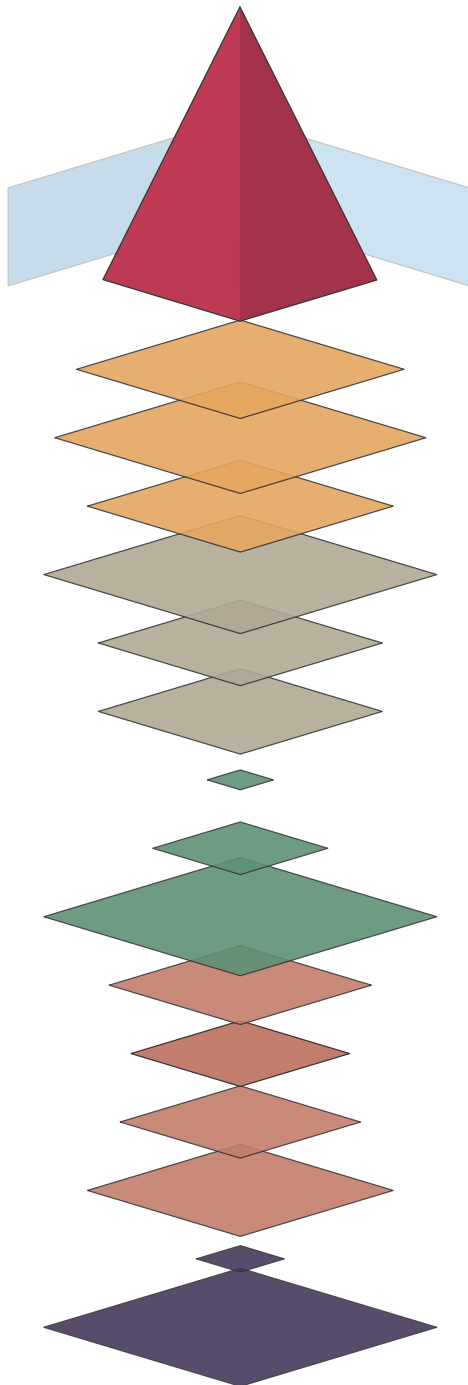




# IRAQ



## 7.13

### CRIMINALITY SCORE

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

2<sup>nd</sup> of 46 Asian countries

1<sup>st</sup> of 14 Western Asian countries



### CRIMINAL MARKETS

**6.27**

HUMAN TRAFFICKING	7.50
HUMAN SMUGGLING	8.50
EXTORTION & PROTECTION RACKETEERING	7.00
ARMS TRAFFICKING	9.00
TRADE IN COUNTERFEIT GOODS	6.50
ILLICIT TRADE IN EXCISABLE GOODS	6.50
FLORA CRIMES	1.50
FAUNA CRIMES	4.00
NON-RENEWABLE RESOURCE CRIMES	9.00
HEROIN TRADE	6.00
COCAINE TRADE	5.00
CANNABIS TRADE	5.50
SYNTHETIC DRUG TRADE	7.00
CYBER-DEPENDENT CRIMES	2.00
FINANCIAL CRIMES	9.00



### CRIMINAL ACTORS

**8.00**

MAFIA-STYLE GROUPS	6.50
CRIMINAL NETWORKS	8.50
STATE-EMBEDDED ACTORS	8.50
FOREIGN ACTORS	9.00
PRIVATE SECTOR ACTORS	7.50



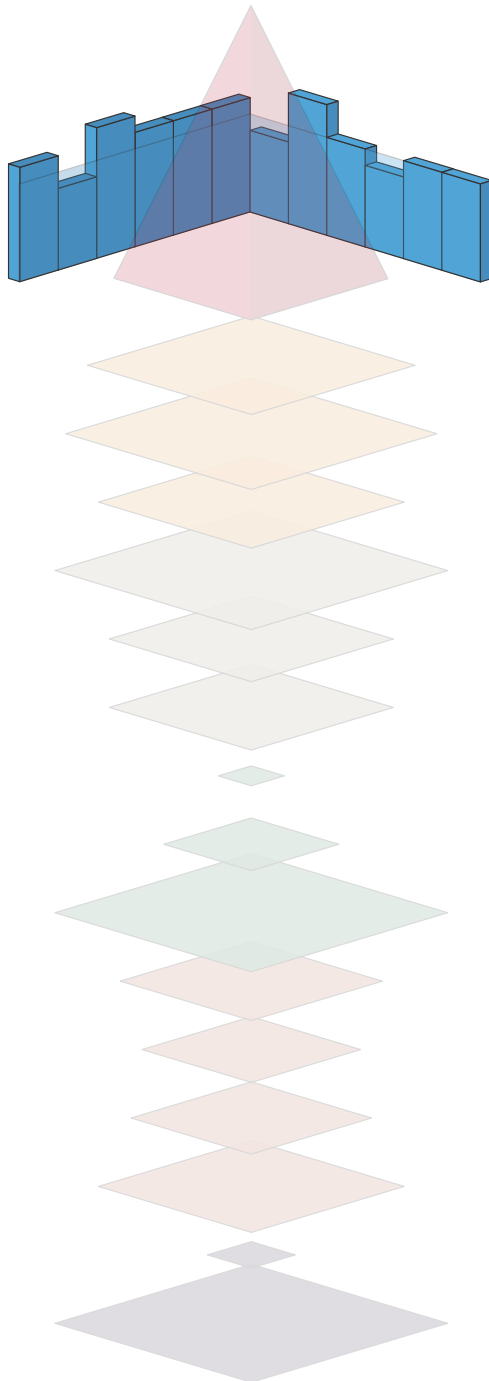
## 3.21

### RESILIENCE SCORE





# IRAQ



## 3.21

### RESILIENCE SCORE

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

38<sup>th</sup> of 46 Asian countries

11<sup>th</sup> of 14 Western Asian countries

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



## 7.13

### CRIMINALITY SCORE



**CRIMINAL MARKETS** 6.27



**CRIMINAL ACTORS** 8.00



# CRIMINALITY

## CRIMINAL MARKETS

### PEOPLE

The widespread displacement of many Iraqis and neighbouring populations has led to the emergence of a thriving human smuggling and trafficking market in the country. Those who have been displaced from their homes are more susceptible to being trafficked, with sexual exploitation and forced labour among the most prevalent forms of human trafficking in Iraq. Women and children are especially vulnerable to sexual exploitation, which remains a highly lucrative criminal activity in the country. Women with a former affiliation with the Islamic State tend to be stigmatized, and are therefore at particularly high risk. Children living in Iraqi refugee camps, especially those from minority groups, are vulnerable to being forcibly recruited by one of the many armed groups operating in the country.

Iraq's human smuggling market is pervasive, with many internally displaced people seeking the aid of smugglers to escape violence and instability. The Islamic State, despite its territorial losses, reportedly continues to engage in human smuggling operations in the country, leveraging its knowledge of border regions and discreet routes through the desert. Smuggling activity is particularly prevalent in Iraqi Kurdistan, where vulnerable people seek the aid of smugglers to reach Europe. Iraqi nationals, especially young people, make up the majority of irregular migration into the EU. Meanwhile, the smuggling of Syrian nationals into Iraq is surging, particularly in border regions, where local Iraqi tribes control the border with Syria and dominate the flow of goods and people in to and out of the country. There has been a particular upsurge in the smuggling of Syrian migrants to the Kurdish city of Erbil and along the Iraqi border provinces of Nineveh and Anbar. Bribery and corruption are rampant in both the human trafficking and smuggling markets in Iraq. In addition, the country is facing a growing problem of extortion and protection racketeering, with militias and other criminal actors believed to be involved. These groups exploit their territorial dominance by extorting money from residents in the areas under their control.

### TRADE

Arms trafficking is a critical issue in Iraq, fuelled by the country's strategic location as a transit and destination point for foreign arms supplies. Weapons from past conflicts continue to circulate, and the combination of weak border security and corruption allows the market to flourish. Stockpile diversion is common in Iraq, with weapons intended for Iraqi military and law enforcement officials

often ending up on the black market. An increasing number of Iraqi and Kurdish citizens possess firearms, mainly for perceived self-defence against theft and clan-based violence. Popular weapons include pistols, mortars, rockets and heavy machine guns, most of which are of Russian and Chinese origin. Iraq's illicit arms market operates primarily online through apps such as Telegram and WhatsApp, although open-air markets exist in the Kurdish region. In other cases, weapons are transported through Iraq and smuggled out of the country to neighbouring states. Weapons transiting Iraq are typically moved through its eastern border with Syria. This area is known to be a hub for cross-border trafficking networks, operated by both local tribes and foreign militias. Iraq is also reportedly serving as a transit country for Iranian weapons destined for Russia.

The illicit sale of counterfeit and excisable products is rampant in Iraq, fuelled by weak governmental oversight and severe economic challenges. Criminal networks exploit the population's need for low-priced goods, making the country fertile ground for the sale of fake items. Counterfeit goods are smuggled into the country through both licit and illicit border crossings, and include electrical and household appliances, cooking materials and spare car parts. In particular, there has been a significant increase in counterfeit items, especially counterfeit or substandard pharmaceutical products, posing a significant risk to public health. Iraq is also a major global exporter of counterfeit products, particularly in terms of fake leather goods, footwear, clothing, handbags and jewellery. The illicit trade of excisable goods is also relatively widespread in Iraq, and the northern city of Duhok serves as a hub for cigarette smuggling. Although the sale and consumption of alcohol are legal under Iraqi national law, various local administrations in central and southern governorates have enforced a prohibition on its sale, resulting in the rise of a black market for alcohol.

### ENVIRONMENT

Iraq's illicit flora trade remains small, but the country's flora development over the past decades has been significantly undermined. The widespread palm tree is particularly at risk, partly due to trafficking to consumers in the Persian Gulf, as well as to its destruction through conflict and untreated disease. Iraq is both a source and transit country for wildlife crime, with traffickers exploiting legislative gaps to hunt and smuggle endangered species, including Euphrates soft-shell turtles and falcons. Birds are the most sought-after fauna, with the white, blond, red and golden eagles, as well as peregrine falcon being the most valuable in neighbouring countries due to their ability to quickly fly long distances. Flamingo trafficking is pervasive in the Maysan

region, with prices being driven up by wealthy Iraqis and foreigners from Gulf countries looking for status symbols.

Iraq possesses one of the largest oil reserves in the world, as well as a significant number of mineral resources, including valuable metals such as uranium, gold and silver. Despite the abundance of these resources, the oil and gas industry in Iraq has become a breeding ground for illicit activities. Oil smuggling has become especially rampant, with smugglers taking advantage of both the high global energy prices and heavily subsidized Iraqi products, leading to frequent fuel shortages throughout the country. Reports suggest that these smuggling activities are organized by state-embedded criminal actors who control the country's oil wells. The majority of Iraq's smuggled oil moves to and through the Iraqi Kurdish region, causing tension between Baghdad and the de facto government in the Kurdish territories.

## DRUGS

The drug trade is a significant issue in Iraq, and drug use is especially prevalent in the country's urban centres and provinces bordering Iran, where addiction rates are on the rise. The country serves as both a transit and consumption country for heroin. The drug, some of which is destined for the European market, primarily arrives from Afghanistan through Iran. Iraq's market for cocaine is relatively small compared to that for other drugs, with the country mainly serving as a transit point for cocaine bound for the Gulf region, resulting in occasional foiled smuggling attempts on Iraqi territory.

Cannabis use and trafficking are widespread in Iraq, largely due to its affordability and availability. Iraqi officials have been seizing cannabis on an almost daily basis over the past decade, with recent drug busts leading to the dismantling of various drug trafficking networks in Basra and the Maysam governorate. Iraq has emerged as a prominent market for synthetic drugs, with methamphetamine accounting for over half of the country's drug trade. Most methamphetamine is smuggled into the country from Iran, and its wide availability has resulted in a significant drop in price in recent years. This has led to an incremental growth in its use in the southern border provinces, where local authorities have recorded a sharp increase in drug dependence and drug-related arrests in recent years. Notably, record levels of methamphetamine use have been reported among Iraq's youth. The influx of Captagon, a synthetic drug predominantly produced in Syria, has also become a significant concern in recent years, especially regarding vulnerable adults and children suffering from post-traumatic stress.

## CYBER-DEPENDENT CRIMES

The extent and characteristics of cyber-dependent crimes in Iraq are not widely known, although cybercrime appears to be on the rise in the country. The rapid proliferation of internet and communication networks, further amplified by the COVID-19 pandemic, presents significant cybersecurity challenges. Cyber-dependent crimes in Iraq mainly take the form of distributed denial-of-service attacks, ransomware and viruses, and are frequently aimed at political opponents, with a large share of these crimes carried out by Iranian-backed militias in Iraq. These groups also conduct cyber-dependent crimes outside of the country, often motivated by geopolitical factors. For example, over the years there have been multiple reports of Iraqi-based groups with alleged ties to Iran launching cyber-attacks on Israeli organizations and businesses.

## FINANCIAL CRIMES

Financial crimes are pervasive in Iraq, with the systematic embezzlement of public funds playing a large role in the government's financial losses. It is estimated that hundreds of billions of dollars have been diverted from the public treasury since the fall of Saddam Hussein's regime in 2003. More recently, another embezzlement scheme was revealed involving high-level officials, in which billions of dollars in tax revenue were embezzled through corrupt practices and shell companies. In particular, fraud has surged in recent years, illustrated by the notorious misappropriation of nearly \$700 million from various state-run banks, in a complex scheme involving forgery, embezzlement, money laundering and abuse of job positions. In addition, tax evasion by large companies in the private sector is a growing phenomenon in the country. State officials are often accused of forging public administration documents for the benefit of private entities, helping them evade taxes in exchange for large sums of money. This practice has reportedly resulted in billions of dollars in financial losses. Iraq also ranks among the world's top countries in terms of illicit financial flows leaving the country.

## CRIMINAL ACTORS

The expansion of organized crime in Iraq can be largely attributed to the growing influence of state-embedded criminal actors, particularly Shi'ite militias affiliated with Iran. The state's inability to control its territory allows transnational criminal activity to flourish, leading to a patchwork of illicit routes, hubs, actors and commodities throughout the country. Consequently, Iraq has become a transit area for the activities of foreign actors. Similarly, the powers amassed by Iranian-backed militias on the battlefield against the Islamic State have translated into political stature that allows these groups to operate in the shadow of the state. As such, Iranian-backed militias in Iraq have entrenched themselves in the Iraqi government, either through electoral victories or by infiltrating public

agencies. Involved in a wide range of illicit economies, these militias generate millions of dollars from criminal activities such as arms trafficking, drug trafficking and the illicit oil trade. In Iraqi Kurdistan, there are a number of Kurdish political-military groups with members from neighbouring countries, mainly from Syria, Turkey and Iran, that operate as militias from inside Kurdish territory.

The country's networks are diverse, consisting of old and new players, including militias that take advantage of existing networks to further their criminal operations. Tribal structures are also increasingly intertwined with criminal networks, acting as gatekeepers to important border points that traffickers seek to exploit. These tribal criminal networks capitalize on porous desert border zones, weak border control and corruptible officials. The criminal activities of these networks are varied, ranging from drug trafficking to robberies, hired killings and human trafficking. Criminal tribal networks are known to exploit the available resources in their areas, perpetuating the region's longstanding problem of antiquities smuggling. Iraq's private sector is also regularly involved in criminal operations, partly as a result of extortion practices. State

officials are frequently accused of engaging in corrupt activities, including turning a blind eye to tax evasion in exchange for forging public administration for the benefit of criminal private actors. The widely-used hawala system, an underground money-transfer network vulnerable to money laundering, dominates money transfers in Iraq for both small and large transactions, making it challenging to discover illicit activities carried out by private sector actors.

Mafia-style groups are also pervasive throughout the country and have gained notoriety for their often violent activities, including claims of secret prisons and mass graves. They also resort to extortion by imposing unofficial taxes on legal businesses and illicit goods. The northern territories of Iraq, particularly in Iraqi Kurdistan, have become a hub for mafia-style groups engaged in oil smuggling, the majority of which is trafficked to Turkey. In Iraqi Kurdistan, such groups employ mafia-like approaches to combat dissident voices, targeting independent media outlets and journalists in particular. In recent years, intense factional rivalry among various Iraqi and Iranian-backed mafia-style groups has resulted in a surge in violence throughout the country.

# RESILIENCE

## LEADERSHIP AND GOVERNANCE

A range of problems in Iraqi leadership and governance has led to the flourishing of organized crime in recent years. Troubled by internal rivalries, the government has not yet been able to create a political force that establishes stability within the country and eliminates organized crime. The government has been using a quota system since 2003 to allocate government positions based on sectarian and ethnic lines, with the aim of ensuring proportional representation. However, internal rivalries among parties holding government seats have resulted in a fragmented political leadership that fuels patronage networks and widespread corruption, including cronyism, nepotism, embezzlement and fraud. Despite some official policies to improve transparency, the Iraqi government still operates with little openness. Political corruption remains widespread, with poorly managed assets, insufficient oversight of arms sales and little debate by Parliament. There is also a notable lack of transparency on the smuggling of Iraq's resources, such as oil, which has raised suspicions of government officials' involvement in criminal activities. Iraq's Parliament approved a new government in October 2022, after a lengthy political deadlock, but many conflicting parties are believed to be affiliated with organized crime. The battle against the Islamic State, civil unrest and the COVID-19 pandemic have also redirected focus and resources away from tackling organized crime.

Iraq receives substantial support from the international community and donor states. In recent years, the country has developed several collaborative initiatives to enhance state capacity to fight organized crime, particularly with the UNODC, although such assistance is often limited to training and awareness programmes. Iraq has a wide variety of national policies and laws targeting organized crime, although it is unclear to what extent such measures have been effective. There tends to be a disparity between the country's legal framework and the capacity of state security forces to enforce these laws, in addition to facing structural challenges such as corruption and limited funds. Perpetrators of human trafficking are often not prosecuted, and enforcement of laws to protect wildlife is limited. Similarly, although laws to combat oil smuggling have been in place for decades, they have not been effective in eliminating these operations. More progress has been made, however, in terms of laws and policies to combat Iraq's arms trafficking market. The availability of arms has become more visible in recent years, which encouraged the government to introduce stronger controls in the form of draft laws, resulting in closer monitoring of weapons.

## CRIMINAL JUSTICE AND SECURITY

Rampant corruption and nepotism threaten criminal justice and security in Iraq. The country's criminal procedures are outdated, riddled with corruption and lack modern investigation techniques, leading to overloaded courts and long waiting times. The judicial system is overburdened, and its efficacy is hindered by corruption, a lack of political independence, limited institutional cooperation, long delays and a lack of enforcement regarding both penalties and investigations into criminal activity. The lack of judges, lawyers and prosecutors hinders the ability to combat organized crime, with many judges being threatened or killed by criminal groups.

Lack of funding, the outsourcing of security functions and widespread corruption continue to undermine law enforcement capacity to fight organized crime and establish countrywide security. Although some parts of the country, such as Iraqi Kurdistan, are relatively secure, in remote areas such as desert regions local police roles have diminished and have been largely replaced by local militias and tribal powers.

Particularly in the past two decades, Iraq's territorial integrity has been consistently undermined. High border porosity has enabled cross-border organized criminal activity such as drug and human trafficking to flourish. Since the defeat of the Islamic State, securing the country's borders has been a primary concern for the Iraqi government, although long-standing border issues between Iraq and its neighbours persist. Foreign militias are in control of many of Iraq's borders, while Kurdish authorities operate border crossing points largely independently of the Iraqi state. Corruption among border officials remains pervasive, and lack of cooperation between border officials in Iraq and Iraqi Kurdistan threatens territorial integrity and security.

## ECONOMIC AND FINANCIAL ENVIRONMENT

Iraq is highly susceptible to money laundering, lacking both a structured banking system and effective anti-money laundering mechanisms. Criminal syndicates take advantage of lax law enforcement and Iraq's cash-based economy, which allows money to flow easily in and out of the country. Despite national policy changes, Iraq has made slow progress in implementing international laws and conventions to combat money laundering. Corruption hinders the establishment of international banking relationships, limiting possibilities for financial transactions and rendering the economy largely cash-based. As a result, many rely on the informal hawala system for both small and large financial transfers, which remains vulnerable to illicit financial flows.

Similarly, Iraq's economic and financial environment remains fragile, with oil exports dominating the economy. The government is under pressure to continue expanding production and increase public revenue, but ongoing inflation, unemployment and stagnant wages are further straining the country's economic regulatory capacity. Capital flight also poses a major economic challenge, exacerbating the country's unemployment crisis and affecting high debt volumes and low business volumes. Meanwhile, political instability has emboldened actors to exploit the state's structural weaknesses and ineffective economic regulatory systems, aggravating the challenges. Despite cooperating with international institutions to improve the country's economic regulatory environment, progress has yet to materialize.

## CIVIL SOCIETY AND SOCIAL PROTECTION

Victim and witness support services in Iraq are limited. Despite increased government efforts to identify and assist human trafficking victims, major deficiencies persist, and law enforcement officials lack the necessary training in victim identification methods. Additionally, the healthcare system is overburdened and unable to provide adequate support for substance abuse, despite an increase in drug consumption among the Iraqi population. Although welfare shelters for female victims do exist, mainly in Baghdad, the state neither recognizes nor supports these shelters, leaving them to operate underground with minimal resources. The government also fails to provide protection services for former child soldiers, putting them at risk of revictimization or re-recruitment. Moreover, the implementation of crime prevention strategies in Iraq faces several barriers, including funding deficits, inadequate working strategies and inaction.

While Iraqi civil society is relatively active, they encounter serious difficulties due to a significant lack of transparency regarding public information. It is challenging to determine the role of civil society in the fight against organized crime. Activists, journalists and lawyers – particularly those who criticized the government since the October 2019 protests – continue to be harassed, kidnapped, attacked or even murdered. Governmental control of journalists and civil society could be further tightened by a proposed cybercrime law, which would give authorities the right to monitor and prosecute people for their online activities.

---

*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.*