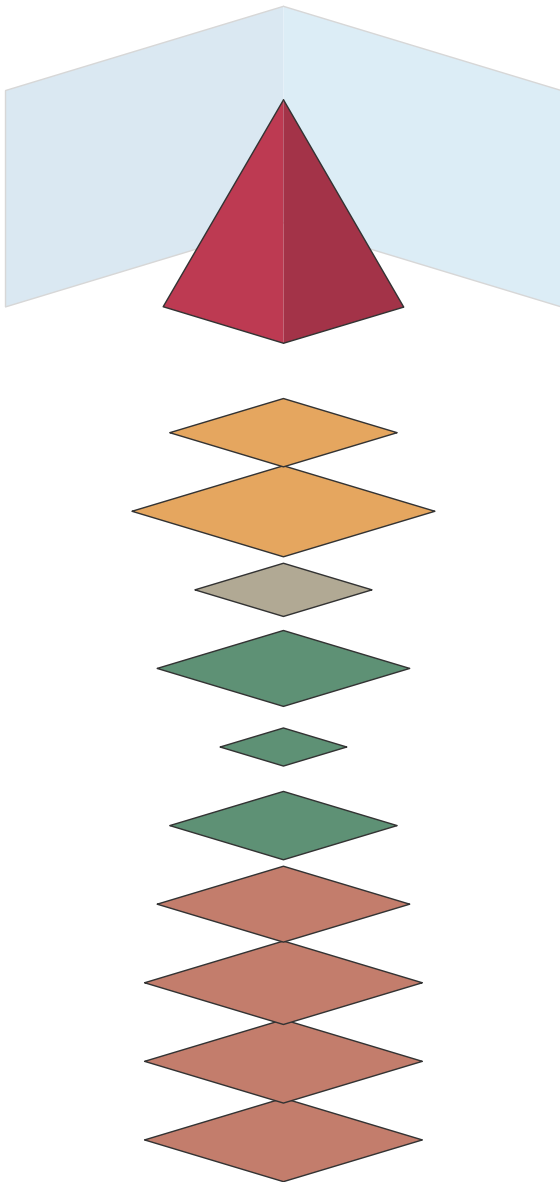




CROATIA



5.06 CRIMINALITY SCORE

85th of 193 countries
13th of 44 European countries
10th of 17 Central & Eastern European countries



CRIMINAL MARKETS **4.75**

HUMAN TRAFFICKING	4.50
HUMAN SMUGGLING	6.00
ARMS TRAFFICKING	3.50
FLORA CRIMES	5.00
FAUNA CRIMES	2.50
NON-RENEWABLE RESOURCE CRIMES	4.50
HEROIN TRADE	5.00
COCAINE TRADE	5.50
CANNABIS TRADE	5.50
SYNTHETIC DRUG TRADE	5.50



CRIMINAL ACTORS **5.38**

MAFIA-STYLE GROUPS	4.00
CRIMINAL NETWORKS	6.50
STATE-EMBEDDED ACTORS	6.50
FOREIGN ACTORS	4.50



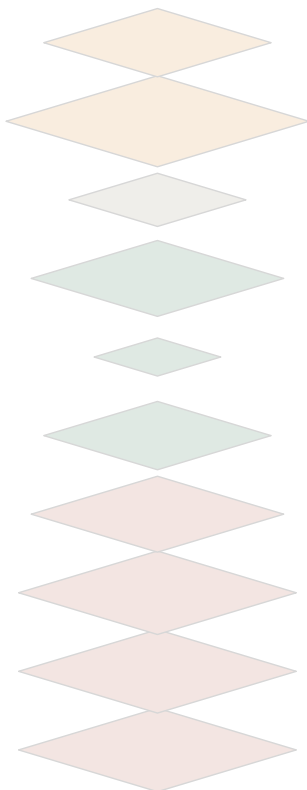
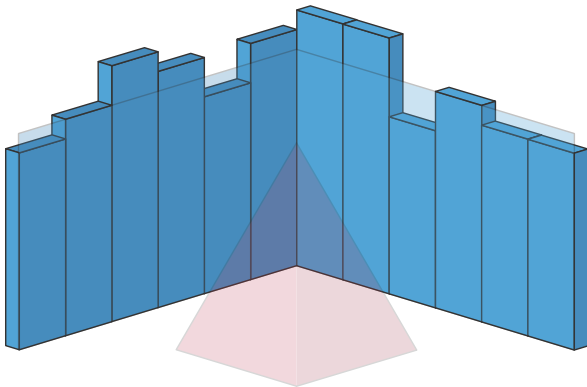
5.58 RESILIENCE SCORE

51st of 193 countries
26th of 44 European countries
4th of 17 Central & Eastern European countries





CROATIA



5.58

RESILIENCE SCORE

51st of 193 countries

26th of 44 European countries

4th of 17 Central & Eastern European countries

POLITICAL LEADERSHIP AND GOVERNANCE	5.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	5.50
INTERNATIONAL COOPERATION	6.50
NATIONAL POLICIES AND LAWS	6.00
JUDICIAL SYSTEM AND DETENTION	5.00
LAW ENFORCEMENT	6.00
TERRITORIAL INTEGRITY	6.50
ANTI-MONEY LAUNDERING	6.50
ECONOMIC REGULATORY CAPACITY	4.50
VICTIM AND WITNESS SUPPORT	5.50
PREVENTION	5.00
NON-STATE ACTORS	5.00



5.06

CRIMINALITY SCORE

85th of 193 countries

13th of 44 European countries

10th of 17 Central & Eastern European countries



CRIMINAL MARKETS 4.75



CRIMINAL ACTORS 5.38



CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Croatia appears to be predominantly a transit country for human trafficking, although it has become a source and destination country since 2011. Women and girls are particularly at risk of sexual exploitation, both domestically and throughout Europe. In addition, reports indicate that both locals and foreign nationals, mostly men, have been increasingly subjected to forced labour in the country. The internal market is rather scattered and mainly run by criminal network consisting of a few perpetrators, whereas the transit market is operated predominantly by foreign mafia-style groups.

Foreign criminal actors dominate the human smuggling market in Croatia, but locals are also involved, albeit to a much lesser extent. There have been a few instances in recent years, where police officers have been implicated in the human smuggling trade. The continuation of the migrant crisis along the Balkan route has increased Croatia's vulnerability to human smuggling, with people predominantly from Afghanistan, Pakistan, Syria, Algeria and Morocco being smuggled into the country. Despite the fact that many irregular migrants enter countries that are part of the Balkan route without assistance from smugglers, many continue their journey across Croatia and onwards to their destination with the assistance of smuggling rings. Thus, the country is a transit hub, especially the region of Karlovac, rather than a destination.

TRADE

The Croatian arms trafficking market is transnational in nature, albeit limited. There is some demand for firearms in Croatia, but it has been largely met by weapons left over from the Homeland War. Reportedly, criminal networks and gangs acquire weapons from across the Balkans and mostly use Croatia as a corridor to Western Europe, where supplies are limited and prices for firearms are higher.

ENVIRONMENT

There is no evidence to suggest the existence of a significant criminal market for illicit flora in Croatia, but teak from Myanmar, bound for luxury boat builders in the Netherlands, has been trafficked through Croatia. This suggests that legitimate Croatian companies may be engaging in transnational timber trafficking, facilitated by low levels of law enforcement at Croatian ports. It is likely that significant profits from timber trafficking have been laundered into Croatia's legal economy. A more worrisome occurrence

relates to allegations made against the country's public enterprise for forest management, purportedly involved in mismanagement of forest resources, fraudulent public procurement and corruption. There is also evidence of an active wood mafia operating within Croatia and illegally trafficking timber to neighbouring countries. Other flora-related crimes that may occur on a very small scale in the country are linked to construction in tourist areas as well as new villas and gardens, in which exotic plants may be grown. While poaching is an issue and endangered wildlife species have been smuggled into Croatia, there is nothing to indicate the presence of a significant criminal market for illicit fauna in the country. Most notably, bird species such as quail and common whitethroat, among others, are targeted by poachers and sold to restaurants, as are some endangered shell and clam species. Historically, songbirds have been poached and sold into Italy, although no current information on the issue is available, which suggests that there may have been a decrease in this illicit activity.

Similarly to flora and fauna, the criminal market for non-renewable resources in Croatia is not significant. Illicit oil and gas drilling may occur on a very small scale in the Adriatic Sea, and some instances of corruption related to the legal oil trade have been recorded. Additionally, there are suspicions that minerals are smuggled into Croatia from Bosnia and Herzegovina, but the dynamics are largely unknown. Illegal imports of hydrofluorocarbons have been brought into the EU from member states such as Croatia and Greece.

DRUGS

Available information suggests that several small criminal groups with flexible organizational structures dominate the Croatian drug market. Most of the heroin distributed in Croatia and transiting through the country originates in Afghanistan and is smuggled from there via Ottoman-era routes on to southeast and west Europe. Traditionally, cocaine shipments, usually from South and Central America, were trafficked into Croatia by sea or land from Western Europe or Turkey. However, more recently, organized crime groups in the Western Balkans, including those with members of Croatian origin, have established more direct cocaine trafficking routes from South America to the European market, in collaboration with South American cartels. The domestic cocaine market is concentrated in major cities such as Zagreb, Split and Dubrovnik.

Cannabis use is widespread in Croatia, with herbal cannabis being the most frequently seized substance in the country. Although the number of dismantled cannabis plantations in the country has remained stable over the past years,

there has been an increase in the number of dismantled indoor cultivation sites. Despite the domestic cultivation of cannabis, most of it originates in Albania and is smuggled into Croatia via Montenegro and Bosnia and Herzegovina. Groups smuggling cannabis into Croatia use both land and maritime routes. Domestic demand for synthetic drugs is arguably on the rise, with MDMA being the most consumed synthetic drug in Croatia. Amphetamines and MDMA are smuggled primarily from producing countries such as Belgium and the Netherlands, while methamphetamine is smuggled from Eastern Europe and Asia. Nevertheless, production takes place in Croatia as well, with a number of small laboratories having been identified and disrupted. Reports also indicate new psychoactive substances being mainly bought online.

CRIMINAL ACTORS

There is no evidence to suggest that the state itself exerts control over or even engages in specific criminal markets. There is, however, ample evidence that Croatia suffers from criminal state capture and abuse of position for personal gain on a pandemic scale. This relates to the exploitation of public funds, the fixing or avoiding of public procurement and is basically present in all areas of public and private life in Croatia. Criminal networks are prominent in Croatia. They engage in most illegal markets, but around 70% of all known criminal networks mainly focus on drug trafficking, smuggling of persons, as well as tax and customs

evasion. These groups vary in size, but are for the most part relatively small, consisting of 5 to 10 members. They are dispersed across the country, but criminal activity is focused in Croatia's major cities of Zagreb, Split and Rijeka. Perpetrated violence is low and corruption is used to avoid detection and prosecution.

Anecdotal evidence suggests there are major mafia-style groups in Croatia, but arguably only one – Pridošlice i zaštitari – fits the criteria. Reportedly, the group has a leader and two lieutenants below him, with lower-ranking members known to the authorities. The group is predominantly active in extortion, has access to weapons and uses violence. Usually, gang members carry knives and small arms. However, they rarely commit murder unless they want to demonstrate power, intimidate foes or eliminate potential threats. Croatian intelligence agencies assess domestic organized crime groups to be well networked with regional groups with whom they frequently trade services and provide logistics to each other when operating outside their domestic territories. Nevertheless, there is minimal evidence to suggest the strong influence in Croatia of foreign actors, who, for the most part, use the country as an access point for maritime and other trafficking routes in Europe. There are, however, legitimate Croatia-registered companies, which are protected by the state and control the energy market. These companies are financed by foreign entities and are reportedly able to promote foreign geostrategic interests in Croatia.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Given the country's socio-economic and geographic vulnerability, combatting organized crime is a political focus in Croatia. International initiatives in this field are of high priority within the framework of multilateral foreign-policy activities. Corruption and state capture are an issue and Croatia has made efforts to improve its anti-corruption framework. However, the anti-corruption rhetoric is not adequately translated into policy and implementation, whereby the main problem is political will rather than a suboptimal legal framework.

Croatia has consolidated the fight against corruption under one organization, the Office for the Suppression of Corruption and Organized Crime (USKOK), which has a wide political authority to investigate, prosecute and prevent corruption. USKOK shares the responsibility for investigating corruption in Croatia with the National Police Office for the Suppression of Corruption and Organized Crime (PNUSKOK), with additional structures aiding

anti-corruption efforts. There is also a parliamentary body tasked with coordinating the implementation of the anti-corruption strategy. The framework guiding freedom of information is assessed as very good and there are efforts to increase transparency. There are oversight mechanisms in place for the state corruption, but these measures have not been very effective. Despite the efforts made, faith in government is generally low and it is seen as corrupt on the national and local level alike.

Croatia is party to all relevant international treaties and conventions pertaining to organized crime. The country is also an active participant in a number of global and regional initiatives, including the Southeast European Law Enforcement Centre and Europol. Thus, cooperation in law enforcement and information exchange between domestic law enforcement and intelligence agencies and their foreign counterparts is well established. Croatia's legislative framework covers all the relevant criminal markets, and, in line with its international commitments

to countering organized crime, the country's national legislation is aligned with international standards. In spite of these measures, the implementation of legal mechanisms appears somewhat problematic.

CRIMINAL JUSTICE AND SECURITY

USKOK operates as a unit within Croatia's judicial system and is tasked with prosecuting cases of corruption and organized crime. There are also four specialized criminal judges – based in Zagreb, Rijeka, Split and Osijek – who are responsible for adjudicating cases of organized crime and corruption. Nevertheless, a lack of funds and poor capacity to close high-profile cases are recognized as major obstacles to the functioning of USKOK. More generally, political and economic pressures on the judiciary persist and, in turn, lower public trust in the system. While reports indicate that the functioning of the judicial system is problematic, some improvement has been made.

Croatia's anti-corruption police unit (PNUSKOK), in its role as a specialized law-enforcement unit mandated to tackle organized crime, is also functional. Additionally, the security and intelligence agency of Croatia is tasked with the collection and analysis of information that will ultimately provide actionable intelligence to detect, prevent and disrupt organized crime. To this end, the customs administration also plays a significant part. All units report good cooperation with their international counterparts, as is evident in a number of joint investigations and anti-organized crime operations.

However, the country's borders, especially the long and porous one with Bosnia and Herzegovina, are vulnerable to trafficking flows as Croatia is an extension of the Balkan route. In addition, the port of Ploce appears among the most vulnerable border points in Croatia. Furthermore, the country's border control has been under strain since Europe's migrant crisis began. While flows have reduced since the 2015 peak, irregular migrants using smugglers still try to enter the EU via unofficial border crossings between Croatia and Bosnia and Herzegovina. Notably, there are reports of brutal treatment of migrants by Croatian border police.

ECONOMIC AND FINANCIAL ENVIRONMENT

An anti-money laundering office was established within the Croatian Ministry of Finance to conduct financial investigations related to organized crime. The office analyses suspicious transactions and cooperates with other competent authorities in Croatia, as well as with its international counterparts. Overall, Croatia seems to have a robust AML/CFT framework in place and is highly resilient to money laundering. Conversely, despite implementing certain reforms, the economic regulatory environment is

burdensome and inefficient, yet is still conducive to doing business. A new labour law was put into effect in an effort to make the labour market more flexible and dynamic, but recent estimates put the grey economy at around a quarter of the country's GDP, and financial and economic crimes remain an issue for Croatia.

CIVIL SOCIETY AND SOCIAL PROTECTION

The government has a fairly robust framework in place to provide support to victims of modern slavery. There is a national committee for monitoring and improving the victim and witness support system in the country, and Croatia's Ministry of Justice is a member of Victim Support Europe. Nevertheless, NGOs often cite a lack of help from the government in their victim- and witness-support efforts. There is a project on victim support, protection and compensation being implemented, which, among other things, aims to establish a central information point that makes possible the extraction of statistical data on victim-support procedures on individual cases. Croatia lacks a coherent crime prevention strategy and there is little information about priority areas and concrete activities. There are several strategic documents in place to guide prevention efforts of trafficking of human beings, corruption, cyber crime, domestic violence, etc., but it appears their purpose is self-sufficiency, not actual implementation. This does not mean that prevention is not ongoing, but rather points to a discrepancy between official strategies and actions plans that serve administrative purposes on the one hand, and actual prevention activities that are operationally implemented. This is likely a consequence of lacking analytical and research capacities within law enforcement.

The media environment is somewhat stable, although there are certain issues. The public broadcaster is under political pressure, with certain groups attempting to influence its internal policies and operations. It appears that journalists who investigate corruption or organized crime are harassed, often through physical and cyber violence as well as threats. Nevertheless, investigative journalism plays a crucial role in uncovering corruption and reporting on state capture. Some investigative reports have had a significant impact, eventually leading to investigations and prosecutions. It, however, appears that most cases brought to a court fall short of an adequate judicial epilogue as a result of the slow and selective criminal justice system.

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