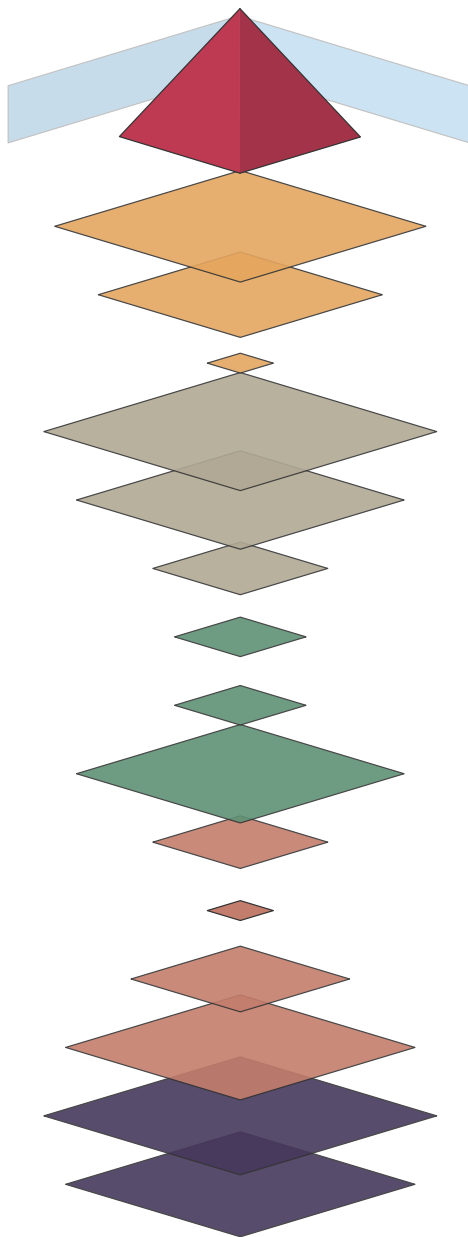


 **KOREA, DPR**



 **4.82**
CRIMINALITY SCORE

111th of 193 countries
32nd of 46 Asian countries
2nd of 5 Eastern Asian countries

 **CRIMINAL MARKETS** **5.73**

HUMAN TRAFFICKING	8.50
HUMAN SMUGGLING	6.50
EXTORTION & PROTECTION RACKETEERING	1.50
ARMS TRAFFICKING	9.00
TRADE IN COUNTERFEIT GOODS	7.50
ILLICIT TRADE IN EXCISABLE GOODS	4.00
FLORA CRIMES	3.00
FAUNA CRIMES	3.00
NON-RENEWABLE RESOURCE CRIMES	7.50
HEROIN TRADE	4.00
COCAINE TRADE	1.50
CANNABIS TRADE	5.00
SYNTHETIC DRUG TRADE	8.00
CYBER-DEPENDENT CRIMES	9.00
FINANCIAL CRIMES	8.00

 **CRIMINAL ACTORS** **3.90**

MAFIA-STYLE GROUPS	1.00
CRIMINAL NETWORKS	3.00
STATE-EMBEDDED ACTORS	10.00
FOREIGN ACTORS	4.50
PRIVATE SECTOR ACTORS	1.00

 **1.79**
RESILIENCE SCORE



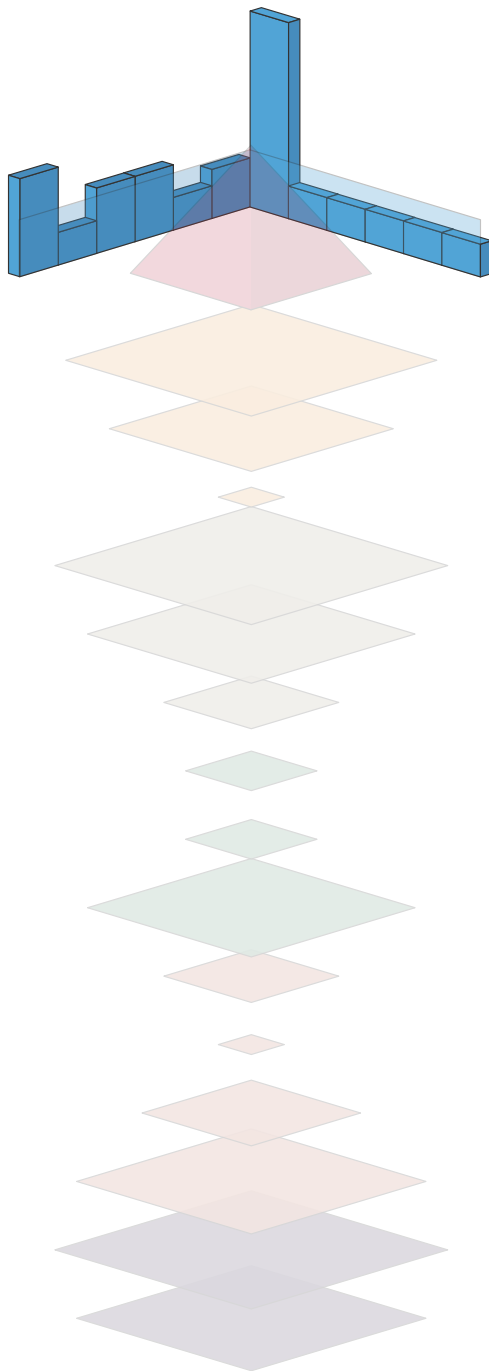
Funding provided by the United States Government.



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.

 **KOREA, DPR**





 **1.79**
RESILIENCE SCORE

187th of 193 countries
43rd of 46 Asian countries
5th of 5 Eastern Asian countries

POLITICAL LEADERSHIP AND GOVERNANCE	3.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	1.00
INTERNATIONAL COOPERATION	2.00
NATIONAL POLICIES AND LAWS	2.00
JUDICIAL SYSTEM AND DETENTION	1.00
LAW ENFORCEMENT	1.50
TERRITORIAL INTEGRITY	6.00
ANTI-MONEY LAUNDERING	1.00
ECONOMIC REGULATORY CAPACITY	1.00
VICTIM AND WITNESS SUPPORT	1.00
PREVENTION	1.00
NON-STATE ACTORS	1.00

 **4.82**
CRIMINALITY SCORE

 CRIMINAL MARKETS	5.73
 CRIMINAL ACTORS	3.90



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CRIMINALITY

CRIMINAL MARKETS

PEOPLE

The Democratic People's Republic of Korea (DPRK) is a source country for human trafficking involving sexual exploitation and forced labour. There are two primary human trafficking structures in the country: the trafficking of women and girls to China and adjacent countries by various criminal actors, and forced labour perpetuated by the government on its citizens through domestic labour camps or by sending citizens abroad under bilateral agreements. North Korean citizens who attempt to leave the country are vulnerable to human trafficking by loosely organized criminal groups in neighbouring China, with North Korean women often willingly choosing trafficking as an escape route despite the dangers this poses. Children of North Koreans born outside of the DPRK are especially vulnerable to exploitation since they are usually not registered at birth and are therefore stateless.

Human smuggling is active in the DPRK, with many smuggled people ending up in China or the Republic of Korea (South Korea). This is because the human rights violations in the country compel people to seek refuge elsewhere. The COVID-19 pandemic has drastically reduced the number of defectors, with human smugglers now preferring to export drugs as it is more profitable and less risky. Despite this, human smuggling remains a significant source of human trafficking because of the vulnerability of North Korean people. Extortion crimes exist in the country, but they do not seem to be linked to organized crime groups.

TRADE

The DPRK is a significant source and destination country in the global arms trafficking market. Despite international sanctions, the regime engages in arms trafficking operations to obtain foreign currency, and it has been known to collaborate with foreign mafia networks. The DPRK exports arms to countries and groups worldwide, and it uses diplomatic missions, intelligence officers, and overseas workers to smuggle arms in and out of the country, making it difficult to track these illicit operations. Typical destinations for North Korean arms include friendly states such as Iran, Syria, Lebanon, Malaysia, and several African countries. Although most of these deals are between states, some weapons end up in black markets.

Counterfeit goods, including pharmaceuticals, textile products, shoes and perfumery are pervasive in the DPRK. Counterfeited luxury items that are reportedly produced in the country are openly displayed and sold in North Korean

department stores. The smuggling of excise goods also occurs in the DPRK, but information about who controls the market and how large and violent it is remains scarce. Previous reports have revealed that the DPRK's embassies were organized like multinational criminal enterprises, with state officials travelling the world carrying alcohol and cigarettes, manufactured in the DPRK for smuggling. Moreover, criminal groups from China and other countries are believed to supply tobacco leaves and buy back the finished cigarette products, making it one of the primary sources of illicit income for the regime. Factories producing counterfeit cigarettes are owned and operated by the North Korean military, and the country is considered a major exporter of these products to countries such as Taiwan, the Philippines, Vietnam, and Belize. Although the government is suspected of being involved in the production of counterfeit goods and illegal transactions, the exact percentage and role of counterfeiting in the regime's criminal enterprises remain unclear.

ENVIRONMENT

Illegal logging is an issue in the DPRK and is the most common organized crime related to flora. Over the last few decades, tree cover has sharply declined due to the informal trade in wood and wood products with China. This trade is carried out by North Korean army officers and provincial bureaucrats who seek to boost their salaries or fund their factories near the Chinese border. It is estimated that almost all wood trade between the two countries is illicit.

As the DPRK government struggles for foreign currency, it has established sophisticated transnational smuggling networks to collect it, participating in a variety of criminal markets. In line with this, diplomats from the DPRK have reportedly been smuggling rhino horn and ivory under the cover of diplomatic immunity, with most of these commodities sold in China and some sold within the country.

Illegal fuel smuggling is increasingly prevalent in the DPRK, with the government engaging in state-led smuggling activities to circumvent international sanctions. China provides oil products on a limited basis, and the volume of illicit oil shipped to the DPRK decreased sharply in early 2021 as a result of the North Korean regime's efforts to curb the COVID-19 pandemic. However, after restrictions were lifted, there was a significant increase in these activities, suggesting that illicit trade is rebounding. Investigations have revealed that vessels from other countries in East Asia, primarily China, Taiwan, and Singapore, carry out illicit oil smuggling operations using sophisticated tactics such as ship-to-ship transfers and vessel-identity laundering. Additionally, China has been accused of accepting sanctioned coal from the DPRK in exchange for aid cargos.

DRUGS

The DPRK government has been involved in the production and trade of heroin for decades. There is evidence to suggest that the regime participates in opium cultivation and heroin manufacturing. The production and smuggling of heroin are ways for the regime to obtain foreign currency, despite the severe penalties for drug-related crimes. Private heroin use persists, often for medical purposes. The COVID-19 pandemic disrupted the import of raw materials for synthetic drugs, leading to a spike in opium and heroin use among residents. Conversely, the domestic cocaine market is limited due to the drug's high price and there is no evidence of North Korean actors being involved in the cocaine trade. Even though cannabis is not a widely preferred substance in the country, the government is known to be involved in the cannabis trade abroad to accumulate foreign currency. The production, distribution, and sale of synthetic drugs, especially methamphetamine, is a significant source of revenue for the regime. High-profile defectors have confirmed that government-sanctioned drug production and trafficking have increased in recent years. The regime produces drugs domestically at an industrial level through pharmaceutical companies and traffics them through embassy networks and diplomats. Methamphetamine use is socially accepted and equated to energy drinks, but the North Korean government adopted an anti-drug strategy because of concerns about the drug epidemic. Despite authorities increasing the level of punishment for illegal drug production and smuggling in the last two decades, drug distribution and use still appear to be rampant in the country.

CYBER-DEPENDENT CRIMES

The DPRK is heavily involved in cybercrime, hosting notable groups responsible for attacks worldwide. They have used various techniques to obtain funds from organizations, such as code exploits and malware. Despite the denial of governmental involvement in these activities, ransomware attacks have been largely linked to the North Korean military, mainly targeting the Asia-Pacific region, global banks, and blockchain providers and users from the Republic of Korea. In fact, the Republic of Korea suffers millions of cyber-attack attempts daily by North Korean hackers. In recent years, North Korean hackers have been involved in operations that have stolen hundreds of millions of dollars' worth of cryptocurrency worldwide. Despite international efforts to curb their activities, the DPRK's cybercrime operations continue to pose a significant threat to global security.

FINANCIAL CRIMES

There have been reports of financial criminal activities, particularly financial fraud, originating from within the DPRK but targeting people and places outside the country through cyber-enabled activities, including spear phishing and ATM cash-out thefts. These groups are said to have

the support of the government and are known as a cyber army. The illicit profits generated from these cyber-enabled activities are believed to have become the DPRK's primary source of income, possibly surpassing the value of sales from weapons and military services. Concerning tax evasion, the DPRK officially claims to be a tax-free country and the only tax-exempt nation globally. Although evidence suggests that embezzlement activities occur, they do not seem to be connected to organized crime groups.

CRIMINAL ACTORS

The DPRK government is widely believed to function as a criminal organization that controls most criminal markets within the country. It is difficult to differentiate state-embedded actors involved in criminal activities from government-authorized criminal activities. In fact, the government leads the primary trafficking structure within the country, and border guards and officials are often bribed to maintain secrecy. The DPRK is the only country whose government conducts criminal hacking for monetary gain. Intelligence reports indicate that the country has dedicated military units for this purpose, as well as separate cybercrime groups believed to be affiliated with the regime. As the government controls all aspects of society, including the economy, there is no private sector activity in the DPRK.

The DPRK government collaborates with foreign actors, including those from China, Japan, Taiwan, Hong Kong, and South East Asian countries, to evade international sanctions and engage in organized criminal activities for financial gain. These activities include drug trafficking, arms trafficking, and smuggling of contraband cigarettes. Investigations have shown that foreign vessels owned by companies in China, Taiwan, and Singapore were involved in oil smuggling operations to the DPRK. Chinese traders and brokers are involved in human smuggling and trafficking operations, as well as illicit timber trade activities on the China-DPRK border. In the past, some groups carried out money laundering schemes using shell companies with the help of Chinese firms, which are allegedly organized and backed by government authorities.

The North Korean state controls most of the country's society and individuals, leaving no room for the existence of mafia-style organizations. However, criminal networks linked to government officials and military personnel do exist, and they are involved in smuggling and human trafficking, among other activities. Recent studies suggest that the DPRK's organized crime landscape is changing, particularly in the drug market. Although the government's influence on these criminal activities remains strong, it is difficult to estimate the structure and influence of criminal groups. Reports suggest that human smuggling brokers and informal trading groups for wood and wood products may operate as loosely organized criminal groups, but their composition is not fully known.

RESILIENCE

LEADERSHIP AND GOVERNANCE

The DPRK is a totalitarian, one-party state that lacks democratic process and political freedom. The government's stance against organized crime is opaque and vague. In fact, the North Korean government is known to be involved in various criminal markets, including drug and arms trafficking, human trafficking, money laundering, and cybercrime. The population lives under a repressive regime where they must comply strictly with laws or face severe penalties such as imprisonment, forced labour, or even execution. In fact, the DPRK is one of the most repressive countries globally, where the government suppresses its people using fear, threats, and coercion. Corruption, including bribery, is prevalent, and the country is considered one of the most corrupt in the world by several international anti-corruption organizations. Corruption has become a part of the daily life with no accountability, but especially low-level corruption may benefit the population as it helps people survive the humanitarian crisis and famine in the country.

The DPRK has only ratified five of the 10 international treaties and conventions on organized crime, indicating a low level of compliance with these agreements. The regime claims to welcome international cooperation but remains afraid of being influenced by the international community. There is no systematic information on which countries have extradition agreements with the DPRK, but Russia and China are known to have such agreements. The COVID-19 pandemic has further isolated the DPRK from the international community, affecting humanitarian aid and military cooperation. Although the DPRK's legal codes are based on German, Japanese, and Soviet Russian traditions, in practice, it is the Workers' Party of Korea that makes the rules.

CRIMINAL JUSTICE AND SECURITY

The DPRK lacks specific units dedicated to fighting organized crime in its judicial system, with the police handling ordinary crimes. Although a formal legal system exists, it is widely corrupt and incapable of guaranteeing due process. Arbitrary arrests and unjustified detentions are commonplace, with punishments including torture, deportation to labour camps, and execution. The State Security Department has significant influence over the judicial system and detention, and there is ample evidence that people, whether guilty or not, are often arrested and punished without any legal proceedings. The DPRK has some of the world's most inhumane prisons, and tens of thousands of forced labourers are detained in extensive labour camps maintained by the government. The government allegedly controls these camps by threatening the prisoners' families with detention. The North Korean penal system lacks any international

oversight, and the evidence collected shows systemic and far-reaching violence and inhumane conditions.

The DPRK does not have a specific law enforcement unit dedicated to organized crime, but its extensive surveillance system and two principal law enforcement agencies suggest a high level of control over the population and the ability to detect and deter illicit activities. The State Security Department is a secret intelligence entity that reports directly to the leader and is assumed to handle monitoring of North Korean society for possible dissent, counterintelligence, and any threats against the regime.

The DPRK shares borders with Russia, China, and the Republic of Korea. The border with the Republic of Korea is heavily monitored and policed, making it difficult to cross. The DPRK-China border is considered porous, with most defectors from the DPRK crossing into China, and most illicit goods being smuggled through that border. However, the Chinese government recently passed a new land border law to protect its territorial sovereignty and land border security, which could potentially obstruct human smuggling and trafficking activities. The DPRK-Russia border is only 17 kms long and is considered remote and difficult to cross. The DPRK may lack sufficient resources to monitor its borders for illicit goods, and customs officials and border guards are known to be susceptible to taking bribes or being involved in smuggling and trafficking because of low salaries. The DPRK's cyber-capabilities are also increasing in scope and sophistication.

ECONOMIC AND FINANCIAL ENVIRONMENT

The DPRK relies heavily on foreign currency earned through criminal activities, and despite alleging to cooperate with international organizations to combat money laundering, the regime does not actively engage in such efforts. In 2021, international organizations urged the DPRK to address finance-related deficiencies, warning of the risks posed by its illicit activities related to financing weapons of mass destruction through money laundering. Organizations and governments have been warned to adapt their regulations to better reflect designated non-financial businesses and professions because of the DPRK's increasing risk of evading targeted sanctions.

The economic environment in the DPRK is severely inhibited because almost all property belongs to the state, and there is an absence of a functioning judiciary and weak rule of law. The government controls all companies earning foreign currency as well as production quotas for all products, and has a large military spend, which reduces the economy's reinvestment capacity. Economic regulation is only defined by the leader and the control of citizens and companies

is prioritized over a developed market, resulting in the DPRK being the least economically free country in the world. Sanctions and limited foreign trading partners have further impeded economic freedom, resulting in the North Korean economy shrinking, and being at constant risk of famine and malnutrition among its citizens.

CIVIL SOCIETY AND SOCIAL PROTECTION

There is no evidence to suggest that the DPRK devotes resources to victim protection or that civil society organizations dedicated to this purpose exist, because the regime prohibits any assembly outside of government control. Even though drug addiction is common in the country, there are no drug treatment programmes offered. Prevention strategies targeting organized crime are probably not in place, as the DPRK claims that there is no crime in its society.

Although international NGOs are present in the DPRK, there is no evidence to suggest that they work towards countering organized crime or supporting victims of organized crime. The few NGOs operating in the DPRK mainly focus on reducing suffering from famine and harsh conditions faced by the population. The government exerts extensive control over the internet and communications in the country, with virtually unlimited jurisdiction to arrest and punish citizens without legal proceedings. The DPRK is considered one of the worst countries in the world for freedom of expression, which is punished by imprisonment, forced labour, torture, or execution. The government maintains a system of prison camps for political prisoners and commits widespread and systematic human rights abuses.

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.