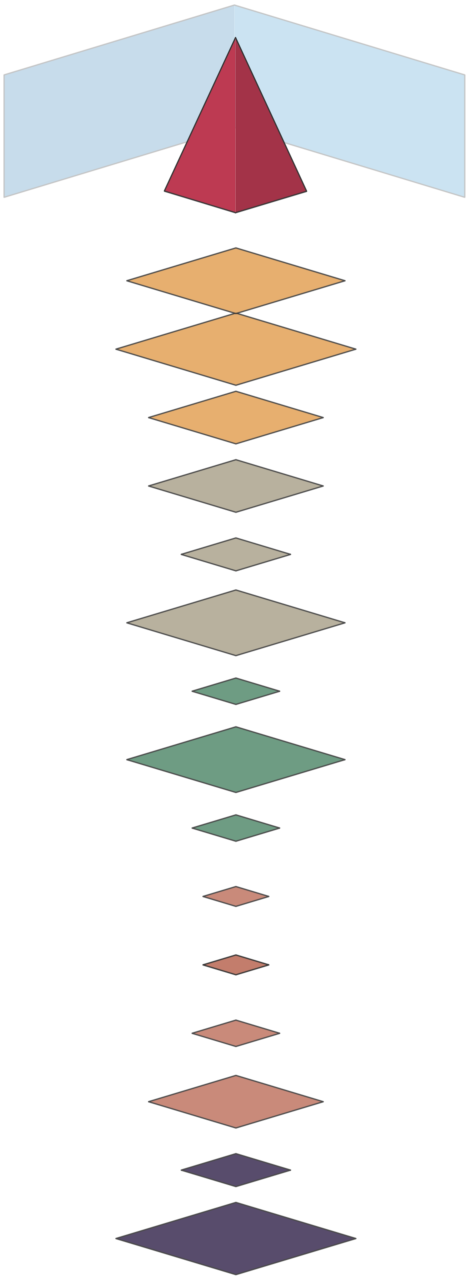
GLOBAL ORGANIZED CRIME INDEX

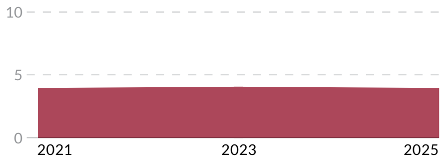
GLOBAL INITIATIVE AGAINST TRANSNATIONAL ORGANIZED CRIME

TIMOR-LESTE



3.98 ↘0.10
CRIMINALITY SCORE

155th of 193 countries ↘5
41st of 46 Asian countries -
9th of 11 South-Eastern Asian countries -



CRIMINAL MARKETS	3.47	↘0.20
HUMAN TRAFFICKING	5.00	↗0.50
HUMAN SMUGGLING	5.50	↗0.50
EXTORTION & PROTECTION RACKETEERING	4.00	0.00
ARMS TRAFFICKING	4.00	0.00
TRADE IN COUNTERFEIT GOODS	2.50	0.00
ILLICIT TRADE IN EXCISABLE GOODS	5.00	0.00
FLORA CRIMES	2.00	↘1.00
FAUNA CRIMES	5.00	0.00
NON-RENEWABLE RESOURCE CRIMES	2.00	0.00
HEROIN TRADE	1.50	↘1.00
COCAINE TRADE	1.50	↘1.00
CANNABIS TRADE	2.00	↘1.50
SYNTHETIC DRUG TRADE	4.00	0.00
CYBER-DEPENDENT CRIMES	2.50	↗0.50
FINANCIAL CRIMES	5.50	0.00

CRIMINAL ACTORS	4.50	0.00
MAFIA-STYLE GROUPS	5.00	0.00
CRIMINAL NETWORKS	4.00	0.00
STATE-EMBEDDED ACTORS	4.50	0.00
FOREIGN ACTORS	5.00	0.00
PRIVATE SECTOR ACTORS	4.00	0.00

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

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Funded by the European Union

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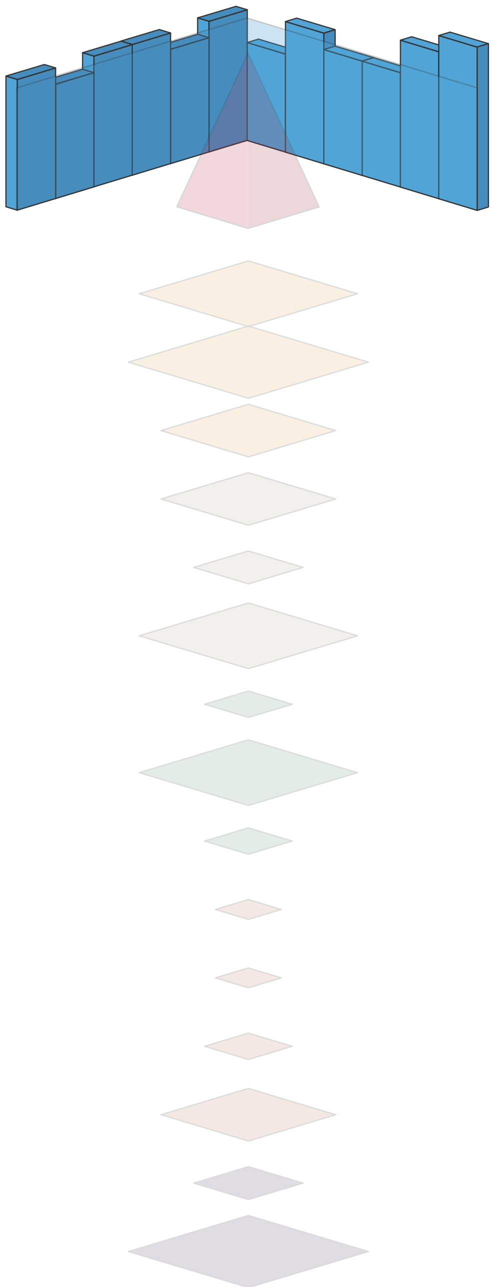
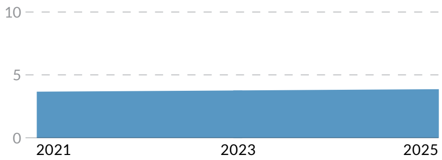
TIMOR-LESTE



3.88 ↗0.04
RESILIENCE SCORE

137th of 193 countries ↗4
29th of 46 Asian countries ↗2
8th of 11 South-Eastern Asian countries -



POLITICAL LEADERSHIP AND GOVERNANCE	**4.00**	↗0.50
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	**3.50**	0.00
INTERNATIONAL COOPERATION	**4.00**	0.00
NATIONAL POLICIES AND LAWS	**4.00**	0.00
JUDICIAL SYSTEM AND DETENTION	**3.50**	0.00
LAW ENFORCEMENT	**4.00**	0.00
TERRITORIAL INTEGRITY	**3.00**	0.00
ANTI-MONEY LAUNDERING	**4.00**	0.00
ECONOMIC REGULATORY CAPACITY	**3.50**	0.00
VICTIM AND WITNESS SUPPORT	**3.50**	0.00
PREVENTION	**4.50**	0.00
NON-STATE ACTORS	**5.00**	0.00

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CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Human trafficking remains active, both domestically in Timor-Leste and internationally. Trafficking networks – often connected to broader organized crime groups – transport victims internally to urban centres and abroad to countries such as the United Arab Emirates, Malaysia and Cambodia. International trafficking has increased, as evidenced by a rise in interceptions at Dili Airport. Domestically, forced labour persists in sectors like construction and agriculture, with adolescent girls exploited as unfree household labour. Foreign criminal syndicates also exploit visa systems to facilitate sex trafficking. Despite some victim identification efforts and international support, enforcement remains weak due to limited institutional capacity, legal gaps and corruption, all of which enable continued exploitation across multiple sectors. Human smuggling involves both inbound and outbound movement, primarily along the Indonesian border, where corruption among border officials facilitates illicit crossings. While some cross-border movements are informal for social or cultural reasons, organized smuggling operations are increasingly evident. Timor-Leste functions as a source, transit and destination country, with smuggling linked to employment in sectors like agriculture and construction. Local enforcement remains weak. Timor-Leste is also emerging as a transit route for smuggling to Australia, enabled by foreign networks and weak maritime security.

Extortion in Timor-Leste is carried out by loosely organized actors, notably veterans and, to a lesser extent, Martial Arts Groups (MAGs) such as Korka and Persaudaraan Setia Hati Terate. MAG involvement in extortion appears sporadic and is often politically scapegoated. In contrast, veterans – many of whom have ties to the military or political elite – exploit their social status to receive economic benefits. Businesses are pressured, typically through implied threats rather than direct violence, to provide jobs or give regular 'gifts'. These practices vary by region and veteran influence. Violence involving MAGs is usually linked to personal disputes rather than coordinated targeting of civilians or businesses.

TRADE

Arms trafficking in Timor-Leste remains moderate in scope and scale. The market lacks strong organizational capacity and is not central to the broader criminal economy. Small arms are primarily trafficked across the Indonesian border, mostly for hunting. However, some state and criminal actors, including security personnel, have been implicated in unauthorized firearm possession. Authorities periodically seize these weapons, but enforcement is constrained by limited resources and geographic challenges. Concerns persist over impunity among high-ranking officials and the continued unregulated circulation of firearms left over from the 2006–2008 crisis. Although the overall public risk remains low, the misuse of service weapons continues to raise security concerns.

Counterfeit goods trafficking is limited but has shown signs of gradual growth, particularly involving traditional Tais textiles. These textiles – often imported from West Timor or third countries – undercut local artisans, primarily women, who rely on weaving for income. This threatens both their livelihoods and attempts at cultural preservation. While it can be difficult to distinguish between genuine and counterfeit Tais, lower costs attract consumers. Reports suggest that foreign actors, particularly from China, may be involved, although direct evidence is scarce. Enforcement efforts exist but are weakened by bribery. The trade benefits both foreign importers and domestic sellers offering cheaper alternatives to unsuspecting buyers.

The illicit trade in excisable goods, particularly cigarettes and alcohol, remains a significant issue in Timor-Leste, driven by high excise taxes and cross-border smuggling from Indonesia. While organized criminal involvement appears limited, smuggling is often coordinated by small businesses and facilitated by corruption at border checkpoints. Tobacco is the most commonly smuggled product, including both processed cigarettes and raw leaf. Border confiscations suggest sustained activity. High consumer demand, especially among men and youth, fuels the market. Smugglers and domestic vendors benefit economically by evading taxes and offering cheaper alternatives.

ENVIRONMENT

Illegal logging in Timor-Leste is primarily driven by domestic fuelwood needs and small-scale agricultural clearing rather than organized criminal networks or timber markets. Deforestation has increased slightly in recent years, particularly in Covalima and Lautém. While valuable species such as sandalwood and teak are occasionally smuggled, large-scale timber trafficking is rare due to depleted resources. Most illegal logging serves local demand, with the vast majority of households relying on wood for energy. Some foreign actors remain interested in timber and operate using local networks.

Wildlife crime in Timor-Leste is limited and mainly localized, with minimal evidence of transnational trafficking. The most serious threat comes from illegal, unreported and unregulated (IUU) fishing, particularly by foreign vessels from Indonesia and China. It contributes to biodiversity loss and is estimated to cost the country hundreds of millions of dollars in lost revenue. IUU fishing is poorly regulated, including among domestic fishers. Hunting is largely subsistence-based and governed by customary laws like tara bandu, though enforcement is inconsistent. While there are reports of illegal bushmeat consumption and hunting of endangered species, the commercial wildlife trade remains minimal.

Fuel smuggling in Timor-Leste remains small-scale and largely driven by price disparities with Indonesia, weak enforcement and the appeal of earning in US dollars. The trade is not consolidated, but corruption in the oil and gas sector contributes to systemic weaknesses that enable smuggling to persist. People frequently use informal border crossings, known as 'rat paths', to avoid detection. Despite bilateral cooperation with Indonesia, border enforcement remains under-resourced. Fuel oil continues to be smuggled to meet local demand, particularly in impoverished communities where it is considered a valuable and essential commodity due to rising energy costs and economic hardship.

DRUGS

The heroin market in Timor-Leste remains minimal and poorly documented, with no significant signs of growth or organized trafficking. The country lies outside major heroin transit routes, and the limited presence of the drug is believed to stem primarily from small-scale imports by expatriates. Heroin use is confined to a small group of foreign recreational or habitual users, with little to no indication of local demand or large-scale distribution networks. Young and middle-aged men are the most likely users, consistent with past observations. No major criminal groups are known to be involved in this market.

As with heroin, the cocaine trade is negligible. There are no confirmed trafficking routes or reported seizures, and use appears limited to foreign residents. Public information is scarce, and international sources such as the UN Office on Drugs and Crime provide no country-specific data. Although Indonesia's role as a regional transit hub raises the possibility of spillover into Timor-Leste, no evidence currently supports this. The government's response has been minimal and lacks targeted enforcement efforts, reflecting broader challenges in addressing low-priority or poorly documented criminal markets.

Cannabis use in Timor-Leste is relatively common, though there is no indication of a consolidated or large-scale market. Domestic cultivation is minimal and recent enforcement efforts have targeted isolated cases involving small-scale production or importation, often by foreign residents. However, police operations remain relatively weak due to limited police capacity. Recent public calls for drug policy reform suggest the government may reconsider its approach to cannabis, potentially distinguishing it from more harmful substances.

The synthetic drug market is limited, under-developed and poorly documented. While there is some evidence of domestic consumption and possible trans-shipment to third countries like Australia, Timor-Leste does not feature in major international reports on synthetic drugs. Its proximity to Indonesia – an established regional transit hub – may indirectly influence local activity, particularly regarding methamphetamine. However, there is little evidence of broader circulation or organized trade within the country. Use of other synthetics such as MDMA appears confined to expatriates. High drug prices and low national purchasing power further restrict access and demand among the local population.

CYBER-DEPENDENT CRIMES

Cybercrime in Timor-Leste remains limited but is emerging with the expansion of internet access. Low digital literacy, a cash-based economy and limited smartphone usage currently constrain cyber-dependent crimes. However, recent international cases have exposed vulnerabilities as global cybercriminals exploit the country's weak regulatory framework.

FINANCIAL CRIMES

Financial crime is widespread in Timor-Leste and embedded in the public sector. Embezzlement, tax fraud and abuse of power are common. While some investigations and prosecutions have occurred, high-level officials – including members of Parliament – continue to engage in corrupt practices, particularly in sectors such as construction and procurement. The state regularly suffers financial losses due to inflated contracts and insider dealings. Petty corruption also persists within public administration. Cyber-enabled financial crimes are rising alongside increased digital connectivity. Email and social media scams exploit low digital literacy and economic insecurity, particularly in urban areas and among youth. Some of these schemes are organized and linked to international recruitment scams, including in Cambodia and Portugal.

CRIMINAL ACTORS

In Timor-Leste, MAGs exhibit characteristics similar to mafia-style entities, including structured leadership, kinship-based networks and localized territorial influence. While their involvement in organized crime remains unclear, MAGs are linked to sporadic violence and political influence, particularly during election periods. Despite a government ban and efforts to regulate membership, support for MAGs persists, including among public officials. These groups are active in informal economic activities, such as providing security and facilitating gambling.

Criminal networks operating in the country are loosely organized and operate in markets like human and arms trafficking, smuggling and the illegal timber trade. Their activities are concentrated in urban centres and border areas. Weak surveillance capacity and technological infrastructure hinder their detection and allow such networks to proliferate, prompting continued reliance on international cooperation. Transnational organized crime across South East Asia is exerting increasing influence on Timor-Leste, particularly following the legalization of online gambling in 2023. This shift may expose the country to criminal networks that are entering the cyber-enabled scams domain.

State-embedded actors in Timor-Leste remain involved in corruption and financial crimes, though their overall role has not significantly changed. High-level officials have been investigated for embezzlement and misuse of public funds. This has raised concerns as the Petroleum Fund, the country's primary source of revenue, faces long-term decline. The state exerts influence over some criminal markets – particularly through political elites and well-connected veterans – but this influence varies across sectors. State-linked actors are primarily associated with extortion, some gambling and contract-related corruption. However, major illicit markets, such as prostitution and human trafficking, are dominated by foreign actors. While there are allegations of police involvement in smuggling, conclusive evidence of systemic state complicity remains limited.

Foreign criminal actors are mainly involved in human trafficking, cybercrime and human smuggling, though information on specific networks is minimal. Indonesian groups are likely active in smuggling and trafficking activities along the border, while actors from Hong Kong, mainland China and parts of Africa have reportedly targeted Timor-Leste with scams and exploitative schemes. As Timor-Leste enhances its digital infrastructure and moves towards membership in the Association of Southeast Asian Nations (ASEAN), increased connectivity and regional integration could expose it to more transnational crime, particularly cyber-related offences in urban or border regions.

Criminal activity involving private-sector actors has not changed significantly. While the Petroleum Fund and oil contracts are managed with high levels of transparency, corruption often arises from collusion between politically connected business figures and public officials. The grey area between business and politics in Timor-Leste makes it difficult to distinguish between state-embedded and private-sector actors, as the latter are often also members of political parties or relatives of prominent politicians. The dominance of public contracting in the economy and the lack of genuine private capital incentivizes informal deal-making between these two sectors. Additionally, the recent legalization of online gambling through the Virtual Gaming Association introduces new financial crime-related risks – particularly if regulatory oversight fails to keep pace with the industry's expansion and transnational involvement.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Timor-Leste remains a politically stable yet institutionally fragile democracy, characterized by weak governance and a limited focus on transnational organized crime. While state actors publicly denounce illicit markets, enforcement efforts primarily target domestic issues such as financial crime. A temporary ban on MAGs reflects attempts to curb their political influence. Economic vulnerabilities tied to declining oil revenue and the legalization of online gambling present new risks. Although organized criminal groups do not currently influence governance or service delivery, their potential to do so is a growing concern. Broader challenges – including corruption, a generational leadership transition and continued reliance on oil revenues – pose risks to future stability.

Timor-Leste has made incremental progress in enhancing transparency and combating corruption, though institutional weaknesses remain. The Anti-Corruption Commission (CAC), in operation since 2009, lacks independence and prosecutorial authority, limiting its effectiveness. A 2020 anti-corruption law expanded legal provisions and mandated asset declarations, with more than 2 300 public officials registered by mid-2024. However, corruption in public procurement and nepotism remain widespread, and judicial independence continues to be a concern. Oversight bodies such as the Audit Court and CAC are under-resourced, while public access to budget information is constrained by language barriers and reduced transparency under the current administration. While platforms like the Timor-Leste Budget Transparency Portal and the Aid Transparency Portal publish budget overviews and reports, they are not up to date.

Timor-Leste has ratified several major international conventions addressing organized crime, including the UN Convention against Transnational Organized Crime and its protocols, as well as the UN Convention against Corruption. However, it has not yet ratified key treaties such as the Single Convention on Narcotic Drugs and the Convention on International Trade in Endangered Species of Wild Fauna and Flora. Extradition is limited to lusophone agreements and subject to judicial discretion. Cooperation with international partners, including Interpol and Australia, has increased, particularly through the Scientific and Criminal Investigation Police (PCIC). Timor-Leste also participates in regional efforts such as the Bali Process and is progressing towards full ASEAN membership, expected by 2025. Security ties with Australia, the US, Portugal and China are growing. The country is also working to align with the Budapest Convention on Cybercrime through ongoing domestic legal reforms.

Timor-Leste has enacted a broad legal framework to criminalize organized crime, including offences related to human trafficking, drug and arms trafficking, environmental crimes and corruption. Key legislative instruments include the Criminal Code, 2017 Anti-Trafficking Law, 2020 Anti-Corruption Law and a draft Cybercrime Bill introduced in 2021. Despite this progress, implementation remains weak; enforcement and oversight bodies face political resistance and capacity constraints. The recent legalization of online gaming and gambling is intended to generate new revenue streams, but it also increases the risk of criminal exploitation by transnational actors. While the government has implemented progressive environmental and gender policies, explicit provisions addressing transnational organized crime are limited. Political uncertainty since the 2023 government transition raises concerns about the continuity and effectiveness of recent reforms, particularly those aimed at curbing corruption and organized crime.

CRIMINAL JUSTICE AND SECURITY

Despite some progress since independence, Timor-Leste's judiciary remains under-developed. The system struggles with resource constraints, political interference and limited capacity to prosecute organized crime. Foreign judicial support, curtailed in 2014, was partially reinstated in 2017. Courts face delays due to language barriers and geographic inaccessibility, leading to increased reliance on mobile courts and traditional justice mechanisms. Prisons are overcrowded and fall below international standards, with inadequate legal representation and extended pretrial detention. Although legislation addresses organized crime, enforcement is weak due to misclassification of cases and legal gaps. Independent monitoring exists, but judicial independence remains vulnerable, particularly in politically sensitive or marginalized cases.

The law enforcement system includes the National Police and the PCIC, the latter of which has been tasked with handling serious and organized crime cases since 2015. However, inter-agency tensions persist, particularly following a 2022 law that shifted investigative authority to the PCIC. Despite international support, both agencies face severe resource constraints, inadequate information technology infrastructure and limited training. These shortcomings are especially evident in human trafficking cases, where misclassification and mishandling of victims are common. Community policing remains under-developed and is often dismissed as externally or donor driven. Public trust in police has slightly improved, but concerns over excessive force and impunity persist. Traditional leaders enjoy more community trust compared to the police.

Timor-Leste's land and maritime borders, particularly with Indonesia, face persistent governance, infrastructure and jurisdictional challenges. Corruption among border officials and stalled demarcation talks further undermine effective border control. Despite some international support, border management remains under-resourced. Cybercrime is an emerging concern. Institutional capacity is minimal and there is no dedicated cybercrime unit, although training initiatives have begun.

ECONOMIC AND FINANCIAL ENVIRONMENT

Timor-Leste has established an anti-money laundering framework through its Penal Code and dedicated legislation, including the creation of a Financial Information Unit (FIU) within the Central Bank. The FIU oversees financial institutions and monitors suspicious transactions. However, the country faces significant enforcement challenges, particularly in sectors such as construction, tourism and online gambling. A 2016 risk assessment led to the adoption of a National Action Plan, but its implementation has been limited. Informality, weak oversight and the recent legalization of gambling raise concerns about money laundering risks. Although Timor-Leste is part of the Asia-Pacific Group on Money Laundering, outdated evaluations and limited data make it difficult to assess current compliance levels.

Timor-Leste has enacted legal protections for workers and introduced mechanisms to prevent exploitation, supported by its Labour Code and Decent Work initiatives. However, poverty, food insecurity and unemployment remain widespread, exacerbated by natural disasters and weak infrastructure. Despite implementation of a long-term development plan, progress is hindered by political instability and weak regulatory capacity. The country remains dependent on the Petroleum Fund, which is under increasing pressure due to declining revenue and high withdrawal rates. Smuggling, tax evasion and informal practices persist amid a poor investment climate. The recent legalization of gambling raises concerns about crime risks, while fiscal and structural vulnerabilities threaten long-term economic stability.

CIVIL SOCIETY AND SOCIAL PROTECTION

Timor-Leste has made progress in supporting victims, particularly in cases of human trafficking and drug-related offences. Legal frameworks mandate the provision of health, legal and psychological services, but implementation remains inconsistent due to limited resources and the absence of formal procedures. The Vulnerable Persons Unit and Ministry of Social Solidarity rely heavily on NGOs to provide victims with shelter, counselling and emergency aid.

Law enforcement lacks a victim-centred approach, and the PCIC does not operate dedicated shelters. While whistle-blower protections exist under anti-corruption law, they remain narrow limited in scope. Despite the government allocating funding for training and housing support, its capacity to meet victim needs remains constrained, leaving NGOs to fill critical gaps.

The country has taken steps to address human trafficking, notably establishing the Commission to Combat Trafficking in Persons and adopting a National Action Plan for 2022–2026. However, implementation remains weak due to limited funding, lack of political will and the absence of monitoring or research on the prevalence of trafficking. While community policing and international partnerships support prevention, capacity gaps persist. Tools such as the Migration Information Data Analysis System aid border monitoring, but broader prevention strategies – particularly in emerging sectors like online gambling – are lacking. Public awareness campaigns exist but remain under-funded and fragmented across responsible government agencies.

Timor-Leste has a vibrant civil society that plays a critical role in supporting victims, monitoring judicial processes and promoting transparency. However, few NGOs focus specifically on organized crime, and their influence on policymaking is limited by political dynamics. Media and civil society oversight of government spending is scarce. Still, organizations such as the Judicial System Monitoring Programme and the Asistensia Legal ba Feto no Labarik (Organization of Legal Services for Women and Girls, in Tetum) provide substantial independent monitoring of the judicial system and support prosecutorial efforts in cases of domestic violence and child abuse. Civil liberties are generally respected, although civic space is considered to be slightly constrained. Recent detentions of activists have raised concerns. While media freedom is constitutionally protected, it is increasingly undermined by political pressure and self-censorship.

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.