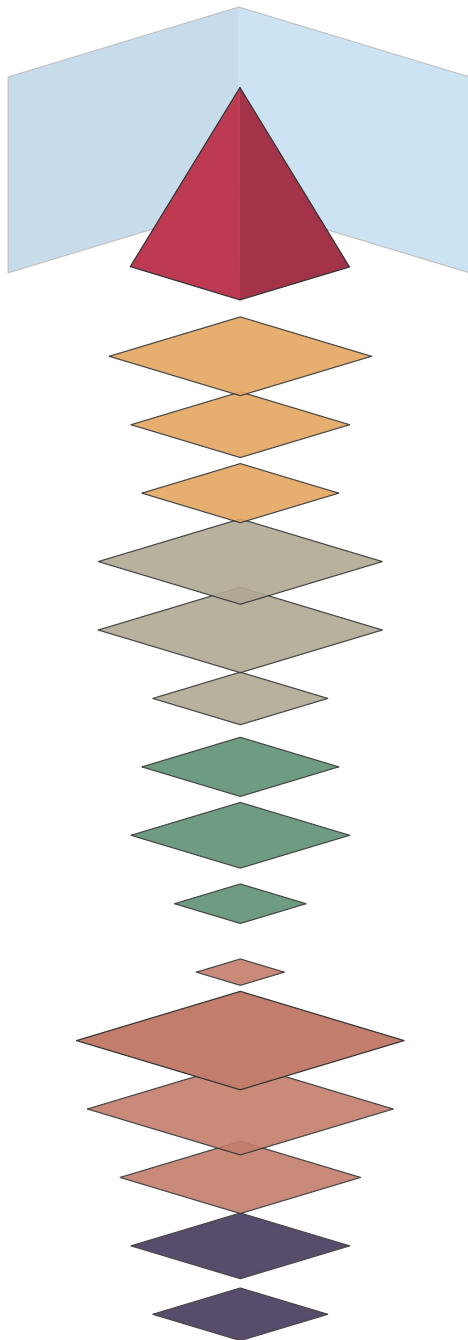




# CHILE



## 5.18

### CRIMINALITY SCORE

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

19<sup>th</sup> of 35 American countries

8<sup>th</sup> of 12 South American countries



#### CRIMINAL MARKETS

**5.07**

HUMAN TRAFFICKING **6.00**

HUMAN SMUGGLING **5.00**

EXTORTION & PROTECTION RACKETEERING **4.50**

ARMS TRAFFICKING **6.50**

TRADE IN COUNTERFEIT GOODS **6.50**

ILLICIT TRADE IN EXCISABLE GOODS **4.00**

FLORA CRIMES **4.50**

FAUNA CRIMES **5.00**

NON-RENEWABLE RESOURCE CRIMES **3.00**

HEROIN TRADE **2.00**

COCAINE TRADE **7.50**

CANNABIS TRADE **7.00**

SYNTHETIC DRUG TRADE **5.50**

CYBER-DEPENDENT CRIMES **5.00**

FINANCIAL CRIMES **4.00**



#### CRIMINAL ACTORS

**5.30**

MAFIA-STYLE GROUPS **4.00**

CRIMINAL NETWORKS **6.00**

STATE-EMBEDDED ACTORS **5.50**

FOREIGN ACTORS **6.00**

PRIVATE SECTOR ACTORS **5.00**



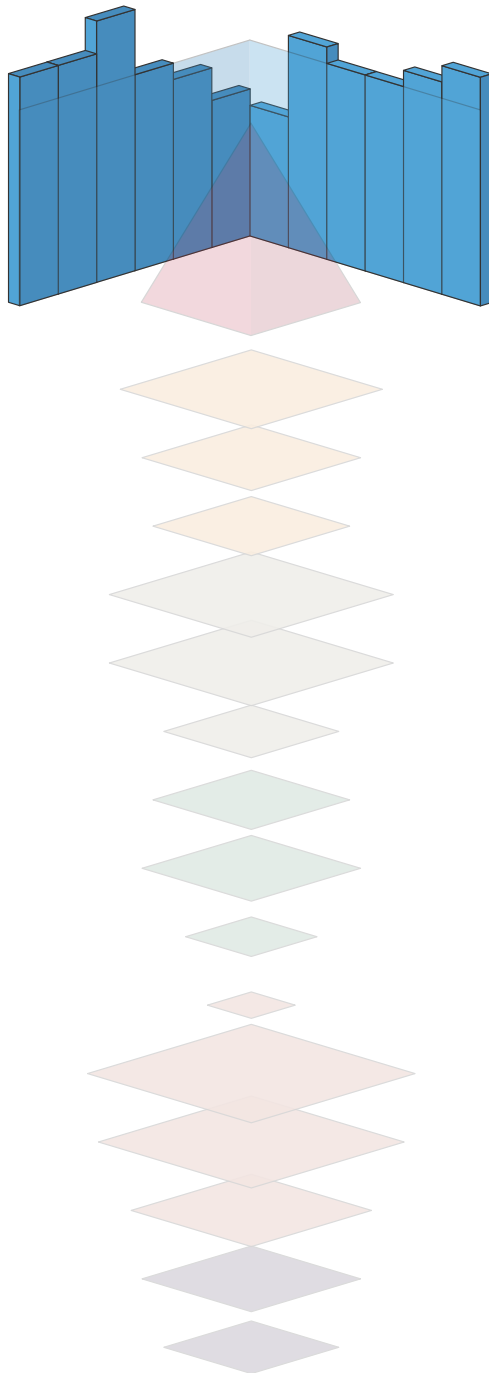
## 6.17

### RESILIENCE SCORE





# CHILE



## 6.17

### RESILIENCE SCORE

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

4<sup>th</sup> of 35 American countries

2<sup>nd</sup> of 12 South American countries

POLITICAL LEADERSHIP AND GOVERNANCE	7.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	7.00
INTERNATIONAL COOPERATION	8.00
NATIONAL POLICIES AND LAWS	6.00
JUDICIAL SYSTEM AND DETENTION	5.50
LAW ENFORCEMENT	4.50
TERRITORIAL INTEGRITY	4.00
ANTI-MONEY LAUNDERING	6.50
ECONOMIC REGULATORY CAPACITY	6.00
VICTIM AND WITNESS SUPPORT	6.00
PREVENTION	6.50
NON-STATE ACTORS	7.00



## 5.18

### CRIMINALITY SCORE



**CRIMINAL MARKETS** 5.07



**CRIMINAL ACTORS** 5.30



# CRIMINALITY

## CRIMINAL MARKETS

### PEOPLE

Chile is a source, transit and destination country for human trafficking. Victims include men, women, children and adolescents. They are exploited for sexual and labour purposes, particularly in the mining, agriculture, construction, street vending, hospitality, restaurant, garment and domestic service sectors. Human trafficking has been on the rise in recent years, with traffickers taking advantage of border openings and unauthorized crossings to smuggle people into Chile under false pretences. Despite this growing problem, the Chilean government's statistics do not fully reflect the scope of human trafficking in the country. Currently the government investigates and prosecutes few traffickers, and judges often suspend or commute sentences of less than five years, even for serious human-trafficking cases.

In addition to human trafficking, Chile is also facing an increasing problem with human smuggling. Criminal networks with international ties are operating in the country, using various methods to bring individuals into Chile, including unauthorized border crossings, fake travel agencies and leased flights. Domestic actors profit substantially from these markets, making it difficult to combat the problem effectively. The COVID-19 pandemic and migration crisis have only worsened the situation, particularly for vulnerable populations such as Venezuelans, Peruvians and Haitians.

Extortion and protection racketeering is particularly prevalent in relation to drug trafficking in Chile. Narco-extortion, in which gangs kidnap members of rival gangs or their relatives for money or drugs, is a common tactic. Extortion complaints have declined in recent years, but protection racketeering still occurs in prisons, where older or more dangerous inmates demand money from the families of new inmates in exchange for protection. Additionally, criminal gangs involved in drug trafficking threaten legal businesses in border regions for protection, which is a growing concern due to the expansion in the cocaine trade and human smuggling.

### TRADE

Chile both imports and exports small arms. The country has seen a rise in the confiscation of illegal or unregistered weapons, indicating potential corruption and an increase in firearm-related crime. Criminals in Chile favour pistols, revolvers and shotguns, with a growing trend towards the use of modified blank guns. While Chile is not a hotbed of arms trafficking compared to other Latin American countries, it has experienced a recent surge in such activity.

The primary crimes associated with weapon seizures are illegal possession of firearms and drug trafficking. Illicit arms are often imported from the US (specifically Texas and Florida) through shell companies. Due to its proximity to the triple border of Paraguay, Argentina and Brazil, Iquique has become a route for arms trafficking into neighbouring countries with major organized-crime problems.

The bulk of counterfeit clothing discovered in port inspections in Chile originates from China. Additionally, there has been a rise in counterfeit brands being sold in the country, partly due to the Venezuelan diaspora. As Chile has one of the lowest ratios of customs officers in the world, it is challenging to monitor all counterfeit products entering the country. Moreover, the illegal trade of excise goods, particularly cigarettes, is a growing issue in Chile. Contraband cigarettes are smuggled into the country by sea from China and India and by land from Bolivia and Peru. Despite the considerable number of contraband cigarettes seized in 2021, the market continues to expand in the country. Northern regions are particularly affected by the illicit trade in these products.

### ENVIRONMENT

Illegal logging is a notable concern in some parts of Chile, where evidence shows that it has resulted in the depletion of thousands of hectares of native forests in recent years. The main causes of deforestation include real-estate expansion, agriculture and cattle ranching, and paper pulp production using exotic trees. Despite this, Chile has few prosecutors for environmental crimes, and most of the country's forests are privately owned, limiting the authorities' ability to combat illegal logging. The underfunded regulation agency has also been accused of colluding with economic groups. Furthermore, the narrow legislative definition of forests means that any land without a specific number of hectares of tree cover can be used for economic activities, effectively turning environmental crimes into legal activities in Chile.

Although national authorities claim that wildlife trafficking is not common, it remains a problem. While the COVID-19 pandemic and economic crisis have reduced wildlife trafficking, recent seizures and the number of rescued animals requiring rehabilitation indicate a worrying trend. Demand for birds, which are easier to hide, is the main driver of illegal trade in exotic animals. The animals are smuggled into the country through unauthorized passages and hidden in various ways, often subjected to physical abuse when taken across borders illegally. The market for illegal trade in exotic animals is lucrative and is an incentive for small criminal organizations with connections in source countries, mainly Brazil and Bolivia. Lax sanctions for these crimes do not deter criminals from engaging in them.

In Chile, most mineral resources are owned and controlled by the state, and only a few criminal activities are known, mainly when licensed companies fail to comply with regulations, especially when polluting water. However, illegal gold smuggling into Chile continues, mainly from Peru, where illegal mining is prevalent. Smuggled gold is intended to be laundered and illegally exported to third-party countries, such as the United Arab Emirates.

## DRUGS

The market for heroin in Chile remains small, with few cases of heroin trade being detected. However, there is evidence that the same mechanisms used to import other drugs are used to import heroin from other countries. On the other hand, Chile continues to be a major destination and transit country for cocaine trade due to its strategic location next to two of the world's largest cocaine-producing countries, Peru and Bolivia, and because of growing domestic consumption. In fact, Chile is one of the top markets for cocaine consumption in Latin America. The porosity of the borders with Bolivia and Peru, scarce state and police control, and the extensive Chilean coasts allow drug traffickers easy access. Additionally, cocaine shipments destined for Europe, the US, Oceania and Asia are re-exported through non-traditional ports along the Chilean coastline. Chile is also a major supplier of controlled substances, such as potassium permanganate, used in cocaine production.

Chile has one of the highest rates of marijuana consumption in Latin America. Seizure data shows that Paraguay is responsible for most of the cannabis smuggling into the country, but there has been an increase in the popularity of Colombian 'creepy', and domestically grown marijuana is also part of the market. In recent years, locally produced marijuana with a higher THC content has been replacing Paraguayan imports due to a reduction in drug supply during social protests and the COVID-19 pandemic. Despite the rise in seizures, domestic demand for cannabis remains high, with the value of the market being among the highest of the criminal markets.

The synthetic drug trade in Chile mainly comes from European countries, such as the Netherlands, Germany and Spain, but also from Argentina and Colombia. The target demographic for these drugs is young adults, mainly at electronic music parties. While initially sold to people of high socioeconomic status, adulterations of the drugs have allowed the substance to reach a much more diverse group of customers. The synthetic drug trade in Chile has not been associated with violence or clear evidence of criminal networks, with most seizures involving individuals possessing or transporting the drug independently. One synthetic drug that has recently attracted attention is 2C-B, a ketamine-based psychedelic drug that is also known as 'pink cocaine' or 'tusi'.

## CYBER-DEPENDENT CRIMES

Chile has recently experienced a surge in cybercrime, with millions of cyber-attack attempts occurring in recent years. However, the country has also become more aware of cyber-security, with a growing culture of awareness among both enterprises and individuals. As a result, Chile is now the country in South America least likely to experience a cyber-attack and is considered moderately resilient in terms of cyber-security. Despite this progress, experts warn that Chile remains a vulnerable country due to its growing digital development.

## FINANCIAL CRIMES

Chile has experienced a surge in financial crimes, including Ponzi schemes and tax evasion. The Investigations Police of Chile (PDI) has warned of the growing number of these scams, known locally as mandalas, células, flores or tejidos. These schemes offer unreal profitability percentages under the guise of social work. To address financial crime, the Chilean government has introduced measures to increase the responsibility of companies in preventing these crimes. Despite efforts the country remains vulnerable to financial crime due to the high profitability and low risk of detection associated with such crimes.

## CRIMINAL ACTORS

Determining the number of mafia-style groups operating in Chile is challenging as many remain anonymous until they are brought to justice. Local drug-trafficking family networks differ from traditional mafia-style groups, and the country does not have any major mafia gangs with high levels of organization and membership compared to its neighbouring countries. However, Chile has seen a surge in violence by smaller groups forming to control local drug trafficking, posing more challenges for the authorities in the future. In fact, organized crime in Chile consists mostly of decentralized criminal networks operating in marginalized areas. These networks are expanding in the northern regions, with growing involvement in other illicit markets due to the migration crisis on the border.

Recently, foreign actors have been increasingly present in Chile's criminal markets. Mexican and Colombian cartels have identified Chile as a good market for drugs and an alternative country for shipments to Europe. Mexican cartels have started constructing facilities for the cultivation of highly concentrated THC cannabis. Venezuelan mafia groups are obstructing the smuggling of individuals into Chile and have been reported to charge them a toll to use the illegal crossing to Colchane, killing those who refuse.

Private-sector actors are mostly involved in money-laundering activities, forming front, shell and paper companies. The financial products most commonly used for laundering money are cash, bank accounts and wire transfers. The most

vulnerable businesses in the money-laundering process are notaries, automobile companies, legal accounting services, retailers, e-commerce merchants, banks, real estate agencies and exchange houses.

Corruption within the Chilean state facilitates criminal markets, particularly at the country's borders. Some

police officers collaborate with criminal groups in drug trafficking, robbery and other criminal activities, and some prison guards have been involved in corruption and drug trafficking. Nevertheless, there is no evidence suggesting that state-embedded criminal actors dominate criminal economies or influence democratic processes in Chile.

# RESILIENCE

## LEADERSHIP AND GOVERNANCE

The Chilean government has demonstrated its willingness to combat organized crime and illegal activities over the past two decades, despite recent surge in homicides and rising levels of insecurity. Although protests have exposed massive discrepancies between the political establishment and the economic situation in the country, Chile ranks among the best-positioned countries in Latin America in terms of corruption and governability. However, the rejection of its new constitution has shown an increasingly polarized country and a divided government. The Chilean government provides moderate access to information, however, there has been little significant progress in this area in recent years. This stagnation, combined with corruption scandals and citizen dissatisfaction with the political establishment, has led to a sense of disillusionment among the population.

Chile has signed all international treaties related to organized crime and complies with its international obligations. Additionally, Chile shows strong police action against crime and cooperates with INTERPOL. Nevertheless, the current government has expressed the need to work with neighbouring countries to combat organized crime. Moreover, Chile has a range of legislation to combat organized crime, including laws on money laundering, terrorism, drug trafficking, gun control, corruption and human trafficking. New legislation has also been introduced to establish an effective legal framework against organized crime, including laws on cybercrime and migration. However, there is a deficiency in environmental protection, as the country's laws on protecting nature are lax, leaving loopholes for mining companies to pollute indiscriminately and without accountability. Despite having fewer laws and institutions than some other Latin American countries, Chile's efficiency in fighting organized crime is better than those with more extensive frameworks.

## CRIMINAL JUSTICE AND SECURITY

Chile's judicial system is facing resource challenges, with low rates of judges per capita and a low percentage of GDP invested in the system. Although the judiciary is largely independent, it is seen as discriminatory in terms of access, and most of the population evaluates its performance as deficient. The hierarchized pyramid structure of the judiciary, which is intertwined with networks of the executive and legislative power, endangers the correct intervention of sentences or procedural execution of the law. The scarcity of convictions and non-enforcement of sentences for serious organized crimes, such as human trafficking, have increased the public's perception of impunity. Chile's prison system is also weak, with overpopulation and inadequate conditions. Inmates have replicated their criminal structures and established zones of hegemony inside prisons, allowing intra-prison trafficking to flourish and the drug business to expand from the prisons to the outside.

Chile's law enforcement is primarily managed by the national militarized police force, the Carabineros de Chile, and the PDI, which investigates crimes such as drug trafficking and organized crime. However, there is no ombudsman's office with jurisdiction to hear alleged cases of excessive or indiscriminate use of force, which is problematic since police forces have a severe deficit of accountability and are not usually subject to civic political power. The Carabineros' reputation has fallen dramatically after the 2019 protests, where international organizations found that the actions of the police and the army had not adhered to international human rights norms and standards in managing assemblies and with respect to the use of force.

Chile's extensive borders pose a challenge for controlling illegal activities such as drug trafficking and human smuggling. While the Andes mountain range serves as a natural barrier with Argentina, the porous borders with Bolivia and Peru in the Atacama Desert are difficult to control, with numerous irregular border crossings identified. Criminal activities such as human smuggling and drug trafficking are particularly prevalent in the north, where Venezuelan and Bolivian mafias are believed to be in control. The northern ports of Chile are also attractive to criminal organizations as

they offer access to the internal markets of Chile, Bolivia, Argentina, Paraguay and Brazil. Despite efforts to control these activities, criminal markets continue to expand, leading to the implementation of states of exception and the involvement of the armed forces in public security functions. In terms of cyber-security, Chile has not suffered a major attack in recent years and is considered the safest country in Latin America in terms of such attacks, although improvements are still needed.

## ECONOMIC AND FINANCIAL ENVIRONMENT

Chile is widely regarded as one of the world's most secure countries in terms of money laundering, and the most secure in Latin America. The government has implemented measures such as the creation of the Financial Analysis Unit. It has also passed the Corporate Criminal Liability Law and imposed substantial fines to deter anti-money laundering activities. However, despite these efforts, there has been an increase in illicit financial flows into the country, particularly due to the rise of organized-crime groups that need to launder their gains from illegal activities. The primary source of these funds is drug trafficking. Another potential channel for money-laundering activities is unregulated online gambling. Legal accounting services, retailers and e-commerce merchants have been identified as the three sectors with the highest risk of money laundering.

In terms of its macroeconomic policy framework, Chile has a strong foundation and boasts one of the highest GDPs per capita in the Americas. While recent tax policy changes have resulted in higher taxes, the country has made it easier to start a business by allowing online registration of closed corporations and introducing an e-system for filing complaints. Additionally, Chile has implemented a unified collateral registry and enhanced investor protections. However, complying with environmental regulations can be a lengthy and unpredictable process, which is a cause for concern. The private sector is a significant contributor to the Chilean economy, with key investment sectors including mining, finance/insurance, energy, telecommunications, chemical manufacturing and wholesale trade.

## CIVIL SOCIETY AND SOCIAL PROTECTION

Chile has established several programmes and policies to provide support and protection to victims and witnesses of crimes, including human smuggling and trafficking. The victim support programme and the Regional Units for Victim and Witness Support provide orientation, support and protection to victims and witnesses during the criminal process. However, NGOs have reported inadequate funding for victim assistance, particularly for children and male victims, which hinders victim support efforts. Although there is a government inter-agency task force on trafficking that coordinates various agencies to aid victims, the provision of victim support services is uneven across the country.

Chile has implemented various strategies to prevent and combat organized crime, including efforts to reduce poverty and extreme poverty and creating specific plans to address money laundering, human trafficking and smuggling, and drug trafficking. The country's human development index is the highest in Latin America, although Chile is also considered one of the most unequal countries in the region. The National Plan against Drug Trafficking has resulted in increased drug seizures, but there is still no national policy against organized crime. The Chilean government has established a civil society council to involve civil society in drug consumption prevention and rehabilitation policies.

Media coverage in Chile faces challenges due to concentrated media ownership and a lack of resources. Chile's press freedom has been deteriorating, with investigative journalism losing ground and attacks against journalists increasing. Although mass media outlets are diverse, they are mostly owned by the same corporate groups, leading to limited pluralism and vulnerability for journalists who uncover corruption cases or report on conflicts between the state and Mapuche communities. Despite these challenges, Chile remains a stable democracy with plenty of legally registered NGOs and a highly active and involved civil society.

---

*This summary was funded in part by a grant from the United States Department of State. The opinions, findings and conclusions stated herein are those of the authors and do not necessarily reflect those of the United States Department of State.*