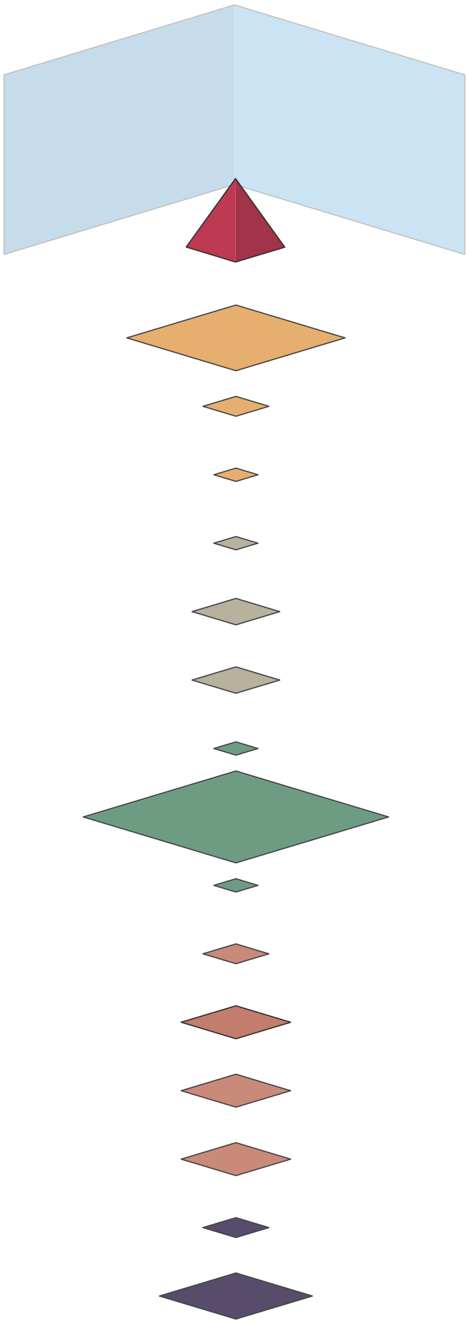
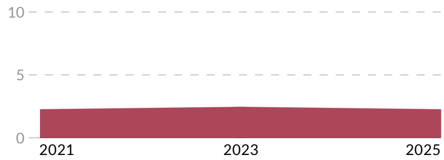
MARSHALL ISLANDS



2.28 ↘0.23
CRIMINALITY SCORE

189th of 193 countries ↘3
12th of 14 Oceanian countries ↘3
4th of 5 Micronesian countries ↘1



CRIMINAL MARKETS	2.37	↘0.37
HUMAN TRAFFICKING	5.00	0.00
HUMAN SMUGGLING	1.50	↘0.50
EXTORTION & PROTECTION RACKETEERING	1.00	0.00
ARMS TRAFFICKING	1.00	↘1.00
TRADE IN COUNTERFEIT GOODS	2.00	↘1.00
ILLICIT TRADE IN EXCISABLE GOODS	2.00	↘1.50
FLORA CRIMES	1.00	0.00
FAUNA CRIMES	7.00	↘0.50
NON-RENEWABLE RESOURCE CRIMES	1.00	0.00
HEROIN TRADE	1.50	0.00
COCAINE TRADE	2.50	↗0.50
CANNABIS TRADE	2.50	0.00
SYNTHETIC DRUG TRADE	2.50	0.00
CYBER-DEPENDENT CRIMES	1.50	↘1.50
FINANCIAL CRIMES	3.50	0.00

CRIMINAL ACTORS	2.20	↘0.10
MAFIA-STYLE GROUPS	1.00	0.00
CRIMINAL NETWORKS	2.50	0.00
STATE-EMBEDDED ACTORS	2.50	↘0.50
FOREIGN ACTORS	3.00	0.00
PRIVATE SECTOR ACTORS	2.00	0.00

This project was funded in part by a grant from the United States Department of State.

enact

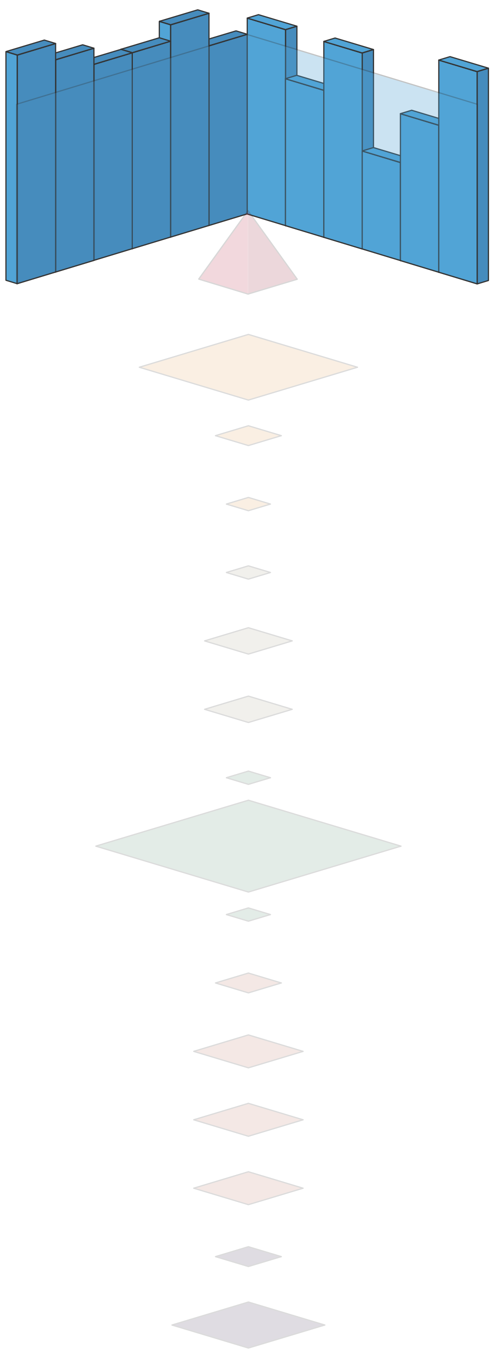
Funded by the European Union

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.

GLOBAL ORGANIZED CRIME INDEX

GLOBAL INITIATIVE AGAINST TRANSNATIONAL ORGANIZED CRIME

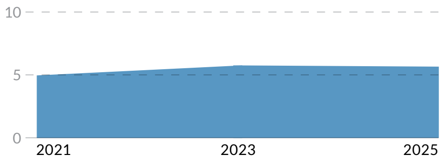
MARSHALL ISLANDS



5.67 ↘0.13

RESILIENCE SCORE

44th of 193 countries ↗1
5th of 14 Oceanian countries ↗1
1st of 5 Micronesian countries ↗1



POLITICAL LEADERSHIP AND GOVERNANCE	**7.00**	0.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	**6.50**	0.00
INTERNATIONAL COOPERATION	**6.00**	0.00
NATIONAL POLICIES AND LAWS	**6.00**	↘0.50
JUDICIAL SYSTEM AND DETENTION	**6.50**	↘0.50
LAW ENFORCEMENT	**5.50**	0.00
TERRITORIAL INTEGRITY	**6.00**	0.00
ANTI-MONEY LAUNDERING	**4.50**	0.00
ECONOMIC REGULATORY CAPACITY	**6.00**	↘0.50
VICTIM AND WITNESS SUPPORT	**3.00**	↘0.50
PREVENTION	**4.50**	↗0.50
NON-STATE ACTORS	**6.50**	0.00

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CRIMINALITY

CRIMINAL MARKETS

PEOPLE

The Marshall Islands continues to serve both as a destination and source country for human trafficking, particularly for sexual exploitation and forced labour. Marshallese and East Asian women and girls are typically exploited for commercial sex work, often in local bars, hotels and suspected brothels. Fraudulent international adoption schemes, where women are forced to bear children, have also been reported. Some traffickers lure Chinese nationals under the pretence of employment opportunities, only to subject them to forced labour and commercial sexual exploitation upon arrival. Foreign fishermen are subjected to forced labour on vessels in Marshallese waters. Trafficked Chinese and Filipino nationals are forced to work in businesses, construction and commercial sex, often through deceptive recruitment and excessive fees. Corruption and official complicity are obstacles to enforcement, with authorities failing to prosecute traffickers. The increasing out-migration from the outer atolls, exacerbated by climate-induced displacement and king (high spring) tides, further heightens vulnerability to trafficking, particularly among displaced populations who lack stable livelihoods and housing.

The Marshall Islands does not appear to be a major source, transit or destination hub for human smuggling or to have a structured extortion and protection racketeering market.

TRADE

There is no evidence of a consolidated arms trafficking market in the Marshall Islands, and the trade in counterfeit goods is marginal. The country also faces intellectual property challenges due to outdated legislation and weak enforcement mechanisms that make effective regulation of illicit trade difficult.

The Marshall Islands has one of the highest smoking rates in the region (approximately 22% of adults use tobacco products). High excise taxes of up to 150% on tobacco and alcohol incentivize smuggling, which undermines public health initiatives and reduces government tax revenues. Some experts argue that inconsistent enforcement has allowed contraband cigarettes to enter the market unchecked. Nevertheless, there is currently no evidence of illicit trade in excisable goods in the Marshall Islands.

ENVIRONMENT

There is no evidence of flora crimes, non-renewable resource crimes or land-based fauna crimes in the Marshall Islands. However, illegal, unreported, and unregulated (IUU) fishing occurs, with widespread misdeclaration of catch and exploitation of trafficked people in the fishing industry. Chinese actors, especially from Zhejiang and Dalian, are implicated in IUU fishing activities. The Marshall Islands has an open registry system, which allows foreign-owned vessels to fly the Marshallese flag but increases the risk of organized crime involvement in the sector. Despite improved enforcement measures, including ship-rider arrangements and patrols with the US Coast Guard, gaps remain in regulating offshore activities.

DRUGS

The Marshall Islands has a small and localized cannabis market. As cannabis possession is permitted for medical use under certain conditions, the illicit market remains modest, with low-profit margins that fail to attract large-scale criminal actors. Synthetic drug use is similarly limited, although sporadic cases of methamphetamine trafficking have emerged. A 2024 sting operation at the national jail uncovered methamphetamine and large sums of cash, exposing potential weaknesses in prison security. Despite such incidents, the Marshall Islands does not appear to be a significant source or transit point for synthetic drugs. Cocaine is becoming more accessible, particularly in Majuro, where it is sold in small 'rock' quantities. Discarded cocaine shipments (probably from failed drug trafficking operations) that wash up on the country's shores have contributed to a localized market. The open registry system has also been exploited – in a recent case, smugglers attempted to use Marshallese-flagged vessels to transport commercial quantities of cocaine to Australia. In addition, criminal deportees (people of Marshallese descent who have been repatriated from foreign countries, mainly the US, due to prior criminal convictions) are increasingly involved in the local cocaine trade. Heroin consumption and trafficking remain negligible in the Marshall Islands, reflecting low domestic demand and geographical remoteness from major heroin-producing and transit regions.

CYBER-DEPENDENT CRIMES

Cyber-dependent crimes are largely undeveloped due to low internet penetration in the Marshall Islands, although connectivity has risen significantly in recent years. The absence of a strong legislative framework governing cybercrime leaves the country vulnerable to future threats. Despite the region's growing connectivity, experts warn that improving digital access without robust oversight could make the country an attractive base for offshore cybercriminal enterprises, including Chinese online operations.

FINANCIAL CRIMES

Financial crime risks are closely tied to the country's status as a flag of convenience jurisdiction and a growing offshore financial hub. The Marshall Islands has seen a rise in shell companies associated with tax evasion, which has contributed to growing international scrutiny of its offshore arrangements. Although the landscape continues to evolve, the overall scope and scale of such financial criminal activities remain limited in the Marshall Islands.

CRIMINAL ACTORS

Mafia-style groups are not present in the Marshall Islands, as the country's small population, limited criminal markets and geographic isolation make it an unlikely environment for establishing hierarchical and structured organized crime syndicates. Criminal networks in the Marshall Islands are not well developed because of the country's isolation and small market size. However, some localized criminal activity exists, primarily drug distribution and small-scale smuggling operations. Criminal deportees are at risk of engaging in illicit activities, particularly in the domestic drug trade, because they lack reintegration support and economic opportunities. Although their presence does not suggest the existence of highly organized networks, their involvement in crime could contribute to the expansion of criminal activity in the future.

Corruption and conflicts of interest by state-embedded actors present challenges to governance and law enforcement in the Marshall Islands. Cultural norms related to gift-giving and familial ties complicate perceptions of corruption and influence the extent to which such behaviours are reported and prosecuted. Although independent oversight bodies and courts detect and address misconduct, high-ranking officials are rarely held accountable. The relatively low wages of government employees facilitate minor corruption and opportunistic crimes, creating vulnerabilities in administrative and regulatory processes. Despite these challenges, there is no strong evidence to suggest that state-embedded actors are directly involved in organized crime or criminal markets on a significant scale.

In contrast, foreign actors play a central role in organized crime, particularly in transnational illicit trade. Foreign private and commercial entities engage in cross-border crimes, such as marine species trafficking, illicit drug shipments and IUU fishing. Chinese companies (some state-affiliated) active in IUU fishing exploit the country's open registry system, which allows foreign actors to operate with minimal scrutiny, and weak maritime oversight. Transnational crime networks also use the Marshall Islands' location along Pacific maritime routes for drug trafficking. Although the extent of local involvement is unclear, the influence of external criminal elements remains a critical issue in the country's organized crime landscape.

Private-sector actors do not appear to control organized crime directly, but businesses and financial entities may inadvertently facilitate illicit activities through weak regulatory oversight. Foreign entities exploit the country's flag of convenience status, to evade international sanctions and regulatory scrutiny, and misuse its corporate and maritime frameworks, particularly in the shipping and offshore finance industries. Although private-sector actors do not appear to be primary drivers of illicit activities, their role in enabling financial crime and illicit trade highlights a significant vulnerability in the regulatory system.

RESILIENCE

LEADERSHIP AND GOVERNANCE

The Marshall Islands has a stable democratic system, a functioning constitutional framework and regular peaceful elections that are held every four years. The 2023 elections resulted in a significant shift in parliamentary representation, with 40% of seats occupied by newly elected officials. The political system is resilient, with no recorded coups, premature dissolutions of Parliament or destabilizing political crises. The degree of political stability and accountability is reflected in strong public engagement in governance. However, corruption remains a concern despite the existence of mechanisms to punish government officials guilty of misconduct and the introduction of recent measures to enhance transparency and accountability. The government has taken proactive steps to strengthen its anti-corruption framework, including participating in the Pacific Islands Law Officers' Network and its Corruption Working Group that aims to enhance the prosecution of corruption-related offences. In terms of access to information, the public availability of budgetary documents marks a positive development. However, financial audits continue to reveal irregularities, such as undocumented or invalid expenditures, that present ongoing challenges to achieving full fiscal transparency.

The Marshall Islands cooperates internationally to address transnational organized crime, including ratifying the Maritime Administration Act, strengthening maritime surveillance and aligning regulatory frameworks with global standards. International organizations and partners provide economic and security assistance aimed at strengthening financial and law enforcement capacities and improving support for trafficking victims. However, the Marshall Islands has not yet ratified certain international treaties, including the Convention on International Trade in Endangered Species and the Arms Trade Treaty.

National policies and laws broadly align with international standards for addressing transnational crime. The Marshall Islands has implemented legislation covering human trafficking, illicit trade and other forms of organized crime, but enforcement remains a challenge. For example, although legislation prescribes penalties for trafficking-related offences, there have been no convictions for trafficking crimes since 2011. The primary barrier to effective enforcement appears to be limited institutional capacity rather than political reluctance. In addition, although legislation has improved regulatory oversight of maritime activities, the lack of clear guidelines on police firearm use is a potential gap in law enforcement policies.

CRIMINAL JUSTICE AND SECURITY

The Marshall Islands has an independent judiciary, with judges appointed through a structured process. Political interference does not appear to be a major issue, but the technical capacity of judges and prosecutors to address transnational organized crime is a concern. The prison system remains underdeveloped, with only two detention facilities in the country. Prison conditions do not meet international standards and are reportedly overcrowded.

Law enforcement agencies face resource constraints that limit the development of specialized expertise for addressing transnational crime. Although major reforms may not currently be necessary, given the scale of organized crime, preparedness and capacity-building are areas for improvement. The Pacific Policing Initiative, which is a regional effort to boost law enforcement led by Australia, has been discussed in the media, but concerns remain about balancing sovereignty with external support. The country participates in the Pacific Islands Chiefs of Police Strategic Plan, and its INTERPOL base in Majuro aids domestic policing efforts in detecting illicit trafficking. However, gaps in cybercrime enforcement require greater attention.

The Marshall Islands has an extensive exclusive economic zone (EEZ), which makes maintaining its territorial integrity a challenge due to the logistical difficulties of maritime surveillance. IUU fishing continues to be a risk and a challenge for law enforcement, but recent legislative measures have strengthened border control and maritime security. The Ports of Entry Act introduced penalties for unauthorized docking and improved inspection protocols at designated entry points. In terms of the country's digital territory, concern about potential cyberattacks is growing.

ECONOMIC AND FINANCIAL ENVIRONMENT

The Marshall Islands has an anti-money laundering (AML) framework that is guided by national banking regulations and criminal codes. The Banking Act criminalizes money laundering, but implementation gaps remain. The lead agency for AML investigations is the Department of Public Safety's Criminal Investigation Division, which is chronically short of human and financial resources, resulting in infrequent investigations into financial crimes. The department also lacks sufficient training to conduct complex financial crime investigations. The Marshall Islands has taken steps to align its AML regulations with international standards, but its legal framework is not yet fully compliant with the Vienna and Palermo conventions. A 2024 evaluation by the Asia/Pacific Group on Money Laundering highlighted significant deficiencies in high-risk sector assessments and operational coordination.

The country's economic regulatory environment is constrained by structural limitations, including geographic remoteness and reliance on external funding. The public sector accounts for a substantial share of gross domestic product, and state-owned enterprises dominate the key industries of energy, transport and banking. Foreign investment is low due to land ownership restrictions for non-Marshallese investors. Although economic reviews do not indicate widespread infiltration by organized crime, concerns have emerged over potential vulnerabilities in the Marshall Islands. The introduction of new legislation raised concerns due to allegations of bribery involving prominent Chinese business figures, suggesting that the regulatory environment could be exploited by external actors. Furthermore, the Marshall Islands' lax framework may be used to facilitate money laundering through cryptocurrency transactions and to circumvent international sanctions, notably by Russian entities seeking to bypass EU and US port restrictions following the invasion of Ukraine. In 2023, the EU placed the Marshall Islands on its tax haven blacklist due to non-cooperation on tax matters, although the country was later removed after demonstrating efforts to improve transparency.

CIVIL SOCIETY AND SOCIAL PROTECTION

In the Marshall Islands, support is limited for victims and witnesses of organized crime, with assistance provided mainly by non-government organizations (NGOs). Government-led victim support programmes are largely absent, and human trafficking victims reportedly face migration-related charges instead of receiving protection. Government efforts to safeguard victims have declined, and the country does not have a formal victim assistance framework, victim identification protocols or a dedicated shelter for victims of trafficking. In 2023, a new anti-trafficking hotline was introduced but is not yet operational.

In the Marshall Islands, efforts to prevent organized crime have yielded mixed results. On the positive side, the country has been recognized for its commitment to combating IUU fishing and enhancing maritime transparency. In 2023, it received an international award for the monitoring and surveillance of fisheries and is the first Pacific nation to share vessel data through the Global Fishing Watch initiative. However, anti-trafficking measures and preventative measures have lagged compared to previous years. The government's Human Trafficking Coordinator position remained vacant for over a year, impeding coordination of investigative efforts, and no law enforcement officials received training.

Non-state actors, including civil society organizations and the media, play a crucial role in promoting accountability and transparency in the Marshall Islands, which has a free and independent media landscape, with no major restrictions on press freedom. However, financial constraints and limited advertising revenue pose challenges to media sustainability. The Marshall Islands Council of NGOs facilitates cooperation between civil society groups and the government, particularly in addressing climate change and social issues. The government remains open to collaboration with non-state actors, but economic challenges limit the ability of civil society organizations to expand their 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.