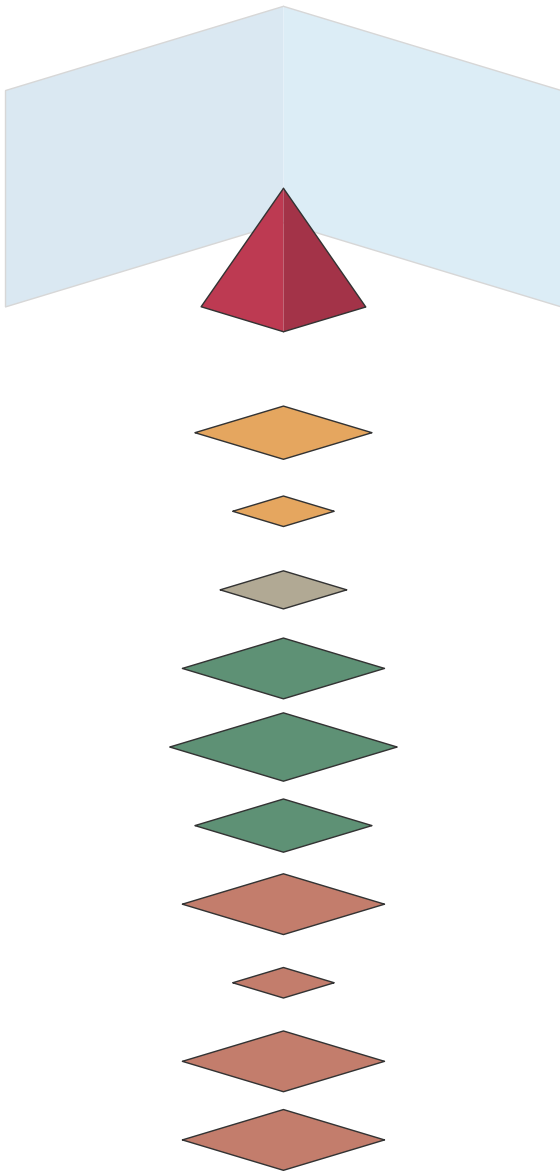




# ARMENIA



## 3.26 CRIMINALITY SCORE

171<sup>st</sup> of 193 countries  
43<sup>rd</sup> of 46 Asian countries  
7<sup>th</sup> of 8 Central Asian and Caucasian countries



### CRIMINAL MARKETS **3.40**

HUMAN TRAFFICKING	3.50
HUMAN SMUGGLING	2.00
ARMS TRAFFICKING	2.50
FLORA CRIMES	4.00
FAUNA CRIMES	4.50
NON-RENEWABLE RESOURCE CRIMES	3.50
HEROIN TRADE	4.00
COCAINE TRADE	2.00
CANNABIS TRADE	4.00
SYNTHETIC DRUG TRADE	4.00



### CRIMINAL ACTORS **3.13**

MAFIA-STYLE GROUPS	3.00
CRIMINAL NETWORKS	3.00
STATE-EMBEDDED ACTORS	3.50
FOREIGN ACTORS	3.00



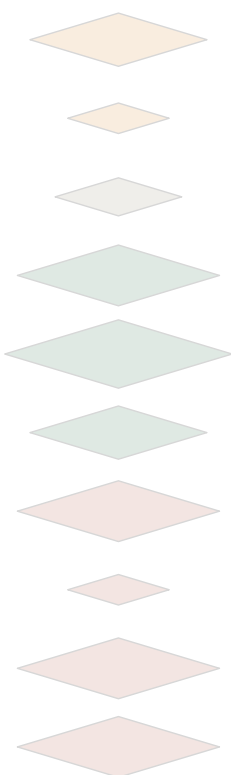
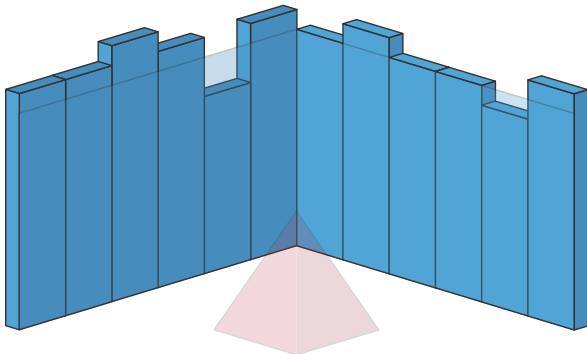
## 5.71 RESILIENCE SCORE

43<sup>rd</sup> of 193 countries  
7<sup>th</sup> of 46 Asian countries  
1<sup>st</sup> of 8 Central Asian and Caucasian countries





# ARMENIA



5.71

## RESILIENCE SCORE

43<sup>rd</sup> of 193 countries

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

1<sup>st</sup> of 8 Central Asian and Caucasian countries

POLITICAL LEADERSHIP AND GOVERNANCE 6.00

GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY 6.00

INTERNATIONAL COOPERATION 6.50

NATIONAL POLICIES AND LAWS 6.00

JUDICIAL SYSTEM AND DETENTION 4.50

LAW ENFORCEMENT 6.00

TERRITORIAL INTEGRITY 5.50

ANTI-MONEY LAUNDERING 6.00

ECONOMIC REGULATORY CAPACITY 5.50

VICTIM AND WITNESS SUPPORT 5.50

PREVENTION 5.00

NON-STATE ACTORS 6.00



3.26

## CRIMINALITY SCORE

171<sup>st</sup> of 193 countries

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CRIMINAL MARKETS 3.40



CRIMINAL ACTORS 3.13



# CRIMINALITY

## CRIMINAL MARKETS

### PEOPLE

Armenia is reportedly both a country of origin and a destination country for victims of human trafficking, with women and children being particularly at risk of victimization. Due to existing demand, women from the former Soviet republics, and most notably Ukraine, Belarus and Russia, are vulnerable to sexual exploitation in Armenia. Armenian women are also trafficked, often abroad, to Turkey and the UAE, and Armenian children are trafficked for adoption abroad. Allegedly, the ring organizing the trafficking has been operational for at least two decades, involving high-ranking public officials, medical professionals and orphanages.

Compared to global trends, human smuggling is fairly limited in Armenia. On the one hand, foreign nationals may be smuggled into Armenia, where they become vulnerable to trafficking. On the other, Armenian nationals may seek the help of smuggling rings to get out of the country in pursuit of employment elsewhere, mainly in Russia, Turkey and the UAE. In the process, however, they run the risk of being charged exorbitant recruitment fees and/or becoming victims of recruitment fraud and forced labour.

### TRADE

No evidence exists to support the existence of a highly organized arms trafficking market in Armenia. Most arms trafficking incidents in the country are isolated and occurred before the 2018 Velvet Revolution. The long territorial dispute over the Nagorno-Karabakh region was a reason for increased legal arms imports, especially during the 2020 Nagorno-Karabakh war. Many of the arms and aid could potentially be diverted into the illegal arena, as has happened before, or nurture an illicit arms market in the region, where governmental control is weak. Currently, however, domestic demand is limited.

### ENVIRONMENT

Illicit logging in Armenia is prevalent along the border with Azerbaijan, where heightened insecurity lowers investment prospects. Locally, illicitly harvested timber is used as firewood and in furniture manufacturing. Organized-crime groups are known to export timber, mainly to Russia. Despite overall corruption levels falling since 2018, corruption in the logging sector is still problematic. Allegedly, organized crime groups pay off officials to allow loggers to work undisturbed. Deforestation is already having a negative impact, leading to environmental issues such as landslides, floods and destruction of ecosystems. The Armenia-Azerbaijan

border regions are also well-known poaching grounds. Although there is an indication that poaching is becoming more organized, there is no information on the types of actors involved. Armenia is, however, known to be a transit country for wildlife trafficked between Asia, Africa and Europe. The country is also part of a caviar-smuggling corridor, running from Azerbaijan through Armenia into Russia and the EU. In addition to facilitating illicit logging, corruption is central to a number of other illicit activities that affect the environment, among them wildlife trafficking and mining. Officials reportedly use fraudulent Convention on International Trade in Endangered Species (CITES) permits to import rare animal species to keep as pets, and high-ranking officials have allegedly abused state-issued permits and conspired with foreign companies to benefit from mining activities in the country. After decades of entrenched corruption, however, vested interests in the sector have been overcome. Following the revolution, the government came down on companies involved in illicit gold extraction and the criminal market for non-renewable resources in the country has subsequently shrunk.

### DRUGS

Armenia is predominately a transit country for the heroin trade, forming part of the northern route linking Afghanistan, Iran, the Caucasus and Europe. Armenian organized crime groups are involved in the trade, but mostly Russian and Iranian actors organize the supply and cross-border transit. Evidence indicates that the Meghri crossing on the Armenia-Iran border is where most of the heroin supply enters the country; it is subsequently transported to the Armenia-Georgia border. However, domestic heroin consumption in Armenia remains limited, as prices have allegedly risen in recent years. Armenia is also a transit point for cocaine trafficking operations between Latin America, Turkey and Europe, as well as Iran, the UAE and Malaysia. However, cocaine trafficking through Armenia, which mostly involves foreign actors, is believed to have been on the decline in recent years, and domestic demand is low.

Indoor cannabis production seems widely prevalent in Armenia, with organized-crime networks involved in distributing cannabis in the country and trafficking it abroad. While Armenian groups are known to be involved in the production and export of methamphetamine to larger markets, such as Australia, Armenia is mostly a transit country for synthetic drugs. Predominantly Iranian groups are involved in the trade, with synthetic drugs destined for larger markets coming in from Iran.

## CRIMINAL ACTORS

State-embedded actors seem to be the most influential criminal type in Armenia, but their overall influence is limited. For the most part, due to the inability of state actors to monopolize specific markets, they tend to collude with criminal actors and facilitate organized crime. Additionally, corruption levels and the involvement of state-embedded actors in criminality have decreased following the revolution. Foreign players are also engaged in criminal activities in Armenia. For the most part, these are Iranian groups involved in the trafficking of heroin, synthetic drugs and, to a lesser extent, cocaine, and Russian companies working with state-embedded actors to exploit non-renewable resources.

There are indications of mafia-style groups divided into clans or brotherhoods (akhperutyuns), controlling parts

of the capital, Yerevan. In the post-revolution period, however, membership has significantly declined and clan leaders have either reduced their criminal activities or fled to Russia. Historically, thieves in law (vory v zakone) have been active in Armenia, although their influence has declined since the early 2000s and experts no longer consider them mafia-style groups but rather criminal networks. Instead, mafia groups are more active outside the country, primarily in Russia. A small number of thieves in law remain in Armenia but they maintain connections with Georgian and Russian networks as well as with former members in Turkey and the UAE. They exert some influence over the prison population in Armenia. They were allegedly linked to high-ranking state officials but it is believed that these ties were severed in the post-revolution period. It is likely that other organized-criminal networks also operate in Armenia, but their influence over criminal markets is not considerable.

# RESILIENCE

## LEADERSHIP AND GOVERNANCE

Before the revolution, Armenia resembled a semi-dictatorship; it has since made considerable progress. The new government adopted an ambitious programme of reforms, prioritizing rule of law and anti-corruption, among other key areas. It established the Anti-Corruption Policy Council and, in addition to an anti-corruption drive, it stepped up its anti-drug-trafficking efforts. These reforms have resulted in increased transparency and public trust in institutions and have been recognized by the international community as positive developments. In spite of the progress made, the country still lacks effective anti-corruption measures. As a result, state-embedded corruption and organized crime remain problematic. In addition, the Nagorno-Karabakh dispute has created tension between Armenia and Azerbaijan, with the latest conflict turning into a full-scale war. The region is also a reason for the long-term fragility and vulnerability of the country – politically, economically and in terms of security.

Armenia is party to most relevant international treaties and conventions pertaining to organized crime, with the exception of the Single Convention on Narcotic Drugs, and the Arms Trade Treaty. The country collaborates closely on matters of justice and security with a number of state and non-state actors, including Russia and other former Soviet republics, EU member states, Georgia, Iran, the US and China. Although Armenia's legal framework covers most criminal markets of interest to this Index, further efforts are necessary to strengthen the country's relevant legislation. The anti-corruption reforms and the legislation

criminalizing criminal subcultures and their leaders are all positive steps, although some political resistance has been encountered.

## CRIMINAL JUSTICE AND SECURITY

The government that came after the 2018 revolution has recognized that a transparent and independent judicial system is a critical element of governance. In an attempt to overhaul the judicial branch, a new strategy for judicial and legal reform was drafted in jointly with civil society and international organizations. The top-to-bottom reforms and their implementation, although not complete, have generally received positive assessment, but courts reportedly still lack independence and institutions are weakened by corruption. To rectify that, there is a significant focus on anti-corruption, with Armenia announcing plans to establish three anti-corruption investigative bodies by 2021. Problems in the prison system, on the other hand, persist. Allegedly, criminal subcultures rule prisons; following the introduction of the bill criminalizing criminal subcultures, riots broke out in many prisons across the country. Reports also indicate prisoner abuse and poor living conditions in the penitentiary system, including understaffed and poorly equipped medical facilities. Measures to strengthen healthcare and human rights in prisons have been taken in collaboration with the EU. Historically, law enforcement agencies have not been among the most trusted institutions in the country. Limited state funding and low salaries have made bribes more tempting. However, with the new government coming into power, reforms were implemented

in law enforcement as well. Anti-organized crime units were restructured and high-profile arrests were made, including of local crime bosses. Nevertheless, as it is at the crossroads of Europe, Asia, the Middle East and North Africa, Armenia remains an important hub for transnational organized crime activities. Although Armenia's borders with Turkey and Azerbaijan have been closed since 1993, the borders with Georgia and Iran are exposed and vulnerable to drug trafficking operations. The Nagorno-Karabakh region was another source of territorial vulnerability in 2020. While Armenia maintains domestic control of its law enforcement operations, there are Russian border guards along the country's borders with Turkey and Iran, as well as Russian immigration staff at international airports in Yerevan and Gyumri.

## ECONOMIC AND FINANCIAL ENVIRONMENT

Armenia has improved its anti-money laundering (AML) framework over recent years and has made progress in money-laundering risk and threat assessment. There is a financial intelligence unit within Armenia's Central Bank, the Financial Monitoring Centre, which is tasked with the implementation and enforcement of the AML mechanism. In spite of the improvements, especially following the revolution, Armenia does not meet international standards, and risk of money laundering and terrorist financing is still considered high. Despite the government adopting an ambitious programme focusing on economic reforms, in 2019 half the workforce in Armenia was employed in the informal sector and is at risk of abuse and/or exploitation. Nevertheless, the programme aims to improve transparency in business, increase investments and develop tourism, as well as exports. Currently, the economic regulatory environment is conducive to doing business in the country.

## CIVIL SOCIETY AND SOCIAL PROTECTION

The Armenian government has increased its protection efforts for victims of human trafficking and forced labour but there is no witness protection programme. Arguably, since 2018, the government has not paid attention to improving victim and witness support, and law enforcement officials reportedly lack the training and sensitivity needed to assist victims. There is an NGO-run victim protection shelter that offers victims of organized crime legal, medical and psychological assistance. Other NGOs in Armenia also give legal assistance to victims, and the government provides free healthcare. In terms of prevention, Armenia has approved a national action plan to reduce the trafficking of human beings. Armenia also ratified the Council of Europe Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse in 2020. The country developed strategies against corruption and money laundering, including launching an online whistle-blower protection platform where individuals can report crime and/or corruption. In spite of lack of funding for NGOs, Armenia has a vibrant civil society sector. NGOs were part

of the revolution and have subsequently been more involved in discussion and decision making. The media landscape improved considerably in the wake of the revolution, but independence of journalists and transparency in media ownership are still major issues in the country. Throughout the 2018 protests, small media outlets not affiliated with political or corporate entities provided counternarratives to the discourse proposed by mainstream state-sponsored outlets. However, to this day, independent journalists report that they employ self-censorship as a means of avoiding harassment.

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