trial detention. There are also allegations of illegal incarceration and torture in some detention centres in occupied territories such as Donetsk, Luhansk and Crimea.

The vast majority of law enforcement officers continue to defend Ukraine from Russian aggression; these agencies are continuing their regular duties as well as performing additional responsibilities such as road checkpoints and pursuing saboteurs, Russian agents and commandos. Since state resources are focused on defence, specialized units against organized crime are currently underfunded. Moreover, there are difficulties in the policing of de-occupied territories because of the presence of explosives and a lack of police training regarding these conditions. Ukraine suffers from low levels of trust in law enforcement, owing to widespread corruption, but police officers in some cities in eastern Ukraine have significantly improved this situation by adopting a more humanitarian approach.

The Russian invasion has undermined Ukraine's territorial integrity, with certain regions in the east and south, such as Luhansk and Donetsk, being compromised. Although Russian troops were able to reach the outskirts of Kyiv at the start of the war, subsequent improvements in security and defence efforts have led to the retaking of certain areas, and Russian attacks have decelerated recently. Ukraine has proved to be resilient to cyber warfare and increased cyber-attacks targeting its critical infrastructure, and has rapidly built up its cyber defences.

ECONOMIC AND FINANCIAL ENVIRONMENT

Before the Russian war, Ukraine was considered a high-risk country for money laundering, with widespread corruption and limited progress in modifying legislation and practices to tackle these issues. However, because of the wartime limits on money transfers abroad, there has been no recent evidence of notable money laundering activity.

Ukraine's economic and business environments have been severely affected by the conflict. In response, immediately after the invasion, the Ukrainian state offered relief to the country's crippled economy, operating under shelling and martial law; and eased the regulatory regime for job providers. The National Bank of Ukraine froze the exchange rate, restricted cash withdrawals, and limited most cross-border transactions. Despite international aid, Ukraine continues to face serious financial strain, since hostilities are taking place in territories that contribute 60% of the country's GDP. Moreover, substantial damages to infrastructure such as airports, seaports, and bridges have crippled Ukraine's ability to trade with other countries. Despite these issues, and the consequent rise in inflation and unemployment rates, the economic regulatory capacity of the Ukrainian administration has managed to prevent the complete collapse of the national economy. In fact, banks, factories, and businesses continue to function outside the occupied territories, and as most businesses, regardless of their specialization, have been supporting the military effort.

CIVIL SOCIETY AND SOCIAL PROTECTION

Ukraine's already insufficient system of victim and witness support, including medical, psychological, and legal assistance as well as temporary shelter, has considerably weakened following the start of the war. Victim support services are largely being directed to war victims, rather than victims of organized crime. Prior to the war, the government demonstrated mixed efforts in victim protection and relied on international organizations and NGOs to identify victims and provide protection and assistance. There have been no changes to organized crime prevention strategies in the country. However, Ukraine has been collaborating with international counterparts to prevent the cyber-attacks that form part of the ongoing warfare.

Ukrainian civil society remains vibrant, and since the onset of Russian aggression has been cooperating closely with public authorities and the government. In fact, civil society activities have sharply increased: a great number of NGOs provide support to victims, refugees, and the military, while

also publicizing cases of corruption and violations of law. However, civil society representatives are currently at severe risk, as there are reports of the detention and torture of activists by Russian troops in the occupied territories. The Ukrainian media typically showcased a wide range of opinions. Wartime censorship has since been introduced that restricts coverage of the situation at the front, but there are independent media outlets that remain relatively free. Before the war, journalists were occasionally subjected to physical violence, especially during protests. This situation has worsened following the start of the war, as journalists have been purposefully targeted, resulting in an increase in the number of journalists killed or injured.