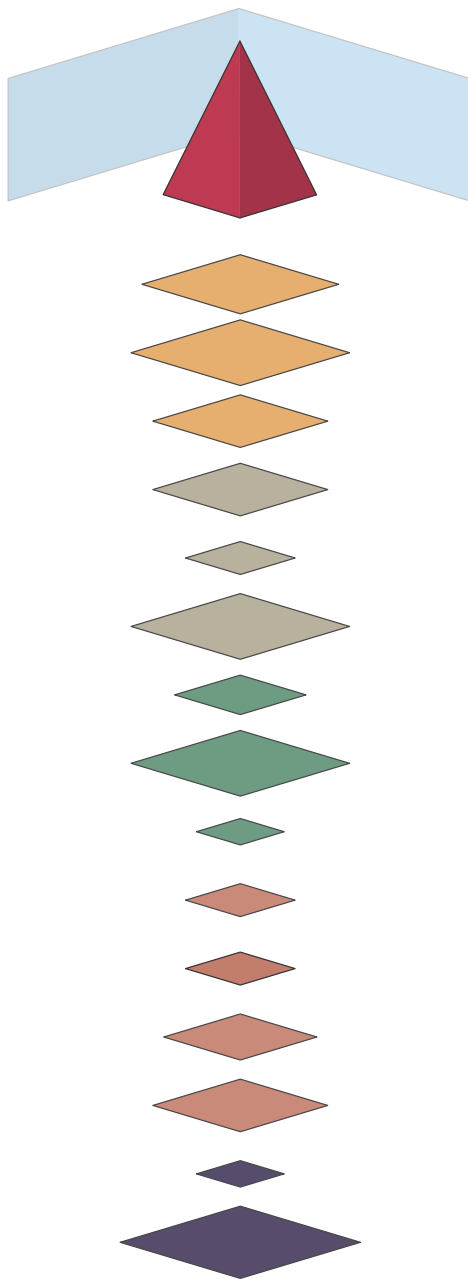



 **TIMOR-LESTE**



 **4.08**
CRIMINALITY SCORE
150th of 193 countries
41st of 46 Asian countries
9th of 11 South-Eastern Asian countries

 **CRIMINAL MARKETS** **3.67**

HUMAN TRAFFICKING	4.50
HUMAN SMUGGLING	5.00
EXTORTION & PROTECTION RACKETEERING	4.00
ARMS TRAFFICKING	4.00
TRADE IN COUNTERFEIT GOODS	2.50
ILLICIT TRADE IN EXCISABLE GOODS	5.00
FLORA CRIMES	3.00
FAUNA CRIMES	5.00
NON-RENEWABLE RESOURCE CRIMES	2.00
HEROIN TRADE	2.50
COCAINE TRADE	2.50
CANNABIS TRADE	3.50
SYNTHETIC DRUG TRADE	4.00
CYBER-DEPENDENT CRIMES	2.00
FINANCIAL CRIMES	5.50

 **CRIMINAL ACTORS** **4.50**

MAFIA-STYLE GROUPS	5.00
CRIMINAL NETWORKS	4.00
STATE-EMBEDDED ACTORS	4.50
FOREIGN ACTORS	5.00
PRIVATE SECTOR ACTORS	4.00

 **3.83**
RESILIENCE SCORE



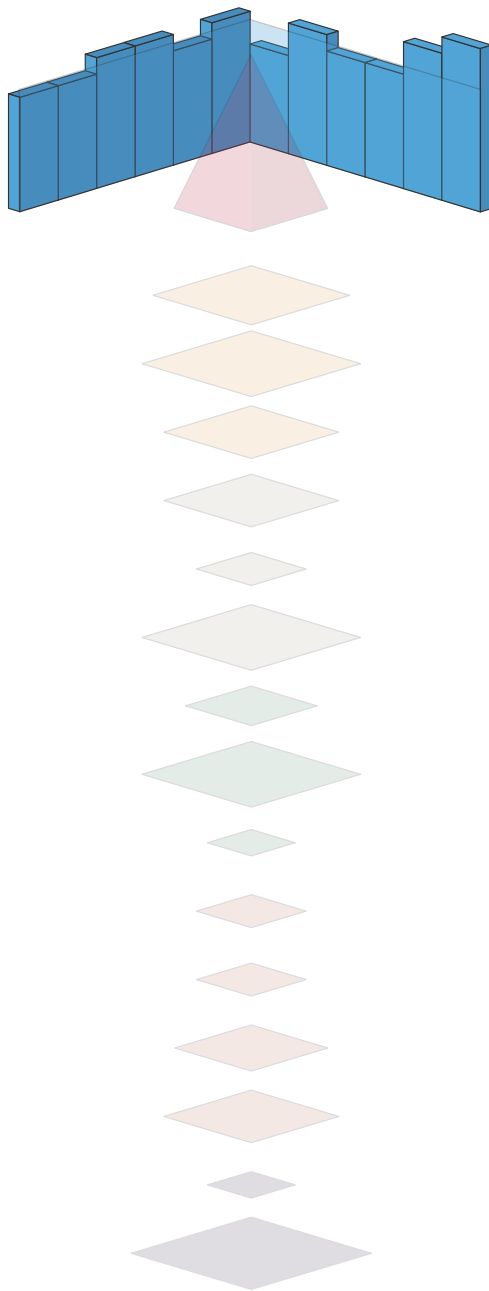
Funding provided by the United States Government.



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.

 **TIMOR-LESTE**





3.83
RESILIENCE SCORE

141st of 193 countries
31st of 46 Asian countries
8th of 11 South-Eastern Asian countries

POLITICAL LEADERSHIP AND GOVERNANCE	3.50
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	3.50
INTERNATIONAL COOPERATION	4.00
NATIONAL POLICIES AND LAWS	4.00
JUDICIAL SYSTEM AND DETENTION	3.50
LAW ENFORCEMENT	4.00
TERRITORIAL INTEGRITY	3.00
ANTI-MONEY LAUNDERING	4.00
ECONOMIC REGULATORY CAPACITY	3.50
VICTIM AND WITNESS SUPPORT	3.50
PREVENTION	4.50
NON-STATE ACTORS	5.00

4.08
CRIMINALITY SCORE

 CRIMINAL MARKETS	3.67
 CRIMINAL ACTORS	4.50



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CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Timor-Leste is a source, transit and destination country for human trafficking. While people of all genders and ages are at risk of falling victims to traffickers, Timorese children, especially those in rural areas, are particularly vulnerable due to prevailing child labour practices. Men are often subjected to labour exploitation in agriculture, construction and mining, while women are lured to other Asian countries, such as China, Indonesia or Malaysia, and forced into domestic servitude. Young women and men are also frequently sexually exploited in the country's capital Dili. Timorese victims who are trafficked overseas typically pass through the porous border with Indonesia, where some are exploited in-country. In recent years, there has been an increase in human trafficking activity involving non-skilled labourers who were sent to Portugal.

The porous border between Timor-Leste and Indonesia is considered a hotspot for human smuggling but there is limited data available on the nature of this market. It is believed that Chinese nationals, as well as people from Bangladesh, Indonesia and the Philippines, are among those smuggled into the country. In relation to extortion and protection racketeering, martial arts groups (MAG) in Timor-Leste are reported to be involved in such practices, particularly with regards to the Chinese and indigenous Chinese business community.

TRADE

While there is no evidence of a large illicit arms trafficking market in Timor-Leste, seizures suggest that there are illegal weapons in circulation. It is believed that the national police force is the main source of undocumented weapons in the country. Despite successful international peacekeeping efforts aimed at reducing violence, concerns remain about unregulated weapons procurement and the potential for arms to be leaked. Air rifles have been found being transported illegally from the border with Indonesia, and arms trafficking between the two countries is a concern due to weak law enforcement in the border regions. Although automatic weapons sold by ex-militia members in West Timor are allegedly trafficked to Timor-Leste, air rifles are reported to be more common. There are concerns about the potential demand for illegal weapons among martial arts and politically oriented groups.

The illicit trade in Tais – items produced through traditional Timorese weaving and listed by UNESCO as in urgent need of safeguarding – has become a concern for the

central government. Foreign companies, including Chinese businesses, produce counterfeit Tais products and import them illegally into Timor-Leste, primarily through Atambu, West Timor. Counterfeit Tais items are mainly sold in the country's capital, often at lower prices and competing with local artisans selling original Tais. The lack of a national copyright law to protect the production of handmade textiles is facilitating this trade.

Tobacco is the most illegally traded product with excise in Timor-Leste. Both processed cigarettes and cut tobacco enter the country illegally, but it is unclear where they originate. In recent years, the government has placed high tax rates on tobacco, presumably further driving an increase in tobacco-smuggling activity. Tobacco consumption is considered to be generally a social scourge in Timor-Leste.

ENVIRONMENT

Illegal logging used to be a major problem in Timor-Leste, particularly the smuggling of sandalwood and teak. Although the flora crimes market is now considered to be limited, small-scale illegal logging has continued, with external interests reportedly sponsoring local community members or family groups.

Timor-Leste is home to several globally significant ecosystems and endemic species, and is located in a biodiversity hotspot known as Wallacea. While the size of the market for wildlife trafficking is presumably small, there is a trade in turtle shell products and bush meat for local consumption, with this consisting of species such as monkey and palm civet. There is also evidence of the harvesting of protected species, such as shark, with illegal fishing having a particularly significant impact on the country. Capacity to identify illegal wildlife trafficking remains low.

Overall, the market for non-renewable resource crimes in Timor-Leste is small. Oil and gas smuggling between Indonesia and Timor-Leste, often occurring by so-called 'rat paths', has been a concern, leading to cooperation between the two governments. Fuel smuggling is the most prevalent form of non-renewable resource crime, with it contributing to a parallel network of fuel distribution, albeit marginal.

DRUGS

Heroin is a limited drug market in Timor-Leste, and the country is not located on major heroin trafficking routes. Some of the heroin found in the country is believed to be imported by expats rather than nationals. As for cocaine, the drug is available for sale primarily in the capital, and

is also mostly used by expat communities rather than nationals. Due to low consumption, this market is small.

In terms of the cannabis trade, the drug is used mainly in urban areas. The most commonly consumed form is the herbal variant, although cannabis resin can also be found in Timor-Leste's domestic drug market. There is no evidence of a significant synthetic drugs market in the country. As crystal methamphetamine is the primary drug used and seized in neighbouring Indonesia, it can be assumed that it has some impact on drug trafficking activities and the drug market in Timor-Leste. However, consumption of synthetic drugs is mostly limited to the expat community, and the prices are relatively high for a country where a large proportion of the population has low purchasing power.

CYBER-DEPENDENT CRIMES

The limited access to the internet among the population, coupled with weak public institutions, makes Timor-Leste vulnerable to large-scale cyber-attacks. Lack of awareness and weak technical capabilities to counter this activity make it difficult to assess the scale and impact of these crimes in the country.

FINANCIAL CRIMES

In Timor-Leste, corruption is a major issue, particularly within the public sector. Embezzlement and the misuse of funds are prevalent, with buyers and suppliers often colluding to inflate prices and share the illegal profits. Moreover, the national banking system provides loans and preferred interests only to government agencies and select individuals who own private companies mainly related to oil extraction. This makes it difficult for other actors to access the more advanced economic system, which is consolidated between banks, the state and private companies. Tax evasion and avoidance is reported to be widespread among businesses and individuals, many of whom are assumed to be unaware that they are committing crimes. Tax control is limited, and a large percentage of the economy remains underground, not only for small traders but also for medium-sized companies.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Timor-Leste is a stable yet unconsolidated democracy that has recently elected a new president through free and fair elections. The elections have come after four years of continuous tensions between the country's two largest

CRIMINAL ACTORS

Organized crime is a significant challenge in Timor-Leste, with MAGs reportedly being the primary criminal groups. The government has enacted strict legislation to control the violence associated with these groups, but its efforts have not been effective. Other criminal groups, such as street gangs and outlaw motorcycle gangs, are also present in the country. These groups tend to change their names and reinvent themselves. Youth unemployment and poverty are believed to be the main drivers of gang involvement. Although there are smaller criminal groups operating in the country, their reach and prevalence is limited.

Timor-Leste's location, situated between South East Asia and the South Pacific, makes it an attractive location for foreign criminal actors wishing to smuggle illegal goods across or into the two regions. Currently, mainland and Macau-based Chinese criminal groups are the main foreign actors operating in Timor-Leste, involved in money laundering through construction contracts and illegal and legal casinos.

State-embedded actors in Timor-Leste's organized crime landscape are limited to certain cases where government officials have close links to criminal actors through kinship, clandestine ties or social contact. Politicians and political parties tend to affiliate with criminal groups to gain votes and hire them for activities such as arson, intimidation and murder. The police are reported to be the institution most infiltrated by local criminal networks, with regular cases of missing drugs, and suspects being allowed to flee. However, the extent to which these criminal state actors engage in or facilitate the country's criminal markets is unknown.

Timor-Leste's economy relies heavily on the oil and gas trade, presenting opportunities for corruption. Revenues from this industry are often diverted towards state actors who may engage in illegal practices such as graft. The main private players in Timor-Leste are large private companies related to oil and gas extraction, production and trade. Oil and gas-related private companies are closely linked to government elites and national banks, and benefit from the numerous contracts organized by central government.

parties but the outcome reveals a political scene that is still dominated by those involved in the country's independence struggle and it remains to be seen whether the current government can resolve remaining conflicts peacefully. The effectiveness of political institutions is weak, but they are gaining a foothold throughout the country. Evidence

showing a strong public position against organized crime on part of the government is limited.

The government of Timor-Leste has implemented initiatives to increase transparency and accountability in the public sector, but its effectiveness is still limited. Corruption in Timor-Leste is considered 'alarming' and is seen as the country's third-largest problem, after unemployment and poverty. Although the penal code provides criminal penalties for corruption by officials, the government faces many problems in implementing the law, and impunity among corrupt officials is perceived to be widespread. The legal framework for access to public information is weak. The government has launched new initiatives to reduce corruption and increase transparency, but there are still allegations of police involvement in corruption and nepotism in government hiring.

Timor-Leste has ratified five major international treaties related to organized crime. Despite slow progress, Timor-Leste has taken steps to promote international cooperation in cases of organized crime, including law enforcement cooperation, the establishment of joint investigation teams and the transmission of useful information to foreign police forces. While Timor-Leste does not allow the extradition of criminals on political grounds, it is a party to the extradition convention among Portuguese-speaking countries. Timor-Leste has a legal framework that criminalizes most organized crime-related offences, including human trafficking, human smuggling, drug trafficking and arms trafficking. Despite having sound laws, the lack of enforcement is a major issue. For example, the government has implemented various laws and policies to address the illegal extraction of resources, but lacks the capacity to enforce them. Violations are rarely prosecuted, as cases brought to the national police tend not to be processed or followed up. Additionally, there is a lack of knowledge about how to address organized crime, and there have been allegations of legislation being adopted without being read in parliament.

CRIMINAL JUSTICE AND SECURITY

The judicial system in Timor-Leste has faced significant challenges since the country's independence. The termination of contracts and visas of foreign judges and lawyers by the government has caused delays and disruptions to legal proceedings. While judges are independent in the exercise of their functions, the entire judicial system has not yet achieved total independence. It remains underdeveloped and ill-defined in relation to traditional forms of justice. Additionally, the capacity of the judicial system is a concern. There is a severe lack of resources and training for complex offences and no special units for prosecuting organized crime. Trials are often subject to long delays, and the use of Portuguese for court administration poses an obstacle due to a shortage of interpreters. Furthermore, the prisons do not meet international standards and are affected by overcrowding.

Timor-Leste has two law enforcement agencies responsible for investigating crimes, namely, the National Police (PNTL) and the Scientific and Criminal Investigation Police. However, there is still a lack of funding and proper training for law enforcement agents to abide by human rights and the rule of law. While international partners continue to support the development of the police force, there are concerns about excessive use of force and abuses of power, particularly during the COVID-19 pandemic. Despite these challenges, the courts have been successful in prosecuting offenders, and the public perception of the police has improved in recent years.

Initiatives have been taken to strengthen land border control in Timor-Leste, but maritime borders remain difficult to police due to a lack of resources and personnel. There are also contradictions and a lack of clarity regarding the precise roles of the Defense Force and the PNTL in border policing and control. Border policing is a recent phenomenon in Timor-Leste, and the complex socio-cultural and economic conditions in border areas make it difficult to control these effectively. The lack of border definition between Timor-Leste and Indonesia has also led to numerous cross-border disputes and the illegal movement of people and goods.

ECONOMIC AND FINANCIAL ENVIRONMENT

Timor-Leste has implemented legal and institutional measures to combat money laundering, which it has criminalized under its Penal Code. It has also established a Financial Information Unit within the Central Bank, responsible for receiving and analyzing information related to suspicious transactions. However, despite these measures, Timor-Leste still lacks the necessary means to combat money laundering effectively. There is limited data regarding illicit funds, and the capacity of entities that supervise, enforce and investigate suspicious financial transactions is considered to be low.

To ensure that legitimate businesses operate free from criminal activities, such as labour exploitation by business owners, the government of Timor-Leste has established legal and institutional mechanisms but the state's capacity to enforce these is weak. Social and political issues, such as poverty, unemployment and inadequate infrastructure, continue to affect the country's economic development. To address this, the government has launched the National Strategic Development Plan and adopted a new mining law. Nonetheless, the entire banking system in Timor-Leste is only accessible to government agencies and a few individuals who own private companies related to oil extraction. This has resulted in a widespread system of tax evasion and avoidance.

CIVIL SOCIETY AND SOCIAL PROTECTION

The extent of support provided by Timor-Leste's government to victims of organized crime is largely dependent on the type of crime. For drug-related crimes, the Ministry of Health is responsible for providing treatment to drug addicts, with private entities, possibly, also being involved. The law allows for therapeutic treatment and suspended sentences for drug offenders under specific circumstances. There are also legal provisions to ensure that victims of trafficking have access to various forms of assistance, including health services, psychological support and legal redress. While progress has been made in identifying and assisting victims of trafficking, there is still a need to improve victim identification procedures and establish a formal referral process for all forms of trafficking. Community policing programmes have been established in Timor-Leste with the support of international partners for the implementation of preventative measures. However, the government has allocated funds for anti-trafficking activities, but has not conducted research to assess the extent of the criminal market in the country or systematically monitored its

anti-trafficking efforts. Nor has the government conducted a country-wide anti-trafficking awareness campaign or established an anti-trafficking hotline.

Timor-Leste has a vibrant civil society, particularly in urban areas, which is primarily involved in victim support for human trafficking. NGOs also play a role in exposing corruption in the government and lobbying for policy reforms. However, their independence is called into question due to the lack of transparency regarding their sources of funding. While free speech and media freedom are guaranteed by the constitution, journalists and media outlets are susceptible to political pressure, intimidation or violence due to their reliance on government financial support and the media law adopted in 2014 presents a permanent threat to journalists by encouraging self-censorship.

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