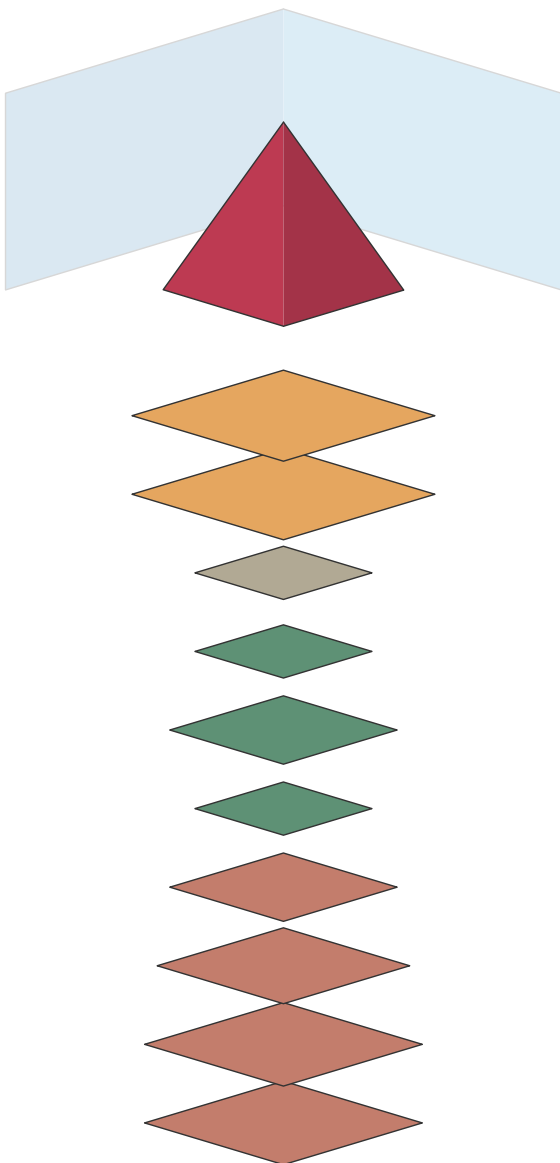


 **HUNGARY**



 **4.50**
CRIMINALITY SCORE

122nd of 193 countries
25th of 44 European countries
14th of 17 Central & Eastern European countries

 **CRIMINAL MARKETS** **4.75**

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

 **CRIMINAL ACTORS** **4.25**

MAFIA-STYLE GROUPS	1.00
CRIMINAL NETWORKS	4.00
STATE-EMBEDDED ACTORS	7.00
FOREIGN ACTORS	5.00

 **5.08**
RESILIENCE SCORE

84th of 193 countries
35th of 44 European countries
9th of 17 Central & Eastern European countries



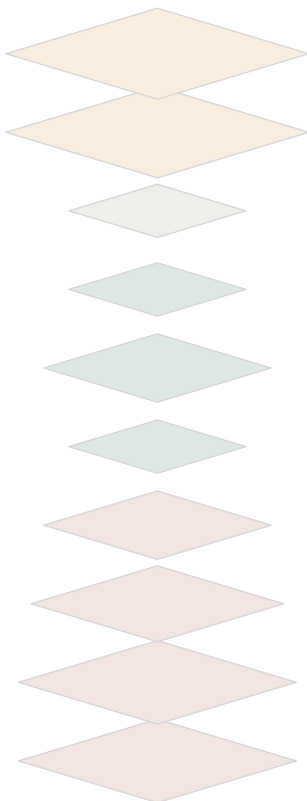
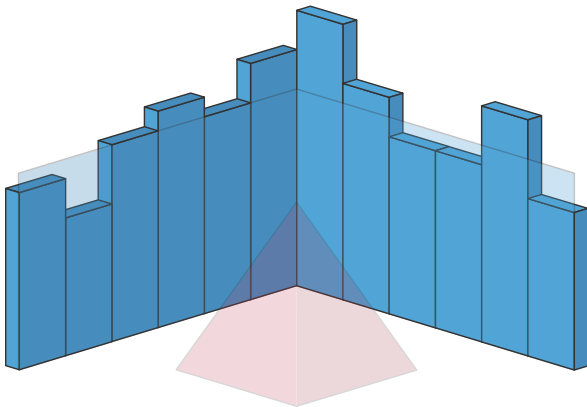
Funding provided by the United States Government.



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HUNGARY




5.08 RESILIENCE SCORE



84th of 193 countries
35th of 44 European countries
9th of 17 Central & Eastern European countries

POLITICAL LEADERSHIP AND GOVERNANCE	4.50
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	3.50
INTERNATIONAL COOPERATION	5.00
NATIONAL POLICIES AND LAWS	5.50
JUDICIAL SYSTEM AND DETENTION	5.00
LAW ENFORCEMENT	6.00
TERRITORIAL INTEGRITY	7.00
ANTI-MONEY LAUNDERING	5.50
ECONOMIC REGULATORY CAPACITY	4.50
VICTIM AND WITNESS SUPPORT	4.50
PREVENTION	6.00
NON-STATE ACTORS	4.00



4.50 CRIMINALITY SCORE

122nd of 193 countries
25th of 44 European countries
14th of 17 Central & Eastern European countries

 CRIMINAL MARKETS	4.75
 CRIMINAL ACTORS	4.25

CRIMINALITY

CRIMINAL MARKETS

PEOPLE

On a European level, Hungary is a significant source country for victims of human trafficking, predominantly for sexual exploitation and forced labour. As is common, victimization is rooted in poverty and inequality in the labour market. Victims are lured with promises and then trafficked into Western Europe. Roma women, young women with weak family ties as well as children from state-provided childcare institutions and correctional facilities are particularly vulnerable to trafficking. Hungarian women might also be lured into fake marriages to third-country nationals in Europe, but subsequently fall victim to forced prostitution. Reportedly, traffickers use both psychological abuse and threats of violence to keep women dependent on them. Evidence suggests that international organized-crime groups are involved in human trafficking, but Hungarian nationals are a part of these networks as well. Besides domestic victims trafficked abroad, foreign nationals also pass through Hungary to be exploited in Western Europe. As such, the Hungarian–Ukrainian border is highly vulnerable to trafficking flows.

Although human smuggling has decreased since a peak in 2015, Hungary remains an important route for smuggling. For the most part, smuggling flows have come through the Hungarian–Serbian border, although there has been a recent displacement and irregular migrants are now increasingly moving from Serbia to Hungary via Romania. The border with Slovenia has been a source of tension as well, with irregular migrants continuing their journey through there, facilitated by smugglers. The market is dominated by Serbian, Turkish and Hungarian smugglers, but other nationals are also involved.

TRADE

The illicit arms trade is a prominent market in Hungary, with the country identified as a source, transit and destination point for illegal weapons. Weapons coming from Hungary or Eastern Europe are, for the most part, trafficked to neighbouring countries and Western Europe. The availability of arms in Hungary is the result of surplus weapons entering the illicit market following the Balkan conflicts during the 1990s and the collapse of Hungarian firearm manufacturing in the wake of the end of the Cold War. Both small arms and light weapons and military-grade weapons have been trafficked through the country. Because of their availability without a license, blank-firing weapons have been trafficked to other European countries, where they are converted to live-fire and sold illegally. Various actors engage in arms trafficking. Arms manufacturers have been accused of selling

illegal firearms – mainly stockpiles of old military weapons – through intermediaries. Hungarian nationals as well as foreign criminal actors engage in the trafficking of arms in the country. Sources also report that far-right groups have also been involved in arms trafficking in Hungary.

ENVIRONMENT

Although seizures of protected plant species have been recorded in Hungary, the flora crimes market does not appear to be a significant issue in the country. Conversely, illegal wildlife trafficking and poaching have emerged as more problematic. The country has seen shipments of illegal ivory transiting through its territory, but further information on the dynamics of the flows is unavailable. Nevertheless, other species, such as quail, are regularly trafficked through Hungary towards southern and Western Europe. Over the past twenty years, poaching in Hungary has become increasingly organized and sophisticated. Poaching gangs now use state-of-the-art equipment and weaponry, with a number of court cases signalling stronger ties between poachers and both domestic and international trafficking rings. Illegal breeders, particularly in rural areas, breed purebred pups in Hungary and subsequently smuggle them to central and Western Europe either without proper paperwork or with falsified documents. There is no information to indicate illegal extraction of oil, gas or minerals in Hungary, but stolen gold has been trafficked into Hungary, melted and sold in the legal market in the country.

DRUGS

Hungary has long been positioned as a transit point for Afghan heroin trafficked along the Balkan route to Western Europe. Turkish organized-crime groups continue to be the main importers and facilitators of heroin distribution in Hungary, often utilizing the northern branch of the Balkan route from Bulgaria and Romania to Hungary and onwards for transportation. However, most of the heroin is likely entering via the western branch of the Balkan route. The cocaine market is likely the smallest drug market in the country, although an increase has been observed in recent years. Cocaine is mainly transported via land from Spain or the Netherlands, or directly imported via air from South America.

Herbal cannabis is Hungary's most commonly used illicit narcotic generally, and herbal cannabis and resin are the most seized drugs. The market has both domestic groups and foreign actors involved, with established ties between the two. More specifically, Vietnamese organized-crime groups based in the Czech Republic, groups from the Western Balkans – mostly Albanian – and organisations from the

Netherlands reportedly engage in cannabis trafficking in Hungary. Synthetic drugs, especially amphetamines, are also popular in the country. In fact, their use has spread quickly among the youth in the poorest parts of the country, particularly as designer drugs are cheaper than alcohol. They originate mostly in Belgium and the Netherlands, although imports of raw materials from Spain, Slovakia and the Netherlands may indicate domestic production. Additionally, new psychoactive substances have been trafficked from China into Hungary, usually by means of postal packages or fast parcels.

CRIMINAL ACTORS

There is a large consensus that the Hungarian economy is dominated by businessmen who have close ties to the government, including high-level officials. Through informal

patron–client networks, the elite not only influence major political institutions but also control lower-level institutions such as local governments and social groups. Loose criminal structures are also prominent in the country, with the latter mostly involved in human trafficking and smuggling, as well as in prostitution operations, stolen-car rings and drug trafficking.

Foreign actors have a large stake in Hungary’s criminal markets. Italian, Albanian and Georgian mafia-style groups are active, with the latter two controlling the cannabis trade, while the Italian Camorra and Cosa Nostra allegedly use Hungarian banks to launder criminal proceeds. As indicated, Turkish groups exert influence over the heroin market, while Turkish, Serbian, Bulgarian and Slovakian actors are engaged in human smuggling. There is no indication of the existence of domestic mafia-style groups.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Under its current prime minister, Hungary is often associated with growing illiberal populism and the deterioration of democracy. The ruling party has made migration a key campaign issue, tightening migration policies and drawing parallels between migration, crime and human smuggling in ways that stoke xenophobia and racism. Due to political pressures, the prosecution authority allegedly tends to turn a blind eye to state corruption or reject investigating it altogether. Allegations of corruption at the highest level persist, but Hungary’s chief prosecutor has so far failed to launch investigations into high-profile figures. The ruling Fidesz party has also rejected the possibility of joining the new European Public Prosecutor’s Office that aims to counter fraud and corruption. The public procurement sector sees a high risk of corruption, with companies indicating that irregular payments and bribes are commonplace in the awarding of government contracts and licenses. Many companies expect to give gifts to procurement officials in order to secure government contracts. The diversion of public funds due to favouritism by government officials is also perceived to be very common. There is an anti-corruption framework in place, although enforcement gaps exist, especially in relation to foreign entities.

Hungary is party to all relevant international treaties and conventions pertaining to organized crime and reportedly cooperates well with counterparts on joint anti-organized-crime investigations and operations. The country’s legal framework covers all organized-crime markets, although, as mentioned, its migrant-smuggling response has been rather harsh and widely criticized.

CRIMINAL JUSTICE AND SECURITY

The risk of corruption within the justice system is moderate to high, as bribes and irregular payments in return for favourable judgments do occur. Political interference in judicial matters is another serious concern. The ruling elite has, for example, forced 400 judges into retirement and staffed the Constitutional Court with politically influenced judges. A separate administrative court to handle cases affecting basic human rights was established in 2018 – an act that arguably further compromises the judicial system. The minister of justice is able to appoint judges and court presidents and decides on promotions and court budgets, all without any judicial oversight. There is a law-enforcement unit dedicated to combating organized crime in Hungary as well as an Asset Recovery Office that operates within the police and, among other things, is tasked with supporting financial-crime-related investigations. The Coordination Centre Against Organized Crime (CCAOC) is mandated to analyze and evaluate new and emerging organized-crime trends. However, no information, statistics or case studies are available to demonstrate the effectiveness of the CCAOC’s operational and strategic activities in fighting organized crime and related offences.

ECONOMIC AND FINANCIAL ENVIRONMENT

Hungary has a robust anti-money-laundering framework in place that adheres to international standards. The Hungarian Financial Intelligence Unit’s work and high-quality assistance to other relevant authorities bolsters efforts to detect and disrupt money-laundering operations. Despite

this, authorities have failed to make full use of the tools at their disposal in money-laundering investigations. Overall, Hungary is assessed as moderately resilient to money laundering and terrorist financing. Corruption in Hungary presents a significant risk to businesses, particularly in the tax-administration sector. Unauthorized payments are sometimes used to resolve certain administrative tasks, and local corruption in the public procurement sector is derived from strong informal relations between businesses and political actors. Other obstacles facing investments include a persistent lack of transparency and predictability, as well as excessive red tape. Multinational corporations have complained of favouritism for Hungarian and government-linked firms, and the government has tried to conceal contracts and finances of some state-owned companies, stating that the release of such information would undermine competition in the marketplace. Nevertheless, the economic regulatory framework is conducive to doing business, although there is some space to close the gap with other European nations.

to critical outlets being closed down and has threatened editorial independence.

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CIVIL SOCIETY AND SOCIAL PROTECTION

It appears that human-trafficking victim-assistance services remain scarce and uncoordinated, although efforts were made to advance victim support. Among the new measures taken was the appointment of specialized human-trafficking investigators in all county police headquarters as well as in Budapest. Additionally, victim identification was stepped up, while legislative amendments included non-punishment provisions for child victims of human trafficking. There are shelters as well as a national telephone crisis service for assisting victims of human trafficking and domestic abuse. These are financed by the government but operated by NGOs that are actively involved in victim support. Related to this, an NGO roundtable facilitates the flow of information between authorities and NGOs on issues of human trafficking. A national anti-human-trafficking strategy for 2020–2023 was also adopted. Nevertheless, several problem areas remain, including victim-identification mechanisms that do not apply to victims without a legal residence and the lack of a proper framework for child-victim identification, referral and assistance.

In relation to drug use, there is an anti-drug strategy which focuses on enhancing the availability and quality of treatment services. Treatment is carried out by both the state healthcare system and social services in cooperation with NGOs. In terms of prevention, an action plan to combat human trafficking was approved in 2019, but there have not been any assessments of the programme. The media landscape reportedly deteriorates year-on-year, with media ownership becoming increasingly concentrated in the hands of oligarchs with ties to Hungary's prime minister. The ruling Fidesz party has asserted control over the public broadcaster, which now praises the government and targets opposition groups. This media shift has led