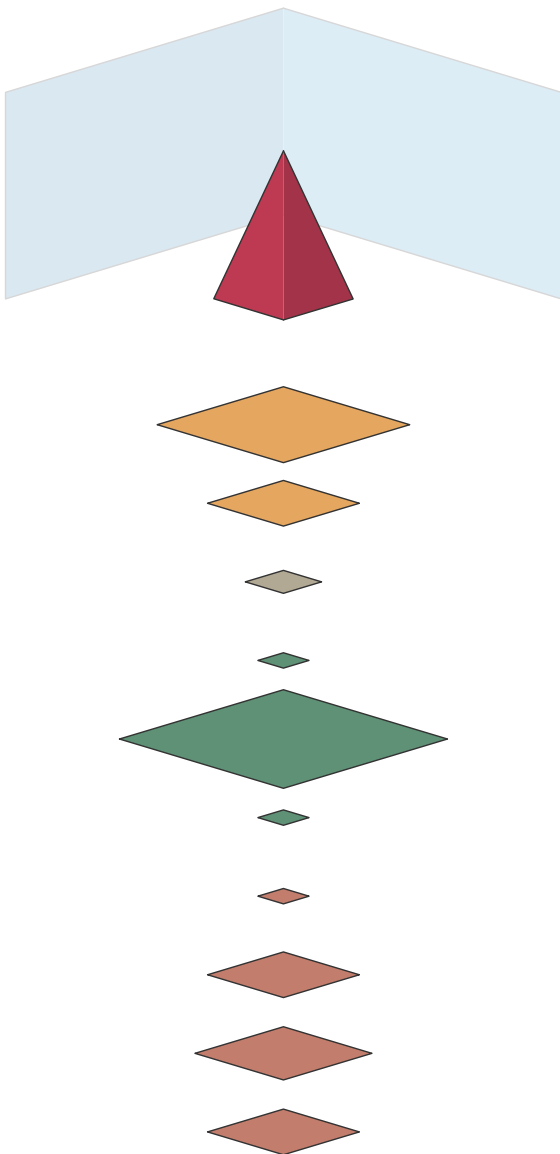




MICRONESIA (FEDERATED STATES OF)



3.30 CRIMINALITY SCORE

169th of 193 countries
6th of 14 Oceanian countries
1st of 4 Micronesian countries



CRIMINAL MARKETS 2.85

HUMAN TRAFFICKING	5.00
HUMAN SMUGGLING	3.00
ARMS TRAFFICKING	1.50
FLORA CRIMES	1.00
FAUNA CRIMES	6.50
NON-RENEWABLE RESOURCE CRIMES	1.00
HEROIN TRADE	1.00
COCAINE TRADE	3.00
CANNABIS TRADE	3.50
SYNTHETIC DRUG TRADE	3.00



CRIMINAL ACTORS 3.75

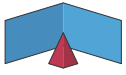
MAFIA-STYLE GROUPS	1.00
CRIMINAL NETWORKS	5.50
STATE-EMBEDDED ACTORS	3.00
FOREIGN ACTORS	5.50



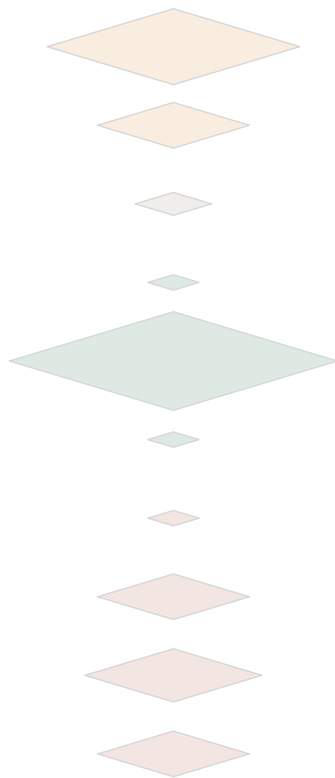
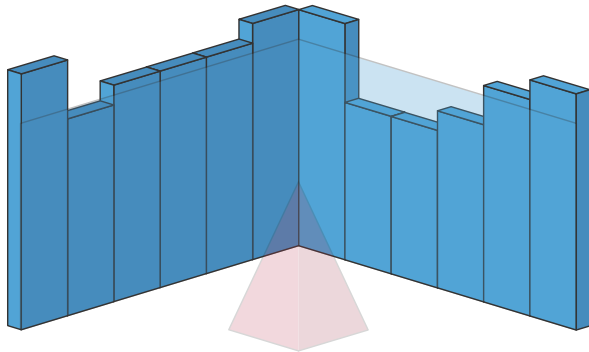
5.33 RESILIENCE SCORE

68th of 193 countries
5th of 14 Oceanian countries
1st of 4 Micronesian countries





MICRONESIA (FEDERATED STATES OF)



5.33

RESILIENCE SCORE

68th of 193 countries
5th of 14 Oceanian countries
1st of 4 Micronesian countries

POLITICAL LEADERSHIP AND GOVERNANCE	6.50
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	5.00
INTERNATIONAL COOPERATION	5.50
NATIONAL POLICIES AND LAWS	5.50
JUDICIAL SYSTEM AND DETENTION	5.50
LAW ENFORCEMENT	6.00
TERRITORIAL INTEGRITY	6.00
ANTI-MONEY LAUNDERING	4.00
ECONOMIC REGULATORY CAPACITY	4.00
VICTIM AND WITNESS SUPPORT	4.50
PREVENTION	5.50
NON-STATE ACTORS	6.00



3.30

CRIMINALITY SCORE

169th of 193 countries
6th of 14 Oceanian countries
1st of 4 Micronesian countries



CRIMINAL MARKETS 2.85



CRIMINAL ACTORS 3.75



CRIMINALITY

CRIMINAL MARKETS

PEOPLE

With a weak economy, high suicide rates and few employment prospects, people in the Federated States of Micronesia (FSM) are vulnerable to sexual exploitation and forced labour. The domestic market for sexual exploitation is mainly fuelled by foreign crew members or construction workers, but offending is more likely opportunistic than organized by sex-trafficking rings. Micronesian women are also forced into prostitution or labour abroad, in the United States and Guam, because of the visa-free entry granted to Micronesians. It is likely that foreign organized crime groups are involved in luring women from FSM and exploiting them abroad. Foreign nationals, especially from the Philippines, are vulnerable to labour trafficking into FSM. Workers from South-east Asian countries have reported suffering exploitation on fishing vessels in FSM or its territorial waters, sailing under Asian flags.

FSM nationals can freely enter the US and its territories, which eliminates the need for smuggling. It appears that smuggling affects FSM in one of two ways: (1) it morphs into trafficking or enables trafficking in persons where victims of sex or labour exploitation in FSM need first be smuggled into the country, and (2) migrants may be smuggled into and through FSM to gain access to the United States, a phenomenon that is not well documented.

TRADE

Gun ownership (both licit and illicit) in FSM is negligible and the country does not appear to be affected by gun violence, which suggests an arms-trafficking market does not exist in the country.

ENVIRONMENT

Given the geography, location and flora of FSM, it is unlikely that an organized flora-crime market exists in the country. Because of the small area of forested land, domestic requirements are met through imports. There is no evidence that timber is entering the local market. Likewise, there are no reports indicating any transnational criminal activities involving non-renewable resources in FSM. However, the single largest natural resource in FSM is its fishery, which has an extensive exclusive economic zone (EEZ) that is difficult to police. This makes the country vulnerable to illegal, unreported and unregulated (IUU) fishing, carried out primarily by foreign actors that collude with or are otherwise supported by people in FSM. As with elsewhere in the region, the impact of IUU fishing is

significant because it deprives local populations of a key food source and a main source of income.

DRUGS

An important cocaine trafficking route passes through Micronesia, linking source countries in Latin America to large destination markets in New Zealand and Australia. Mostly foreign groups are involved in this trafficking. As demand for cocaine appears low or non-existent in FSM, it is likely that no Micronesians are involved in domestic trade, although locals may participate in transporting cocaine. Arguably, synthetic drugs are also transported along the same shipping routes as cocaine, but evidence suggests that couriers and parcel post are used as well. While FSM is primarily a transit point for synthetic drugs – methamphetamine in particular – and domestic demand is low at the moment, the growing synthetic-drug markets in Palau, Fiji, Tonga and Samoa might indicate a future spillover of use into the country. As with cocaine trafficking, mostly foreign actors are engaged in moving synthetic drugs from the Philippines through FSM and on to Palau, Guam and Hawaii.

Cannabis use is reportedly significant in FSM, but the market is fed by the local demand with no evidence of cannabis exports. The cultivation, sale and consumption of cannabis in FSM appear to be in the hands of domestic groups. There is no indication that FSM or its territorial waters are used to transport heroin, and domestic demand for the drug is non-existent.

CRIMINAL ACTORS

Given the strategic geographic location of FSM at the crossroads between source countries for cocaine and synthetic drugs, and large consumer markets, in combination with its extensive EEZ, the country is highly vulnerable to drug trafficking and IUU fishing, mostly perpetrated by foreign actors. Criminal groups of Chinese and Taiwanese origin are known to be involved in illegal fishing, while groups of Filipino origin are active in the illicit synthetic-drug trade. Nationals from neighbouring countries in Asia and the Pacific appear to engage in criminal activities and provide the demand, supply and/or transportation. It is likely that foreign actors have established ties to local populations and recruit people from FSM to their operations. Loose criminal networks originating in FSM may be linked to transnational criminal networks and collaborate in trafficking and/or trade of illicit products. Domestic networks are also involved in the cannabis trade in FSM.

Little information is available on state-embedded actors in Micronesia, although, as with other Pacific island countries,

corruption risks appear around the issuing of fishing licences. Nevertheless, corruption levels appear to be manageable and relatively low by global standards. There is no evidence

to suggest the involvement of mafia-style groups in any criminal markets in FSM, or their existence, for that matter.

RESILIENCE

LEADERSHIP AND GOVERNANCE

FSM is a relatively stable democracy, although some vulnerability and fragility are present, caused particularly by external pressures on security and economics. In addressing such problems, the leadership of the country has shown some commitment to issues related to transnational organized crime, although measures are difficult to implement without external assistance. Even though corruption is not a major issue, there are concerns over low-level bribery and misuse of public resources. The lack of a national anti-corruption body and an adequate strategy has been criticized, but FSM took steps to establish such an authority in 2019. Principles of transparency are generally observed, however, there is no legal framework guiding public access to information.

While FSM is party to a number of international treaties and conventions pertaining to organized crime, it has yet to sign or ratify two of the three protocols supplementing the United Nations Convention against Transnational Organized Crime, the Arms Trade Treaty, or the Convention on International Trade in Endangered Species. Additionally, the resources needed for FSM to align its legislative framework with international treaties are very limited. Similarly, the enhancement of law-enforcement capacities is driven by external agencies and the country's participation in regional initiatives, such as the Pacific Islands Law Officers' Network and the Pacific Transnational Crime Network, among others. By and large, FSM's laws meet minimum national standards and criminalize a number of acts related to transnational organized crime, including criminal association. National policies and their implementation tend to be inconsistent across FSM's islands. For example, the fact that each of the four states of FSM (Yap, Pohnpei, Chuuk and Kosrae) has its own human-trafficking laws complicates matters. Further improvements are necessary for a robust legal framework to be drafted and implemented.

CRIMINAL JUSTICE AND SECURITY

The country's justice system is extremely slow and may not meet Western legal standards. Court-appointed attorneys, as well as judges, may not have legal training comparable to that found in developed Western democracies. There are some units specifically focused on matters related to organized crime, such as the anti-human trafficking division within the department of justice, although there

is no overarching judicial authority for organized crime. No concerns of human rights violations or significant issues with the prison system in FSM have been flagged, except for the lack of a prison ombudsperson to respond to complaints and that allegations of inhumane treatment are rarely followed up with investigations.

Although FSM currently does not have a police or intelligence unit specifically designated for organized crime – apart from the fact that fishing law falls under the jurisdiction of the National Police's Maritime Unit – all four states have their own anti-human trafficking task force made up of both national and state law-enforcement officers. However, only the task forces in Chuuk and Pohnpei were active in 2019. In general, FSM law enforcement does not have the financial or human resources to meet international standards on its own and depends on membership in various regional initiatives to enhance its law-enforcement capacities against transnational organized crime. As with other Pacific island countries, FSM's borders are naturally porous and difficult to monitor. International cooperation, especially in law enforcement and intelligence sharing, is therefore critical for effectively tackling transnational organized crime.

ECONOMIC AND FINANCIAL ENVIRONMENT

The country's commitment to implementing anti-money laundering (AML) measures has been lacking, as seen in its deficient compliance with Financial Action Task Force recommendations. The country has also been criticized for the absence of a comprehensive AML framework. The impact of money laundering is difficult to quantify, however, as there has not been any assessment of the levels and patterns of money-laundering activities in or involving FSM. The potential for economic development is limited, given the scarcity of resources and FSM's location, size and small population.

There are few incentives to do business in the country yet, at the same time, the economic regulatory framework appears quite constrictive. The country also depends on assistance from the US under the Compact of Free Association. In fact, 58% of government funding comes through the Compact of Free Association agreement, which runs out in 2023. It is unclear whether the agreement will be extended, which creates economic uncertainty. If it is not, a geopolitical shift

to China is a possibility, which could bring new opportunities for Chinese organized crime groups that are already active in the region to engage in FSM markets.

CIVIL SOCIETY AND SOCIAL PROTECTION

Victim support and prevention measures in FSM are largely limited to human trafficking. Support and protection efforts are adequate by regional and international standards, while prevention efforts are reportedly quite advanced. Most notably, the anti-human trafficking division, which was established in 2019, is responsible for victim protection, raising awareness about human trafficking and drafting anti-human trafficking training programmes. The government continues to implement the National Action Plan on trafficking, and three of the four states have existing action plans that relate to it. Additionally, the government opened the first shelter for victims of crime in Chuuk in 2019 and increased funding for victim services. Nevertheless, further strengthening of these frameworks is required. There is little information on the availability of prevention measures in relation to other crime types, especially illicit drugs. Regarding IUU fishing, the government is supported by Australia's North Pacific Aid Programme, which includes assistance in the management of fisheries, the mitigation of impacts of severe climate, tidal and oceanographic events and the strengthening of governance and accountability.

Civil society operates freely in FSM. Non-state actors, however, only marginally address issues pertaining to organized crime because of the relatively low levels of organized crime and the small size of the country and its population. Freedom of expression is respected and the media in FSM operate without state interference.

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