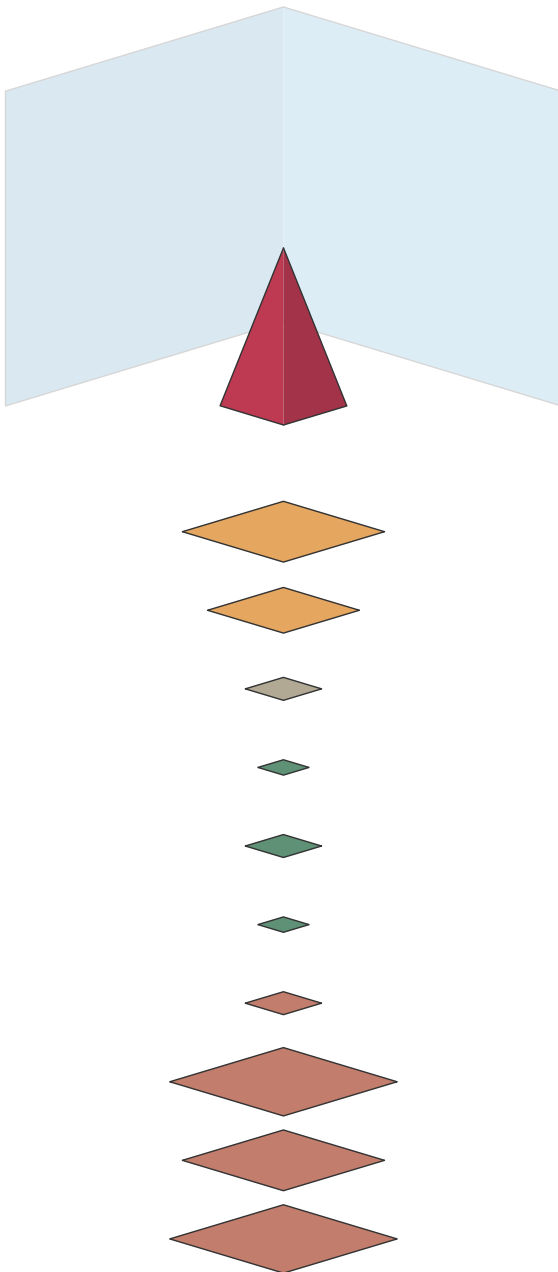


# ICELAND



3.39

## CRIMINALITY SCORE

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

37<sup>th</sup> of 44 European countries

6<sup>th</sup> of 8 Northern European countries



## CRIMINAL MARKETS

2.65

HUMAN TRAFFICKING 4.00

HUMAN SMUGGLING 3.00

ARMS TRAFFICKING 1.50

FLORA CRIMES 1.00

FAUNA CRIMES 1.50

NON-RENEWABLE RESOURCE CRIMES 1.00

HEROIN TRADE 1.50

COCAINE TRADE 4.50

CANNABIS TRADE 4.00

SYNTHETIC DRUG TRADE 4.50



## CRIMINAL ACTORS

4.13

MAFIA-STYLE GROUPS 4.50

CRIMINAL NETWORKS 5.00

STATE-EMBEDDED ACTORS 2.00

FOREIGN ACTORS 5.00



8.04

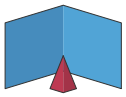
## RESILIENCE SCORE

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

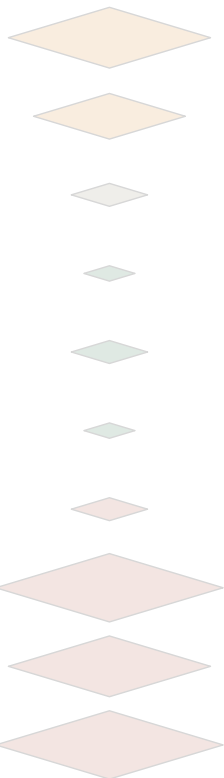
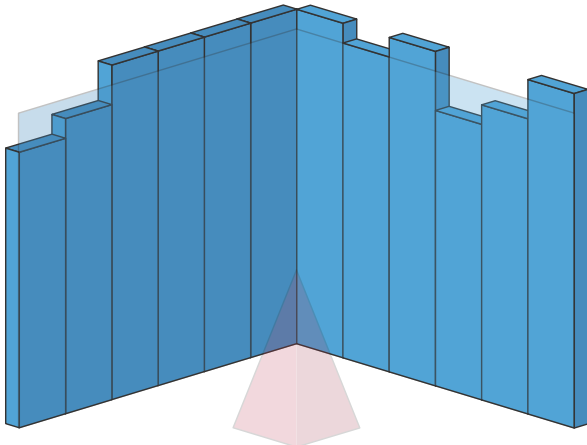
4<sup>th</sup> of 44 European countries

3<sup>rd</sup> of 8 Northern European countries





# ICELAND



8.04

## RESILIENCE SCORE

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

4<sup>th</sup> of 44 European countries

3<sup>rd</sup> of 8 Northern European countries

POLITICAL LEADERSHIP AND GOVERNANCE	7.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	7.50
INTERNATIONAL COOPERATION	8.50
NATIONAL POLICIES AND LAWS	8.50
JUDICIAL SYSTEM AND DETENTION	8.50
LAW ENFORCEMENT	8.50
TERRITORIAL INTEGRITY	8.50
ANTI-MONEY LAUNDERING	8.00
ECONOMIC REGULATORY CAPACITY	8.50
VICTIM AND WITNESS SUPPORT	7.00
PREVENTION	7.50
NON-STATE ACTORS	8.50



3.39

## CRIMINALITY SCORE

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

37<sup>th</sup> of 44 European countries

6<sup>th</sup> of 8 Northern European countries



### CRIMINAL MARKETS

2.65



### CRIMINAL ACTORS

4.13



# CRIMINALITY

## CRIMINAL MARKETS

### PEOPLE

Iceland's remote location makes it an attractive destination for human trafficking and increasing activity in this type of criminality has caused concerns in the country. Police reports indicate that economic growth has led to an increase in prostitution and associated trafficking activities. Forced labour is also a common practice. Exploitation is most rife in the construction, tourism and restaurant sectors. Foreign workers posted to Iceland are at particular risk of unfair labour practices, as traffickers seek to exploit the Schengen Zone and the European Economic Area to bring them to Iceland for a limited time before they need to register with local authorities. Trafficking of people, especially for the purpose of sexual exploitation and prostitution, has been linked to criminal gangs prone to violence. Foreign actors, particularly of Romanian and Albanian origin, play a role in trafficking, with some individuals being suspected of moving to Iceland for the sole purpose of facilitating this activity.

Iceland is a destination country for the smuggling of individuals seeking asylum or employment, given its usefulness as a transit country for entry into the Schengen zone as well as into the US. Information suggests that human smuggling is linked to human trafficking, as cases show that some migrants pay for their journeys by agreeing to unfair labour practices or sexual exploitation. Data on smuggling rings is scarce, but an Albanian organization has been suspected of the offence, indicating foreign activity in the smuggling market.

### TRADE

Although gun ownership is strictly regulated, some unregistered firearms are available in the country. However, there is little or no evidence of an active arms trafficking market.

### ENVIRONMENT

There is no evidence to suggest that consolidated criminal markets for flora and fauna or non-renewable resources exist in Iceland. However, poaching of and trade in native seabirds has been identified as an issue, although this is likely to be on a small scale.

### DRUGS

The heroin market in Iceland is reportedly non-existent, mainly because other opioids, such as fentanyl and opioid-based prescription drugs, have crowded heroin out of the

market. However, there are still small, sporadic seizures of heroin. The manufacturing, sale and distribution of drugs, particularly of cocaine, is where organized criminal activity is most evident and most profitable. The country is mostly a destination market, with cocaine originating from South America coming to Iceland via Europe. Notably, the consumption of cocaine appears to be increasing. Dealers use social media-based drug platforms in Iceland to sell cocaine, as well as discrete digital communication platforms, such as Telegram.

Cannabis use is widespread in Iceland and the market is significant. It includes a division of labour between organizers, cultivators and retailers. There are no signs of the export of cannabis from Iceland, while imports account for only a small portion of the market. The country is also a destination and source country for synthetic drugs. Large quantities of amphetamine, MDMA and related chemical bases are imported, along with non-heroin opium derivatives. Reykjavík is among the largest amphetamine producers in Europe. Synthetic drugs are mainly imported via Keflavik international airport and Seyðisfjörður port, although drug shipments by air are smaller than maritime consignments. Individual traffickers tend to travel abroad to buy painkillers legally before smuggling them back to Iceland. Official reports indicate a dominance of foreign groups in the synthetic drug market, including in the production of amphetamine, although there are also domestic actors.

## CRIMINAL ACTORS

Based on official reports, foreign actors in Iceland are well-established and dominate several criminal markets in the country. Mostly, groups from Central and Eastern Europe, particularly Poland, Lithuania, Romania and Albania, are active in Iceland. They are predominantly engaged in the drug trade and human trafficking and allegedly have members who move to Iceland specifically to organize criminal activities, including burglary and theft. Domestic criminal networks are also active and are particularly involved in the drug markets. Police reports indicate that the number of structures engaged in these criminal activities has been increasing, particularly in the areas of drugs, human trafficking, burglaries and cybercrime. The financial strength of such operators has allowed them to acquire the expertise to hide their profits in legitimate business operations. Corporate ownership, investment, real estate and the lending business are examples of the channels for illicit money movements in Iceland. Cooperation between domestic criminal networks and foreign actors is common.

International biker gangs are trying to gain a foothold in Iceland. Domestic biker gangs that can be classified as mafia-style groups are increasingly active, seeking the

support of foreign groups, such as the Hells Angels and Bandidos Motorcycle Club. There is no evidence that

state-embedded actors play a role in criminal markets in Iceland, or that the state controls any of the markets.

# RESILIENCE

## LEADERSHIP AND GOVERNANCE

The Icelandic government recognizes the threat posed by organized crime, but it has been criticized for not doing enough to counter it, with the international community also raising concerns about the issue. The latest annual national organized crime risk assessment identified a severe risk of organized crime in the country and called for stronger action to address it. This prompted the creation of a governmental working group, tasked with drafting an action plan to tackle organized crime action, with specific areas prioritized in the policy agenda. Although it has not been a major political priority in the past, this is likely to change as a result of the increasing focus on human trafficking and the abuse of foreign workers. Governance of the country is efficient and functional, despite deficiencies in anti-corruption initiatives, which allow nepotism to persist. While perceptions of corruption are low in comparison to many European countries, the international community has made recommendations on how to strengthen the country's anti-corruption framework. In light of this, a new law to protect whistle blowers and address issues related to conflicts of interest among officials was passed by parliament in 2020, with more issues raised by anti-corruption NGOs under consideration.

Iceland is active in the promotion and practice of international cooperation to combat organized crime. The country is a signatory to all relevant treaties and conventions in this regard. It is also a signatory to conventions and agreements that have extradition provisions, but has not entered into any bilateral extradition treaties since gaining its independence. Iceland also participates in several law enforcement organizations and networks such as INTERPOL, Europol, Frontex, SIRENE (Supplementary Information Request at National Entry), SIENA (Secure Information Exchange Network Application) and the Schengen agreement, successfully engaging in joint operations and information sharing with partner states. However, even though it has addressed some of the issues in recent legislation, reforms are needed to tackle problems such as human trafficking and people smuggling.

## CRIMINAL JUSTICE AND SECURITY

The Icelandic justice system has been assessed to be of a high standard and the risk of corruption is perceived to be low. However, the prison system has been criticized for a

lack of funding and long waiting times for justice. Although the rehabilitation of prisoners is a key focus, the process has been hampered by a lack of psychological services and a shortage of social workers. While corruption does not seem to be an issue in the prison system, drug abuse has been identified as a problem. The police force enjoys a high level of trust from the public. It is well-equipped and guided by high professional standards. Nevertheless, certain tensions between national and regional forces remain a challenge, as does understaffing and underfunding. The Icelandic National Police has an Organized Crime Division within its ranks, as well as a special unit for combating trafficking and prostitution and a cyber-crime unit. Official reports show that the capacity to counter organized crime in the country is low, despite enhanced capacity for financial analysis and intelligence gathering, as well as the existence of a special division tasked with analyzing organized crime threats. Iceland has no border guard agency, but it does have a coast guard, and the police, along with customs officials, are tasked with monitoring and policing borders.

While challenges to the country's territorial integrity are limited, Iceland's membership of the Schengen zone makes the country a location of interest to criminals looking for entry into Europe. In addition, the island is often used as a gateway into North America. A total of 95 per cent of largely non-EU arrivals in Iceland come through Keflavík International Airport, with the Seyðisfjörður port in eastern Iceland being another major point of entry. Efforts to control illicit flows into Iceland are concentrated in these locations. A new comprehensive border management system is expected to be operational in 2021, which will cover all air and sea border crossing points.

## ECONOMIC AND FINANCIAL ENVIRONMENT

Iceland was put on the Financial Action Task Force (FATF) 'grey list' of countries deemed to have insufficient controls to deal with money laundering and the financing of terrorism in October 2019. This situation reflects not only a lack of controls and relevant legislation but also about a lack of resources and insufficient political will to deal with these challenges. In light of Iceland's FATF listing, the government made a high-level political commitment to address these issues. After it implemented broad reforms in this regard, Iceland was removed from the grey list in October 2020 and risk levels in these areas have been reclassified as moderate. Moreover, the country's economic and regulatory

environment is conducive to doing business and meets European and Scandinavian standards. Despite companies being able to operate free of criminal interference, some economic sectors might be vulnerable to infiltration by organized crime for the purpose of money laundering and/or human trafficking and smuggling.

## CIVIL SOCIETY AND SOCIAL PROTECTION

The government cooperates with NGOs to support victims of human trafficking and drug users. The state funds NGOs to enable them to provide shelter to female and child victims of trafficking and municipal social services provide financial aid to trafficking victims. While no shelter is available for male victims, the latter are referred to non-specialized NGOs that provide food, health care and legal advice. In addition, an action plan has been introduced to enhance the investigative and prosecutorial capabilities of the authorities to deal with sexual offences, along with comprehensive guidelines for officers to investigate human trafficking. The government also developed a national referral mechanism for implementation in 2020. In July 2020, a special centre for victims of violence began coordinating responses to human trafficking, in line with an agreement with the government.

Iceland also has facilities and services for treating people with drug addiction. In 2013, the government published an overarching policy document, valid until 2020, to address the prevention of alcohol and substances usage. Iceland has a comprehensive treatment programme for addiction, provided by state-funded NGOs. No formal witness protection programme exists although such protection is provided for in criminal procedures already in place. Iceland is known for its low crime rates as well as for its measures to prevent youth substance abuse. Conversely, the country has been criticized for a lack of awareness about human trafficking, while labour unions have called for stronger measures to protect workers, especially foreigners, in order to minimize this trafficking. The government has responded by introducing several measures to counter human trafficking. In general, CSOs in Iceland operate freely and have strong government support and cooperation. Freedom of expression and media are respected and protected. However, the media environment has worsened since 2012 as a result of the deteriorating relationship between politicians and media outlets. Still, the small but diverse media market is important to maintain government accountability and transparency.

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