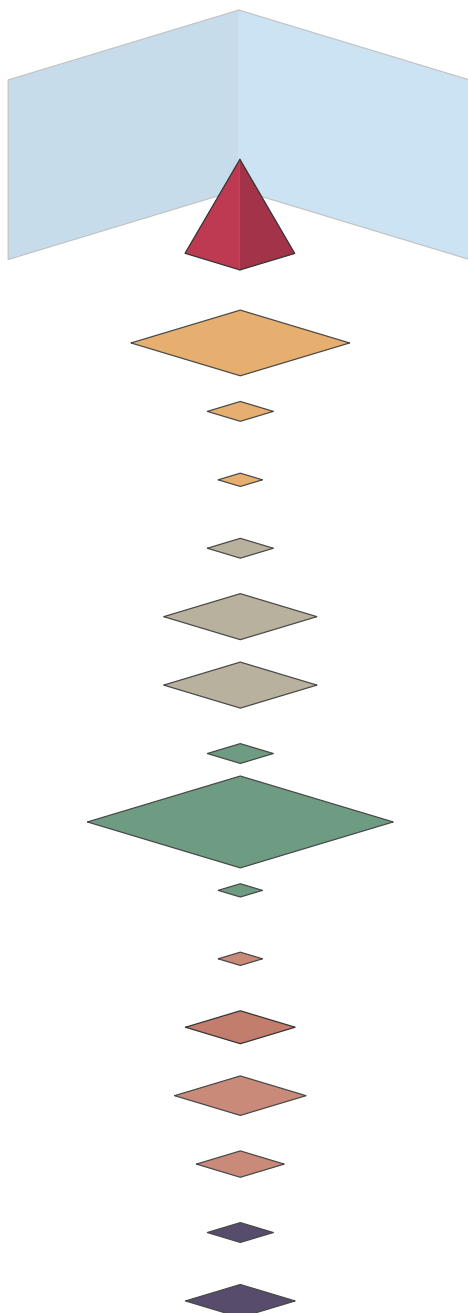


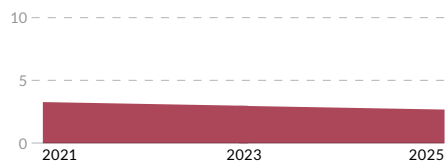


MICRONESIA (FEDERATED STATES OF)



2.72 $\nearrow 0.28$
CRIMINALITY SCORE

181st of 193 countries $\nearrow 5$
8th of 14 Oceanian countries $\nearrow 1$
2nd of 5 Micronesian countries $\nearrow 1$



CRIMINAL MARKETS 2.53 $\nearrow 0.47$

HUMAN TRAFFICKING	5.00	0.00
HUMAN SMUGGLING	1.50	$\nearrow 1.50$
EXTORTION & PROTECTION RACKETEERING	1.00	$\nearrow 0.50$
ARMS TRAFFICKING	1.50	0.00
TRADE IN COUNTERFEIT GOODS	3.50	$\nearrow 0.50$
ILLCIT TRADE IN EXCISABLE GOODS	3.50	$\nearrow 0.50$
FLORA CRIMES	1.50	0.00
FAUNA CRIMES	7.00	0.00
NON-RENEWABLE RESOURCE CRIMES	1.00	0.00
HEROIN TRADE	1.00	0.00
COCAINE TRADE	2.50	$\nearrow 1.00$
CANNABIS TRADE	3.00	$\nearrow 1.00$
SYNTHETIC DRUG TRADE	2.00	$\nearrow 1.50$
CYBER-DEPENDENT CRIMES	1.50	$\nearrow 0.50$
FINANCIAL CRIMES	2.50	0.00



CRIMINAL ACTORS 2.90 $\nearrow 0.10$

MAFIA-STYLE GROUPS	1.00	0.00
CRIMINAL NETWORKS	4.50	0.00
STATE-EMBEDDED ACTORS	3.00	$\nearrow 0.50$
FOREIGN ACTORS	4.50	$\nearrow 1.00$
PRIVATE SECTOR ACTORS	1.50	0.00



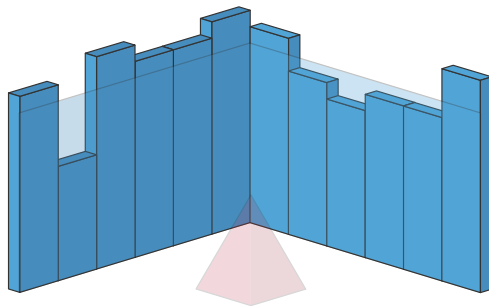
This project was funded in part
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Funded by
the European Union

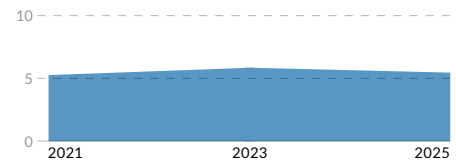
ENACT is funded by the European Union
and implemented by the Institute for
Security Studies and INTERPOL, in
affiliation with the Global Initiative Against
Transnational Organized Crime.

MICRONESIA (FEDERATED STATES OF)



5.54 $\searrow 0.33$ RESILIENCE SCORE

52nd of 193 countries $\searrow 10$
6th of 14 Oceanian countries $\searrow 2$
2nd of 5 Micronesian countries $\searrow 1$



POLITICAL LEADERSHIP AND GOVERNANCE	6.00	$\searrow 1.00$
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	3.50	$\searrow 0.50$
INTERNATIONAL COOPERATION	6.50	$\searrow 0.50$
NATIONAL POLICIES AND LAWS	6.00	0.00
JUDICIAL SYSTEM AND DETENTION	6.00	$\searrow 0.50$
LAW ENFORCEMENT	6.50	0.00
TERRITORIAL INTEGRITY	6.00	0.00
ANTI-MONEY LAUNDERING	5.00	0.00
ECONOMIC REGULATORY CAPACITY	4.50	0.00
VICTIM AND WITNESS SUPPORT	5.00	$\searrow 0.50$
PREVENTION	5.00	$\searrow 0.50$
NON-STATE ACTORS	6.50	$\searrow 0.50$



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CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Micronesia (Federated States of) is a source and, to a lesser extent, destination country for human trafficking despite its relatively limited market size. Climate-induced displacement and economic vulnerabilities exacerbate trafficking, while traffickers often enjoy social protection due to the insular nature of small island communities, particularly in rural areas. As a result, the full extent of human trafficking in Micronesia is difficult to quantify. Victims originate primarily from other Pacific regions and South East Asia, in particular the Philippines. Micronesian citizens, mostly men, are trafficked under false pretences of economic opportunities to Guam and the US, where they often become victims of labour exploitation, notably in the animal processing industry. Within Micronesia, sex trafficking is a notable concern, with local women and children subjected to commercial sexual exploitation aboard foreign fishing vessels. Labour trafficking is also present, as many workers operate in the informal economy, outside the reach of labour protections, which increases their susceptibility to exploitation. Traffickers often operate within close-knit community networks, in which family members or trusted community figures play key roles. Reports indicate that perpetrators use schools, taxi drivers and tourist areas to target and transport victims. Of particular concern is the exploitation of children at ports, such as Dekehtik in Pohnpei, where due to economic desperation, parents temporarily sell their children for sexual exploitation by adult visitors.

Micronesia does not appear to have a consolidated human smuggling market. Its geographic isolation and limited border infrastructure reduce its role in transnational smuggling networks. Similarly, extortion and protection racketeering are virtually non-existent within Micronesia, with no such incidents reported in recent years.

TRADE

Micronesia has minimal levels of firearms trafficking, as its strict gun control laws heavily restrict firearm ownership and trade. However, individual cases of illegal weapon smuggling have been reported, and criminal actors, particularly in Chuuk, have been known to brandish firearms to intimidate rivals or assert dominance.

Micronesia has a small counterfeit goods market, with pharmaceutical products posing the greatest risk, including reports of falsified cough syrup containing fatal levels of diethylene glycol and ethylene glycol. The illicit trade in

tobacco and alcohol remains a persistent issue. Despite the existence of a national plan, tobacco control is limited, and illicit betel nut-infused tobacco is increasingly difficult to regulate. Companies in Pohnpei and Chuuk have been fined for illegally importing undeclared cigarettes. However, inconsistent enforcement has resulted in significant price discrepancies between regulated and illicit tobacco products. Cigarette smuggling networks also exploit Micronesia's archipelagic geography to transport contraband across regional trade routes.

ENVIRONMENT

Fauna crimes, especially illegal, unreported, and unregulated (IUU) fishing is widespread in Micronesia, whose exclusive economic zone (EEZ) is highly vulnerable to foreign criminal actors, particularly from China and Vietnam. Vietnamese 'blue boats', known for evading GPS monitoring, engage in shark finning, sea cucumber poaching and reef-fish harvesting. Micronesia-flagged vessels, often Chinese-owned, have also been implicated in IUU fishing incidents.

In contrast, no significant flora or non-renewable resource crime markets are apparent in Micronesia, although the potential illegal exploitation of marine flora is of concern.

DRUGS

Cannabis is widely consumed in Micronesia, which has a climate that supports cultivation. Cannabis is exported to Guam, Palau and the Marshall Islands by individuals rather than organized criminal networks. Micronesia's synthetic drug market is underdeveloped but emerging. The country has no established domestic production, but the Australian Federal Police has reported concerns about the potential for methamphetamine labs due to the country's remoteness and economic vulnerabilities. Despite being situated along a trafficking route, cocaine trafficking is minimal in Micronesia, although of concern is the potential role of commercial fishing vessels in trafficking illicit substances. The heroin trade is virtually non-existent in Micronesia.

CYBER-DEPENDENT CRIMES

Micronesia's low internet penetration limits the prevalence of cybercrime. However, as undersea cables expand the country's digital connectivity, hacking vulnerabilities are a growing concern, and government officials (including one from the Department of Foreign Affairs) were recently victims of hacking attacks.

FINANCIAL CRIMES

Micronesia is not classified as a tax haven and largely complies with international financial transparency standards. Risks of financial crimes are low, but online fraud and impersonation scams are a growing concern, although they continue to be limited in scale.

CRIMINAL ACTORS

Criminal markets in Micronesia do not appear to attract or sustain mafia-type groups, which are hierarchical, syndicate-based criminal organizations. The isolated cases of organized criminal activity are opportunistic and fragmented rather than systematic. There is some evidence of informal criminal networks that operate in a loose and decentralized manner, particularly in drug trafficking and human trafficking. These networks are active in the cultivation and distribution of cannabis, which is traded with neighbouring islands such as Guam, Palau and the Marshall Islands. Individuals are mostly involved in the cannabis trade, but criminal deportees have been linked to expanding drug distribution networks. These deportees, who are individuals repatriated from foreign countries due to criminal activities, may be playing a growing role in the domestic drug market and contributing to the increased transit of illicit substances through the country. No well-established human trafficking networks have been documented in the country, but small-scale traffickers are reportedly involved in commercial sexual exploitation aboard fishing vessels. These trafficking operations are highly localized and often involving family or community members rather than organized syndicates.

No substantial evidence exists of state-embedded actors systematically facilitating criminal activity in Micronesia, but corruption risks are present in specific sectors, in particular the issuing of fishing licences and access agreements. Although not widespread by global standards, Micronesian officials reportedly accept financial incentives from foreign

actors, most notably Chinese interests involved in the maritime industry. Micronesia's EEZ is highly vulnerable to IUU fishing, and concerns have been raised about weak regulatory oversight. Authorities have made efforts to strengthen oversight mechanisms, but the risk of state-embedded corruption remains due to gaps in enforcement and transparency.

Foreign actors play the most significant role in Micronesia's criminal landscape. The country's location along major transnational crime routes in the Pacific makes it vulnerable to external criminals who are involved in human trafficking and drug trafficking, especially along the South America–Oceania narcotics trade route. There is no clear evidence of Micronesia serving as a major drug trafficking hub, but regional trends suggest that foreign actors may be using the country's maritime infrastructure for the transit of illicit substances.

Micronesia's maritime industry has been a focal point for foreign criminal networks, with reports of Chinese-owned, Micronesian-flagged vessels being implicated in illegal fishing activities in neighbouring waters. An incident in Palau's protected waters resulted in a settlement between Micronesia's government and the offending company. Vietnamese 'blue boats', which engage in illegal fishing and poaching activities, are less present in Micronesia's waters following recent crackdowns by the Vietnamese government and international regulatory measures. Although this development represents a positive shift, Micronesia's vast maritime zone remains vulnerable to other opportunistic foreign actors.

Micronesia has not been identified as a major hub for money laundering or financial crime, and there is no evidence of private-sector actors in Micronesia being directly involved in transnational organized crime. The country's private sector is relatively insulated from organized crime networks, but the lack of stringent financial controls could create opportunities for future exploitation, particularly in fisheries, maritime trade and small-scale financial services.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Micronesia is a relatively stable democracy that holds free, fair and regular elections, which are governed by impartial laws and administered by a national election director and a commissioner from each of the country's four states. Nevertheless, secessionist movements occasionally threaten political unity. Micronesia does not have formal political parties, as all representatives are independent candidates.

This system may prevent party-based partisanship but results in a fragmented political landscape, where governance is often driven by regional or personal interests rather than national unity. Although the country's governance structure is sound, vote-buying practices are a concern. Politicians reportedly distribute lavish donations immediately before elections to secure votes. Furthermore, secretive decision-making processes limit public awareness of major policy decisions. A growing concern among citizens and officials

is the influence of foreign actors, particularly China whose role as a trade and development partner is increasing. This has raised fears of undue influence over domestic policies and governance structures.

Micronesia's anti-corruption mechanisms include the Attorney General's Office and the Public Auditor, which have demonstrated some independence and effectiveness. The country is also involved in the Pacific Anti-Corruption Programme that works to strengthen accountability mechanisms. Yet corruption concerns persist, especially over the misuse of international aid funds. Citizens do not have a categorical right to government information, as the country does not have comprehensive transparency laws, and the government rejected a proposed Freedom of Information Act, underscoring its limited commitment to transparency. Access to legislation and legal proceedings is available on the government website, Legal Information Centre, but technological limitations hinder comprehensive transparency. Under the current administration, public-facing informational releases have decreased, and citizens are often uninformed about governmental activities. Public officials are not required to disclose their income or assets, which further raises concerns about financial transparency.

Micronesia has a strong track record of adopting internationally recognized policies and engaging in global and regional initiatives. The country has increased its diplomatic presence, with the establishment of a new mission in Switzerland. However, some commitments to international cooperation remain rhetorical. Micronesia is a signatory to multiple international conventions against organized crime, including the UN Convention on Transnational Organized Crime, the UN Convention against Corruption and conventions on illicit drug trafficking, but it has not signed the Convention on International Trade in Endangered Species of Wild Fauna and Flora or the Arms Trade Treaty, creating potential gaps in environmental crime enforcement and arms control. Micronesia is a member of the Oceania Customs Organization and participates in Pacific transnational crime networks aimed at enhancing border security capabilities. The country is still a member of the Pacific Islands Forum, despite earlier debates about withdrawal, and cooperates with international counterparts, including the US Coast Guard and the Australian Defence Force to combat IUU fishing and strengthen maritime security.

Micronesia's legal framework criminalizes human trafficking, human smuggling, illicit firearms trade and participation in organized crime. The government has also established an Anti-Human Trafficking Division, but enforcement is severely hampered by limited personnel, resources and funding. Other legislative efforts include the introduction of shark-fishing regulations to address marine resource crimes.

CRIMINAL JUSTICE AND SECURITY

Modelled after the US legal system, Micronesia has a Supreme Court, state courts and municipal courts. Although this may not be publicly acknowledged, in practice, customary law often takes precedence over constitutional law and is a reality that is generally accepted within society. The independence of the judiciary is largely respected, and legal safeguards against arbitrary arrest are in place. However, detainee access to legal representation is limited due to a shortage of lawyers. Prison conditions meet international standards, but some complaints have been made about facilities and resources. The country's incarceration rate remains moderate, with no evidence of systematic mistreatment of detainees.

Micronesia's law enforcement agencies are active in combatting transnational crime and include the National Police, Division of Investigation and Protective Services, and the Border Control Division. The country has established a Financial Intelligence Unit and an Anti-Human Trafficking Division, but law enforcement resources are limited. Launched in 2022, the Cybersecurity and Intelligence Bureau focuses on cybercrime investigations but is understaffed and underfunded.

Micronesia's geographical challenges make border control difficult, particularly the monitoring of its vast EEZ. However, cooperation agreements with the US Coast Guard and regional partners have improved maritime security, while the Joint Task Force Micronesia initiative aims to enhance border protection capabilities. With regards to cyber-defence, the 'cybersecurity roadmap' sets out a strategic plan to enhance the nation's cybersecurity capabilities and resilience over six years. Developed to address existing vulnerabilities and future digital security challenges, the roadmap aims to strengthen Micronesia's digital defences and promote a safer online environment for its citizens, institutions, and critical infrastructure.

ECONOMIC AND FINANCIAL ENVIRONMENT

Micronesia has some anti-money laundering (AML) laws but a relatively weak regulatory framework. The Financial Intelligence Unit has participated in regional mentorship programmes but is under-resourced, which limits its capacity to detect and investigate offences, such as money laundering and tax evasion. The country is not on the Financial Action Task Force grey list but remains outside major international financial transparency frameworks, creating potential risks for financial crimes.

The Micronesian economy relies heavily on financial assistance from the US, which supports government salaries and development projects. Foreign investment is limited due to restrictions on land ownership, weak contract enforcement and bureaucratic hurdles that discourage foreign businesses. Primary sources of revenue are fishing

rights and offshore corporate registrations, primarily from Japan. Efforts to diversify the economy are limited, and wealth inequality is one of the highest in the Pacific.

CIVIL SOCIETY AND SOCIAL PROTECTION

Micronesia has human trafficking shelters in Pohnpei, Chuuk, Yap and Kosrae that offer legal and counselling, but shelter conditions are basic, and the government has reduced financial support for victim assistance programmes. A centralized database of trafficking victims is being developed but is not yet operational. Moreover, mental health services remain largely unavailable, hindering victim rehabilitation. The country has active awareness campaigns and law enforcement training programmes addressing human trafficking and organized crime. A trafficking hotline is also available in major local languages, but its reach is limited due to cultural barriers.

The media landscape is relatively open in Micronesia, but limited press freedom and self-censorship remain concerns. Although no official restrictions exist, government press releases dominate news coverage, and journalists have faced intimidation in the past. Civil society organizations, including students' groups, women's organizations and conservation NGOs, are active in social and environmental advocacy, but funding constraints limit their operations.

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.