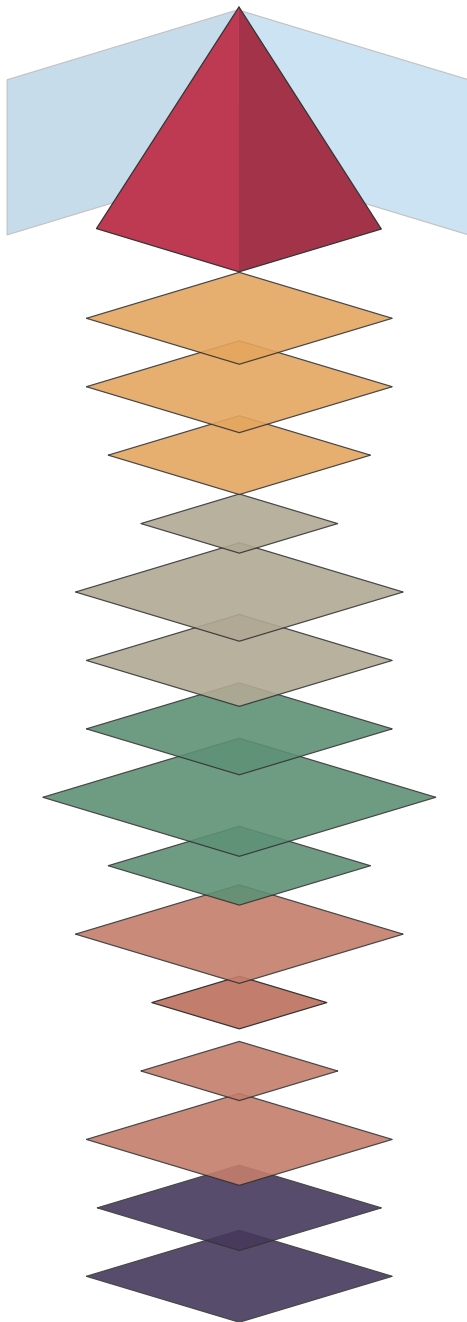




# VIETNAM



6.55

## CRIMINALITY SCORE

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

13<sup>th</sup> of 46 Asian countries

5<sup>th</sup> of 11 South-Eastern Asian countries



### CRIMINAL MARKETS

6.50

HUMAN TRAFFICKING	7.00
HUMAN SMUGGLING	7.00
EXTORTION & PROTECTION RACKETEERING	6.00
ARMS TRAFFICKING	4.50
TRADE IN COUNTERFEIT GOODS	7.50
ILLICIT TRADE IN EXCISABLE GOODS	7.00
FLORA CRIMES	7.00
FAUNA CRIMES	9.00
NON-RENEWABLE RESOURCE CRIMES	6.00
HEROIN TRADE	7.50
COCAINE TRADE	4.00
CANNABIS TRADE	4.50
SYNTHETIC DRUG TRADE	7.00
CYBER-DEPENDENT CRIMES	6.50
FINANCIAL CRIMES	7.00



### CRIMINAL ACTORS

6.60

MAFIA-STYLE GROUPS	6.00
CRIMINAL NETWORKS	7.00
STATE-EMBEDDED ACTORS	7.00
FOREIGN ACTORS	6.50
PRIVATE SECTOR ACTORS	6.50



4.79

## RESILIENCE SCORE



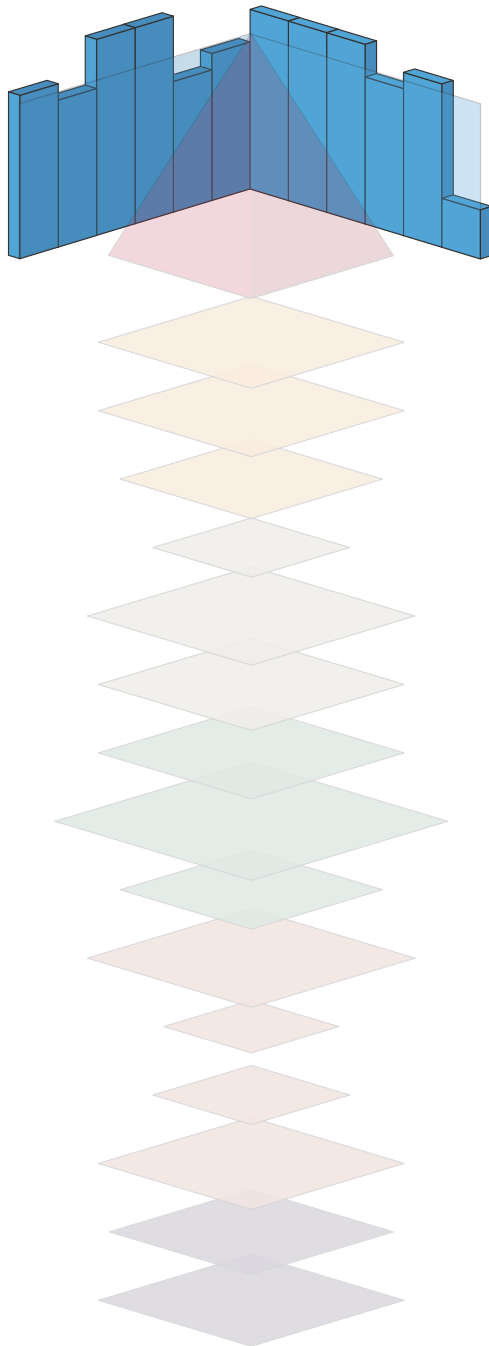
Funding provided by the United States Government.



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.

 **VIETNAM**



 **4.79**  
**RESILIENCE SCORE**

99<sup>th</sup> of 193 countries  
17<sup>th</sup> of 46 Asian countries  
3<sup>rd</sup> of 11 South-Eastern Asian countries

POLITICAL LEADERSHIP AND GOVERNANCE	5.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	4.50
INTERNATIONAL COOPERATION	6.00
NATIONAL POLICIES AND LAWS	6.00
JUDICIAL SYSTEM AND DETENTION	4.00
LAW ENFORCEMENT	4.50
TERRITORIAL INTEGRITY	5.50
ANTI-MONEY LAUNDERING	5.50
ECONOMIC REGULATORY CAPACITY	5.50
VICTIM AND WITNESS SUPPORT	4.50
PREVENTION	5.00
NON-STATE ACTORS	1.50

 **6.55**  
**CRIMINALITY SCORE**

 <b>CRIMINAL MARKETS</b>	6.50
 <b>CRIMINAL ACTORS</b>	6.60



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# CRIMINALITY

## CRIMINAL MARKETS

### PEOPLE

For more than two decades, Vietnam has been a source, destination and transit country for human trafficking. Women and children from ethnic minority groups and economically disadvantaged backgrounds are particularly vulnerable. While the Vietnamese government claims to prioritize combatting human trafficking, it does not comply with the minimum international standards to fight this crime. Rather, Vietnam is a major source country for trafficking women, especially underage girls, with Vietnamese women heavily represented in the regional and global sex industries. Criminal actors involved include local recruitment agencies, family members and acquaintances of victims, and foreign actors such as Chinese and Korean 'bride recruitment' brokers. Criminals are increasingly professional, and form closed interprovincial, transnational and international networks. Since the outbreak of the COVID-19 pandemic, human trafficking has worsened in Vietnam as illicit activities have become harder to detect and Vietnamese are reported to be exploited for forced criminality in scam compounds across South East Asia.

Human smuggling is also a significant issue in Vietnam, particularly along its borders with China and Cambodia. Many Vietnamese citizens use smugglers to seek economic opportunities in China, Taiwan, South Korea, Japan and Europe. Human smuggling hotspots, such as Nghe An province, receive millions of dollars in remittances annually. However, economic difficulties have been exacerbated by the COVID-19 pandemic, leading to reports of pregnant women crossing the border into China with the help of cross-border smuggling networks and reportedly selling their babies. Smuggling networks are highly organized, with established diaspora communities in Europe being a key factor in human smuggling from Vietnam. Smugglers often disguise themselves as job recruitment organizations and communicate mainly on social media to make detection difficult.

Protection racketeering and extortion have been longstanding issues in Vietnam. While it has not formalized into mafia and/or cartels as seen in other countries, specific actions and operations are challenging for law enforcement agencies. These criminal activities are typically organized by perpetrators with extensive criminal records, as well as drug dealers and users. The movement of the country's illegal credit market into the digital domain makes this market particularly difficult to control, with criminals using cutting-edge technology to commit crimes. In many cases, criminals are aided by state-embedded actors, notably the police. Despite law enforcement efforts, many victims refuse to cooperate with authorities in denouncing crime, partly

because they are afraid of retaliation and partly because they believe that, if this group of criminals is removed, another group will emerge.

### TRADE

Vietnam's arms trafficking market is moderate compared to other countries, but it still serves as a potential source, destination and transit point, especially in border areas with China and Cambodia. Illicit arms manufacturing is reportedly on the rise in some regions, particularly in complex security areas like Hanoi, Hai Phong and Ho Chi Minh City. This trend is partly due to the growing use of cyberspace, including social media and e-commerce, which make it difficult for authorities to detect and address the crime. Mafia-style groups mainly sell arms in Ho Chi Minh City, while foreign buyers, particularly Chinese and Cambodian nationals, often engage as buyers. For poor agricultural families in northern and south-eastern Vietnam, arms trafficking reportedly constitutes a significant source of income.

Counterfeit goods are a widespread problem in Vietnam, especially during the Lunar New Year, with domestic and transnational criminal networks using various methods to trade counterfeit goods in and through the country. Vietnam, along with China, is a major manufacturer of many consumer goods worldwide, which has led to the proliferation of counterfeit goods' production, sales and consumption, including of high-end brands. Inspecting and controlling counterfeit goods is challenging, particularly in provinces with extensive borders, marked by numerous shortcuts and trails. E-commerce transactions also make it difficult for market surveillance officials to track perpetrators. The latter are generally willing to accept fines if caught, given that some sanctions for counterfeiting offences are relatively light.

Vietnam faces a significant challenge in preventing the illicit trade of excise goods. Smugglers use a variety of methods, such as concealing goods in parcels and using fishing boats and cargo ships to transport them by sea routes. Smuggled cigarettes are typically transported in small quantities by bus along the Moc Bai route in the south, and by passenger cars and trucks, primarily at night. Despite authorities' efforts to control this activity, smuggled cigarettes are becoming more readily available in the domestic market and sold at competitive prices. The smuggling of excise goods is facilitated by the low standard of living in hotspot areas, the interlaced terrain of canals marked by shortcuts and trails and the ease of transporting tobacco products. This problem is not limited to cigarettes, as excise goods ranging from alcohol, beer and gasoline to electronic components and telephones are also smuggled.

## ENVIRONMENT

Vietnam has emerged as a major hub for illegal and high-risk timber originating from neighbouring countries, such as Laos and Cambodia, and is enabled by corrupt state-embedded actors. The country's wood processing industry is dependent on smuggled timber imports, which has turned Vietnam's illicit timber market into one of the world's largest. Precious rosewood species are also smuggled through Vietnam and supplied to Chinese buyers. Despite new regulations aimed at cleaning up the timber sector, importers continue to bring large volumes of tropical hardwood into the country from deforestation hotspots in Asia and Africa. Although the illegal timber trade in Vietnam exhibits the characteristics of organized crime, such as illegal cross-border movements, violence and corruption to facilitate activities, as well as being subject to a hierarchical and networked organization, it is often not considered as such by the Vietnamese criminal justice system.

Vietnam is also a significant player in the illegal wildlife trade. Ivory is a considerable trade in the country, which has further increased since the onset of the COVID-19 pandemic, and illegal ivory can be found in retail outlets and on online platforms. Turtles, reptiles, pangolins and tigers are commonly trafficked species in the country. Illegal fishing is rampant and poses a significant threat to aquatic species, particularly in the case of sea cucumbers and giant clams. Mafia-style groups are the primary actors behind the trade of wildlife parts, but authorities have been unsuccessful in apprehending the leaders behind these groups. Traditional markets for wildlife have given way to new trading methods, such as social networks, e-commerce sites and electronic financial transactions.

Vietnam is also a hotspot for smuggling non-renewable resources such as oil, sand, gold and diamonds. Private sector actors, domestic criminal networks, local fishermen and foreign actors are involved in these activities. Oil smuggling is concentrated in the waters bordering Thailand, Indonesia, Singapore and Malaysia, where foreign vessels allegedly sell oil to Vietnamese boats disguised as fishing boats. The war in Ukraine is reported to have caused a surge in smuggled oil, gas and minerals, as energy and mineral prices have risen. The perpetrators use various tactics such as misdeclaring the name and quantity of goods and purchasing minerals from licensed enterprises to export them illegally to foreign countries.

## DRUGS

Although the country's heroin trade is not among the largest in the world, heroin remains a major drug market within Vietnam, with consumption occurring throughout the country. It is often transported using small transport mechanisms, with the trade facilitated by corrupt government and border officials in rural borderland provinces. The criminal actors involved in this trade include domestic and

transnational criminal networks, particularly those from China and Korea, which frequently come to Vietnam to traffic drugs. While Vietnam was once a historical poppy cultivator, there is currently little to no poppy cultivation reported in the country. The demand for heroin remains high, even though methamphetamine has become the most commonly used drug in recent years.

Vietnam has become a major hub for the synthetic drug trade, with authorities documenting a large number of synthetic drugs being illegally transported to the country from South East Asia, Europe and North America. These are intended for consumption in Vietnam or transport to third countries. The synthetic drug trade is growing, with local demand reportedly on the rise in almost all provinces. Methamphetamines produced in the Golden Triangle are regularly destined for Vietnam or for transit through the country, with synthetic drug traffickers routinely being caught along Vietnam's north-western border with Laos. Drug traffickers take advantage of favourable customs procedures and electronic clearance of goods, parcels and postal items to smuggle synthetic drugs.

Cocaine is smuggled into Vietnam from China, Laos, Cambodia, Europe and Western Africa. Customs authorities have reported a rise in smuggling methods, with traffickers avoiding importing large quantities in favour of smaller ones to avoid detection. Nevertheless, cocaine is Vietnam's smallest drug market. Regarding cannabis, Vietnam is a destination for the drug from various countries, including the US, Canada, the UK, the Netherlands, Australia, Laos and Cambodia. Domestic cultivation, storage, trade and cannabis use are also increasing, particularly among Vietnamese youth. Cannabis seizures are low, with smuggling occurring mostly by land or air routes. Vietnamese syndicates are involved in indoor cannabis cultivation in many Western countries. Criminals, including Chinese and Taiwanese nationals, collude with domestic perpetrators to rent facilities in Vietnam to smuggle drugs from the Golden Triangle to third countries, using social media, dating apps, e-commerce and other technologies to facilitate this illicit trade.

## CYBER-DEPENDENT CRIMES

Vietnam has a significant cybercrime market, mainly involving different types of hacking activities. While the criminal groups had previously lacked the advanced technology needed for serious attacks, the emergence of software as a service has enabled them to carry out large-scale cyber-attacks using purchased malware and hacking toolkits. This has led to a surge in cybercrime during the COVID-19 pandemic, with the damage caused by computer viruses estimated to be more than US\$ 1 billion per year. Vietnam's government agencies, communications, aviation, energy and medical facilities have all been targeted by cyber-attacks aimed at destroying or stealing data.

## FINANCIAL CRIMES

Vietnam has experienced a surge in financial crime, especially financial fraud and tax evasion, as criminals were able to exploit the COVID-19 pandemic. Financial crime is often closely linked to cyber-crime, with fraudsters using various techniques such as e-commerce and social media platforms, Ponzi schemes, and fake websites and SMS messages to steal money and personal data. Criminals also impersonate state officials to persuade victims to deposit money into their accounts or use their bank information to steal money. Moreover, the trade of personal and corporate data to facilitate fraud is also on the rise in the country. To avoid taxes, criminals engage in the illegal trade of VAT invoices and misrepresenting goods, including luxury cars. Recently, law enforcement agencies throughout Vietnam have dismantled numerous networks that were illegally purchasing VAT invoices worth billions of Vietnamese Dong.

## CRIMINAL ACTORS

Mafia-style groups in Vietnam are involved in human trafficking, arms trafficking and drug trafficking, often operating alongside legitimate enterprises in the hospitality sector. They use increasingly sophisticated techniques to engage in non-attributable markets and have been reported to engage in extortion. While violence from these groups is generally low to moderate, they are known to openly carry weapons. Drug lords control territory in the north-west, while arms trafficking groups operate in Ho Chi Minh City.

Criminal networks in Vietnam exist both at the national and transnational levels. Domestic groups include loosely organized criminal networks that engage in various activities such as online gambling, fraud, black credit crimes, illegal wildlife trade, arms trafficking and illicit logging operations. There are also transnational linkages between Vietnamese and foreign criminal networks, which

pose a significant threat to the country's security, stability and socio-economic development.

Since economic liberalization, Vietnam has faced practical challenges from foreign criminal actors. While the extent of foreign actors' control over criminal markets is unclear, they are known to be increasingly involved in various activities, including human trafficking, arms trafficking, drug trafficking and timber trafficking. Chinese and Cambodian nationals are the most active participants in these illicit markets. Evidence suggests that Chinese actors are prevalent in the online gambling market. Vietnam's drug markets and non-renewable resource crime markets are dependent on interactions between local and foreign actors, with the most significant contributors being China, Laos, Cambodia, the Philippines, Thailand and Taiwan.

Despite anti-corruption campaigns, corrupt officials and state involvement in criminal markets continue to impede law enforcement and crime-prevention efforts. State-embedded actors have influence over markets such as wildlife trafficking, human smuggling, financial crime and protection racketeering. High-ranking officials in government, law enforcement and the military have been identified as participating in criminal networks. Furthermore, private sector actors in Vietnam are heavily involved in various illicit markets such as the illegal smuggling of wood, non-renewable resource crime, illicit trade in excise goods, drug trafficking and financial fraud. They also play a direct role in labour trafficking and transportation related to smuggling and trafficking of illicit goods and people. The involvement of private sector actors in criminal activities is fuelled by the large proportion of informal sectors in the country, with the control of these sectors by organized crime groups varying. There have been instances where businesses have been used as a cover for drug traders to smuggle drugs and narcotics into Vietnam or to enable the illegal trade of VAT invoices by selling their legal entity certifications.

# RESILIENCE

## LEADERSHIP AND GOVERNANCE

Vietnam's Communist Party is the only legal party in the country, leaving other political parties to operate in secret or from abroad. Despite efforts to combat crime and corruption, pervasive problems like kickbacks, nepotism and cronyism continue. Growing public discontent is evident, and human rights activists and journalists are increasingly viewed as a threat by the government. Although the Vietnamese government has taken a strong stance against organized crime, the presence of state-embedded actors remains strong in various illicit markets. Economic crime

and corruption are increasing in certain sectors, including healthcare and education, and law enforcement and anti-corruption agencies continue to commit corruption-related crimes. Anti-corruption law enforcement remains highly selective and is linked to political rivalries. Vietnam's Access to Information Law is also criticized for limiting access to information on politics, defence, national security, foreign relations, economics and technology.

Vietnam has joined many bilateral and multilateral agreements to combat organized crime. It is also a member of international and regional police organizations and has signed bilateral

drug control cooperation agreements with Cambodia, China, Hungary, Laos, Myanmar, Russia, the US and Thailand. Vietnam has ratified several UN conventions and protocols but has reservations about falling under the jurisdiction of the International Court of Justice. Vietnam has implemented a comprehensive legal framework to address a wide range of issues related to law enforcement and combatting organized crime. Although the framework is regarded as fairly complete, some limitations and inadequacies remain, making investigative work difficult. In particular, there are no regulations related to high-tech crimes in some laws.

## CRIMINAL JUSTICE AND SECURITY

Vietnam has come under scrutiny for the harsh conditions in its prisons, which fall short of international human rights standards. Major issues include inadequate and unsanitary food, overcrowding and a lack of access to clean water. Physical abuse, including violence used to silence dissidents, is known to take place openly in prisons. There has been a rapid increase in the number of people sentenced to death in recent years, and allegations of arbitrary killings by government agencies have surfaced. The Vietnamese judicial system lacks independence due to the Communist Party's influence over judges, particularly in cases involving threats to the government. Human rights defenders are perceived as a risk to the government, leading to an increase in crackdowns, restrictions and arrests of NGOs, civil society actors and journalists. The inhumane treatment and unjustified detention of people who use drugs in recent years provide further evidence of a deterioration in the justice system.

Vietnamese law enforcement is perceived as having reduced its efforts to combat human trafficking due to a lack of collaboration between government agencies and municipalities, low budgets and low levels of awareness about trafficking. Vietnam has also been accused of failing to enforce regulations related to flora and fauna crimes and the illicit oil trade, while corruption impedes prevention efforts related to wildlife crimes. Nevertheless, Vietnam has established diverse law enforcement agencies and community-based crime prevention groups, and has integrated anti-cybercrime and security efforts into one department. Local non-governmental organizations have also set up hotlines for reporting wildlife crimes, which have aided wildlife prevention efforts.

Smuggling hotspots are found throughout the country, particularly in the border provinces and major cities with airports and seaports. Despite this, Vietnam has strengthened its border control capacity and increased its staff in recent years, cooperating with other Greater Mekong nations to combat drug crime. Vietnam faces challenges in combatting cybercrime, particularly as it relies on infrastructure equipment and core network technology systems provided by foreign companies.

## ECONOMIC AND FINANCIAL ENVIRONMENT

Vietnam has a legal framework aimed at preventing and controlling money laundering but it is not perceived as effective as four high-risk groups are not yet included in the framework. They are payment intermediaries, online lending, virtual currency and pawn services. In addition, pawnshops are transforming and contributing to illegal credit activities further facilitating fraud, theft and gambling. Although Vietnamese laws prohibit gambling and organizing gambling in any form, banks still face significant challenges in controlling the flow of money into gambling and online betting sites. Vietnam's largely cash-based economy, high economic growth rate and lack of credible regulatory controls make it highly susceptible to money laundering and Vietnam is considered one of the world's highest risk countries for money laundering and terrorist financing.

Although the business environment in Vietnam has improved, with safer and more equitable treatment and improved administrative procedures, challenges such as non-transparent business conditions, slow inspection activities and a congested information technology environment remain key obstacles for businesses. Criminal groups are known to be involved in both illicit and licit economic activities, for example in the timber industry. The government has tried to regulate the economy and tackle concerns related to e-commerce, but criminal usage of specialized software and the dark web pose a continuing challenge.

## CIVIL SOCIETY AND SOCIAL PROTECTION

Vietnam's mechanism for protecting victims of human trafficking continues to fall below minimum international standards. Some small steps have been taken, such as implementing child-centred investigative policies and increasing international law enforcement cooperation. In addition, the government operates a 24-hour hotline for victims of various crimes, including trafficking. While the hotline has received fewer trafficking-specific calls in recent years, it has received an increase in total calls. Vietnamese victims of human trafficking are entitled to travel funds and essential needs, such as shelter, medical support, psychological support, legal aid, educational support and vocational training. However, organizations providing victim support are often short-staffed and poorly funded. Additionally, Vietnam lacks a whistleblower protection programme, and the country's 'social evils' narrative undermines victim rehabilitation and reintegration into society. Government officials have been known to 'pocket' fees paid by drug users' families and to forcefully detain drug addicts. Although the law recognizes and concretizes denunciation issues, many flaws remain in the implementation of whistleblower protection regulations.

Vietnam has implemented various national and international strategies to prevent and combat organized crime, but measurable results have not been publicly available. The country has also implemented various programmes to improve

the prevention of wildlife trade, including incorporating wildlife protection programmes into faculty and student training curricula. Policies and legal documents have been put in place to combat illegal mining and mineral smuggling, and there are grassroots crime prevention networks with a hotline for reporting the illegal wildlife trade. Hanoi also has its own community-based crime reporting initiatives.

Vietnam's media environment remains tightly controlled by the Communist Party, with the country considered among the worst in the world for press freedom. Non-state actors in Vietnam range from government-sponsored organizations to 'pseudo-NGOs' operating under strict government surveillance. As a result, these organizations are reluctant to criticize government activities. The only sources of independently reported information are bloggers and independent journalists, both of whom face harsh persecution for their activities. Many bloggers and journalists are currently imprisoned in Vietnam, where mistreatment is common. Vietnam is one of Asia's most notorious countries for imprisoning peaceful activists, with the number of 'prisoners of conscience' having markedly risen in recent years.

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