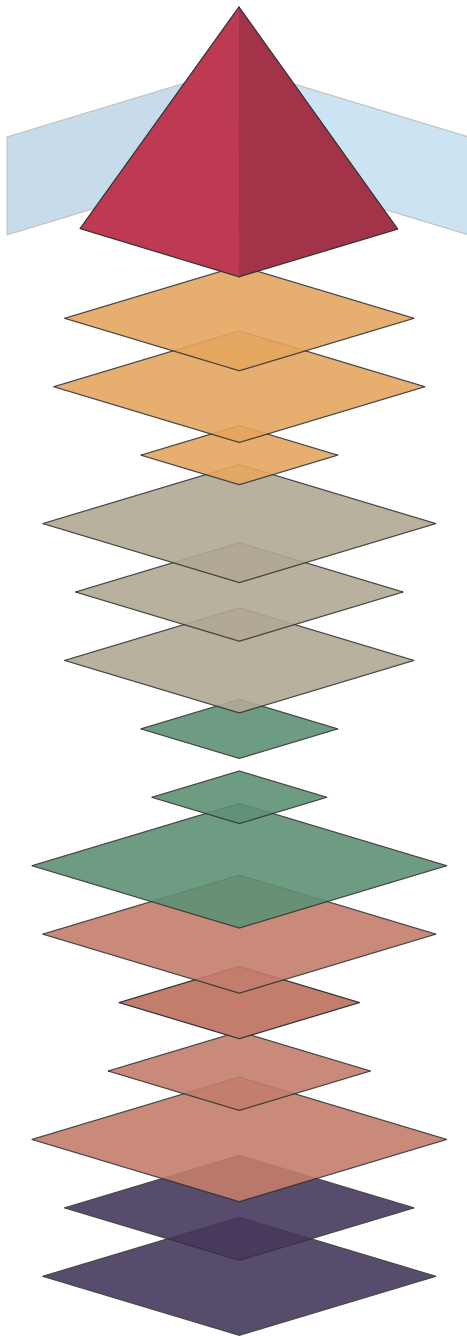




IRAN



7.03

CRIMINALITY SCORE

14th of 193 countries
6th of 46 Asian countries
4th of 14 Western Asian countries



CRIMINAL MARKETS

7.37

HUMAN TRAFFICKING	8.00
HUMAN SMUGGLING	8.50
EXTORTION & PROTECTION RACKETEERING	4.50
ARMS TRAFFICKING	9.00
TRADE IN COUNTERFEIT GOODS	7.50
ILLICIT TRADE IN EXCISABLE GOODS	8.00
FLORA CRIMES	4.50
FAUNA CRIMES	4.00
NON-RENEWABLE RESOURCE CRIMES	9.50
HEROIN TRADE	9.00
COCAINE TRADE	5.50
CANNABIS TRADE	6.00
SYNTHETIC DRUG TRADE	9.50
CYBER-DEPENDENT CRIMES	8.00
FINANCIAL CRIMES	9.00



CRIMINAL ACTORS

6.70

MAFIA-STYLE GROUPS	5.00
CRIMINAL NETWORKS	7.50
STATE-EMBEDDED ACTORS	9.50
FOREIGN ACTORS	6.00
PRIVATE SECTOR ACTORS	5.50



3.13

RESILIENCE SCORE



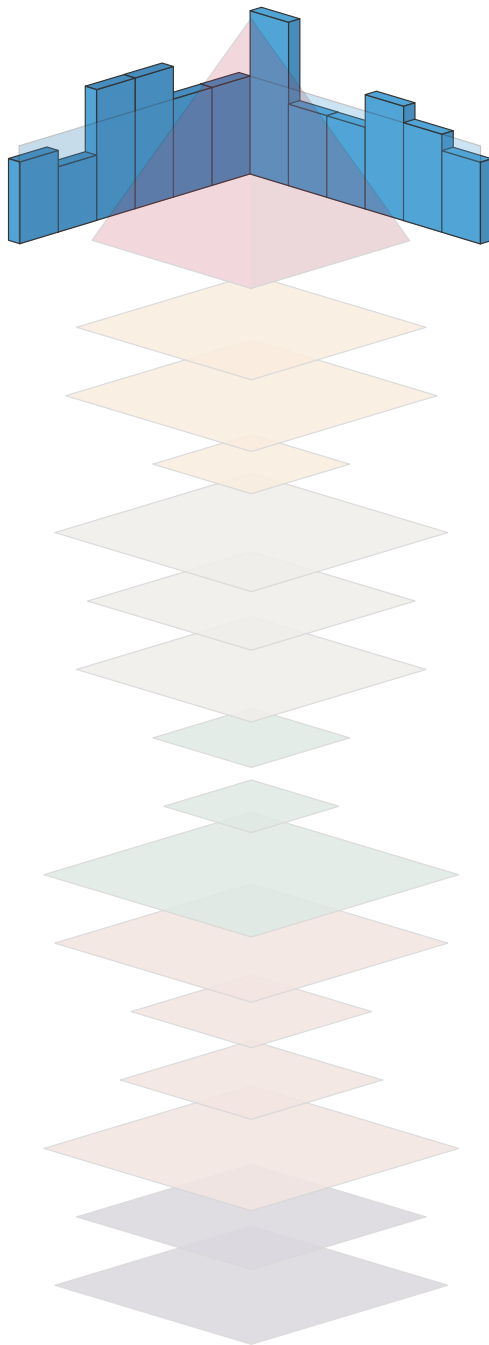
Funding provided by the United States Government.



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.

 **IRAN**



3.13
RESILIENCE SCORE

166th of 193 countries
39th of 46 Asian countries
12th of 14 Western Asian countries

POLITICAL LEADERSHIP AND GOVERNANCE	2.50
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	2.00
INTERNATIONAL COOPERATION	4.00
NATIONAL POLICIES AND LAWS	4.00
JUDICIAL SYSTEM AND DETENTION	3.00
LAW ENFORCEMENT	3.00
TERRITORIAL INTEGRITY	5.00
ANTI-MONEY LAUNDERING	2.50
ECONOMIC REGULATORY CAPACITY	2.50
VICTIM AND WITNESS SUPPORT	3.50
PREVENTION	3.00
NON-STATE ACTORS	2.50

7.03
CRIMINALITY SCORE

 CRIMINAL MARKETS	7.37
 CRIMINAL ACTORS	6.70



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CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Human trafficking is a widespread issue in Iran, primarily involving sex trafficking, forced labour and the recruitment of child soldiers. The country is situated along one of the main human trafficking routes in the region, with young women being trafficked from Asia into Europe and the Gulf. Iranians are also trafficked to countries in the Gulf and Caucasus, as well as to Iraqi Kurdistan. The government and the Islamic Revolutionary Guard Corps (IRGC) have been accused of coercing migrants, especially Afghans, to fight alongside Iranian-backed Shi'ite militias in Syria and Iraq. Domestic trafficking is mainly an issue in larger cities such as Tehran, Shiraz and Tabriz, where organ and blood trafficking contribute to the pervasiveness and profitability of this criminal market. Millions of child labourers are estimated to be working in Iran, but due to the country's lack of transparency on the issue, especially on trafficked women and girls, accurate statistics are hard to find. Since the onset of the pandemic, the Iranian population has significantly increased its use and reliance on technology and social media platforms, thereby providing criminal groups with more opportunities to exploit vulnerable people through online channels.

The human smuggling market is also pervasive in Iran. Irregular migration is primarily concentrated along the country's borders with Afghanistan and Turkey, with local economies in Sistan and Urumiyeh largely dependent on revenue from the human smuggling market. The crisis in neighbouring Afghanistan has further driven the demand for irregular migration, increasing fees and boosting financial incentives for smuggling groups. Persistent economic hardship and a lack of employment opportunities across the country are likely to continue to exacerbate Iran's human smuggling market. Anecdotal observations suggest that the country's continuing economic decline has led to several instances of protection racketeering by criminal groups in larger cities.

TRADE

Arms trafficking is a key element of Iran's regional geopolitical strategy. The country is a major supplier of conventional weapons to countries in Western Asia, as well as North Africa and Russia. Many non-state actors in the region also use Iranian arms, ammunition and drones, and Tehran's support contributes to military capacities in Syria, Iraq, Lebanon, Sudan, Yemen, the Palestinian territories and Somalia. There have also been allegations that military equipment and drones are being transferred to Russia to

be used in the war in Ukraine. While Iranian involvement in the arms trafficking market is propelling the proliferation of illicit arms sales across Western Asia, the country's domestic illicit arms market is relatively small, largely due to strict gun control laws and low firearms possession rates. A relatively minor market is found in the Baluchistan and Sistan provinces and western Iran.

Iran has sizable markets for counterfeit and excisable goods. During the global pandemic, the country saw an increase in fake medicines and medical supplies and, as a result, Iran has become one of the primary transit points for counterfeit pharmaceutical products entering the EU. Most illicit trade into and out of the country occurs through official ports and border crossings, many of which are controlled by the IRGC, leading to accusations of its complicity in smuggling operations.

ENVIRONMENT

While flora and fauna crimes are present in Iran, they are comparably smaller than other illicit markets in the country. Iran's natural geography includes a diverse range of ecosystems, making it vulnerable to a wide variety of flora crimes. Deforestation in the country is mainly caused by illegal logging and wood smuggling, encroachment on forests, exploitation of natural resources and coal mining. The critically endangered Iranian maple tree is only found in Iran's Hyrcanian forest and is threatened by illicit logging, agriculture and climate change. The pandemic has boosted the traditional medicine industry in Iran, leading to an increased demand for plant species used in alternative treatments. Orchid tubers are illegally collected and exported to neighbouring countries or to South Asia for use in traditional drinks and medicines. Home to several rare species, Iran also offers an attractive market for wildlife crime. In particular, sheep and ram subspecies are poached for meat or to be used as trophies, especially in the Masjed mountain range in Yazd province. Afghan-sourced species also transit Iran before onward travel to the Caucasus, Syria and Iraq.

Iran has one of the world's largest oil reserves, and the country's oil exports have increased in recent years despite Western sanctions. Iranian oil supplies are reportedly shipped in large quantities through international waters using Dubai-based tankers, and are primarily destined for Oman, Yemen, Somalia and China. Illicit oil flows also occur on a small scale, leading to some socio-economic and environmental challenges in the country, including the destruction of wildlife and biodiversity, water pollution, degradation of critical farmland, public health concerns and the prolongation of armed conflicts. Fuel smuggling occurs largely in the border regions, especially in Baluchistan

and Kurdistan, where smugglers transport Iranian oil and subsidized fuel to neighbouring countries and reap high profit margins. It is estimated that millions of litres of fuel are smuggled out of the country each day. This is allegedly facilitated by corruption among border personnel, including the IRGC.

DRUGS

Iran's market for illicit drugs – primarily heroin and methamphetamine – is pervasive and a prominent feature of its organized crime landscape. Iran accounts for a large share of heroin seizures worldwide, much of which is sourced from Afghanistan and destined for Turkey, the EU, the Gulf region and beyond. Iran is among the cheapest places in the world to buy heroin, contributing to the country having one of the highest addiction rates worldwide. The heroin trade is associated with violence and has resulted in multiple clashes between Iranian border guards and traffickers over the past years. Sanctions have been placed on high ranking IRGC commanders for their alleged involvement in the heroin trade in Sistan-e-Baluchistan.

The country's cocaine trade is marginal and eclipsed by the markets for heroin, cannabis and methamphetamine. There have been allegations of IRGC involvement in Iran's methamphetamine and cocaine trade, although these claims have not been substantiated.

As the second most consumed drug in the country, cannabis is widespread in Iran, and there is relative tolerance towards the drug compared to other narcotics. The cannabis trade has significantly grown over the past decade, resulting in large-scale domestic cultivation fields throughout the country, while small-scale production is believed to take place in Tehran. Cannabis resin is also imported from Afghanistan. Most cannabis seized in Iran is destined for the country's domestic market, as well as the Caucasus, Turkey and the EU. Cannabis is primarily consumed by Iran's middle class, and its use is increasing especially among male youth and female university students.

Iran continues to be a source, transit and destination country for methamphetamine. The country is among the world's top methamphetamine producers, and a large share of the drug is trafficked out of Iran to other countries in Western Asia, Europe and Southeast Asia. In recent years, increased methamphetamine production in neighbouring Afghanistan has affected Iran, with low-cost competition leading to an influx of cheaper Afghan methamphetamine into the country. These developments have contributed to the surge in methamphetamine use in Iran over the past few years. Moreover, while the synthetic drug Captagon is spreading across the region, the role of this drug within Iran remains unclear.

CYBER-DEPENDENT CRIMES

Iran is known for its strong offensive cyber capabilities, with state-embedded criminal actors believed to be particularly active in conducting cyber-dependent crimes. The increasing reliance on digital platforms in Iran and other countries during the COVID-19 pandemic has created a conducive environment for cybercriminals to exploit. These crimes target both national and foreign private and public sectors, including political dissent, activists, journalists, entities, critical infrastructure and organizations. In recent years, Iranian actors have been increasingly targeting government entities in countries like the US and Israel, as well as in the EU and the Gulf. Iranian actors reportedly collaborate with criminal groups in Russia and North Korea, learning new cyber-attack techniques from one another and constantly adapting their tactics. There has been a particular increase in ransomware attacks by Iranian-backed actors. State-sponsored ransomware operations, such as 'Project Signal' and 'SpoofedScholar', have targeted well-known academic institutions, think tanks and journals in Western Asia and beyond.

FINANCIAL CRIMES

Financial crime is a pervasive issue in Iran, with economic fraud, misuse of funds, embezzlement and large-scale tax evasion being the most common types of financial crimes in the country. The number of corruption and embezzlement cases in the country has tripled in recent years. The majority of these cases involve either government employees or people appointed to managerial positions at state-run economic entities, exemplified by the presence of bonyads – untaxable and opaque organizations. These bonyads have reportedly diverted trillions of dollars in public funds into the bank accounts of political elites, leading clerics and other prominent Iranians. In addition, phishing has emerged as a growing issue in Iran, with fake text messages impersonating government services and entities being used to scam unsuspecting victims. Tens of thousands of Iranians have fallen prey to these scams, costing them up to thousands of dollars each. The rise in phishing attacks has been linked to the increasing use of mobile phones and the internet, as well as a lack of awareness among the population about how to protect themselves from financial crime.

CRIMINAL ACTORS

Criminal activities in Iran are mainly carried out by state-embedded actors and criminal networks. There are long-standing accusations of the Iranian state's involvement in the country's illicit economy, although this remains disputed. In particular, the IRGC allegedly has enduring ties with criminal and terrorist organizations both within and outside the country. State-embedded actors in Iran are believed to be involved in the trafficking of people and drugs, including cocaine, heroin and synthetic drugs, as

well as oil smuggling and other non-renewable resource crimes. It is unclear whether state actors are involved in human smuggling or cannabis trafficking, and there is little evidence to suggest that they control flora or fauna crimes. The line between the sale of arms by the state and arms trafficking has also been blurred in recent years.

The criminal networks that operate within the country are primarily based in Tehran, as well as in the eastern and western provinces. These networks usually specialize in one or two illicit markets. Some small criminal networks collaborate with similar networks outside Iran to smuggle and traffic people and goods. Loose criminal networks involved in areas such as human trafficking or drugs may have connections to foreign networks. The level of violence perpetrated by these networks varies depending on the illegal activity they are involved in, with heroin trafficking being the most violent.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Iran has a governance system that is a mix of democratic and religious elements. However, the religious supreme leader has minimal checks and balances, and elected officials struggle to exercise leadership, which makes it difficult for the government to tackle issues such as corruption and organized crime. Anti-corruption efforts tend to be politicized and target opponents rather than addressing the root causes. The IRGC is thought to actively obstruct Tehran's attempts to combat organized crime, as it is reportedly complicit in certain criminal activities. In recent years, there has been growing support for moderate and reformist candidates, and uprisings and protests have emerged from traditionally pro-government communities, underscoring the regime's vulnerability. There are also regular clashes between the IRGC and Kurdish-affiliated and Baluch nationalist groups. In 2022, the government violently cracked down on protests, blocking internet access, pressuring media not to cover the protests, and arresting protesters and activists. Iran's cybercrime laws give the government full control over the internet, enabling it to enforce widespread censorship and surveillance, and systematically violating the Iranian people's rights to freely access information and freedom of expression. The government's ongoing efforts to implement strict online surveillance undermine transparency and accountability. Moreover, there have been increasing reports of nepotism, cronyism, corruption and embezzlement among members of parliament and councils throughout Iran.

Iran's track record of engaging in international cooperation is limited, with few exceptions. One such exception is its

Even though there is less evidence of significant-sized mafia-style groups operating in the country, mafia-like syndicates do exist in Iran and are mostly engaged in money laundering and financial crimes, among others. Iran's lack of a strong private sector and the dominance of state institutions, including the IRGC, is a major factor in driving the private sector towards illicit means of competition. These practices include tax evasion, involvement in the black market and bribery, among others. Ongoing Western sanctions against the country have further strengthened the private sector's illicit activities. The influence of foreign actors in Iran is generally kept to a minimum due to the country's opposition to foreign intervention. However, there are some examples of cross-border cooperation in the drug trade, with joint ventures between Iranian and Afghan partners, as well as smuggling activities in the Kurdish region.

2021 security agreement with Kazakhstan to combat drug trafficking by sea, in addition to collaborations with INTERPOL and UNODC to combat human trafficking, money laundering and cybercrime. Although Iran has signed and ratified a few select treaties related to organized crime, it has yet to sign the Arms Trade Treaty or ratify the UNTOC. While the country expressed its intention to increase international cooperation on extradition matters, concerns about persecution in the country have hampered such agreements. Furthermore, the government introduced a controversial so-called cyber protection bill in recent years, which is considered draconian and oppressive by human rights organizations. Additionally, Iran has strict drug laws that include the death penalty and prison sentences for people who use drugs in public. The country's laws to combat human trafficking have been widely criticized for being inadequate.

CRIMINAL JUSTICE AND SECURITY

The Iranian judicial system is characterized by duality, comprising the ordinary criminal courts and the Revolutionary Courts. However, there is a significant disparity between these two entities. While ordinary criminal court defendants have access to a lawyer and can appeal their cases, Revolutionary Court defendants do not have due process, are not entitled to legal counsel and are often executed without public notice. Most people become involved in the Iranian criminal justice system due to drug trafficking; over a third of all prisoners are incarcerated for drug-related offences. Prison standards in Iran are typically poor, with overcrowding a common issue. Prison officials have denied food and medical care

to prisoners, and both physical and psychological torture is prevalent. Thousands of people convicted of drug-related crimes are on death row, and over the past year, Iran has had the highest execution rate in the world, including of children. Recent trials and subsequent sentences, including executions, handed down by the Iranian courts against protestors, demonstrate a concerning disregard for due process. These incidents further highlight the politicized nature of the judicial system in the country.

The country's law enforcement comprises various branches, including the police, Basij and various intelligence units under the IRGC. While these entities engage in law enforcement activities, their focus tends to be on counterinsurgency. The country's law enforcement forces were leading players in the suppression of the widespread 2022 protests, and their ineffectiveness has been criticized. Corruption is widespread within law enforcement, and security services are often poorly equipped and trained. The lack of functioning equipment in law enforcement agencies has contributed to considerable setbacks in stemming the flow of drugs and tracking criminals throughout the country.

Iran's borders are difficult to monitor due to their length and varied terrain. The country's peripheries, located along some of the world's busiest trafficking routes, are the most vulnerable parts of the country. They are also home to armed opposition groups. Heroin and methamphetamine are smuggled into Afghanistan, Azerbaijan and Iraq by drug traffickers. Despite attempts to monitor these borders, there are widespread concerns about corruption among local guards, particularly along the country's border with Iraqi Kurdistan. The recent Taliban takeover of Afghanistan has raised concerns about the influx of irregular migrants, as well as fears of a potential resurgence of the Islamic State or a civil war in Afghanistan. Despite these challenges, Iran's territorial integrity remains relatively strong, and it is unlikely to change soon absent significant conflict.

ECONOMIC AND FINANCIAL ENVIRONMENT

The country's deficiencies in fighting money laundering and terrorist financing have landed it on the FATF blacklist. Even though the country made efforts to address strategic deficiencies in its money laundering and terrorist financing systems by introducing new legislation, major strategic deficiencies persist.

Iran's economy is heavily dependent on the Basij and the IRGC, which have significant control over the national economy. This can make it challenging for independent businesses to operate. The situation is compounded by corruption and criminal activity at the state level, as well

as Western sanctions, which contribute to Iran's ongoing economic decline. The impact of the global pandemic has only worsened this situation, with the country being hit harder than any other country on the continent. As a result, over one-third of the population now lives below the poverty line. Although the government typically releases five-year economic planning documents, it has not made these public since the imposition of sanctions.

CIVIL SOCIETY AND SOCIAL PROTECTION

The Iranian government does not have a cohesive or strategic approach to crime prevention. Socio-economic interventions to prevent drug trafficking, human trafficking and human smuggling in the borderlands are insufficient, and Iran's main method of deterrence is through imposition of harsh punishments. However, in recent years, the government has shifted its approach to treating drug addiction from punitive measures to a more pragmatic, health-based approach. Drop-in centres and clinics now offer harm reduction services and medical treatment to drug users, including women. The country also has a witness protection programme, but it lacks a policy and practice to protect victims and crime witnesses; international NGOs are not allowed to provide assistance in such instances. The government offers little protection to victims of human trafficking, meeting less than 10% of the mechanisms identified to support victims in escaping modern slavery. Arbitrary arrests of tribunal witnesses and their families based on undefined national security threats have occurred, leading to witnesses concealing their identities during public hearings by wearing masks, sunglasses and headscarves. There are a number of social activities aimed at reducing the incidence of crime, though their effectiveness is questionable. The main form of crime prevention in Iran remains deterrence through rather harsh punishments.

The state heavily censors Iran's media, bans social media and undertakes efforts to curb the flow of information from outside the country. Although the space for civil society and media is heavily restricted, civil society organizations have been very active, particularly in drug policy and carrying out prevention programmes. There is no meaningful freedom of assembly in Iran, and authorities have been heavy-handed in their crackdown on protests criticizing the government or other sensitive subjects. Non-state actors also played a role in the protests that began in September 2022.

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