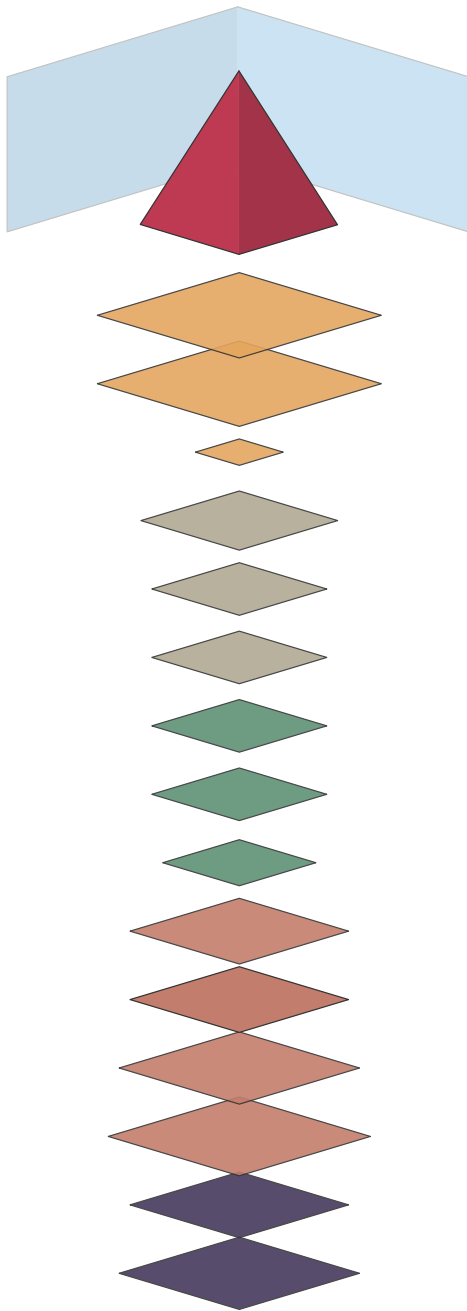


 **HUNGARY**



 **4.62**  
**CRIMINALITY SCORE**

**121<sup>st</sup>** of 193 countries  
**26<sup>th</sup>** of 44 European countries  
**14<sup>th</sup>** of 17 Central & Eastern European countries

 **CRIMINAL MARKETS** **4.73**

HUMAN TRAFFICKING	6.50
HUMAN SMUGGLING	6.50
EXTORTION & PROTECTION RACKETEERING	2.00
ARMS TRAFFICKING	4.50
TRADE IN COUNTERFEIT GOODS	4.00
ILLICIT TRADE IN EXCISABLE GOODS	4.00
FLORA CRIMES	4.00
FAUNA CRIMES	4.00
NON-RENEWABLE RESOURCE CRIMES	3.50
HEROIN TRADE	5.00
COCAINE TRADE	5.00
CANNABIS TRADE	5.50
SYNTHETIC DRUG TRADE	6.00
CYBER-DEPENDENT CRIMES	5.00
FINANCIAL CRIMES	5.50

 **CRIMINAL ACTORS** **4.50**

MAFIA-STYLE GROUPS	1.00
CRIMINAL NETWORKS	4.00
STATE-EMBEDDED ACTORS	7.00
FOREIGN ACTORS	5.50
PRIVATE SECTOR ACTORS	5.00

 **4.88**  
**RESILIENCE SCORE**



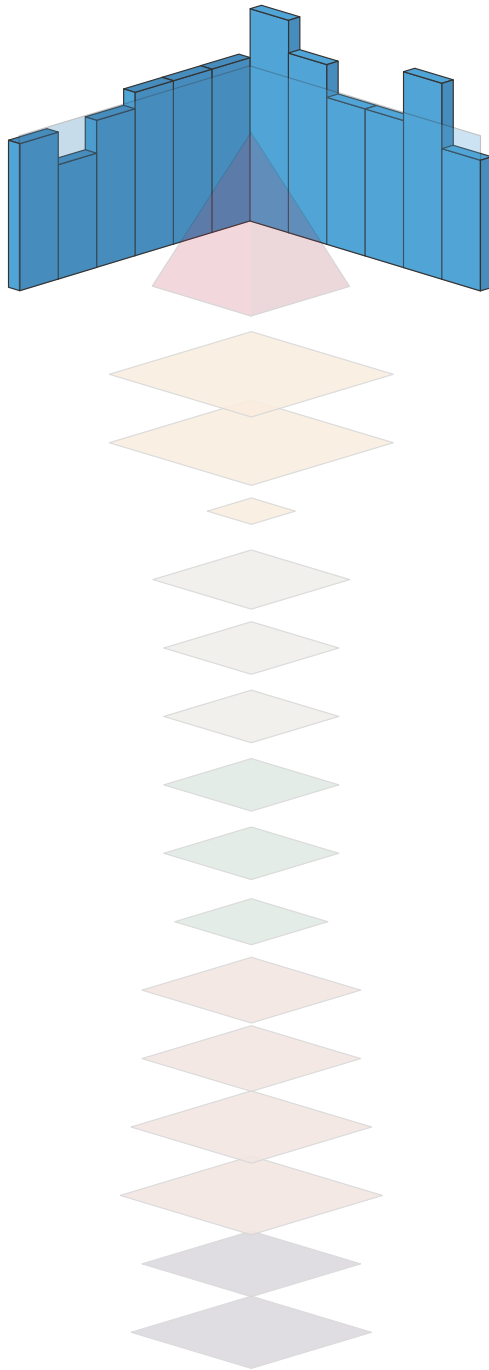
Funding provided by the United States Government.



Funded by the European Union

ENACT is funded by the European Union and implemented by the Institute for Security Studies and INTERPOL, in affiliation with the Global Initiative Against Transnational Organized Crime.

 **HUNGARY**





 **4.88**  
**RESILIENCE SCORE**

96<sup>th</sup> of 193 countries  
37<sup>th</sup> of 44 European countries  
11<sup>th</sup> of 17 Central & Eastern European countries

POLITICAL LEADERSHIP AND GOVERNANCE	4.50
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	3.50
INTERNATIONAL COOPERATION	4.50
NATIONAL POLICIES AND LAWS	5.00
JUDICIAL SYSTEM AND DETENTION	5.00
LAW ENFORCEMENT	5.00
TERRITORIAL INTEGRITY	6.50
ANTI-MONEY LAUNDERING	5.50
ECONOMIC REGULATORY CAPACITY	4.50
VICTIM AND WITNESS SUPPORT	4.50
PREVENTION	6.00
NON-STATE ACTORS	4.00

 **4.62**  
**CRIMINALITY SCORE**

 <b>CRIMINAL MARKETS</b>	4.73
 <b>CRIMINAL ACTORS</b>	4.50



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# CRIMINALITY

## CRIMINAL MARKETS

### PEOPLE

Hungary is a major source and transit country for human trafficking, which is among the country's largest criminal markets. Victims of human trafficking are primarily subjected to sexual exploitation and forced labour. Foreign nationals who come to the country in pursuit of work are increasingly subjected to domestic labour trafficking in rural Hungary. Meanwhile, Hungarian nationals are trafficked for forced labour within the country and outside it in the UK, Belgium and the Netherlands. Hungarian women lured into sham marriages with third-country nationals in Europe are also reportedly subjected to forced prostitution, while men are subjected to labour trafficking in agriculture, construction and factories in Western Europe. Hungarian Roma women are often manipulated by perpetrators into sex trafficking, while child sex trafficking victims generally come from state-provided childcare institutions and correctional facilities. The criminal market is mainly run by transnational organized crime groups, criminals and repeating criminal offenders.

The human smuggling market in Hungary is growing and has been exacerbated by the effects of the war in Ukraine. Most human smuggling in Hungary takes place along the Hungarian–Serbian border, which has become a point of tension amid the European migrant crisis. Hungary is a transit and source country for human smuggling, especially by land, and irregular border crossings are reportedly increasing at the Hungarian–Slovakian border. Irregular migrants, often from Syria, Iraq, Pakistan and Afghanistan, are known to regularly enter Hungary by sea, usually in fishing boats, in the Danube Delta region, through Turkey to Romania. Criminal gangs from Bulgaria are known to recruit Ukrainian and Georgian nationals to carry out such smuggling activities. In addition, Serbian, Turkish and Hungarian smugglers are also involved in this criminal market.

Extortion and racketeering are not common practices in Hungary. However, small-scale extortion occurs in the private sector, but is prevented in the public sector, which is heavily controlled by the state. Private-sector extortion and racketeering are connected to local gangs and criminal groups, who usually work on their own and extort from local businesses, such as restaurants and bars. Racketeering is conducted in specific markets, such as construction and small-scale sales.

### TRADE

Hungary has seen a decrease in the number of registered criminal offences involving firearms and ammunition. However, it remains a source country for illicit firearms destined for countries such as Romania. In addition, blank-firing weapons are acquired without a licence in Hungary to be trafficked to other European countries. Small weapons manufacturers have been accused of selling illegal firearms, mainly stockpiles of old military weapons after the fall of the Soviet Union. Criminals involved in other forms of trafficking and far-right groups are known to also be involved in arms trafficking in Hungary. The war in Ukraine is expected to have consequences on the arms trafficking market in Hungary in the coming years.

The market for the trade of counterfeit goods in Hungary is not large. This is mostly due to the heavy regulation of the legal market. However, there is a considerable market for counterfeit products transited through the Western Balkans and Eastern Europe. The most common counterfeit goods in the country, which are also considered dangerous to public health, are perfumes, cosmetics, clothing, toys, car parts and pharmaceutical products.

Hungary is predominantly a source country for the alcoholic drinks illegally produced and smuggled inside the EU. Hungary is also a transit and destination country for the cheaper tobacco products smuggled from the Western Balkans and Belarus. Recent cases have shown that increasing quantities of tobacco from domestic production are also being illegally traded in the local market. This trend can be seen in the patterns of offences already detected and is also reflected in the declining volume of legal sales recorded by registered domestic tobacco producers.

### ENVIRONMENT

There has been an increase in flora crimes in Hungary. The country is an important source of illegal logging in Europe, which has resulted in an 11% decrease in tree cover in Hungary. Illegal logging in the country has been linked to loose organized crime networks. Since the war in Ukraine, illegal logging committed by local communities for firewood has also increased, due to high energy prices. Protected plants such as snowdrops and Carpathian saffron enter or transit the country predominantly by road for subsequent sale on the black market.

Even though Hungary is considered a source, destination and transit country for fauna crime, the market is not extensive and poaching has shown a decreasing trend in recent years. However, smuggling of endangered species for medicinal and decorative use, bird and avian by-products, mammal and reptile by-products, and coral derivatives are still

common forms of fauna crime in the country. Furthermore, Italian hunters, assisted by their Hungarian counterparts, are reported to shoot protected birds in great quantities, to smuggle them into Italy. The high level of corruption and the developed shadow economy facilitate the activities of crime groups involved in fauna crimes in Hungary. Some of them are also involved in illegal, unreported and unregulated fishing activities in the country.

Coal, oil, gas and manganese, in limited amounts, are some of Hungary's key natural resources. The country has seen a recent spike in petrol prices due to raised fuel taxes, which resulted in an increase in petrol smuggling by illegal entrepreneurs. There are reports of a criminal group purchasing low-grade fuel oil in Poland and selling it at marked-up prices in Hungary, avoiding VAT, while using foreign companies as a front. Cases of gold laundering have also been reported.

## DRUGS

Hungary has traditionally been a transit country for heroin, originating in Afghanistan and trafficked via the Balkan route to Western Europe. However, the heroin market in Hungary is not consolidated. Turkish organized crime groups continue to be the main importers and facilitators of heroin distribution in the country, often utilizing a northern branch of the Balkan route from Bulgaria and Romania to Hungary, Austria, the Czech Republic, Poland or Germany for transportation. Over the past decade, the number of cocaine seizures has risen continuously, particularly during the drug's distribution at the retail level. Cocaine is mainly transported by road from Spain or the Netherlands or is directly imported by air from South America. However, in tandem with the increase in general online shopping that occurred during the COVID-19 pandemic, the illicit cocaine market is also flourishing online.

Cannabis is the most used illicit substance among young adults aged between 18 and 34 in Hungary. Cannabis is increasingly trafficked into Hungary by Vietnamese organized crime groups based in the Czech Republic, the Western Balkans and the Netherlands. Moreover, substantial amounts of cannabis have also been intercepted entering Hungary through its shared border with Serbia. Though Hungary is primarily a destination country for cannabis, reports indicate that cannabis is cultivated on a small scale. In recent years, new psychoactive substances compete with established drugs and continue to be a source of concern. While new psychoactive substances shipments are mainly imported from China, synthetic drugs, such as amphetamine and MDMA/Ecstasy, are primarily imported from Belgium and the Netherlands. Furthermore, the use of synthetic drugs has spread among the youth in the poorest parts of the country, particularly since designer drugs like synthetic cannabinoid and cathinone are reportedly cheaper than alcohol.

## CYBER-DEPENDENT CRIMES

Cyber-dependent crime is a growing criminal market in Hungary. The frequency of data breaches has quadrupled in a few years, with malicious software infection and ransomware attacks being the most common forms of cybercrime. However, there is no indication that major criminal groups are involved in the market. Instead, it is mostly individual hackers or small hacker groups targeting private persons who are active in this criminal market.

## FINANCIAL CRIMES

In Hungary, the financial crimes market is frequently connected to the embezzlement and misuse of funds, including both public and corporate funds. These acts primarily involve individuals and small groups, who are not part of the larger organized crime groups. Corruption based on personal connections between business owners and high-ranking public officials and politicians appears to facilitate the illegal financial crimes market. In recent years, allegations have been made of corrupt activities in governmental procurement contracts and tender processes.

## CRIMINAL ACTORS

As Hungary is a transit country for various criminal markets, foreign criminal organizations operate in the country to varying degrees. For instance, Italian, Albanian and Georgian mafia-style groups are presently active in Hungary and engage in money laundering and cannabis trafficking. Criminal actors from the Turkish diaspora influence the heroin market, while both Slovakian and Bulgarian actors influence the human smuggling market. Domestic loose criminal networks are pervasive in almost all criminal markets present in Hungary, primarily in human trafficking and human smuggling, but also drug trafficking and petty theft. These networks are known to be involved in flora and fauna crimes as well, alongside opportunistic perpetrators.

Through informal patron-client networks, members of the Hungarian economic elite influences not only major political institutions, but also controls lower-level institutions, such as local government and civil society groups. Corruption is an ongoing problem and new legislation limiting the definition of public funds could result in further challenges, as many of the companies in Hungary with close government links are supported by public funds. Furthermore, high-level politicians are connected to the oligarchs and use this connection to obtain control over certain markets, like the media. Connections between the government and private-sector actors are traditionally strong, and the government has a stronghold over private businesses. This is reflected in the preferential treatment some businesses receive from the government and the flouting of taxation and customs duty regulations. There is no evidence to suggest domestic mafia-style groups exist in Hungary.

# RESILIENCE

## LEADERSHIP AND GOVERNANCE

The state of governance and political leadership in Hungary is generally associated with the growth of illiberal populism. Political leaders use migration as a key campaign issue, drawing parallels between migration, crime and human smuggling in ways that critics claim stoke xenophobia and racism. The government's control over supposedly independent institutions such as the judiciary, along with the adoption of anti-migrant and anti-LGBT+ policies, and laws that hamper the work of opposition groups, journalists, universities and NGOs critical of the government, have resulted in a lack of progress in the country. In addition, independent journalists, lawyers, politicians and businesspeople in Hungary have allegedly been targeted by secret surveillance in recent years using spyware. Corruption in the political system is rampant, with several political leaders being accused of corrupt practices. The recently re-elected Prime Minister and his political party have been considered responsible of putting in place various measures that have decreased transparency and accountability. The public procurement sector is also prone to a high risk of corruption and manipulation, with companies indicating that irregular payments and bribes were commonplace in the awarding of government contracts and licences. In addition, government prosecution services have ignored or refused to investigate cases of state corruption.

Hungary has ratified all relevant international treaties and conventions on organized crime and cooperates in joint investigations with Dutch, Belgian, Swiss and British authorities, and has worked with non-EU countries in training and capacity building. Moreover, Hungary actively cooperates with Europol and other countries' law enforcement to prevent the smuggling of migrants, arms and drugs. In 2021, Hungary took part in the largest international law enforcement operation to date working to prevent the use of encrypted information in organized crime networks, which resulted in the confiscation of drugs, cash and cryptocurrency in Hungary. The country has various laws and policies in place to address organized crime, including drug trafficking and flora and fauna crimes, among others. Sex and labour trafficking is criminalized under law, but its legal definition is inconsistent with international law. Recent reforms have been made in the criminal code to combat human trafficking and money laundering more effectively. However, the implementation of both national and international legislation on organized crime matters is still lacking.

## CRIMINAL JUSTICE AND SECURITY

The Hungarian judicial system is at a moderate risk for corruption, as bribes and irregular payments in return for favourable judgments sometimes occur. The current government has significantly weakened the judiciary and the Constitutional Court, and the politically influenced appointment of new Constitutional Court judges has raised concerns. Trust among the commercial sector in the independence of the judiciary has sharply declined. Furthermore, rulings not in line with party interests are harshly criticized by pro-government media and government officials. As for the penitentiary system, there are no reports suggesting overcrowding, subpar conditions and ill-treatment.

Hungarian law enforcement has a special unit dedicated to combatting organized crime and an asset recovery office that is tasked to detect and freeze assets originating from criminal acts or assets in the possession of organized crime groups, as well as supporting investigations of financial crime-related cases. However, efforts need to be intensified in order for law enforcement officials to more effectively confront with the challenges posed by organized crime. Hungarian territorial integrity also continues to be challenged by criminal activities due to the country's role as a transit hub. The country's southern and western borders, including its border with Serbia, remain hotspots for overland migrant smuggling. Hungary is moderately equipped to withstand cyber-attacks. The Special Service for National Security manages cyber-security incidents and is the home of the computer security incident response team. In case of a cyber-security incident, this service has broad controlling rights, while other parties must cooperate with them.

## ECONOMIC AND FINANCIAL ENVIRONMENT

Hungary is a member of the Financial Action Task Force and has implemented various international standards and legislation to keep money-laundering and terrorist financing under control. The assistance provided by the Hungarian Financial Intelligence Unit significantly bolsters efforts to detect and disrupt money laundering threats and deprive criminals of these proceeds. Despite these efforts, Hungary is at medium risk of money laundering and terrorist financing, as law enforcement and other authorities have failed to use financial intelligence appropriately to investigate cases of money laundering.

Hungary has a sizable informal economy and lacks transparency and predictability to encourage financial investments. Multinational corporations have complained of excessive red tape as well as preferential treatment and

favouritism for Hungarian and government-linked firms. The government has tried to keep secret the contracts and finances of some state-owned companies, stating that the release of information would constitute a competitive disadvantage in the marketplace. In addition, reports suggest that the government's strong anti-migrant rhetoric and actions have made it difficult for international companies to obtain approval for new investments. Corruption in Hungary presents a significant risk to businesses, particularly in the tax administration and public procurement sectors. Companies report that unofficial payments are sometimes necessary to resolve certain administrative tasks, and public procurement is vulnerable to irregularities at the local level, because of strong informal relationships between businesses and political actors.

## CIVIL SOCIETY AND SOCIAL PROTECTION

Victim assistance services in Hungary, especially for trafficking victims remain scarce, uncoordinated and inadequate, exposing victims to the risk of re-victimization. A national crisis telephone service (OKIT) – a 24-hour hotline for assisting victims of domestic violence, prostitution, child abuse and human trafficking – is operational, although the telephone line only offers services in Hungarian and English. The government has various acts and regulations in place that provide shelters as a victim support service. The government is committed to open three new shelters each year to build a nationwide network that includes trained staff, victim registration, a victim support hotline, as well as witness counselling, monetary aid and certificates indicating victim status. Furthermore, new provisions on the protection of witnesses and victims were introduced that lay out the criteria for special treatment and the protection of witnesses and victims. However, the lack of a transparent framework and resources devoted to regulating foreign-national labour recruitment have a negative influence on the effectiveness of the assistance provided for male victims of labour trafficking. A recovery-oriented approach is adopted when providing assistance to drug users, with an emphasis on enhancing the availability and quality of treatment

services, with a particular focus on young people. Treatment is carried out by the healthcare system and social services with the participation of non-governmental institutions.

Hungary's measures to prevent organized crime, especially in the protection of human rights, have stagnated in the past few years. However, multiple awareness and preventive measures are in place, along with thorough customs inspections to address organized crime relating to flora and fauna. Although government-sponsored efforts exist, including law enforcement-implemented awareness campaigns geared towards children, funding of the related national action plan has been reduced.

The Hungarian government adopted a series of laws that hamper the operations of opposition groups, journalists, universities and NGOs critical of the government. Nonetheless, NGOs supported by the state assist human trafficking victims, running a 24-hour hotline in English and Hungarian. As for the media landscape in the country, a significant cause for concern is that the media is increasingly concentrated in the hands of oligarchs allied with the government. The ruling party has seized de facto control of 80% of the country's media through political-economic manoeuvres and the purchase of news organizations by oligarchs close to the government. Recently, a law was introduced that conflates homosexuality and gender-identity expression with paedophilia, while also banning discussion of sexual diversity in schools, the media and elsewhere. This came in the wake of a new anti-LGBT+ law that prevents transgender or intersex people from legally changing their gender – putting them at risk of harassment, discrimination and even violence in daily situations when they need to use identity documents.

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*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.*