

Government of Montenegro
Bureau for Operational Coordination

SOCTA 2024

SERIOUS AND ORGANIZED CRIME THREAT ASSESSMENT IN MONTENEGRO

Mid-term Review – updated version

PODGORICA, AUGUST 2024



ABOUT THIS PUBLICATION

In accordance with established practices based on international standards, and guided by the need for periodic strategic analyses of the state of serious and organized crime, an Interagency Working Team composed of representatives from the intelligence-security sector and the Special State Prosecutor's Office, under the coordination of the Bureau for Operational Coordination of the Intelligence-Security Sector, has prepared the Mid-Term Review – an updated version of the Threat Assessment of Serious and Organized Crime in Montenegro.

The assessment is based on the methodology defined by **Europol** and **UNODC**.

SOCTA 2024

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OBAVJEŠTAJNO BEZBJEDNOSNI DIREKTORAT
MINISTARSTVO ODBRANE

INTRODUCTORY WORDS

of the Coordinator of the Bureau for Operational Coordination



In accordance with the established practice based on international standards, and guided by the need for periodic strategic analysis of the state of play of serious and organized crime, the Interdepartmental Working Team composed of representatives of the intelligence and security sector authorities and the Special State Prosecutor's Office, with coordination of the Bureau for Operational Coordination of the Intelligence and Security Sector Authorities, has prepared the Mid-term Review updated version of the Serious and Organized Crime Threat Assessment in Montenegro.

The Mid-term Review updated version of the Serious and Organized Crime Threat Assessment focuses on key changes and trends in the areas where the activities of criminal structures are reflected in the threat of key social values and security, economic and other interests, which are of key essence in establishing the rule of law in its full capacity.

The conclusions from the mentioned document served us to redefine the list of national priorities in the fight against serious and organized crime and to joint forces, through improvement of trust, cooperation and coordination of the bodies of the intelligence and security sector, which have never been at a higher level, through affirmation of cooperation with other state administration bodies and through further progress in multiple important segments of international cooperation, in order to continue on the path of prosperity and raise the level of collective security.

Observing the global dimension of security risks, analysing the situation at the transcontinental level and reflections at the regional and national level, we have recognized the activities of high-risk organized criminal groups as key risks to security, with a special focus on organized criminal groups characterized by a strategic orientation towards commission of serious crimes against life and

limb, and at the same time we have registered the activities of 11 active high-risk organized criminal groups, most of which have more than 30 members, drug smuggling, corruption with a special focus on high-level corruption, illegal migration and human trafficking, smuggling of excise goods, cybercrime, terrorism and extremism, violence and misuse of firearms and a new priority that we characterized as a specific security challenge in Montenegro – environmental crime.

We opted for a decisive and uncompromising fight against serious and organized crime, we chose the path of consolidation of the intelligence and security sector authorities, the path of prosperity and protection of national interests·

By identifying the areas proposed for national priorities, we demonstrate that we recognize the key security challenges, with the task of using collective knowledge to recognize and point out the factors that can significantly affect change of situation in Montenegro in this area and to contribute to progress of security situation through mutual support and joint activities, as one of the basic prerequisites for the prosperity of society as a whole.

Until now, through numerous activities, the intelligence and security sector authorities have worked with dedication on establishment and promotion of the principles of independence, non-selectivity, professionalism, depoliticization, integrity, inter-agency and international cooperation.

During the previous period, we have shown that there are no insurmountable obstacles, that our officers have the knowledge and capacity to resolutely oppose and persist in fight against the identified security challenges, and our obligation is to provide, through continuous efforts and support, all the prerequisites for their cohesive, compact, and synergistic action.

We opted for a decisive and uncompromising fight against serious and organized crime, we chose the path of consolidation of the intelligence and security sector authorities, the path of prosperity and protection of national interests, in our struggle we have achieved significant victories, but despite the complexity and continuous challenges that have long gone beyond national frameworks, we will not falter in our mission to ensure stability of the system, security and protection of citizens and justify their expectations.

Aleksa Bečić, MA
Deputy Prime Minister
Bureau Coordinator

INTRODUCTION

The phenomenon of serious and organized crime continuously records a growth trend at the global level, which is predominantly caused by the fact that its key representatives carry out their activities on a transcontinental level, while differences in the political, socio-economic, legislative, infrastructural, and technical-technological segments do not represent specific barriers.

Confronting modern security challenges, identified through emerging forms of serious and organized crime, is a great challenge and requires a high degree of mutual cohesion in implementation of activities aimed at identifying key threats and those involved, especially in relation to planning and implementation of a wide range of strategic, administrative-legal, technical-technological and intelligence-security activities.

High-risk organized crime groups very easily take advantage of benefits caused by unstable political, social, and legal systems, which are accompanied by underdevelopment, inequality, and demographic changes.

Key strategic entities in implementation of activities of serious and organized crime see their advantages in rapid development of technique and technology, advanced forms of communication that are not yet subject to a strict regime of control, as well as existence of off-shore zones and unstable socio-political and economic systems in which they create policies of their transnational components.

The Serious and Organized Crime Threat Assessment in Montenegro the Mid-Term Review aims to present a review of the stat of play and trends of serious and organized crime in the past two years, more precisely since finalization of the basic version of the aforementioned document, which was prepared and published in March 2022.

High-risk organized crime groups very easily take advantage of benefits caused by unstable political, social, and legal systems, which are accompanied by underdevelopment, inequality, and demographic changes.

The purpose of the Threat Assessment of Serious and Organized Crime is to explain all state institutions, and primarily law enforcement authorities, and help them to better understand the emerging phenomena of serious and organized crime, so that they can influence the change in the situation in this area through their activities and joint action.

The conclusions from the basic version of the Serious and Organized

Crime Threat Assessment has served to the Bureau for Operational Coordination of Intelligence and Security Sector Authorities to propose, and the National Security Council of Montenegro to establish a list of national priorities that includes **activities of high-risk organized criminal groups with key strategic characteristics on the commission of serious crimes, corruption as a method of work and money laundering, smuggling narcotics, corruption with a special focus on high-level corruption, illegal migration and human trafficking, smuggling of excise goods, cybercrime, terrorism and extremism, and violence and misuse of firearms.**

Based on the intelligence and security data and analyses conducted during preparation of the mid-term review of the Serious and Organized Crime Threat Assessment, it is expected that the list of national priorities will include all the above-mentioned areas, but also that it will be supplemented with a new national priority – environmental crime.

WORK METHODOLOGY

Guided by implementation and strengthening of the principle of inter-agency cooperation, the Mid-term Review the updated version of the Serious and Organized Crime Threat Assessment in Montenegro – SOCTA MNE 2024, was prepared by the Interdepartmental Working Team, which was formed by the Bureau for Operational Coordination of Intelligence and Security Sector Authorities, composed of representatives of the key bodies of the intelligence and security sector the Ministry of Interior Affairs/ Police Administration, the National Security Agency, the Intelligence and Security Directorate, the Customs Administration, as well as the Special State Prosecutor's Office, responsible for prosecuting perpetrators of crimes with elements of organized crime.

The application of this method through formation of the Interdepartmental Working Team during preparation of the Mid-Term Review – an updated version of the Threat Assessment, additionally confirms inter-institutional cooperation with the aim of successfully fighting serious and organized crime, primarily through joint work and the exchange of intelligence-security and other data, with the aim of identifying key threats and determining them as national naturals in the fight against serious and organized crime.

The methodology for preparation of the Mid-Term Review – the updated version of the Threat Assessment is based on the methodology defined by Europol and UNODC, which was

mostly applied during the preparation of previous Threat Assessments.

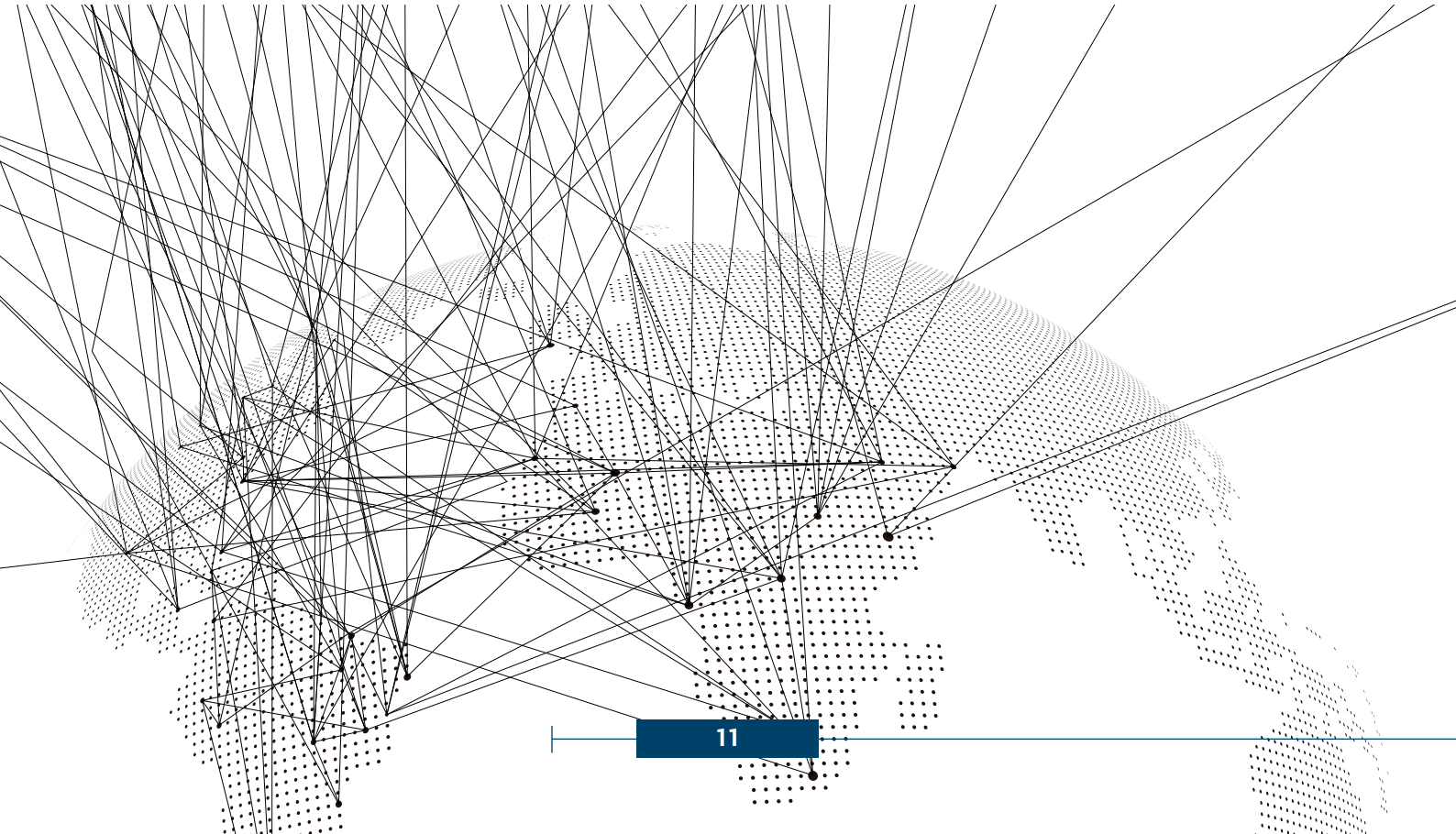
The data used in preparation of the Mid-Term Review updated version of the Threat Assessment were collected for the period June 2021 – March 2024.

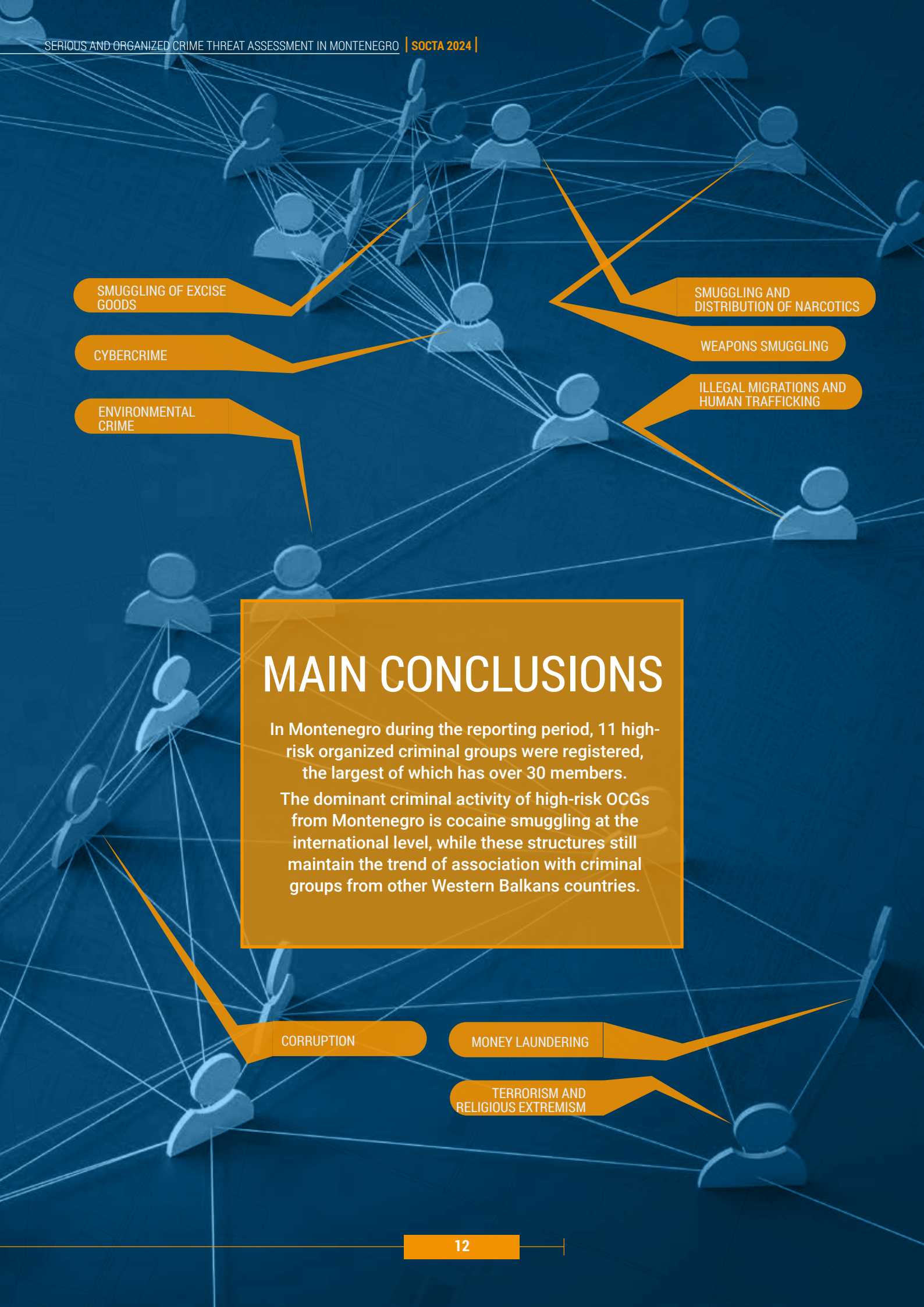
For data collection, the following were used as a priority:

- **Questionnaires for areas of serious and organized crime**, created according to the Europol model and UNODC methodology, based on which data on criminal activities were collected, and
- **Questionnaires on organized criminal groups** based on which specific data on the activities of organized criminal groups and their members were collected.

In addition to the above, publicly available reports of state authorities in Montenegro and relevant international police and scientific research institutions (Europol, UNODC, FRONTEX, EMCDDA) dealing with the problem of serious and organized crime were also used, as well as all reports containing data, which can contribute to a comprehensive understanding of the problem of serious and organized crime, especially in the part of understanding this phenomenon from a global and regional level.

At the operational level of action, the Mid-Term Review – an updated version of the Threat Assessment has also been prepared in a classified version that contains a chapter with descriptions and data on high-risk organized criminal groups and their members, roles, structure and other relevant data that will enable you to plan preventive, intelligence and police – prosecutorial activities.





MAIN CONCLUSIONS

In Montenegro during the reporting period, 11 high-risk organized criminal groups were registered, the largest of which has over 30 members.

The dominant criminal activity of high-risk OCGs from Montenegro is cocaine smuggling at the international level, while these structures still maintain the trend of association with criminal groups from other Western Balkans countries.

High-risk Organized Criminal Groups

In Montenegro during the reporting period, **11 high-risk organized criminal groups** (hereinafter referred to as "the OCG") **were registered, the largest of which has over 30 members**.

The dominant criminal activity of high-risk OCGs from Montenegro is cocaine smuggling at the international level, while these structures still maintain the trend of association with criminal groups from other Western Balkans countries.

Still, one of the key segments in the operation of high-risk criminal groups is use of the most severe forms of violence, manifested through ruthless elimination of opponents in criminal activities, all with the aim not only of taking over a monopoly position, but also with the aim of revenge and total revanchism and the complete elimination of members of opposing criminal groups.

The thesis that high-risk criminal groups use corruption as a method of work has been confirmed through their infiltration and creation of collaborative positions in law enforcement bodies and intelligence-security sector bodies, which have been transformed over time, so that some law enforcement officers have become members or leaders of certain segments of activity within high-risk criminal groups.

The security risk from the activities of high-risk OCGs is further complicated due to ineffective court proceedings, which results in the release of a significant number of members, who are accused of organizing and directly committing serious crimes against life and limb. The above-mentioned situation primarily enables consolidation of activities of high-risk OCGs and re-establishment of their cohesion and at the same time increases the degree of security risk, given that the above-mentioned persons may be targeted by opposing criminal structures.

> **Lately, a significant presence of foreign criminal groups in the territory of Montenegro and their connection with high-ranking OCG from Montenegro was registered, which is especially characteristic of OCGs from Türkiye, Georgia, Russia and other Eastern European countries.**

Lately, a significant presence of foreign criminal groups in the territory of Montenegro and their connection with high-ranking OCG from Montenegro was registered, which is especially characteristic of OCGs from Türkiye, Georgia, Russia and other Eastern European countries. The aforementioned situation will significantly contribute to mutual spread of influence and infiltration into other criminal markets.

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Smuggling and distribution of narcotics

Narcotics smuggling continues to represent the dominant criminal

activity of the largest number of identified high-risk OCGs operating in Montenegro. Although, primarily due to war events in the territory of Ukraine, changes in land and sea smuggling routes have been registered, which caused the ports in the Mediterranean and North Sea to become new entry points for smuggled narcotics, and which can lead Europe to the position of the main distribution hub, Montenegro has retained the status of a transit country when it comes to the smuggling of various types of narcotics.

It is still evident the very intense participation of OCGs from Montenegro in international smuggling chains, but also in the establishment of a strong distribution network in the countries of Western Europe, in which way they cover all stages of the implementation of this criminal activity.

It is still evident the very intense participation of OCGs from Montenegro in international smuggling chains, but also in the establishment of a strong distribution network in the countries of Western Europe, in which way they cover all stages of the implementation of this criminal activity – procurement, international and transcontinental transport, smuggling and distribution on the local level.

Cocaine

Although cocaine smuggling is the dominant criminal activity for the largest number of identified high-risk OCGs from Montenegro, the territory of our country has retained its transit status. High-risk criminal groups from Montenegro continued the trend of cooperation with regional criminal structures in this area, while controlling all stages of the smuggling process.

Changes in relationship between supply and demand of cocaine on the global and European markets can cause a change in smuggling routes, which cannot exclude one of two possibilities – either the smuggling route to Montenegro will be exploited to a greater extent or smugglers will bypass this route and focus their activities to be further strengthened towards entry points in Southern, Western and Northern Europe.

The local cocaine market in Montenegro is showing an upward trend, as evidenced by data that indicate strengthening and expansion of the network of distributors at the local level, which may cause certain changes when it comes to increasing the amount of cocaine needed and available for the needs of the market in Montenegro, but also an increase in the number of persons involved in distribution networks.

Heroin

Although in 2021, a marginal decline in the heroin trade was registered, which is assumed to be related to the growth of other drug markets, especially cocaine and synthetic drugs, which is confirmed by the data of the report of the European Centre for Monitoring Drugs and

Drug Addiction (EMCDDA) – the amount of heroin seized in the EU MS in 2022 was reduced by 16% compared to 2021. The Balkan route and the region of the Western Balkans are still known as one of the key smuggling corridors for supplying the European market with heroin.

However, no significant changes have been recorded when it comes to heroin smuggling through the territory of Montenegro. This criminal activity is still characteristic of OCGs, which are basically linked to the north of Montenegro, while in the last period of time, the more active participation of criminal structures from the central part of Montenegro was also registered, with the establishment of direct contacts with criminal groups in Türkiye, which is known as a key smuggling hub.

Marijuana

Albania continues to represent the largest producer of marijuana in this part of Europe, while certain data indicate that an increase in indoor marijuana production has been registered in other countries of the region as well. New marijuana plantations in the north of Albania have made it easier for the Montenegrin and regional OCGs (Serbia, Bosnia and Herzegovina, Croatia) to access the producers of this narcotic.

Due to its geographical position, Montenegro is still on one of the frequent routes, primarily for smuggling towards certain countries of the region – Serbia, Bosnia and Herzegovina and Croatia, and further towards the countries of Western Europe, where the final destinations are Germany, Slovenia, Austria and the Netherlands.

Albania continues to represent the largest producer of marijuana in this part of Europe, while certain data indicate that an increase in indoor marijuana production has been registered in other countries of the region as well.

Marijuana smuggling is still dominated by criminal groups from the Podgorica area, which operate in the border area with Albania and control the smuggling of marijuana from Albania to Montenegro.

Synthetic drugs

The Western Balkans is not recognized as a significant producer of synthetic drugs, and a small number of locations for the production of amphetamines have been registered and have been discovered and dismantled in North Macedonia and Bosnia and Herzegovina.

Montenegro has retained the position of a country where synthetic drugs are represented to a lesser extent than other types of drugs.

It is usual that the demand for this type of narcotic drugs is equal to the supply, and there is a registered trend of increasing consumption of synthetic drugs during the summer

tourist season, when various types of musical events are organized on the Montenegrin coast.

Weapons smuggling

One of the key threats to the security in Europe is the increased availability of illegal firearms, and escalation of war conflicts at the global level can affect the change in smuggling routes and illegal flows of firearms in Europe, which can be manifested by an increase in the risk of expanding the availability of firearms by increasing the number of criminal offenses related to the misuse of firearms, as well as their use during terrorist attacks.

Despite the fact that in the previous period a significant amount of illegally owned firearms was seized in Montenegro as well as in other countries of the Western Balkans there are still significant amounts of firearms, relatively easily accessible to members of high-risk OCGs.

The territory of Montenegro still partly serves as a transit territory for arms smuggling from the countries of the region to the Western Europe countries.

During the previous period, there were no recognized OCGs in Montenegro that focus their dominant criminal activity on firearms smuggling activities. The latest data indicate the emergence of certain criminal groups from the territory of Montenegro, which may be involved in implementation of firearms smuggling activities from Montenegro to the EU countries, but the dominant smuggling is still related to individual cases and arming for personal needs.

It is registered that the members of the OCGs in Montenegro possess modified (altered) versions of firearms – handguns, in which the way of functioning has been changed and the characteristics of automatic weapons have been created.

Although there have been no registered cases so far, it cannot be ruled out that those carrying out activities in the areas of serious and organized crime will apply the concept of making three-dimensional parts for weapons, made using a 3D printer, by assembling which it is possible to obtain functional firearms.

Despite the fact that in the previous period a significant amount of illegally owned firearms was seized in Montenegro as well as in other countries of the Western Balkans there are still significant amounts of firearms, relatively easily accessible to members of high-risk OCGs.

Illegal migrations and human trafficking

The situation in the countries of the region was especially alarming in neighbouring Bosnia and Herzegovina, where the migrant crisis has become a humanitarian and political issue that is still ongoing and threatens to escalate.

Montenegro retains the status of a transit country when it comes to human smuggling and illegal

migration, with a growing trend in the aforementioned activities and the number of people involved in smuggling and migration flows.

New ways of smuggling when transiting through Montenegro have been identified, which involved a combination of legal crossing into the territory of Montenegro (on the basis of work), and with the aim of transiting through it, and illegal crossing, mainly into the territory of Bosnia and Herzegovina, and further towards the EU countries.

During 2022, a record number of illegal migrants was registered in Montenegro, while during 2023, a slight decrease was recorded compared to 2022, but also an increase compared to 2020 and 2021.

Through implemented activities, it was established that during the previous period there was an "opening" and strengthening of the smuggling route for persons originating from Türkiye, who would then transit through Bosnia and Herzegovina and Croatia to Italy and other EU countries, while the role of Turkish smuggling networks is very much present in Montenegro and other countries of the region. This form of migrant smuggling by circumventing the current regulations – opening of business companies enables benefits for applying for transit visas and their further use in order to travel to final destinations in the EU countries.

Human trafficking was represented through various forms of arranged marriages and sexual exploitation, but to a lesser extent through the labour exploitation of foreigners and a part of the resident population (exploitation for the purpose of begging).

What is characteristic of Montenegro is that the occurrence of "elite prostitution" is more pronounced during the tourist season. A significant increase in the number of persons providing sexual services was detected from the territory of Ukraine after the influx of a high number of Ukrainian citizens to the territory of Montenegro, caused by the war events in Ukraine. A facilitating factor for implementation of these activities is the increasingly intensive use of social networks and internet platforms where there are specialized pages that advertise the provision of escort services, as well as other digital technologies.

During 2022, a record number of illegal migrants was registered in Montenegro, while during 2023, a slight decrease was recorded compared to 2022, but also an increase compared to 2020 and 2021.

Smuggling of excise goods – tobacco and tobacco products

The change in the policy of the Government of Montenegro in relation to the Free Zone of the Port of Bar itself, during 2021, the way it functions, primarily in the part of banning storage and later confiscation of stored tobacco products, influenced the change

in smuggling routes, with one of the main methods of smuggling through the Free Zone of the Port of Bar has almost ceased to exist.

The Port of Durrës in Albania is the entry point for cigarettes delivered by ships from the United Arab Emirates, Türkiye, China, etc. After that, one branch of the smuggling routes goes through Montenegro, the so-called transit of cigarettes to "third countries" (Serbia, Kosovo, etc.), while a part of those cigarettes remains illegally in the territory of Montenegro.

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One of the registered methods of operation includes the mode in which cigarettes are intended for destruction are 'taken' with the aim of further sale on the illegal market in Montenegro and further smuggling to the countries of the region.

This way of smuggling cigarettes was made possible by the easy infiltration of members of criminal structures into the security sector, the legal regulations that define the functioning of the Free Zone of the Port of Bar, as well as the financial power possessed by the OCGs, which operate in the business of cigarette smuggling.

Corruption with a special focus on high–level corruption

The activities of law enforcement authorities that have been registered in Europe in the recent period have confirmed that corruption is closely related to organized crime.

Corruption is deeply rooted in many countries inside and outside the European Union, which has been confirmed in recent years through numerous investigations that have been opened in countries based on materials about communications made through the Sky Ecc application.

The problem of corruption is significant in almost all countries of the Western Balkan region. The high level of penetration of organized crime into almost all social spheres enabled additional strengthening of organized crime not only in Montenegro, but also beyond. Coordinated planning corruption by high-risk OCGs caused corruption to not only have a national, but also an interconnected regional character.

Proactive action of intelligence and security sector bodies and other law enforcement bodies in Montenegro resulted in identification of key collaborative positions related to the holders of the most responsible positions in the executive and judicial authorities, which enabled members of the high-risk OCGs to carry out their activities unhindered and avoid investigations.

Corruption behind organized crime often includes hidden hybrid activities of individual states that work to the detriment of Montenegro's strategic interests in an effort to harm Euro-Atlantic integration.

Money Laundering

Rapid processing of transactions and development of effective tools for anonymization are significant obstacles in the identification of participants in transactions, as well as in identification of beneficial owners of material benefit derived from criminal activities.

On the global level, the trend of OCGs increasingly using the services of other organizations that were established as legal business entities that serve as money laundering providers has been maintained. In this regard, in exchange for a certain commission in the amount of 5 to 8%, business entities that are providers offer complex techniques for money laundering, establishing a large number of fictitious legal entities, usually with one employee, further business activities, mixing legal and 'dirty' money, and finally money laundering for the account of OCGs.

Money laundering has very negative effects on the macro and microeconomic level, disrupts the functioning of the financial sector by undermining the integrity of financial institutions, threatens the private sector by collapsing market competition, reduces the effects of privatization, and reduces foreign direct investments.

Certain analyses indicate that illegal profits obtained in the Western Balkans are most often placed in legal flows in the region, while criminal groups from the Western Balkans partly place the funds obtained through drug smuggling activities in legal flows outside the region.

The risk of involvement of OCG members in money laundering is expressed through possibility of their participation in offshore companies, founding companies that operate in different areas in Montenegro, up to the purchase of movable and immovable assets and other luxury goods.

> **A significant step forward in combating the criminal offense of money laundering was made by harmonizing Montenegrin legal regulations with international standards, with emphasis on adoption of the Law on Prevention of Money Laundering and Financing of Terrorism in December 2023.**

Citizens of Eastern European countries and Türkiye, who reside in Montenegrin territory, are linked to money laundering activities through interconnected legal entities registered on the territory of Montenegro, in whose ownership and management structures they participate, and which mainly operate in area of consulting, financial business and tax management, construction and trade in real estate, and trade in motor vehicles.

A significant step forward in combating the criminal offense of money laundering was made by

harmonizing Montenegrin legal regulations with international standards, with emphasis on adoption of the Law on Prevention of Money Laundering and Financing of Terrorism in December 2023. Adoption of the aforementioned Law will in the following period affect improvement of the system in the sense of preventing and making it impossible to commit the criminal offense of money laundering.

Terrorism and Religious Extremism

The region of the Western Balkans increasingly serves to provide logistics to radical and extremist movements, and to a much lesser extent, it is registered as an area with a risk of attack.

Radicalization in the Western Balkans is most often manifested through various forms of non-advanced religious movements (the most common is Salafism), which are inhomogeneous, both in terms of the direction of action and in the ultimate goals, while extreme right-wing and left-wing movements and individuals are present to a lesser extent.

The most prevalent forms of cybercrime in Montenegro include sexual exploitation and abuse of children on the Internet, email notifications about planted explosive devices, phishing and smashing attacks, ransomware attacks, MITM (Man in the middle) attacks...

In the context of the above, the region of the Western Balkans can be seen as an area suitable for the recruitment of persons with the aim of participating in foreign armed formations, but also as an area suitable for the spread of various types of radical and extremist ideologies.

In Montenegro, the activities of several Salafist groups have been registered, which are characterized by different levels of radicalization, with clearly visible foreign influence and their focus on attempts to spread radical ideology.

Cybercrime

Cyber crime is a serious security challenge for Montenegro.

A facilitating factor for development of cybercrime is insufficient information and lack of IT literacy of end users, relatively small number of investigators, and wide availability of educational materials and tools that can be misused for criminal activities in cyberspace.

The most prevalent forms of cybercrime in Montenegro include sexual exploitation and abuse of children on the Internet, email notifications about planted explosive devices, phishing and smashing attacks, ransomware attacks, MITM (Man in the middle) attacks, distributed denial-of-service (DDoS) attacks, sexual blackmail and the like.

Special danger represents highly sophisticated attacks on the

State's critical infrastructure, organizations, and media dedicated to Euro-Atlantic integration.

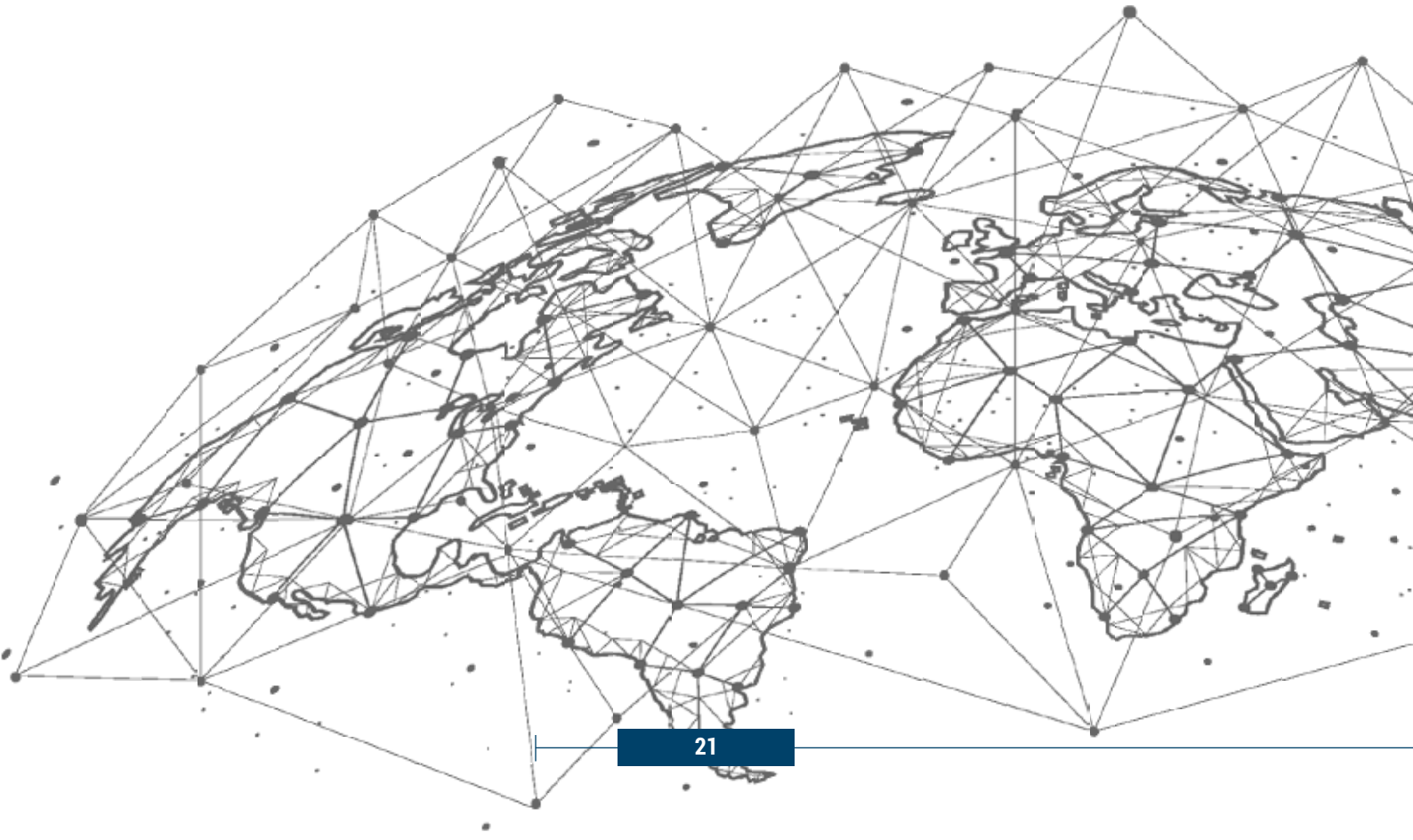
The establishment of a large number of IT companies, whose founding and management structure includes foreign nationals, represents an additional security risk, given the lack of procedures for the management and implementation of new technologies, which can be followed by work with external experts with the risk of non-synchronization of security protocols and uneven standards of protection of personal and other sensitive data.

The significant growth and expansion of the crypto community in Montenegro can cause an increase in criminal activities related to the use of cryptocurrencies, including theft of crypto wallets and crypto fraud, but also some violent acts aimed at taking away benefits in cryptocurrencies.

Environmental Crime

Montenegro has faced the expansion of environmental crimes, the most prevalent of which are illegal logging, illegal construction, and illegal exploitation of gravel from riverbeds. Corruption at different levels is recognized as the main challenge that the competent state authorities face in solving these crimes.

This, as well as other forms of organized crime, exists in conditions of social, economic, and political changes, political and social transition, and societies with a pronounced problem of corruption. It is characterized by constant expansion, adequate degree of organization, dynamism, quick adaptation to changed conditions and good knowledge of environmental issues.





ORGANIZED CRIMINAL GROUPS AND THEIR ACTIVITIES

11 high-risk organized criminal groups are registered in Montenegro, the largest number of which has over 30 members. In relation to the previously prepared basic version of the document Serious and Organized Crime Threat Assessment – SOCTA 2021, in the meantime two new OCGs were identified, while one OCG was found to be no longer active.

The Situation at the Level of the European Union

According to data from Europol's Report on organized criminal groups, 821 high-risk criminal groups operate on the EU territory, of which as many as 280 groups have been active for more than 10 years, with a total number of over 25,000 identified members, whose activities, among others, they perform out in the areas of drug smuggling, fraud, property crime, illegal migration and human trafficking.

Criminal structures identified through Europol's activities are characterized by agility (ability to adapt to new legislative, administrative, technical-technological challenges), lack of borders (conduct of criminal activities on a transnational level), control (firm control and focus on criminal operations), and destruction.

For high-risk criminal groups operating in the EU territory, the pronounced role of the leader is one of the key characteristics. Leaders of criminal groups are key decision-makers who manage the entire smuggling operations, divide tasks, and very often oversee financial flows. Imprisonment of leaders or long-term prison sentences does not imply the cessation of activities of organized criminal groups. Despite this fact, the leaders of criminal groups continue to coordinate criminal activities, and it is registered that some criminal groups successfully carry out their criminal activities and manage to adapt to changes, even despite the fact that their leaders and most of the high-ranking members are in prisons.

The Situation in the Region

According to the Europol Report, several criminal networks composed of citizens of Western Balkan countries, including Montenegro, are involved in the smuggling of large quantities of narcotics, including the financing and distribution of cocaine from South America to several key destinations in Europe. These criminal structures are characterized by a very strong presence in the EU countries, as well as in the Western Balkans countries.

One of the key characteristics of these structures is the establishment of strong positions in the countries of South America, primarily in the areas around port cities where the initial stages of smuggling operations are carried out, using corrupt work methods, as well as infiltration into companies that deal with transport by ships.

> **It has been registered that, in addition to the tendency to act independently at the international level, larger OCGs have recently shown a tendency to specialize in certain criminal activities. It is noticeable that OCGs from Albania, Montenegro, and Serbia have more members and form larger groups compared to OCGs in the rest of the Western Balkan countries.**

It has been registered that, in addition to the tendency to act independently

at the international level, larger OCGs have recently shown a tendency to specialize in certain criminal activities. It is noticeable that OCGs from Albania, Montenegro, and Serbia have more members and form larger groups compared to OCGs in the rest of the Western Balkan countries. It is estimated that there are between 15 and 30 OCGs established in Albania, mainly in Tirana, Durrës, Elbasan, Shkodër, Valona, and Kruja, while in Bosnia and Herzegovina there are 5 to 10 OCGs, each with 10 to 15 members.

Most of the OCGs in the Western Balkans countries have a polycriminal character (they are involved in more than one criminal activity).

Ethnicity, belonging to a nation or a certain religion, does not play a significant role in an action that is driven solely by profit.

Some of these groups are characterized by the use of brutal methods of violence, caused by retaliation for unsuccessful smuggling operations or plans to seize territory and assume a monopoly position.

Most of the OCGs in the Western Balkans countries have a polycriminal character (they are involved in more than one criminal activity). Ethnicity, belonging to a nation or a certain religion, does not play a significant role in an action that is driven solely by profit.

In addition to the above, an important characteristic of OCGs in the Western Balkans is the use of violence and connection with "supporter groups", which is often used for activities of narcotic distribution, but also for commission of serious crimes.

The Situation in Montenegro

11 high-risk organized criminal groups are registered in Montenegro, the largest number of which has over 30 members. In relation to the previously prepared basic version of the document Serious and Organized Crime Threat Assessment – SOCTA 2021, in the meantime two new OCGs were identified, while one OCG was found to be no longer active.

As in the previous period, the structure of a large number of organized criminal groups operating in the territory of Montenegro is still characterized by a solid core, composed of individuals connected by family or long-term friendships, around whom a circle of permanent members is distributed, while these segments of the internal structure are characterized by long-term experience in conducting criminal activities on a transnational level. A special segment of the structure is represented by various cells, that is, branches, which in some cases specialize in the independent implementation of specific criminal activities, such as the organization of drug smuggling or the organization of the commission of serious crimes against life and limb, and which are positioned at the key points of the implementation of criminal activities in Montenegro and abroad.

The dominant criminal activity of the OCGs from the territory of Montenegro is still narcotics smuggling, the dominance of cocaine at the international level, where no significant changes in the mode of carrying out this activity have been recorded. Members of organized criminal groups from Montenegro are present at all key points in the smuggling chain, and the territories of these countries (especially South America) are used not only for organizing and monitoring smuggling operations, but also for hiding them, but also for further strengthening criminal contacts and recruitment of new members.

The recruitment of persons who participate in the commission of serious crimes is done through family or long-term friendship and godfather/best man ties of high-ranking members of the OCGs and through strong connections with other criminal structures. Institutions for execution of criminal sanctions, where high-ranking members of the OCG already reside, continue to represent a key "recruitment centre" for new members, through methods of providing protection, engaging legal representatives, various forms of financial support and numerous other benefits, in which way they ensure the engagement of new members.

One of the key characteristics of the OCGs from the territory of Montenegro is the continuous and strategic application of the most brutal forms of violence, in which members of their collaborative structures from the countries of the region often participate, while the mode of engagement of persons from the countries of South America is also registered. Although initially the conflicts between OCGs arose as a result of the unsuccessful implementation of criminal activities, which later caused conflicts motivated by control and occupying a monopoly position on the criminal market, over time the dominant motive became revenge aimed at the complete elimination of members of opposing criminal groups.

The conflicts of the OCGs from Montenegro have long gone beyond national and regional frameworks, so that the territories of all countries where members of opposing OCGs reside and hide can be seen as territories with an increased degree of risk of committing serious crimes.

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It has been registered that serious crimes against life and limb as a result of OCGs conflict were committed in Spain, Germany, Austria, the Netherlands, Türkiye, Greece, South America, and it is to be expected that such a trend will continue.

The activities of law enforcement authorities at the international level, and the operations that

"broke" until then protected forms of communication, significantly contributed to elucidation of the criminal activities of OCGs from Montenegro and their collaborative networks from other countries in the region, primarily in relation to cocaine smuggling and committing serious crimes against life and limb. The aforementioned activities resulted in deprivation of liberty and prosecution

Inefficiency in the conduct of court proceedings, along with numerous obstructions and "legal" abuse of process institutes by OCG members, caused the release of a large number of high-ranking members of opposing criminal groups, accused of committing serious crimes against life and limb.

of leaders and a large number of high-ranking members of OCGs, but some of the key "players" in these criminal structures are still inaccessible to law enforcement authorities.

Even though the above-mentioned activities partially make OCGs operations passive, especially when it comes to committing serious crimes against life and limb, this security challenge still maintains a high degree of risk to the national and regional security.

Inefficiency in the conduct of court proceedings, along with numerous obstructions and "legal" abuse of process institutes by OCG members, caused the release of a large number of high-ranking members of opposing criminal groups, accused of committing serious crimes against life and limb.

The aforementioned situation led to consolidation of the internal structure of OCG and partial restructuring, with the aim of continuing to carry out criminal activities.

At the same time, there has been an increase in the number of OCG members who, being at liberty, can organize commission of serious crimes on their own, as well as the number of targets in relation to which they act in opposition to criminal groups.

One of the strategic commitments of OCGs is use of corruption as a method of work, which was fully confirmed through their infiltration and creation of collaborative positions in law enforcement bodies and intelligence and security sector bodies, which were transformed over time, so that some officials of law enforcement agencies have become members or leaders of certain segments of activity within the high-risk OCGs, including operations related to cocaine smuggling and commission of serious crimes against life and limb.

Recently, an increasingly significant presence of foreign criminal groups in the territory of Montenegro, and their association with the most important Montenegrin OCG, has been registered. This primarily refers to Turkish, Georgian, Russian, and other criminal groups. The connection of these criminal groups with the Montenegrin OCGs additionally strengthens

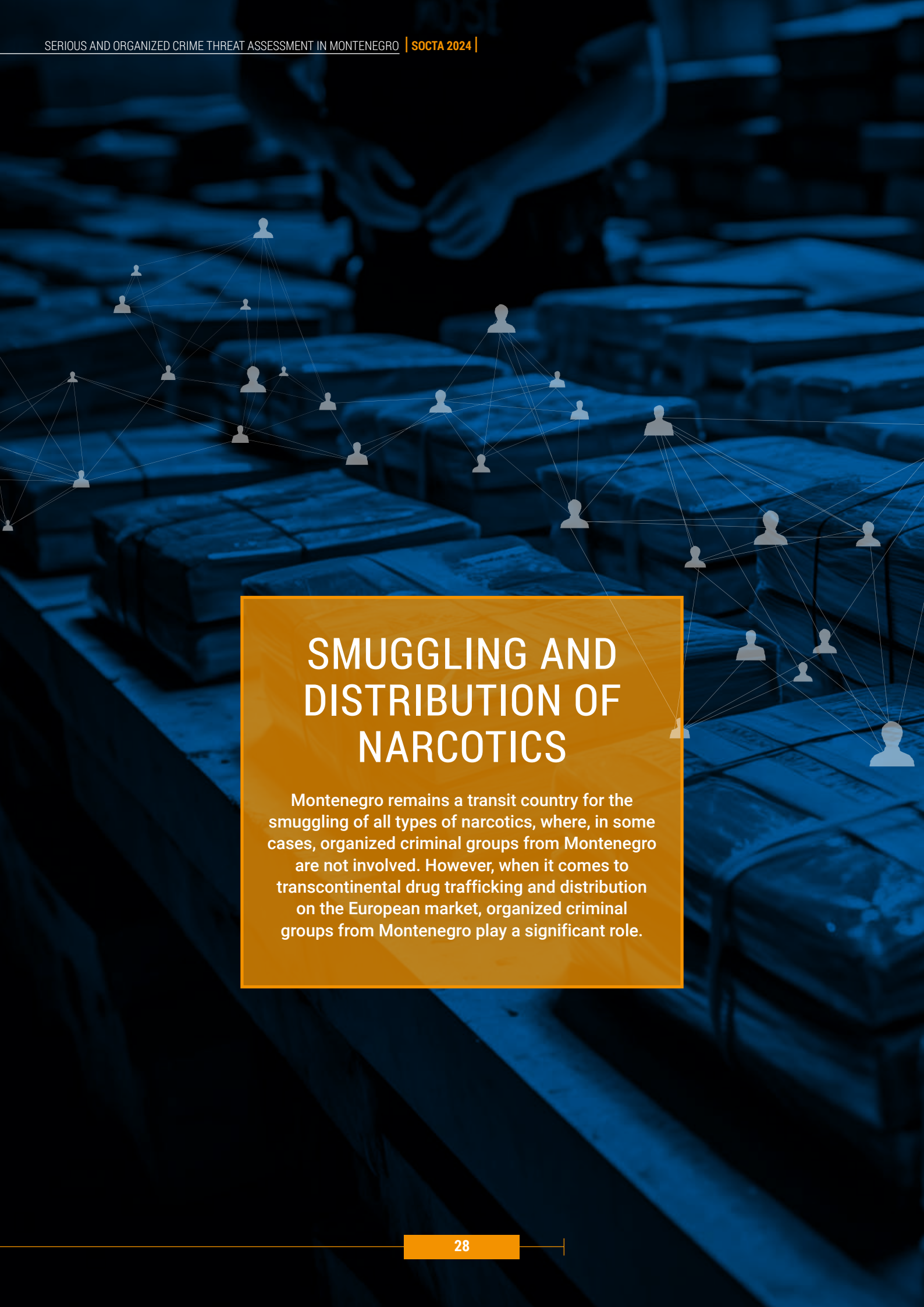
criminal activities and expands the territory of their influence.

Members of OCGs place the money obtained through criminal activities into legal channels by operating in various economic activities, primarily in area of tourism and construction, investing in purchase of real estate of great material value, expensive items, and the like. In addition, in implementation of activities related to money laundering obtained by criminal activities, in the reporting period it was registered that members of OCGs invest funds in purchase of crypto-currencies.

In order to adapt to changes in legislation and more successfully oppose law enforcement authorities, OCGs hire the best experts in the fields of law, finance, security, technology, and other areas.

One of characteristics of OCSs members is use of original biometric documents of the countries in the region, obtained in a fraudulent manner. Namely, members of OCGs, along with corrupt activities aimed at lower-ranking officials of the public administration of the countries in the region, receive personal data (of deceased persons or internally displaced persons), which they use when submitting falsified documents for issuance of biometric documents.

In order to adapt to changes in legislation and more successfully oppose law enforcement authorities, OCGs hire the best experts in the fields of law, finance, security, technology, and other areas.



SMUGGLING AND DISTRIBUTION OF NARCOTICS

Montenegro remains a transit country for the smuggling of all types of narcotics, where, in some cases, organized criminal groups from Montenegro are not involved. However, when it comes to transcontinental drug trafficking and distribution on the European market, organized criminal groups from Montenegro play a significant role.

The Global Nature of the Problem

Smuggling and distribution of narcotics continue to represent a high-level security threat, registered as a dominant criminal activity in the territory of the EU MS, which is carried out by OCGs, with the present trend of increasing the supply of narcotics on the market.

The security environment caused by the war in Ukraine has certainly caused disruptions in functioning of land and sea smuggling routes, which in the coming period could affect intensification of smuggling activities via alternative routes, increasing the risk of smuggling by sea routes in Europe, primarily through ports in the Mediterranean and North Seas (Baltic Sea), with the possibility of Europe becoming the main distribution hub for supply of drugs from the Asian and Middle Eastern markets.

Long-term disruptions in production and distribution have potential to shift activities of criminal networks far from war-torn areas. Additionally, there is a possibility that the production of synthetic drugs in Eastern Europe will experience a new development.[1]

In 2022, 41 new psychoactive substances – chemicals that were not previously registered on the market – were reported in the EU, which is the total number of psychoactive substances monitored by the European Centre for Monitoring Drugs and Drug Addiction (EMCDDA) rose to 930.

The Situation in the Region

Smuggling activities via the Balkan route are still carried out in two directions – land and sea, through which cocaine is smuggled to Southeast Europe from Latin America and heroin via Türkiye and the Middle East via the main commercial ports.

OCGs in the countries of the Balkan region resort to use of seaports, where criminal groups from Bosnia and Herzegovina most often use the ports of Ploče and Rijeka, OCGs in Kosovo can use the port of Durres, OCGs from North Macedonia and Bulgaria are connected to Thessaloniki and from Serbia to the port of Kopar.

The Situation in Montenegro

Smuggling and distribution of narcotics continues to be the primary activity of OCGs. In transcontinental activities, the significant participation of criminal structures from Montenegro is still evident, followed by a high degree of adaptability to the needs of the market using new methods and adaptation to changes in legislation and technical-technological achievements.

Montenegro has retained the role of a transit country for the smuggling of all kinds of narcotics, which is carried out both by OCGs from Montenegro and by OCGs from the region, primarily Albania. OCGs from Montenegro still have a significant

1 FRONTEX Risk Analysis for 2023/2024

participation in smuggling on a transcontinental level and distribution of narcotics on the European market. Smuggling of large quantities of narcotics has a pronounced high degree of organization, which implies involvement in all stages of smuggling – procurement, organization of transport, which is mainly done by sea to ports in Europe, where acceptance and organization of further distribution is carried out, with the use of cargo motor vehicles. Small quantities of all kinds of narcotics are generally smuggled in passenger motor vehicles in factory or places altered on purpose (seats, trunks, spare wheel, etc.).

During 2022 and 2023, seizures of narcotics in the territory of Montenegro were registered in the majority of cases at official border crossings, while a smaller number of seizures related to the green and blue borders.

STATISTICAL DATA ON THE AMOUNT OF SEIZED DRUGS IN MONTENEGRO

2021	2022	2023	2024 (I kvartal)
4 714 606,14	2 336 017,62	966 299,41	453 575
7347 marijuana stems 6643 pieces of tablets	759 marijuana stems 3619,8 pieces of tablets	118 marijuana stems 10729 pieces of tablets	2006,5 tablets of synthetic drugs and pharmaceutical products

● Total amount expressed in grams

STATISTICAL DATA ON THE AMOUNT OF SEIZED DRUGS IN MONTENEGRO

Year	Cocaine	Heroin	Marijuana	Synthetic drugs
2021	1 244 180,61	2059,05	3 465 094,03	3059,45 6643 pieces of tablets
2022	500 557,55	3017,48	1 803 892,9	2685,29 3619,8 pieces of tablets
2023	25 123,74	1554,05	932 719,31	5411,53 10729 pieces of tablets
2024 (I quarter)	846	6504	446 162	37 2006,5 tablets of synthetic drugs and pharmaceutical products

● Total amount expressed in grams

COCAINE

The Global Nature of the Problem

Cocaine smuggling continues to represent a global threat, dominantly linked to the operations and activities of OCGs. There is an evident increase in the supply and demand for cocaine in the world, which in the coming period will lead to the development of new markets outside of traditional frameworks. At the global level, South America is still the dominant primary market for the supply of cocaine, primarily Colombia and Ecuador, followed by Brazil, Mexico, Venezuela, Argentina, Uruguay, and Peru. Chile still plays a significant role in the world drug trade, primarily due to the large shipments of cocaine that are smuggled from Chilean ports to the United States, in which a significant share is achieved by Montenegrin criminal groups.

According to the report of the European Centre for Monitoring Drugs and Drug Addiction (EMCDDA), the EU MS in 2022 reported 84,000 seizures of cocaine, which amounted to 323 tons (compared to 303 tons in 2021) and represents a record amount for the sixth year in a row. Leading positions in the seizure of cocaine are Belgium with 111 tons, the Netherlands with 51.5 tons and Spain with 58.3 tons, which makes up 68% of the total seized amount.

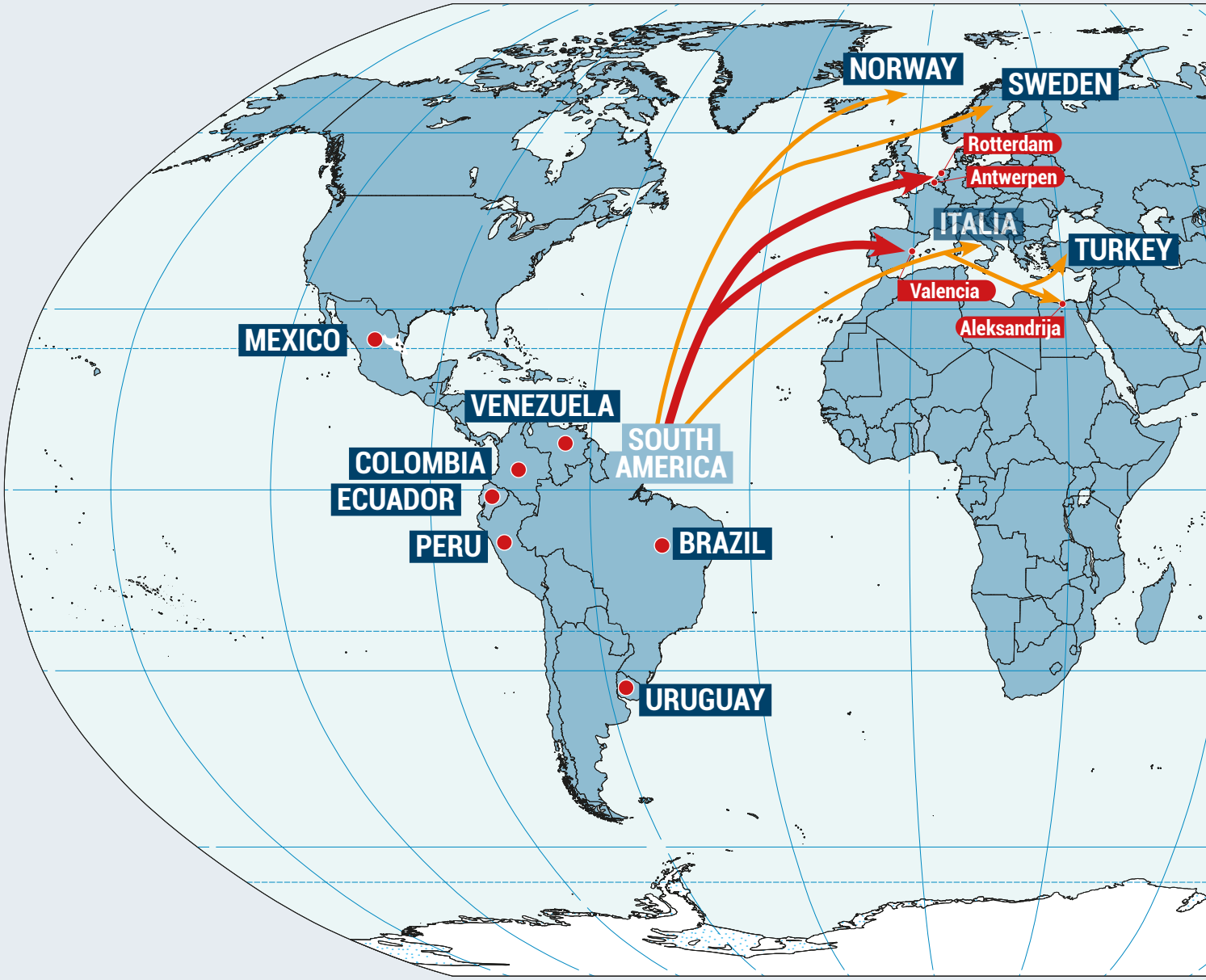
It is estimated that 40% of the cocaine smuggled from Latin America into Europe enters through the port of Antwerp, which continues to be the main hub for the entry of smuggled cocaine into Europe, followed by the ports of Rotterdam and Valencia. During 2023, the seizure of cocaine in the port of Antwerp amounted to 116 tons, which represents a significant increase compared to 2022, when 110 tons were seized. In addition, during 2023, Spain registered the largest seizure of cocaine in one shipment, about 9.5 tons, which was hidden in a shipment of bananas from Ecuador.

In the reporting period, other European countries were registered as alternative points for the entry of cocaine into Europe, including Norway (800 kg of cocaine seized in March 2023), Sweden (460 kg of cocaine seized in June 2023), Russia (April 2023 699 kg of cocaine were seized).

Recent cocaine seizures also point to Türkiye's growing role in the global cocaine trade, with Türkiye likely to become one of the main global transit hubs for cocaine from South America, as well as South-Eastern Italy, which is increasingly registering as a hub for cocaine distribution from South America.

Cocaine is the second most commonly used illicit drug in Europe after marijuana, although prevalence levels and patterns of use vary considerably between countries.

The average purity of cocaine at the



retail level in the same period ranged from 52% to 83%, which indicates that the purity of cocaine was in a growing trend and in 2022; it reached a level 45% higher than in 2012. In 2022, the EU MS reported that they discovered 39 locations associated with the production of cocaine, which shows a significant increase compared to 2021, when 34 locations were discovered. The fact that in 2023 it was reported that a cocaine-processing laboratory discovered in Spain had an estimated daily production capacity of 200 kilograms is also indicative. In addition, large seizures of unusual cocaine-containing substances, which must

Smuggling Routes on a Global Scale



Main route
Alternate route

be chemically extracted, have been reported, suggesting that secondary extraction of cocaine is taking place in significant quantities in Europe.

The increase in the price of cocaine (16-25%) at the end of 2022 and the beginning of 2023 was significantly influenced by the closure of the Port of Odessa and the container terminal, which represented the primary entry point for cocaine in Southeast Europe in direct supply from Latin America, which offset by the intensification of cocaine flows at other main entry points near Ukraine, and caused the markets in this region to become even more profitable.



11 tons of cocaine seized in Canillas, Spain

Wholesale and retail prices have remained relatively stable over the past two years. They ranged between € 30,000 and 45,000 per kilogram and € 75-100 per gram in high purity levels (up to 60%).

Criminal groups continue to use large ocean liners and luxury cruise ships to smuggle cocaine. Cases of confiscation indicate that MSC is still often abused. There is also a trend of more intensive use of smaller vessels – sailboats, yachts, as well as sporadic cases of the use of smaller jet aircraft.

It is registered that "Balkan" criminal groups also use new routes for cocaine smuggling. Despite the fact that most of this type of narcotics still enters Europe through ports in Spain and the Netherlands, during the reporting period, criminal organizations intensified the use of the "eastern" route, where cocaine is smuggled by transoceanic ships to the countries of Southeast and Eastern Europe, from where enters the European market. In addition, several attempts to smuggle cocaine through the Port of Bar were registered. In the reporting period, the organization of cocaine smuggling through ports in Africa was registered more and more frequently, where the port of Alexandria in Egypt, as well as ports in Libya, stand out. Ports in Africa are primarily transit areas through which cocaine is smuggled from South America to countries in Europe, Asia, and Australia.

The reporting period was also marked by record seizures of cocaine in Europe. In a total of six seizures (Spain – Canary Islands, Vigo and the port of Algeciras, the southern coast of Sicily, the Netherlands and Greece – Thessaloniki), more than 26 tons of the narcotic drug cocaine were seized, the smuggling of which can be linked to members of the Balkan cartel, among them and citizens of Montenegro.

The modus operandi of hiding cocaine in containers (hide and seek), breaking and reclosing containers (rip on/rip off), throwing shipments into the sea and taking them over water (drop off/drop on), as well as attaching and welding shipments to the bottom of the ship.

In the reporting period, there was also a greater presence of OCGS from Albania, Montenegro, Croatia, and Russia in Ecuador and South America and participation in the organization of cocaine smuggling from South America to Europe.

The trend of the use of violence by a large number of OCGs in an exclusively offensive sense continued, which was caused by the need to occupy a key, i.e. controlling, position on the criminal market.

The Situation in the Region

Even during the reporting period, cocaine smuggling was the dominant criminal activity of OCGs from Montenegro and the region. This is confirmed by the record seizures of cocaine around the world, which was smuggled in the organization of the Balkan OCGs.

Cocaine still enters the Balkans through ports on the Mediterranean, where the entry points are ports in Albania (Durres), Montenegro (Bar), Slovenia (Kopar) and Croatia (Ploče), from where further smuggling is carried out via land smuggling routes, most often cargo motor vehicles that are used to transport different types of goods - most often food products, fruits and vegetables.

During the reporting period, cases of cocaine production were registered in laboratories in the central part of Albania.

It has been registered that the countries of origin of the cocaine smuggled in the organization of the Balkan OCG are Brazil, Colombia, Peru, Argentina, Uruguay, and Venezuela. Ports in Albania, Montenegro, Hong Kong, Africa, and Romania were used as transit areas, and the countries of final destination of smuggled cocaine are Spain, Italy, the Netherlands, United Kingdom, Germany, Sweden, Greece, and Austria.

Cocaine shipments via the maritime Balkan route in most cases arrive in containers with fresh fruit, especially bananas transported from Ecuador.

From Albania, a larger amount of cocaine goes to Kosovo, then via Peja it is distributed to Serbia and the countries of Western Europe, i.e. via Peja to North Macedonia and further to Bulgaria. In addition to the above,

the route that goes through Preševo, which is located near the border of Serbia with Kosovo and North Macedonia, is also used. Cocaine also comes to Serbia from Montenegro, and the smuggling route leads from Bar, through Podgorica and Rožaje to Novi Pazar and central Serbia.

In Bosnia and Herzegovina there is cocaine smuggled from the Netherlands, Spain and Switzerland and is intended for the local market or for further distribution.

Passenger cars, buses, and trucks are still used to transport cocaine in the region. When cocaine is delivered from the countries of the final destination to the countries of the region, high-class passenger motor vehicles are primarily used for the purpose of transport, narcotics are stored in bunkers that are closed with an electromagnetic lock, the packages are neatly wrapped in several protective foils, soaked in unknown chemical agents in order to avoid detection by specialist equipment.

In order to take positions on the criminal market that will enable them to control various markets, criminal structures from the Western Balkans have established their collaborative networks in locations that were not considered "traditional strongholds", such as Africa, Asia and Australia.

The previously registered trend has continued, which implies joint participation of criminal structures from the Western Balkans countries (by forming criminal groups numbering from 10 to 20 members), in cocaine smuggling activities, where the internal structure of these organizations consists of persons from Montenegro, Serbia, Croatia, Slovenia, Albania, and Bosnia and Herzegovina.

Criminal groups from Croatia, Slovenia, and Bosnia and Herzegovina acted as branches of Serbian and Montenegrin OCGs. Croatian OCGs, in addition to smuggling activities, were in charge of procuring original travel documents with stolen identities, which were used by

AVERAGE RETAIL PRICES OF COCAINE PER GRAM, EXPRESSED IN €, IN THE STATES OF THE REGION FOR THE PERIOD 2021-2022 *

Albania	Kosovo	Serbia	Montenegro	Bosnia and Herzegovina	North Macedonia	Bulgaria	Romania
90	90	90	80	85	80	110	85

* Drug markets in the Western Balkans, GI-TOC (2023)



COCAINE | Smuggling Routes through the Territory of the Western Balkans

members of OCGs from Serbia and Montenegro. Criminal groups from Bosnia and Herzegovina, in addition to smuggling activities, were in charge of committing serious crimes (murders) on behalf of the OCGS from Serbia and Montenegro. Slovenian criminal groups and individuals are involved in smuggling operations in EU countries (smuggling by road routes) and in providing logistics to members of groups from Serbia

and Montenegro who often stayed in their territory, from where they organized criminal activities.

It is quite certain that OCGs from the Balkans, which have reached a high level in terms of organization and finances, will be strengthened more intensively and faster. Their global positioning was contributed by established relations with the world's largest drug cartels and criminal organizations. Financial power, hierarchical organization, a large number of independent cells, parallel smuggling operations and other things make OCGs from the Balkans resistant to losses (arrests, seizures).

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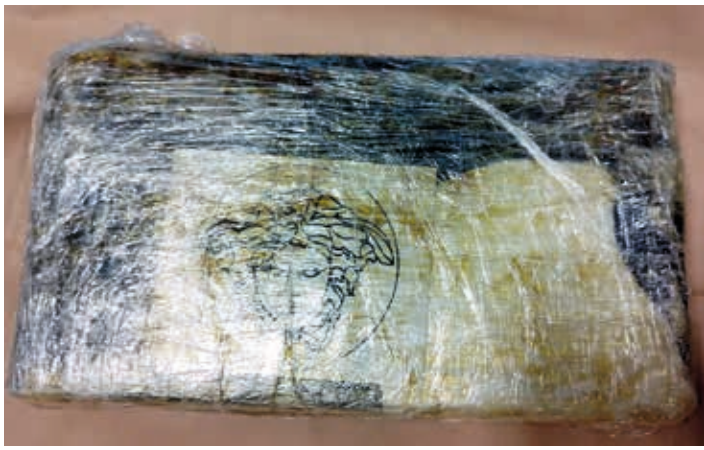
Poor economic situation in the Balkan countries, reduced opportunities to find work, low living standards, influence the younger population to more easily accept criminal activities as a source of quick and easy earnings, while OCGs have the ability to more easily recruit people for activities of smuggling and distribution of narcotics.

The Situation in Montenegro

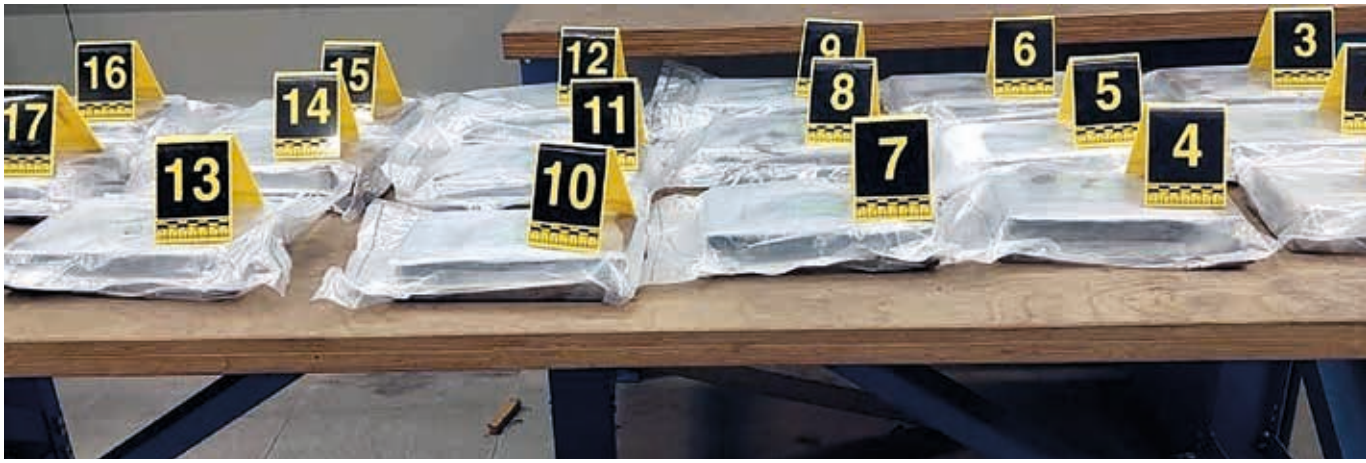
Montenegro remained a hot spot for cocaine smuggling. Relatively small quantities are kept in the area that meet the needs of the currently growing market, while strengthening the network of distributors at the local level. Globally registered greater supply and demand for cocaine in the coming period may result in a change in smuggling routes, which may result in Montenegro being used to a greater extent as a transit area or, otherwise, being bypassed.

OCGs from Montenegro still dominantly carry out cocaine smuggling activities on a transnational level, as part of wider criminal networks composed of structures originating from the Western Balkans countries, they control all stages of the smuggling process, starting with the procurement and loading





2 kilograms of high purity cocaine seized in Podgorica



18 kilograms of cocaine seized in Nikšić

of cocaine in the countries of South America, through transport and delivery organizations in the countries of Europe, and the networks of distributors that were established during the earlier years, were significantly developed in the countries of Western Europe.

Also, it is evident that in the organization of cocaine smuggling, members of OCGs from Montenegro offer themselves as a "service" in implementation of smuggling activities by finding and recruiting sailors who will smuggle cocaine while sailing on ships, persons who will accept cocaine shipments in Europe, Africa, Australia and Asia, but also providing logistics in the procurement of technical equipment through which the cocaine shipment is tracked from the initial destination to the place of agreed unloading and means of communication – encrypted telephone devices and applications for encrypted communication.

Regarding the citizenship of persons participating in criminal activities, the close connection, and close cooperation of the Montenegrin OCGs with almost all criminal structures of the states of the region is noticeable.

The size of these groups depends on the complexity of the preparatory activities during the realization

NARCOTIC DRUG COCAINE SEIZED IN MONTENEGRO PER YEAR

2021	2022	2023	2024 (I quarter)
1 244 180,61	500 557,55	25 123,74	846

• Total amount expressed in grams

of the criminal plan (whether persons are recruited as sailors on transoceanic ships to carry out smuggling activities, or whether OCGs members are preparing for the independent procurement of vessels and crew with all the necessary logistics for smuggling cocaine from South America to Europe).

In relation to the mode of carrying out smuggling activities, as well as the spread of influence when carrying out this criminal activity, there is a search for a new mode, new routes, locations, but in general, established routes that have been checked are used.

In the reporting period, newly discovered OCGs involved in transnational cocaine smuggling, as well as criminal groups that were formed in the short term in order to implement ad hoc activities at the regional level, were registered. Identified OCGs that were discovered in the reporting period have clearly defined roles, from the organizers of criminal activities to the immediate perpetrators (who are hired directly by the organizer himself or through third parties for the execution of a specific criminal activity).

In addition, when it comes to the seizure of large quantities of cocaine smuggled at the transnational level, a significant participation of Montenegrin citizens, who are deprived of their liberty during the implementation of international activities, is still registered.

When it comes to the seizure of cocaine in 2021 in Montenegro, an increase of almost 100% (99.9% to be exact) is recorded compared to the previous year, while in 2022 there is a decrease in the amount of cocaine seized by about 59% in compared to 2021. The trend of decreasing the amount of cocaine seized continued in 2023, when 95% less cocaine seizures were registered than in the previous year, 2022. The obvious drop in cocaine seizures compared to 2021, when two large shipments were seized, potentially indicates that Montenegro may be used less and less as a transit area for large shipments of cocaine in the coming period.

However, it must be noted that in the reporting period, larger seizures were made outside the territory of Montenegro as part of investigations conducted in cooperation with foreign partner services (Albania, Spain), which resulted in seizure of around 500 kg of cocaine.

In the reporting period, there were no major fluctuations in the price of selling the intoxicating drug cocaine at the street level, which ranged from € 50 to 100 per gram, depending on the degree of purity.

The percentage of purity of seized cocaine in 2022 was 68.74% (no change compared to 2021), while in 2023 a smaller decrease was registered, so the percentage of purity of seized cocaine was 64.73%.

When it comes to the local market, the period of the summer tourist season, when a large number of tourists stay in Montenegro, greatly

affects the increase in demand for cocaine. The construction of tourist settlements where more financially powerful tourists stay is particularly important for increase in demand for this type of narcotic.

With regard to corrupt criminal acts related to the activities of organized criminal groups, including in the activities of narcotics smuggling, the police-prosecutor activities undertaken in the reporting period confirmed that the targets of corruption were employed in the intelligence and security sector, the prosecution and the judiciary, and that they were employed in intelligence and security sector had a very important role in the transcontinental organization and smuggling of narcotics and money laundering.

The activities of smuggling and distribution of narcotics are still closely connected with other criminal activities, primarily with money laundering, exclusively in the domain of placing "dirty money" into legal flows and money laundering in order to further increase the available monetary funds.

HEROIN

The Global Nature of the Problem

After 2021, a marginal decline in heroin trade was registered, and the cause can be linked to the growth of other drug markets, especially cocaine and synthetic drugs.

According to the report of the European Centre for Monitoring Drugs and Drug Addiction (EMCDDA), the amount of heroin seized in the EU MS in 2022 was reduced by 16% compared to 2021. The biggest drop in seized heroin in 2022 compared to 2021 was registered in Türkiye, by 64% and in Bulgaria by 71%. The average purity of brown heroin at the retail level during 2022 ranged from 5.4% to 41.7%. Indexed trends indicate that the average purity of brown heroin increased by 44% between 2012 and 2022, while its price decreased by 24%.

After the drop in heroin smuggling caused by the pandemic, there was a trend of increasing smuggling through Iran and Türkiye towards Southeast Europe, most likely through Afghan refugees. Despite the promises of the Taliban government in Afghanistan to suppress drug smuggling, the drug trafficking chain in that country remained developed in 2022 [2]. Heroin made from Afghan opium accounts for 95% of the European market for this drug.

Afghanistan's connections with regional and global drug markets, as well as the well-functioning logistics network for drug distribution on the European continent, enable development of drug trafficking

2 FRONTEX Risk Analysis for 2023/2024

activities via maritime routes from India and Pakistan to the EU countries.

Almost all countries of Central Asia and the Caucasus are transit points in the transnational heroin market, given their geographical distance from Afghanistan as the largest global producer of this type of narcotic drug.[3]

Heroin smuggling in Europe is mostly done by land, through the countries on the Balkan route and the Western Balkans region, which is crucial in implementation of this activity.

When it comes to the Balkan route, smuggling is mainly done through the northern and southern branches. Smuggling of large quantities of heroin mostly bypasses Montenegro, because international criminal groups choose the route that leads from Türkiye to Kosovo and Albania, from where they smuggle heroin to Italy via seaports. A part of heroin is smuggled from the territory of Kosovo, through Montenegro in the direction of Bosnia and Herzegovina and further towards the countries of Western Europe. A smaller part of heroin is smuggled through the territory of Montenegro (Ulcinj) in the direction of Croatia and further towards the Western Europe countries.

While the Balkan route remains a key corridor for heroin trafficking into the EU, seizures along it are reported to be decreasing, due to perceived or actual tighter border controls along the land stretch through Türkiye and Bulgaria. On the other hand, it has been registered that heroin trade on the southern route to the EU is increasing. This can be seen in the large quantities of heroin leaving ports in Iran and Pakistan, as well as significant seizures in European ports.

According to the analysis of the European Centre for Monitoring Drugs and Drug Addiction and Europol, the retail heroin market in the EU is estimated at least 5.2 billion euros per year. The amount of heroin seized by the EU MS has more than doubled in the past two years. Almost 10 tonnes of heroin were seized, the largest amount in 20 years – with large individual shipments discovered in seaports.

The Situation in the Region

Heroin, which is present on the market in all countries of the Western Balkans, mainly comes from Afghanistan and Türkiye, via Bulgaria and Romania, entering North Macedonia, Albania, Kosovo and Serbia as part of the Balkan route. Part of the smuggled heroin, intended for the local market, remains within the Western Balkans countries.

One of the routes goes from our neighbouring Albania (locations Shkodër, Kruje, Leše, Durrës and Tropoja) through the central and southern part of Montenegro (the entry points are the border crossings Božaj and Sukobin), through Herceg Novi and the border crossing Debeli Brijeg towards Croatia and beyond towards European countries, primarily in the direction of Switzerland and

3 Global Initiative Against Transnational Organized Crime



HEROIN | Heroin Smuggling Routes through the Western Balkans

Germany. The second path goes from the port of Durrës to Italy.

The second route represents a part of the traditional Balkan route by which heroin is smuggled from Afghanistan through Türkiye to Kosovo, from where it is smuggled from the area around Peć and further across the border of Montenegro to Rožaje. Part of the heroin smuggled into Montenegro remains on our territory and is intended for the domestic market, while the remaining, usually larger part of the smuggled quantity is prepared for further smuggling to Serbia and Bosnia and Herzegovina and further to other European countries. In the part related to smuggling to Serbia, the available data indicate that it is not an intensive smuggling, but cases of smuggling have been registered

AVERAGE RETAIL PRICES OF HEROIN PER GRAM, EXPRESSED IN € IN THE STATES OF THE REGION FOR THE PERIOD 2021-2022 *

Albania	Kosovo	Serbia	Montenegro	Bosnia and Herzegovina	North Macedonia	Bulgaria	Romania
20	22.5	25	20	25	18	20	15

* Drug markets in the Western Balkans, GI-TOC (2023)

in both directions (Montenegro-Serbia and Serbia-Montenegro).

In Serbia, Niš continues to be a key trade hub, while in Montenegro, Rožaje has been identified as a key centre for storage and distribution of heroin.

The registered cases of seizure indicate the flow of significant amounts of heroin through the ports of Kopar and Varna.

In the reporting period, the close cooperation of OCGs from all countries of the region continued, which is certainly contributed to by the closeness of language, kinship and friendship between members of groups on both sides of the borders of Albania and Montenegro, Serbia and Montenegro, Kosovo and Montenegro, which also affects their stronger connection.

The flexibility of members of criminal groups in terms of finding new modes for the realization of heroin smuggling is still expressed. Use of the latest communication technologies plays a special role.

For smuggling groups, heroin smuggling still remains profitable, due to the fact that during the transport process they carry out processing, repackaging and storage, which is also confirmed by the fact that the price of a kilogram of heroin in the countries of the Western Balkans is twice as high as in Türkiye, and that it doubles when sold in the EU.

Smugglers for smuggling heroin often use transport companies that deal with road transport of cargo as a cover, and usually up to several tens of kilograms of heroin are transported. As legal business structures that are used for heroin smuggling, entities from the field of trade (import of textiles and food) are singled out.

The Situation in Montenegro

When it comes to OCGs from Montenegro, heroin smuggling is not the dominant criminal activity. During the reporting period, this criminal activity was also characteristic

of OCGs that gravitate to the north of Montenegro, especially due to its proximity to the part of the Balkan route that passes through Kosovo and Albania.

In the last period of time, more active participation and involvement in the subject activities of criminal groups from the central part of Montenegro, primarily criminal groups from Podgorica, have been registered, which have established direct contacts with criminal groups in Türkiye, from where heroin is smuggled directly to Podgorica.

It has also been registered that criminal groups from Tuzi, which collaborate with Albanian criminal groups in the smuggling of marijuana and excise goods, are also active in the smuggling of heroin. It is also registered that Albanian criminal groups often smuggle heroin through the territory of Montenegro without involvement participation of Montenegrin citizens.

Criminal groups originating from Montenegro that operate in the EU countries are still active in the distribution of heroin through local dealer networks, and the participation of individuals, Montenegrin citizens, in the local distribution of heroin in the EU countries has also been registered, which is confirmed by the data that indicate all a greater number of citizens of Montenegro deprived of their liberty. OCGs and criminal groups from Montenegro are still largely dependent on collaborators in Türkiye, primarily due to the ethnic composition of the groups, which significantly influenced the establishment of stronger cooperation with smuggling groups from Türkiye.

The mode of smuggling through the territory of Montenegro has still remained unchanged. Heroin is smuggled by land, most often through official border crossings, in quantities of 15 to 20 kg, using buses, passenger, and cargo motor vehicles, hidden in specially made bunkers. The cover for smuggling is the use of means of transport by companies engaged in import/export and transport of various types of goods.

Part of the heroin remains in Montenegro for the needs of the

NARCOTIC DRUG HEROIN SEIZED IN MONTENEGRO PER YEAR

2021	2022	2023	2024 (I quarter)
2059,05	3017,48	1554,05	6504

● Total amount expressed in grams



2.3 kilograms of heroin seized at the Debeli Brijeg border crossing

domestic market, and the criminal groups from Rožaje still maintain the position of the main suppliers of heroin for the criminal groups from Berane, Nikšić, Podgorica and Bar, which carry out local distribution.

During the reporting period, criminal groups from the northern part of Montenegro, which were specialized in heroin smuggling and had collaborative networks in the countries of Western Europe (Germany, France, Belgium, Switzerland, etc.), established cooperation with the more important Montenegrin OCGs, which deal with smuggling and distribution of cocaine, and it is registered that they have become part of criminal networks through which smuggling and distribution of cocaine and marijuana is carried out.

The Montenegrin diaspora in Germany, France, Denmark and other European countries is used by Montenegrin criminal groups for the reception of narcotics in these countries and their further resale and distribution.

When it comes to the seizure of heroin, an increase was registered in 2022 compared to 2021 in the territory of Montenegro, while a decrease in seizures was registered in 2023.

The prices of heroin, regardless of whether it is heroin intended for further smuggling or local distribution, remained approximately the same. The price of a kilogram of heroin in Montenegro ranges from € 15,000 to 20,000, while the price of heroin distributed locally to end users ranges from € 10 to 30 per gram, excluding the summer tourist season when there is a small price increase, due to higher demand.

What must be especially emphasized is the purity percentage of heroin intended for street distribution. Analysis of seized heroin indicate

that the percentage of purity in the reporting period (2022 and 2023) is about 7%, which is a decrease of 3.2% compared to 2021. It is characteristic that the percentage of cleanliness in the northern region of Montenegro was significantly higher and amounted to about 45%. Conducted expert reports indicate that paracetamol and caffeine are most often used as diluents for mixing.

MARIJUANA

The Global Nature of the Problem

The collected data in the reporting period indicate that marijuana is the most illegal cultivated plant on a global level, and it should be emphasized that the quantities of seized marijuana on a global level dominate in relation to the seized quantities of other types of narcotics. The report of the European Centre for Monitoring Drugs and Drug Addiction indicates that in 2022, a 43% decrease in marijuana seizures was registered compared to 2021.

Marijuana remains by far the most commonly consumed illegal drug in Europe. Conducted research on the use of marijuana indicates that 8% of European adults (22.6 million, aged 15 to 64) have used marijuana in the last year.

The European market is also supplied with marijuana from countries that are not EU MS, primarily from the Western Balkans countries, and there are indications that North America is emerging as a source of marijuana for the EU market.

In June 2022, Spanish police broke up an organized crime network that was growing marijuana destined for several European markets, including Serbia.

In addition to Spain, but less frequently, Germany, France, Italy, and the Netherlands were reported as countries of origin or transit for seized marijuana in the EU during the reporting period.

The diversity of the marijuana market increased further in May 2022 when it was determined that the first semi-synthetic cannabinoid, hexahydrocannabinol (HHC), became available in Europe. During 2022, HHC was sold as a "legal" alternative to marijuana, in e-cigarettes and food products. In addition, various edible and "vaping" products have recently appeared on the European market, some of which contain THC (the main active ingredient in marijuana), produced in Europe, or smuggled from other regions.

Despite the cooperation that takes place between the networks, a large number of cases of violence between criminal groups reported to Europol in recent years have been linked to the illegal marijuana market.

A greater use of commercial marketing strategies for the advertising and sale of illicit consumer marijuana products has been registered in the EU.

The Situation in the Region

Marijuana cultivation in the Western Balkan region far exceeds the needs of the local market, with large quantities produced to supply markets in the Central and Western Europe.

In relation to the method of growing marijuana, changes were registered in the reporting period in the part that implies that significantly smaller quantities of marijuana are grown outdoors in Albania, while places for growing marijuana in large closed spaces were recorded in several countries in the region.

New marijuana plantations in the north of Albania have made it easier for Montenegrin and regional OCGs (Serbia, Bosnia and Herzegovina, and Croatia) to access producers of this type of narcotics.

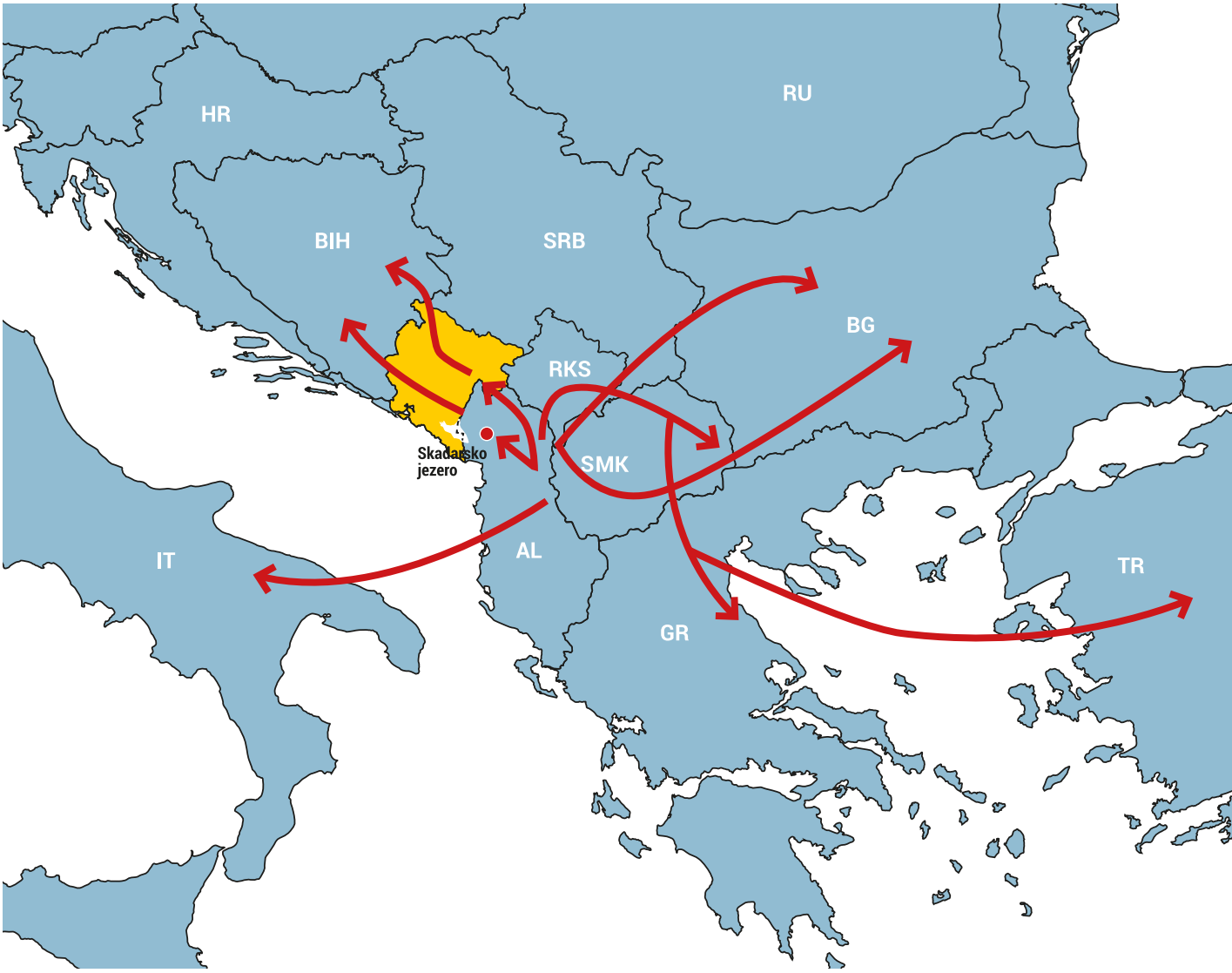
On the territory of Albania, marijuana is mainly grown in several regions, the most important of which are Kruja, Shkodër, and Valona. Although in the previous period the direction of smuggling of the narcotic drug marijuana was mainly from Albania, via Montenegro, to the countries of Western Europe, there are also opposite examples. The complexity of marijuana trade flows is emphasized by the fact that marijuana products are smuggled from EU countries to the Western Balkans. For example, there are indications that marijuana seedlings from EU countries are being transported to the Western Balkans for cultivation, as indicated by the seizure of 1,096 marijuana seedlings by the Croatian police at the border with Montenegro in January 2022, whose final destination was North Macedonia. There are also indications that some of the marijuana produced in the Western Balkans is smuggled into Türkiye, where it is exchanged for heroin.

In terms of marijuana smuggling, there were no significant changes from Albania compared to the

AVERAGE RETAIL PRICES OF MARIJUANA PER GRAM, EXPRESSED IN € IN THE STATES OF THE REGION FOR THE PERIOD 2021-2022 *

Albania	Kosovo	Serbia	Montenegro	Bosnia and Herzegovina	North Macedonia	Bulgaria	Romania
5	5.5	7.5	5.5	5.5	5	7	9.5

* Drug markets in the Western Balkans, GI-TOC (2023)



MARIJUANA | Marijuana Smuggling Routes through the Western Balkans

previous period, and smuggling is carried out in several directions:

- towards Italy using sea routes;
- towards Bulgaria, through Serbia and North Macedonia;
- towards Kosovo, further through North Macedonia, towards Greece and Türkiye;
- towards Montenegro by using land smuggling routes or through the water area of Skadar Lake (highly active), and further to Bosnia and Herzegovina.

Marijuana produced in Serbia is smuggled:

- via Subotica to Hungary,
- via Pirot and the Gradina border crossing to Bulgaria;

- via Vatin and Stara Moravica border crossings to Romania.

Smuggling of marijuana from Albania through Montenegro and further towards Bosnia and Herzegovina, Croatia and the Western Europe countries is predominantly carried out in the organization of criminal groups from the territory of Albania, but criminal groups from Montenegro also play a significant role.

Marijuana is still the most commonly consumed drug in Bosnia and Herzegovina, Montenegro and Serbia, although the quality of this and other types of drugs is low.

The price of one kilogram of marijuana grown in the Western Balkans increases in value by € 200-300 for each state border crossed, while its retail price increases in a similar way. In January 2023, one gram of marijuana grown in the Western Balkans, which was smuggled into Romania from Serbia, was sold for between € 7 and 9, i.e. 30-40% more than the average price in Albania, which is confirmed by the average retail prices.

The Situation in Montenegro

In relation to the activities of marijuana smuggling, due to its geographical position, Montenegro is still on one of the frequent routes, primarily for smuggling to certain countries of the region – Serbia, Bosnia and Herzegovina, and Croatia, but also to the Western Europe countries, where the final destinations are Germany, Slovenia, Austria, and the Netherlands.

There is still a trend that compared to other types of narcotic drugs, through the territory of Montenegro, and percentage-wise, marijuana is smuggled in the largest volume.

- in the organization of Albanian criminal groups that package marijuana on the territory of Albania, and use Montenegro as a transit area, and

- marijuana is smuggled into Montenegro and beyond, organized by an OCG and local criminal groups.

Criminal groups from the Podgorica area, which operate in the border zone with Albania and control the smuggling of marijuana from Albania to Montenegro, are still dominant in the smuggling of marijuana. Criminal groups from Nikšić, but also from the south and north of Montenegro, who take over narcotics and smuggle them to countries in the region or Western Europe, cooperate closely with them. As in the previous period, cooperation is not characterized by a clearly and strictly conditional hierarchical structure, which indicates that it is about groups of individuals connected in the realization of a common goal, and one of the basic characteristics of the aforementioned groups is still the ability to recruit ad hoc new members, especially when it comes to members – persons, who are hired as couriers.





295 packages of the narcotic drug marijuana, weighing about 300 kg, were confiscated at the Vraćenovići border crossing

The trend of active participation of branches of certain high-risk OCGs from Montenegro in marijuana smuggling using the already established route Albania-Montenegro-Bosnia and Herzegovina-Croatia and further towards the Western Europe countries continued.

In carrying out activities, criminal groups are connected according to the territorial principle: procurement – OCGs from Albania, storage and transport to Montenegro – criminal groups from Tuzi and Ulcinj, transport – criminal groups from Podgorica and Nikšić, sale and transport – criminal groups from Bosnia and Herzegovina, Serbia, and Croatia.

Criminal groups from Montenegro that carry out marijuana smuggling activities often also carry out other criminal activities, including cocaine and heroin smuggling, arms trade, smuggling of excise goods and others.

No significant changes were registered in the smuggling of marijuana by land. Marijuana is mostly smuggled in smaller quantities of 10 to 50 kilograms by passenger vehicles, while larger quantities of marijuana, in quantities of 50, 100, and more kilograms, are smuggled by cargo vehicles. When it comes to smuggling on footpaths, the amount of smuggled marijuana ranged in quantities of up to 100 kilograms.

As for the territory of Montenegro, the main smuggling route goes from the direction of the border with Albania (Tuzi, Ulcinj), in the direction of Nikšić and Herceg Novi and further towards Bosnia and Herzegovina and Croatia, mainly through the official border crossings Debeli Brijeg, Šćepan Polje, Sitnica, Ilino Brdo, Vraćenovići.



Smuggling Marijuana Using a Drone

In addition to the main route, alternative routes are also used: towards the border with Bosnia and Herzegovina near Pljevlja (via the official border crossings Metaljka, Jabuka and Šula) and towards the border with Serbia in the vicinity of Bijelo Polje (via the official border crossings Dobrakovo and Čemerno).

As in the previous period, no significant changes were registered in the mode of smuggling that is carried out:

- across the green border area, along illegal roads, bypassing the official border crossings – marijuana is transported in specially prepared bags (knapsacks) on foot (mainly Albanian citizens) or cargo cattle are used for transport;
- across Skadar Lake – using speedboats or boats;
- cargo motor vehicles or passenger cars in specially made bunkers, and
- by sea, with the use of fast speedboats, with which Albanian smugglers transport marijuana to Ulcinj and Bar.

In addition, in the reporting period, a new mode of smuggling using an unmanned aerial vehicle was registered.

In the reporting period, no changes were registered in connection with the cultivation of the marijuana plant. The plantations discovered in Montenegro cannot be linked to the activities carried out by OCGS, as is the case in neighbouring Albania, but rather individual attempts to grow marijuana, where plantations range from a few dozen to a few hundred seedlings. In addition, no changes were registered in terms of the manner of growing marijuana. The plantations were discovered mostly in inaccessible places, far from residential buildings and it is mostly a question of "primitive marijuana cultivation with manual irrigation".

The trend registered in the previous period, which refers to involvement of







Marijuana plantations with 286 seedlings discovered in Kotor

high-risk OCGs from Montenegro in the production of marijuana abroad, continued in the reporting period in cooperation with OCGs from the region (Serbia), namely in the territory of Spain (where one OCG from Montenegro Gore and OCG from Serbia have developed a strong infrastructure for the production of marijuana) and Germany.

During 2022, there was a 48% decrease in the seized amount of marijuana compared to 2021, and the trend of decreasing the amount of seized marijuana continued in 2023, when 48% less marijuana seizures were registered than the previous year.

In relation to the local market, in the reporting period, no changes were registered in the retail price

NARCOTIC DRUG MARIJUANA SEIZED IN MONTENEGRO PER YEAR

2021	2022	2023	2024 (I quarter)
3 465 094,03	1 803 892,9	932 719,31	446 162

● Total amount expressed in grams

per gram, which ranged from € 5 to 10. The price of a kilogram of marijuana intended for street distribution in the reporting period did not change significantly, and ranged from € 800 to 1,500 per kilogram (it depended on the distance from the starting point of smuggling and was conditioned by transport costs).

The percentage of psychoactive substance THC in marijuana intended for the Montenegrin market ranged from 7.53% in 2022 to 8.56% in 2023.

The mode of distribution of marijuana at the local level implies the procurement of marijuana in quantities from 500 grams to one or more kilograms, repackaging in quantities of 100, 50 and 10 grams, which are further distributed through a network of intermediaries in smaller quantities intended for individual consumption.

In relation to the population of consumers, based on the available data, it can be concluded that marijuana, compared to other types of narcotic drugs, is represented in a percentage of about 70%, given that there were no significant changes in the percentage of marijuana consumers compared to the percentage of consumers other types of narcotic drugs.

SYNTHETIC DRUGS

The Global Nature of the Problem

The global production, trade, and use of methamphetamine are still largely concentrated in East and Southeast Asia and North America. However, the production of methamphetamine is no longer limited to established markets, as evidenced by the discovery of clandestine laboratories in Southwest and South Asia, as well as in Africa. There are increasingly present signs of significant production of methamphetamine in Afghanistan as well, and the spread of the trade through South Asia in the direction of Europe.

Synthetic drugs, primarily amphetamine-type drugs, are high on the list in terms of the number of users in Europe. One of the key features that determine the easy availability of this type of drugs is the fact that they are produced in Europe, primarily in the Netherlands, Belgium, and Poland.

The black market of drugs is developing, where new psychoactive substances (NPS) appear, the chemical structure of which has been changed so that they imitate the effects of controlled substances, i.e. substances whose use is illegal (heroin, cocaine, marijuana, fentanyl, LSD). As international control, registries, and legislation are not effective enough to follow the trends, NPS are consumed legally in many countries.



The Situation in the Region

For many years, the Western Balkans region has been known as transit area for the smuggling of narcotic drugs, which are represented to the greatest extent on criminal market.

Even in the reporting period, the Western Balkans was not recognized as a significant producer of synthetic drugs. A small number of locations for the production of amphetamines were registered, which were discovered and dismantled in North Macedonia and Bosnia and Herzegovina.

In March 2023, the police of North Macedonia discovered a laboratory for the production of synthetic drugs and seized seven kilograms of amphetamine. According to official sources, the confiscated amphetamine was intended for the local market, at a retail price of € 30 per gram.

In Albania, Kosovo, and Montenegro, retail prices remained stable in the reporting period and ranged from € 17 to 20 for an amphetamine tablet and from € 10 to 15 for an MDMA tablet. The growing trend of MDMA use during the summer tourist season is still current. In Albania, there is a noticeable increase in the detection of LSD during the tourist season.

Powdered methamphetamine (known as speed) is the most common amphetamine-type drug available in the Western Balkans, the retail price of which remains stable and ranges between € 10 and 20 per gram, depending on the level of purity.

AVERAGE RETAIL PRICES OF AMPHETAMINES PER GRAM, EXPRESSED IN €, IN THE STATES OF THE REGION FOR THE PERIOD 2021-2022*

Albania	Kosovo	Serbia	Montenegro	Bosnia and Herzegovina	North Macedonia	Bulgaria	Romania
13	11	10	13	17.5	12	15	25

* Drug markets in the Western Balkans, GI-TOC (2023)

AVERAGE RETAIL PRICES OF METHAMPHETAMINE PER GRAM, EXPRESSED IN €, IN THE STATES OF THE REGION FOR THE PERIOD 2021-2022*

Albania	Kosovo	Serbia	Montenegro	Bosnia and Herzegovina	North Macedonia	Bulgaria	Romania
50	50	45	50	/	40	60	40

* Drug markets in the Western Balkans, GI-TOC (2023)

The Situation in Montenegro

Even in the reporting period, Montenegro was not registered as a transit country for the smuggling of synthetic drugs, nor as a country producing synthetic drugs. The activities of distribution of synthetic drugs are still predominantly related to the individual, so there were no cases in which members of OCGs were registered as smugglers or distributors of this type of narcotic drugs.

The available data indicate that various types of synthetic drugs, primarily ecstasy, amphetamine and methamphetamine are delivered to Montenegro from our neighbouring countries – Serbia and Bosnia and Herzegovina, and partly from North Macedonia, where cases of production in illegal laboratories were also registered in the reporting period.

It is usual that the demand for this type of narcotic drugs is equal to the supply, and there is a registered trend of increasing consumption of synthetic drugs during the summer tourist season, when various types of events are organized on the Montenegrin coast.

In the part related to market trends, it can be concluded that prices of synthetic drugs, when it comes to street distribution, have not changed even in the reporting period, so that ecstasy is sold at a price of € 5 to 10 per tablet, methamphetamine at price of € 20 per tablet, while the price of one gram of amphetamine ranged from € 5 to 40 during 2022, and during 2023, from € 10 to 20.

The concentration of amphetamine in Montenegro intended for retail sale in the reporting period ranged from 7.77% (2022) to 6.38% (2023), while the average concentration of MDMA in the same period was slightly more than 24%.

In Montenegro, in the course of 2023, the seizure of 6,361 tablets of MDMA, triangular in shape, blue in colour with the "dead man's head" logo on one side and a dividing line on the other side and a small HL logo, was characteristic. Different shapes of triangle, rectangle, as well as logo and inscriptions, "dead man's head", "tesla", "amnesia", "red bull" were noticed on the tablets, as well as different colours (green, blue, pink, yellow, grey). The logo with the "dead man's head" appeared most often on the green tablets, while the "tesla" logo was present on the yellow tablets.

.In the reporting period, a new phenomenon was registered in Montenegro – the use of fentanyl, a painkiller, which, when taken inappropriately, causes serious consequences and can be up to 50 times more deadly than heroin. However, this substance is not detected in the tests, because the registers in Montenegro do not yet officially recognize it. The data show that in Podgorica and Bar alone, in the last few months of 2023, about 15 people died of overdose, but there are no official data about it.

In addition, in 2022, the NPS substance 4 – CMC (4-chloromethacathinone), which was first registered in Sweden in 2017, was identified, while in 2023, the NPS substance – HHC (hexahydrocannabinol) was identified.

CONFISCATED SYNTHETIC DRUGS IN MONTENEGRO PER YEAR

2021	2022	2023	2024 (I quarter)
3059,45 6643 pieces of tablets	2685,29 3619,8 pieces of tablets	5411,53 10729 pieces of tablets	37 2006,5 tablets of synthetic drugs and pharmaceutical products

● Total amount expressed in grams



WEAPONS SMUGGLING

One of the key threats to security in Europe is increased availability of illegal firearms, which can be manifested by an increase in the risk of expansion of criminal offenses related to misuse of firearms, as well as their use during terrorist attacks.

The Global Nature of the Problem

One of the key threats to security in Europe is increased availability of illegal firearms, which can be manifested by an increase in the risk of expansion of criminal offenses related to misuse of firearms, as well as their use during terrorist attacks. Development of modern technique and technology and various forms of organized crime have caused new forms of criminal offenses related to the misuse of firearms, which can be reflected from the aspect of endangering security on a global level. As one of the new forms of criminal offenses related to misuse of firearms, the concept of three-dimensional parts for weapons, made using a 3D printer, which can be assembled to obtain a functional firearm, stands out.

When carrying out smuggling activities, the smugglers are especially favoured by disturbed security situation that continues continuously on the periphery of the EU borders, which ultimately contributes to identification of certain areas that aspire to become the main sources of supply of illegal firearms.

Escalation of war conflicts in Ukraine and Gaza could create long-term consequences that are characteristic of post-conflict areas, transforming the patterns of illegal firearms flows in Europe and increasing the quantities of firearms and explosive devices that can be found on the black market.

Use of various online platforms by smugglers and arms dealers significantly facilitates the acquisition of firearms by OCG members, as well as other persons connected to OCGs, as a result of which the positions in the smuggling chain are strengthened at the global level, as well as in the EU countries. The "Dark Web" is recognized as one of online platforms used for arms trade, but also platforms such as Telegram, which are estimated to be used to an increasing extent in the future. Also, in the last period, new security threats were identified, whereby the emerging forms of a new trend – hand-made firearms from parts that are available for free sale and can be ordered through internet platforms – are singled out.

When carrying out smuggling activities, the smugglers are especially favoured by disturbed security situation that continues continuously on the periphery of the EU borders

The shortcomings and inconsistencies of legal regulations in legal systems of the EU and beyond, which relate to the issue of firearms trade, represent one of the key benefits for smugglers and dealers in firearms. A special threat is represented by cases where the modus operandi involves the inclusion of legal suppliers in various systems of abuse during the trade in firearms (or parts of firearms), where in some cases legal suppliers are not aware that by implementing business arrangements they are participating in various smuggling activities.

Stanje u Crnoj Gori

Although Montenegro is not dominantly recognized in the region as a territory – the source of weapons that are intended for smuggling, activities aimed at illegal trade in firearms must be treated with special attention, especially for the reasons of the transnational activity of the OCGs.

Despite the fact that in the previous period a significant amount of illegally owned firearms was seized in Montenegro as well as in other countries of the Western Balkans there are still significant amounts of firearms, relatively easily accessible to members of high-risk OCGs.

Considering the geographical position of Montenegro, its transit role in the implementation of firearms smuggling activities from neighbouring countries to the Western Europe countries has been retained.

According to research by the Global Initiative to Combat International Organized Crime (GI TOC), the main routes of smuggled weapons are often main roads and border crossings, while some secondary routes lead from Montenegro via Trebinje and Bileća in the southeast of Bosnia and Herzegovina, from Serbia by boats and rafts, and they run through the Bijeljina region in the northeast of Bosnia and Herzegovina or through the forest paths around Čapljina, Ljubuški and Gruda in the south of Bosnia and Herzegovina, where the smugglers cross into Croatia and continue towards the Western Europe.

In addition, significant smuggling of weapons within the region was registered. Previously, illegal firearms were mostly smuggled from Bosnia and Herzegovina to Montenegro and Croatia, but now smuggling is done in both directions, partly due to the growing instability in Bosnia and Herzegovina.

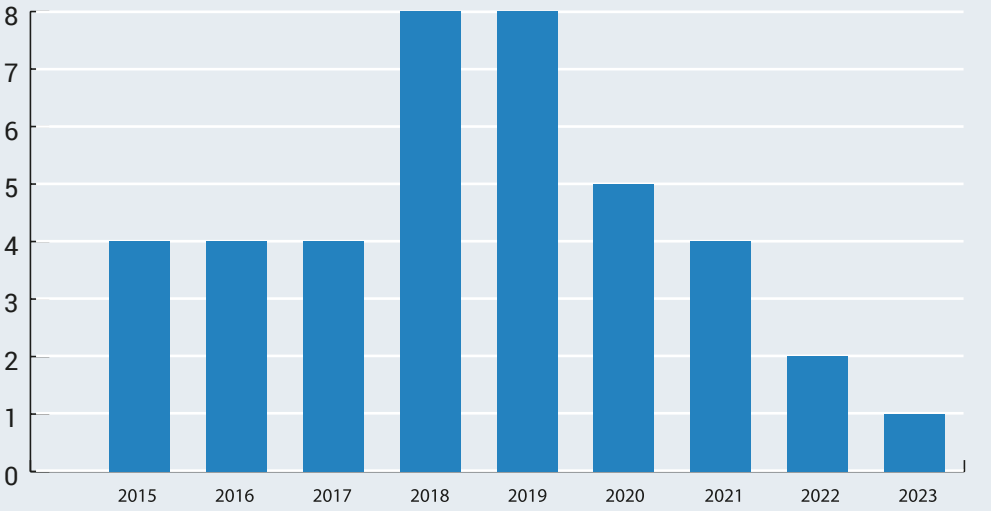
Several illegal weapons modification factories were found in the region, including a village near Tirana, Albania in June 2022.

Although during the previous period no organized crime groups were recognized in Montenegro, which focus their dominant criminal activity on arms smuggling activities, the latest data indicate the emergence of certain criminal groups from the territory of Montenegro, which may

PROSECUTED PERSONS AND AMOUNT OF SEIZED ILLEGAL FIREARMS

Year	Number of prosecuted persons	Number of firearms
2021	249	129
2022	246	145
2023	261	139
2024 (I quarter)	50	34
Total	756	447

CONVERTED FIREARMS (PCS)



be involved in the implementation of firearms smuggling activities from Montenegro to the EU countries. Weapons smuggling activities are still mostly related to individual cases in which the weapons are not intended for further distribution, but for the personal needs of individuals. Pistols, automatic weapons, and homemade explosive devices are most often smuggled.

In some cases, the smuggling of weapons is connected with smuggling of narcotics and smuggling of people, when often the same persons use the same smuggling routes to commit different criminal acts. Most often, the mode of firearms smuggling is transport of legal goods, but also smuggling in specially built bunkers in passenger motor vehicles, buses and other means of transport. During the reporting period, a modus operandi was recognized that involves the modification of firearms – hunting rifles, by shortening them into so-called sawed-off shotgun, which buyers in Western Europe are interested in purchasing.

Weapons seized from OCGs members in 2023









Weapons seized from OCGs members in 2023





Despite the fact that the authorities of intelligence and security sector make additional efforts to reduce the amount of firearms in illegal possession, members of criminal groups and persons of operational interest can still obtain possession of firearms without significant obstacles.

There are still individual cases of conversion of gas (starter) pistols, which are available for sale, and which, after modification, acquire the property of firearms and as such can be used to commit criminal acts. .

The analysis of the available data on modified (converted) firearms, the occurrence of which is expressed in the EU countries, indicates a downward trend in use of this type of firearm in Montenegro. It is important to note that even in the previous period, modified firearms in Montenegro did not represent a pronounced security problem, both due to the relatively small number of cases, and due to the fact that there have been no registered cases of modified firearms being used to commit serious crimes. The possibility that OCGs members avoid acquiring this type of firearm due to its unreliability cannot be ruled out.

During the reporting period, at the global level, but also in the territory of Montenegro, the occurrence of modification of "Glock" firearms was identified in such a way that a special firing regulator, so-called switch that changes the firing mode from semi-automatic to automatic. On the territory of Montenegro, the seizure of this type of firearm that was in the possession of OCGs members was recorded.

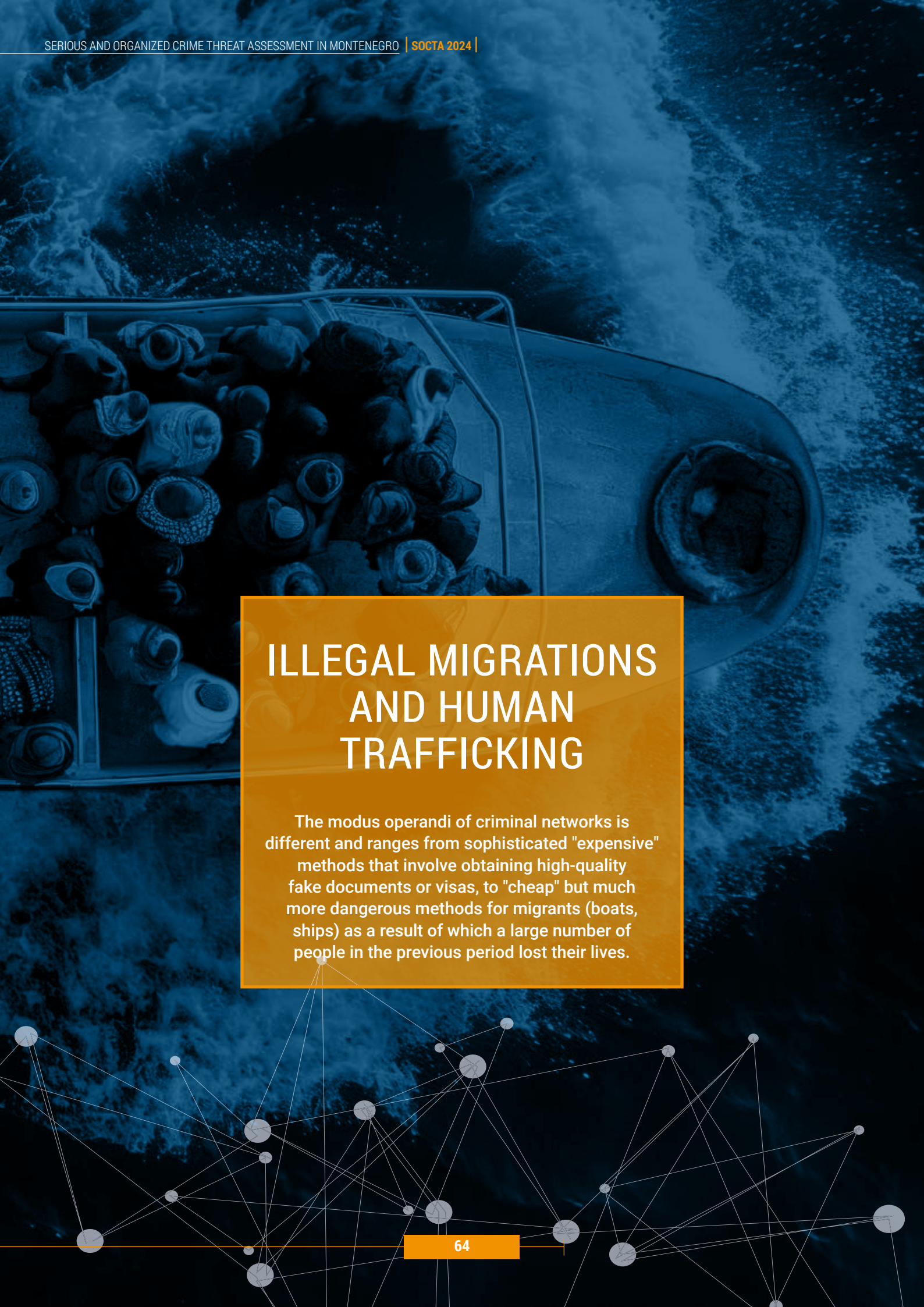
In the part that refers to the price of firearms, it cannot be precisely determined and it varies depending on several factors and circumstances, primarily on the offer, that is, availability on the illegal market. In relation to this segment, according to available data, the price of firearms on the market increased by 20%, which is a reflection of the conflict in Ukraine.

In addition to firearms, during the previous period, a high security risk was also represented by use of improvised explosive devices with strong destructive power, usually composed of several components, some of which are used for activation intended for everyday use in different situations.

In relation to registered cases that were related to cooperation of OCGs members from Montenegro with persons from the Western Balkans countries, who during the war events in the former Yugoslavia gained knowledge and experience in making explosive devices, which was expressed in the previous period, during the reporting period, a trend of stagnation was registered in the mentioned area. It is also evident that there is a reduction in the commission of criminal offenses by less experienced persons who were recruited by OCGs, and were trained to connect the components of explosive devices using materials available on internet platforms.

Taking into account the fact that the citizens of Montenegro still have significant quantities of firearms in illegal possession, the "Respect life, return the weapons" campaign continued during the reporting period.

In the previous period, during the mentioned campaign, citizens have voluntarily returned 2,871 pieces of different types of firearms, 1,437 parts of firearms, 515 mine-explosive devices, more than 60,000 pieces of ammunition of different calibres, while during the reporting period, **937 pieces of weapons were voluntarily returned, 379 pieces of firearms, 157 explosive mines and more than 25,000 pieces of ammunition.**



ILLEGAL MIGRATIONS AND HUMAN TRAFFICKING

The modus operandi of criminal networks is different and ranges from sophisticated "expensive" methods that involve obtaining high-quality fake documents or visas, to "cheap" but much more dangerous methods for migrants (boats, ships) as a result of which a large number of people in the previous period lost their lives.

Illegal Migrations

The Global Nature of the Problem

Illegal migration continues to represent one of the major security challenges for all European countries, where intensification of migratory flows, active participation of multinational criminal networks, and possibility of infiltration by perpetrators of criminal acts and members of terrorist groups significantly affect the state of collective security.

Factors affecting the migrant crisis, which are dominantly related to the unstable situation in Syria and Palestine, regime changes in Afghanistan and the crisis in the Middle and Middle East, hunger, and climate change in Africa, war events in Ukraine and Palestine, also affected migratory movements in the direction of Europe during 2023.

One of the factors are the activities of smuggling networks, which, for the sake of profit, provide migrants with a false image of high standards and social assistance in the countries of Western Europe, in order to motivate them to decide to go to Europe. Global health crisis caused by the pandemic of the COVID 19 virus partially influenced the reduction of the migratory flow during the period 2020/2021. Organized crime readily welcomed the new circumstances caused by the pandemic and found a way to quickly provide new modes of smuggling migrants to the European Union, which led to establishment of new and renewed migrant routes to Europe.

Since 2020, international smuggling networks have used the situation in countries affected by the health crisis to make huge profits, and for this purpose, they have used social networks through which they have spread "fake" news about open borders or benefits that migrants expect in the Western Europe countries, in order to interest as many migrants as possible and thereby make a profit.

Smuggling activities are most often carried out by the joint provision of several types of services by different participants, considering that it is not possible to provide a complete service to migrants individually, because the entire process of smuggling involves a series of activities that are carried out on the territory of a large number of countries.

The initial basis for implementation of migrant smuggling activities is the knowledge that certain OCGs have about the routes and infrastructure they normally use for commission of other criminal activities, and this mainly relates to drug smuggling and production and procurement of falsified documents.

The modus operandi of criminal networks is different and ranges from sophisticated "expensive" methods

that involve obtaining high-quality fake documents or visas, to "cheap" but much more dangerous methods for migrants (boats, ships) as a result of which a large number of people in the previous period lost their lives. In addition to falsified documents, persons who have physical similarities with the real owner occasionally use genuine documents.

The main migrant routes to Europe are still the Western-Mediterranean route from Africa to Spain, the Central-Mediterranean route from Africa to Italy, and the Eastern-Mediterranean route through which migrants move through the territory of Greece to other European countries. During the reporting period, there were changes when it comes to the intensity of the migrant influx on the three mentioned routes, i.e. the weakening of some affected intensification of use of other routes.

The main migrant routes to Europe are still the Western-Mediterranean route from Africa to Spain, the Central-Mediterranean route from Africa to Italy, and the Eastern-Mediterranean route through which migrants move through the territory of Greece to other European countries.

A significant increase in the number of registered illegal border crossings of the EU in 2022 (almost 332,000 or 66% more compared to 2021) correlates with expansion of human smuggling activities.

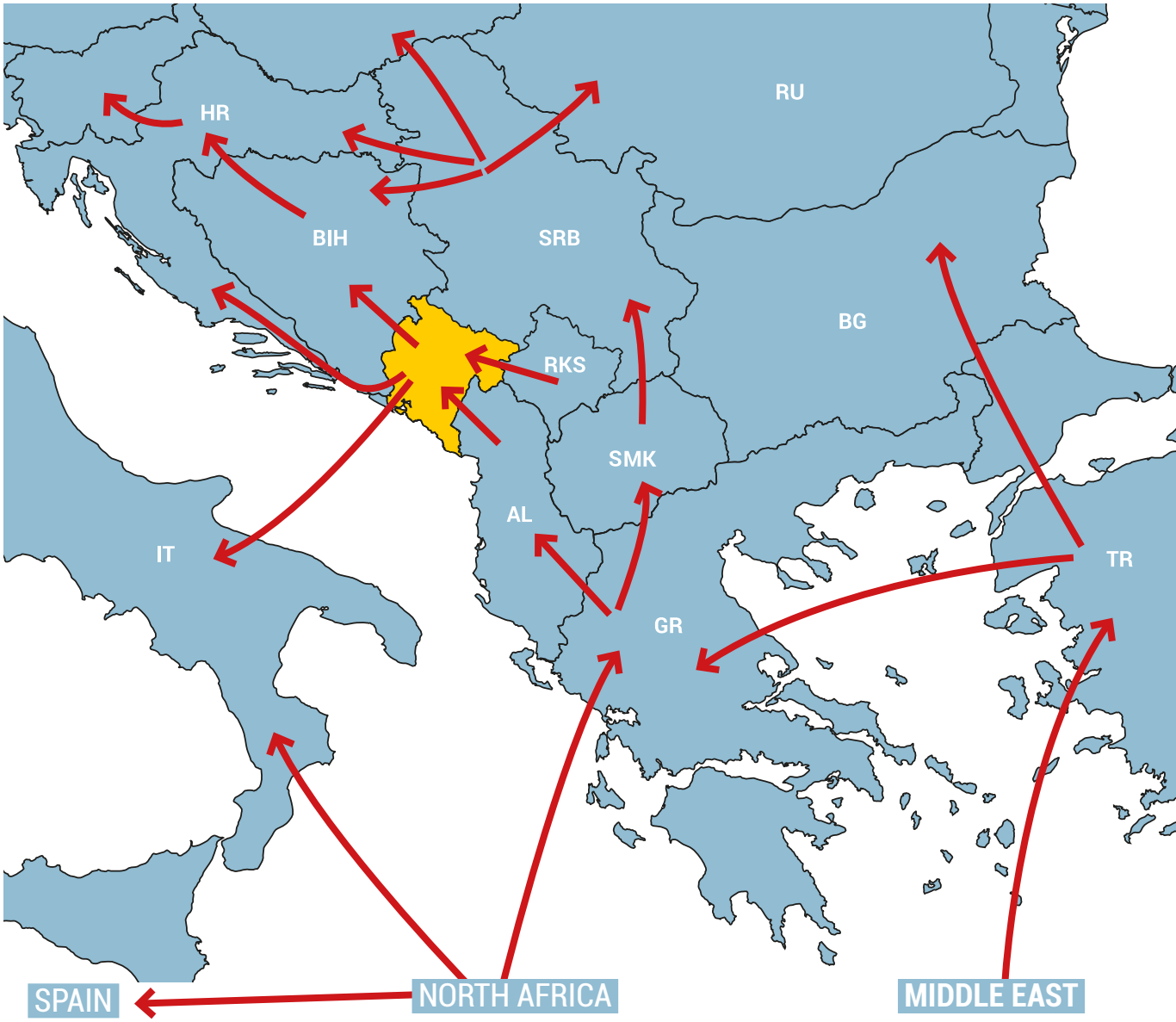
During 2023, the so-called mode of smuggling in the digital domain. The mentioned mode implied the use of commercial-conventional communication applications on "smart" mobile phone devices, applications with maps and GPS system and social networks available on internet platforms. In this way, the migrants' contact with the organizer was established, and on that occasion, the migratory route and the method of monetary payment (electronic or direct) for the smuggling service were defined. In addition, the organizers often engaged the so-called guides on the migratory route from the country of origin to the country of destination, who provided logistical support when migrants crossed state borders, bypassing official border crossings.

The Situation in the Region

The Balkan region is still famous for being a transit area through which migrants move towards the EU countries, as their final destination.

In the period from January to November 2023, migrants made 98,651 illegal crossings across the state border on the Balkan route. The largest number of registered crossings of illegal migrants was recorded for persons of origin from Syria (72,518 crossings), Türkiye (8,302 crossings), Afghanistan (7,088 crossings), Pakistan (1,922 crossings), while the country of origin was not established for 1,880 migrants.

By comparative statistical analysis in relation to the number of crossings that took place during 2022, 145,600



Smuggling Routes through the Western Balkans

illegal crossings of the state border were reported along the Balkan route (which is 136% more than in 2021).

Detention of migrants is usually short and depends on the measures implemented by the countries of this region. Through transit countries, it is usually medium-term – from one to five years in the territory of Türkiye and Greece, up to a few months or a few weeks in the reception centres in the territory of Serbia, Kosovo, Bosnia and Herzegovina, and Albania.

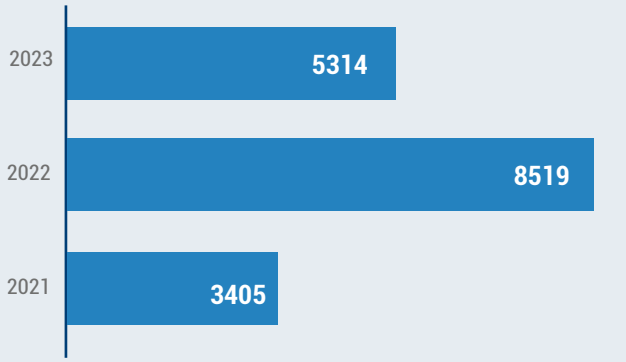
Migrants predominantly use the Türkiye-Greece-North Macedonia route, from where they continue their journey via Serbia in several directions: towards Bosnia and

Herzegovina, Croatia, Romania, and Hungary. **In addition to this route, there is also a route through Bulgaria, as well as a southern branch through Greece and Albania, which crosses the territory of Montenegro.**

The situation in the countries of the region, during the reporting period, was particularly alarming in neighbouring Bosnia and Herzegovina, where the migrant crisis has become a humanitarian and political issue that is still ongoing and threatens to escalate.

The largest number of migrants during the period 2020–2023. He stayed in camps in Bosnia and Herzegovina and reception centres in Serbia. This had the effect that in these countries the resistance of the local population against migrants, who were often the actors of incidents, accompanied by the manifestation of various forms of violence, as well as the commission of criminal offenses in the field of property offenses, developed more strongly.

THE NUMBER OF DETECTED MIGRANTS



On the Balkan route, a growing trend was recorded in the number of smuggling of migrants via the route from Bosnia and Herzegovina via Croatia and Slovenia, where the price of the service paid to the drivers was set at € 350 to 500 per person. An additional motivating factor for the smuggling of migrants through Bosnia and Herzegovina is the inconsistency of the visa regime. During 2023, Croatia initiated over 800 investigations and deprived 1,200 smugglers of their freedom, mostly foreign citizens, while constantly discovering new modes of carrying out this criminal activity.

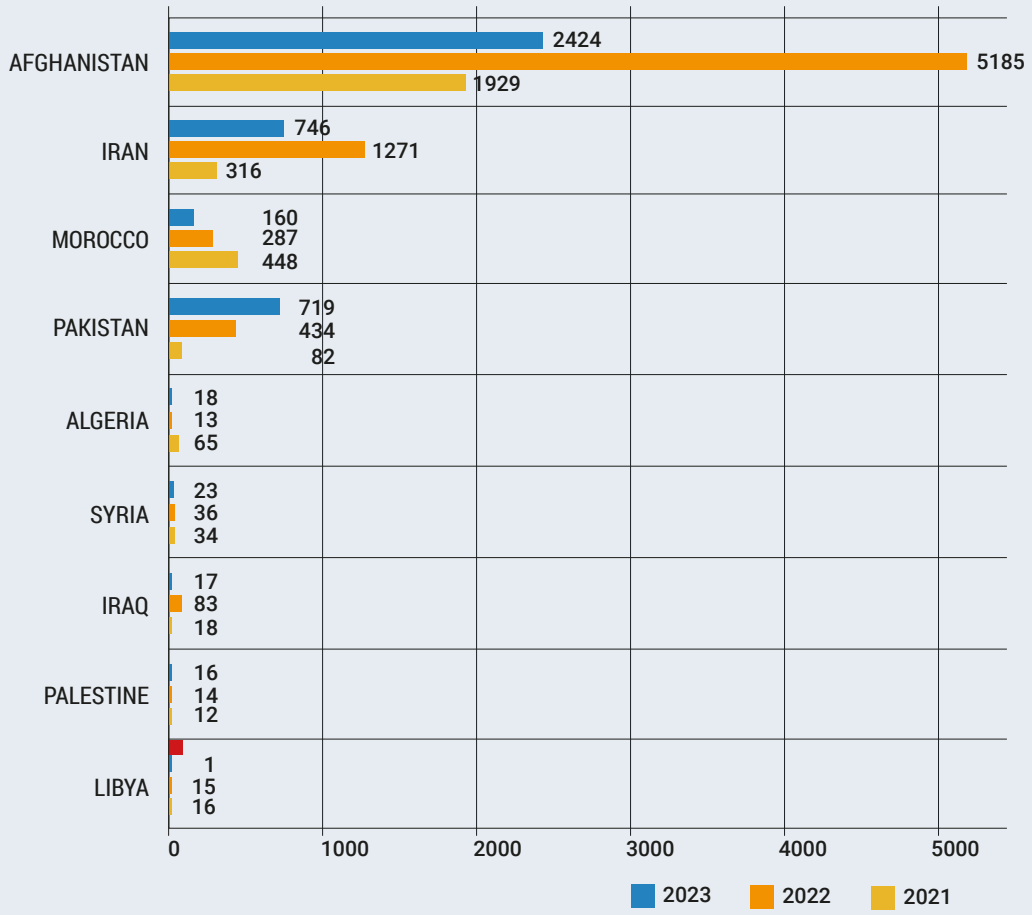
In addition to traditional methods of smuggling (illegal crossings outside border crossings), during the period 2020-2023, some cases were registered in which migrants were transported hidden in cargo vehicles (cisterns, food trucks, as well as off-road vehicles).

The Situation in Montenegro

Montenegro has retained the status of a transit country, which it had in the previous period as well, with a growing trend of illegal migration and people smuggling activities.

There are no registered organized criminal groups engaged in people smuggling in Montenegro, but this activity is carried out by local smuggling groups and individuals who operate on the borders with neighbouring countries

COMPARATIVE GRAPHIC REPRESENTATION OF THE NUMBER OF MIGRANTS BY COUNTRY OF ORIGIN FOR THE PERIOD 2021-2023



and who provide logistics to international smuggling networks in migrant operations.

Smuggling groups engaged in smuggling activities generally number from five to 15 members, with clearly defined roles and pre-determined tasks. The way they communicate with each other is by telephone devices or meetings in personal.

In the upcoming period geopolitical events, migration movements on a global level and war events will represent important factors in migratory movements. The presence of a large number of migrants on the territory of Montenegro and a significant increase in the number of asylum seekers causes particular concern and insecurity for our citizens.

Montenegro is characterized by a continuous increase in the number of migrants transiting through the territory of our country, so in the reporting period there was an increase in the number of migrants, smuggling activities and the number of persons participating in the implementation of this criminal activity.



Smuggled migrants who were subjected to violence during smuggling

During the investigation aimed at suppressing illegal migration, it was established that the migrants who transited through Montenegro were initially of Afro-Asian origin (from Syria, Afghanistan, Pakistan, Eritrea, etc.) and that they transited through Montenegro through the border zone with Bosnia and Herzegovina mostly by land, using passenger motor vehicles.

The second most common way of migration has involved transit from Albania through Montenegro to Bosnia and Herzegovina by land, using passenger motor vehicles, and aids in the form of applications with maps on smart phone mobile devices, detours in relation to official state border crossings. On the territory of Bosnia and Herzegovina, logistical support was organized – a driver who made further transit by land road in a passenger motor vehicle. The activity of illegal migration took place with participation of Montenegrin and foreign citizens. In addition, as a modus operandi, in a small number of cases, transport of migrants by sea – yachts, ships and boats towards the coast of Italy – has been detected.

New ways of smuggling when transiting through Montenegro have been identified, which involved a combination of legal crossing into the territory of Montenegro (on the basis of work), and with the aim

of transiting through it, and illegal crossing, mainly into the territory of Bosnia and Herzegovina, and further towards the EU countries. In addition, the new method of smuggling involves the entry of migrants into Montenegro through the official border crossing from the direction of Albania and further movement by land – mostly by bus to the northern part of Montenegro, where, with the logistical support of smugglers, they illegally cross the state border in the direction of Bosnia and Herzegovina.

Overall, the main motivation for illegal migration and people smuggling is exclusively financial benefit for the persons involved in those activities, while national and geographical origin have no influence.

When it comes to the national structure of migrants, it is mostly people who originate from North Africa, Eritrea, India, Pakistan, Nepal, Türkiye, and Bangladesh.

During 2021, smugglers with increased intensity "opened" the smuggling route of persons originating from Türkiye, which leads from Türkiye through Montenegro, as a transit country, and further towards Bosnia and Herzegovina, Croatia, Italy, and other EU countries.

A well-known phenomenon in Montenegro is the employment of migrants on construction sites, mostly in coastal cities for a certain period of time, after which they are illegally transported to one of the EU countries with an appropriate monetary compensation (mostly in the range of € 2,000 to 6,000 per person).

The role of Turkish smuggling networks in people smuggling activities is very pronounced in Montenegro and the region, and the most common modus operandi they use involves providing transit visas for Turkish citizens who legally reside in Montenegro, establishing companies in Montenegro, in which migrants are only shown as founders from Türkiye. Migrants, after arriving in Montenegro, for which they do not need visas, with a certificate of a registered company in Montenegro, apply for temporary residence. With the provided documents (registration of residence and proof of company ownership), Turkish migrants apply for transit visas at the embassies of the EU countries, after which (if they get them) they travel to the final destination countries.

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One of the ways of smuggling is the use of smaller ships, by sea route from Türkiye or Montenegro to Italy and Croatia, from where further transport is done by land to the EU countries.

Cases of migrant smuggling by land include transit through Montenegro from direction of Kosovo and Albania to Croatia, and further to the final destination. After successful smuggling, the money for the service is paid by the migrant's family members.

One of the ways of smuggling is also by air, using regular airline lines, where after a short stay in Montenegro in previously provided accommodation by the smugglers, they continue their movement to Italy and on to the desired destination by boats and sailboats. This modus implies engagement of a crew that, after arriving in Montenegro, takes over sailboats and other vessels (previously secured by criminal groups) that are anchored in the area of the Montenegrin coast and with which, after hiding the migrants inside the vessels, they set sail in the direction of Italy.

Another recognized method of smuggling is providing migrants with visas from the EU MS, mainly Bulgaria, which they use for legal transport to their desired destination. The price of the mentioned visas ranges from € 1,000 to 2,000 per migrant, if it is about providing original visas, or from € 3,000 to 6,000 per migrant, if it is about providing falsified visas.

In the reporting period, a new modus operandi of migrant smuggling was recognized, which includes violence against migrants in the form of abuse, torture, extortion, extortion of money and other items, and which is carried out by persons who are also migrants and involved in smuggling activities. The modus implies the organization of illegal crossings, during which persons-migrants who have the role of couriers and directly move with smuggled migrants across the territory of Montenegro, primarily in the border area with Albania, when arriving in the mountainous area smuggled migrants are subjected to violence.

HUMAN TRAFFICKING

In the previous period, human trafficking was represented through various forms of labour and sexual exploitation, but to a lesser extent through the exploitation of persons, mainly RAE population for the purpose of begging.

It is characteristic of Montenegro that the occurrence of prostitution is particularly pronounced during the tourist season on the Montenegrin coast, where eased conditions for the entry and stay of foreign citizens due to the tourist season are used as a convenience. However, the increase in the number of foreign citizens residing in the territory of our country during the entire calendar year has caused this phenomenon not to be only seasonal in recent years.

In Montenegro, there are no registered OCGs that carry out human trafficking

activities. Smaller groups of persons without a clear hierarchy or firm organization were detected, who are employed in catering establishments or hotels, where they participate in contracting and providing sexual services, and are often connected with local distribution of narcotics. Overall, the activities of human trafficking are carried out by individuals and groups of persons, which generally number from three to five members.

What has been recognized as a facilitating factor for the implementation of these activities is the increasingly intensive use of social networks, internet platforms where there are specialized pages that advertise the provision of escort services, as well as other digital technologies.

A significant increase in the number of persons providing sexual services was detected from the territory of Ukraine after the influx of a high number of Ukrainian citizens to the territory of Montenegro, caused by the war events in Ukraine. The national structure of persons who provide sexual services, apart from Ukrainian citizens, also includes citizens of South American countries and citizens of the former Yugoslav states (Slovenia, Croatia, Bosnia and Herzegovina, Serbia, North Macedonia, and Kosovo).

Sexual services are provided by adults, there are no registered cases of services provided by minors. The price of providing sexual services ranges from € 100 to 250. A larger amount for the services provided than the above is represented in the area of the Montenegrin coast, in places that offer luxury hotels, resorts, mini harbours with moored yachts, where the clientele of higher paying power resides and is a suitable ground for elite prostitution.

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In Montenegro, during the reporting period, cases of human trafficking were also registered, where the victims were Turkish citizens working on construction sites in Montenegro.

The development of tourism, as the most important economic branch in Montenegro, and the increase in the number of tourists with higher paying power in the coming period will represent important factors for the increase in prostitution. In addition to the above, the current lack of physical labour could result in an increase in the number of cases of labour exploitation in the coming period.



SMUGGLING OF EXCISE GOODS – TOBACCO AND TOBACCO PRODUCTS

The global loss of tax revenue from cigarette smuggling is between 40 and 50 billion $ per year. In the European Union, the loss was estimated at around 12.5 billion €.

The Global Nature of the Problem

Smuggling of tobacco and tobacco products as the most dominant form of smuggling of excise goods represents a significant global problem. This type of smuggling activity is recognized as the second most profitable after drug smuggling.

The development of this type of crime is contributed by supply and demand on the market, high rates of taxation of these products, different legal regulations in the states regarding the amount of excise duty, which is a significant motivating factor for members of OCGs, but also individuals, to carry out this criminal activity, bearing in mind the very high profits.

Cigarette smuggling activities cause damage to the budget of the European Union in the amount of several billion € (the trade of cigarettes in the previous period on the grey market is estimated at around 10 billion € per year). The global loss of tax revenue from cigarette smuggling is between 40 and 50 billion $ per year. In the European Union, the loss was estimated at around 12.5 billion €.

As one of the key reasons for the increase in cigarette smuggling activities, they certainly represent lower penalties compared to the penalties for narcotics smuggling, while at the same time providing the opportunity for significant material profit. In addition, one of the reasons is the "public's misunderstanding" of how harmful and accompanying consequences the trade in contraband cigarettes represents for the economy.

The final destinations for the smuggling of tobacco and tobacco products are most often the EU countries.

Recently, seizures of "white cigarettes" have been very frequent, representing 30% of the cigarette market in the European Union. Important consumer markets for these cigarettes are Italy, Greece, United Kingdom, Romania, and Poland. When it comes to the Balkan region, it is estimated that about 29 billion cigarettes originate from this illegal market, and that about 30% of them end up in the European Union (United Kingdom, Romania, France, and Greece). Cigarettes worth about 4.4 billion € are smuggled to Italy. The most smuggled brand of cigarettes is "Regina". **Two routes** are registered by which these cigarettes are smuggled into the European Union – **the African route** and **the Balkan route**.

When it comes to the African route, cigarettes are delivered by ships from Dubai to one of the ports in the Mediterranean, after which they are usually shipped to Libya, and finally by smaller ships to the EU countries. When it comes to the Balkan route, which also passes through the territory of Montenegro, cigarettes end up in the EU.

The European market for illegal cigarettes, boosted by the reduction of border restrictions due to the corona virus pandemic, continued to grow in 2022 (8.2%

of total consumption), despite the decline in general consumption.

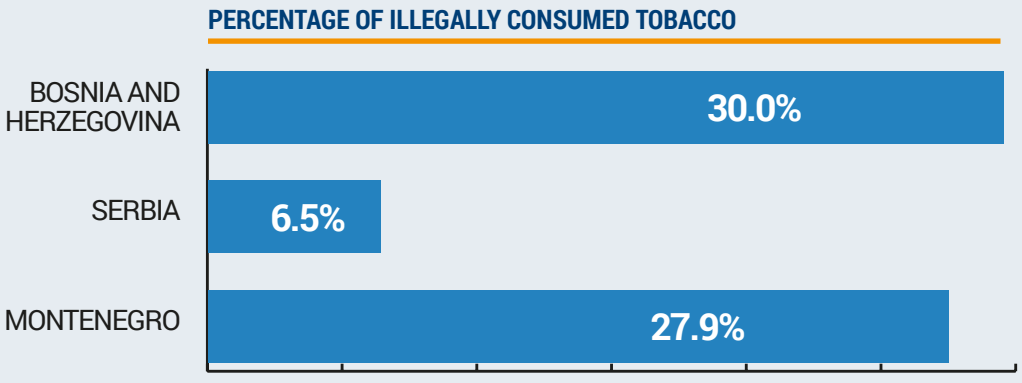
Western European countries represent a significant transit and destination market for counterfeit products. Illegal trade in excise goods, especially tobacco products, is, compared to the rest of the continent, the most widespread in Central and Eastern Europe.

Considering the rising cost of living in most of Europe, the trend of increasing smuggling of tobacco and tobacco products is expected to continue in the coming period, due to the cheap offer on the black market.

The Situation in the Region

The problem of illegal trade and smuggling of excise goods is expressed in almost all countries of the region. Large differences in the price of tobacco products in the countries of the region compared to the EU countries contribute to the fact that this criminal activity represents a significant challenge for the countries of the region, given that the implementation of this criminal activity produces significant losses for state budgets.

The geographical position of the countries of the region has certainly contributed to their being a transit area for smuggling to the EU countries, but it must also be emphasized that a certain amount of tobacco products is retained and distributed on local domestic markets. The above causes that the countries of the Western Balkans are deprived of more than 200 million € per year in their total GDP due to the illegal trade in tobacco and tobacco products. This share varies, from the lowest percentage in Slovenia (0.01 percent of GDP) and Croatia (0.06 percent of GDP) to the highest in Montenegro (0.52 percent of GDP). In Bosnia and Herzegovina, the income from smuggling of tobacco and tobacco products makes up the largest share of the total illegal income.



When it comes to the region, there is a significant market in this area, primarily for cheap "white cigarettes", which is caused by price differences resulting from the tax regimes of the countries, due to which legal cigarettes are often not accessible to consumers. This market has also expanded to online platforms where illegal tobacco products are increasingly being offered.

The Situation in Montenegro

As in the countries of the region, the problem of cigarette smuggling is expressed in Montenegro as well. Smuggling of cigarettes is carried out by the OCGs, which is also involved in other criminal activities – drug smuggling, as well as groups of closely related people, and there are cases when the activities are carried out by individuals.

Close cooperation of criminal groups from the region has been registered in cigarette smuggling activities, which is also contributed by the similar linguistic area.

It has been registered that criminal groups for the realization of smuggling activities, with the application of corrupt methods, use the services of experts employed in freight forwarding companies and state bodies, in order to smoothly carry out planned smuggling activities.

The illegal market of Montenegro is supplied in the largest quantity through smuggling routes, through the criminal activities of individuals (so-called ant smuggling) or criminal groups characterized by a certain degree of interconnectedness. Cigarettes are transported independently, but the mode of hiding among other products is also very often used.

For the smuggling of tobacco and tobacco products (cigarettes), passenger trains and buses that operate on regular lines, motor



Smuggling 277 kilograms of cut tobacco in a passenger motor vehicle



6,000 cartons of cigarettes seized in Podgorica

vehicles, trucks, and vessels are most often used, while for smuggling through territories that are known to be very difficult to access and passable, livestock are used.

Three routes of cigarette smuggling have been recognized – the blue line (sea/lake), the green line, as well as a mixed route that implies the use of both mentioned routes.

When it comes to the mixed route, it can be said that in the previous period it represented the most important route of cigarette smuggling. This route included the transport of cigarettes by ships to the Port of Bar (Bar Free Zone) and then from the Port of Bar the cigarettes were illegally shipped to EU countries.

Analysing the cases of cigarette smuggling across the border crossing, the green and blue borders, we can state that the greatest extent of smuggling is carried out by citizens of Kosovo, Albania and Montenegro, who transport them in their vehicles through the territory of Montenegro. On the blue border across the Bojana River, smuggling is carried out by vessels (boats), which transport cigarettes mostly at night or in the morning from Albania to Montenegro in the region of Fraskanjela, and then according to a pre-arranged plan, citizens of Albania or Montenegro pick them up and take them away in vehicles in the interior of the territory of Montenegro.

The companies that transited cigarettes through the Free Customs Zone of the Port of Bar possessed all the documents to perform this work and were most often registered at offshore destinations.

Cigarettes in the Port of Bar are



Smuggling Routes through the Territory of the Western Balkans

packed in master packs (packs containing 50 cartons of cigarettes) which are stored in shipping containers. Cigarettes delivered to the Port of Bar can be intended for transit, and in that case they are simply transhipped with the corresponding container from one cargo ship to another cargo ship, after which they continue their journey to the final destination, or else they are reloaded into the warehouse of the Port of Bar – a closed space intended for storage of all types of goods. Cigarettes that are transhipped from the ship's container to the warehouse continue their journey to their final destination on trucks as declared cargo in regular transit procedures or hidden in the truck's cargo area along with other legally declared goods at customs in the Port of Bar.

The final destination of these cigarettes is mostly Kosovo, Albania, Serbia, Bosnia and Herzegovina, and offshore zones.

In this way, cigarettes were legally transported and stored in the Port of Bar, after which there were abuses, usually in two ways:

- after the shipment of cigarettes from the port of Bar and the departure of the ships from our territorial waters, the shipments change their documentation and final destination (several seizures of cigarettes have been registered when, after leaving the Port of Bar, the ships deviate from the indicated route, e.g. Libya and due to an alleged malfunction try to dock to EU countries). In addition, in the waters of the Mediterranean, transhipment is often carried out from larger to smaller ships, which reach the shores of the EU countries more easily;

- cigarettes remain in Montenegro, where a part is sold on the local market, and the other part is smuggled into neighbouring countries (cigarettes that were smuggled in this way and illegally left the warehouse of the free zone are "discharged" with fictitious documents of the alleged export by ship).

In addition to the smuggling of original cigarettes and counterfeit branded cigarettes (from Eastern countries, such as China), currently the most significant activities are the smuggling of "white cigarettes", which have a lower price, and which are produced mainly on the territory of Ukraine, Belarus and the United Arab Emirates.

The most represented brands of seized tobacco products in Montenegro are: *"Merilyn", "Desantis", "Trokadero", "Ashima", "Donatela", "Cosmopolitan", "Prestige", "Regina", "Mac", "Corset", "King"* and *"Manchester"* and were mainly intended for street sale in Montenegro.

There were no recorded cases of illegally producing cigarettes in Montenegro, as well as cases in which legally produced cigarettes in Montenegro were intended for smuggling.

At the border crossings of Montenegro for the period from 1st January 2021 until 11th February 2024, 1,586,892,433 cigarettes were confiscated, with a total value of € 205,887,947.70.

Cigarette smuggling causes great losses to the budget of Montenegro. Participants in the production/trade of cigarettes pay excise duty, customs duty, and VAT. If the cigarettes are smuggled, these forms of budget income are absent (in the retail price of a pack of cigarettes, budget income is over 70%). A small number of individuals get rich illegally and unjustifiably. Unfair competition is created in the cigarette market, because wholesalers and retailers pay all the mentioned duties and work permits (to the Tobacco Agency), and in return, they do not receive a loyal cigarette market from the state. The above certainly caused

a decline in the interest of (foreign) investors in privatization/investing in the domestic tobacco industry, because investors do not want to do business in an unsettled market. Also, for the same reason, the interest of foreign investors in opening their plants in Montenegro, or at least, in opening their branches, is decreasing.

Due to the grey cigarette market, Montenegro loses every year an amount ranging from 10 to 15 million €, which is 30% of the value of the total legal market of tobacco products in Montenegro.

The change in the policy of the Government of Montenegro in relation to the Free Zone of the Port of Bar itself, during 2021, the way it functions, primarily in the part of banning storage and later confiscation of stored tobacco products, influenced the change in smuggling routes, with one of the main methods of smuggling through the Free Zone of the Port of Bar has almost ceased to exist.

These changes affected the reduced opportunities for smuggling, due to the ban on storing tobacco products in the Bar Port Free Zone, and new modes of smuggling are present, and operational data indicate that cigarettes come from the territory of Kosovo and Albania via the Port of Durrës.

The Port of Durrës in Albania is the entry point for cigarettes delivered by ships from the United Arab Emirates, Türkiye, China, etc. After that, one branch of the smuggling routes goes through Montenegro, the so-called transit of cigarettes to "third countries" (Serbia, Kosovo, etc.), while a part of those cigarettes remains illegally in the territory of Montenegro.

In addition, as one of the modes of action, which was present during the reporting period, is the mode that seized cigarettes intended for destruction are not destroyed in their entirety, but a part of the cigarettes is "alienated" with the aim of further sale on the illegal market in Montenegro and further smuggling to the countries of the region.

This way of smuggling cigarettes was made possible by the easy infiltration of members of criminal structures into the security sector, the legal regulations that define the functioning of the Free Zone of the Port of Bar, as well as the financial power possessed by the OCGs, which operate in the business of cigarette smuggling.

As the smuggling of cigarettes as a criminal activity brings high profits, and in the territory of Montenegro there are organized crime groups that are dominantly engaged in these activities for a long period of time, with exceptional connections around the world, it is to be expected that the activities of smuggling cigarettes through Montenegro will continue in the coming period. High profits and relatively small penalties for this criminal offense will certainly continue to contribute to the continuation of smuggling of excise goods, primarily tobacco products.



CORRUPTION WITH A SPECIAL FOCUS ON HIGH-LEVEL CORRUPTION

It could be said that the exploitation of family, loyalty, and friendship as usual in the implementation of these activities does not deviate from the practice used by OCGs in European territory. Europol data shows that they are trusted members who are part of the inner circle of strategic and high-level actors are targeted to exert influence and force these actors to support criminal activities, knowingly or unknowingly.

The Global Nature of the Problem

The activities of law enforcement authorities that have been registered in Europe in the recent period have confirmed that corruption is closely related to organized crime. Often associated with violence, it has a corrosive effect on the fabric of society and undermines governance, creating systematic vulnerability, sometimes forcibly involving people in criminal activities[4]

It is recognized that OCGs often proactively and systematically use corruption as an integral part of their business strategy. The analysis of criminal groups operating in the EU territory found that 71% of high-risk criminal groups use some form of corruption, while 28% use corruption proactively and systematically.[5]

Corruption is deeply rooted in many countries inside and outside the European Union, which has been confirmed in recent years through numerous investigations that have been opened in countries based on materials about communications made through the Sky Ecc application.

In their activities, high-risk OCGs are closely related to corrupt criminal acts, especially in the area of high-level corruption. It has been recognized that OCGs use corruption to facilitate their activities in various areas of crime: drug trafficking (heroin, cannabis, cocaine), extortion, match-fixing, environmental crime (trafficking in waste and wildlife) and firearms trafficking.

Criminal groups engaged in drug trafficking activities rely heavily on corruption at all levels of the drug market to facilitate their activities and mitigate risks, including those posed by the criminal justice system.[6] The key drivers of criminal groups involved in the illegal cannabis market in Europe are violence, corruption, and abuse of legal business structures.

In the previous period, an international police action was carried out by Belgium and the Netherlands, in coordination with Europol, with the aim of suppressing the smuggling of the narcotic drug hashish, which resulted in the deprivation of liberty of 30 persons in Belgium. A significant contribution to the implementation of narcotics smuggling activities organized by the aforementioned group was made by the corrupt activities of officials employed at the Port of Antwerp.

The data obtained from the analysis of this phenomenon in the port of Antwerp, but also in other ports,

4 European Monitoring Centre for Drugs and Drug Addiction and Europol (2024), *EU Drug Markets Analysis: Key insights for policy and practice*, Publications Office of the European Union, Luxembourg

5 DECODING THE EU'S MOST THREATENING CRIMINAL NETWORKS, European Union Agency for Law Enforcement Cooperation, 2024

6 European Monitoring Centre for Drugs and Drug Addiction and Europol (2024), *EU Drug Markets Analysis: Key insights for policy and practice*, Publications Office of the European Union, Luxembourg

indicate that workers in the private sector, in companies whose jobs are related to the port, are regularly the target of corruption because the logistics processes for transporting illegal goods through the ports depend on their support. Corrupt staff members provide unrestricted access to ports and port systems and provide logistical support and information. They include port workers and staff of shipping companies, freight forwarders, importers, transport companies, terminals, security companies, maintenance companies, and semi-public bodies that have access to port data systems. Corrupt officials can often demand bribe payments for services rendered, which can reach hundreds of thousands of euros.

Members of criminal structures also resort to infiltration into the private sector in order to invest the income generated by criminal activity.

The main objectives of persons involved in criminal activities are related to achieving cooperation with the police, prosecution, and customs authorities, which results in the introduction of persons from the aforementioned authorities into the domain of corrupt activities. In addition, a highly targeted group for corruption are other public officials including civil servants, employees in state and local administrations, financial and tax inspectors and others.

Criminal groups, especially high-risk ones, in addition to corruption, rely on violence and intimidation in carrying out criminal activities. The latest data indicate that one of the five riskiest criminal groups uses corruption and violence in a proactive, planned manner, as a critical part of the business process[7], which has proven to be true both globally and regionally, and certainly in Montenegro as well.

The Situation in the Region

The problem of corruption is significant in almost all countries of the Western Balkan region. The State Department report for 2023 indicate that, when it comes to Serbia, Montenegro, and Kosovo, corruption is one of the major security challenges.

In Transparency International's Report for 2023, Montenegro is the best-rated country in the Western Balkans, ranked 63 a list covering 180 countries, with the Corruption Perceptions Index (CPI) 46. In comparison with the countries of the region, in the mentioned report, Montenegro is ahead of North Macedonia (76th position, CPI 42), Kosovo (83rd place, CPI 41), Albania (98th on the list, CPI 37), Serbia (104, CPI 36), and Bosnia and Herzegovina (108, CPI 35).[8]

The fact that organized crime and corruption are one of the key security challenges of the region was also recognized by the Organization for

7 DECODING THE EU'S MOST THREATENING CRIMINAL NETWORKS, European Union Agency for Law Enforcement Cooperation, 2024

8 Transparency International – Corruption Perceptions Index 2023

Security and Co-operation in Europe, which launched an initiative within the Regional Program for Monitoring Court Proceedings, which includes the monitoring of 250 carefully selected cases against high-ranking perpetrators of organized crime and corruption across the region. The aforementioned cases include a number of criminal offenses with implications in the public sector, from health and public procurement to employment and education.[9] Apart from the above, corruption remains a key vulnerability of the transition economies of the Western Balkans.

A key segment in the fight against corruption is adoption of the *Roadmap for the fight against corruption and illegal financial flows* in 2021, which recognizes the priorities (objectives) of joint action of the Western Balkan countries in the following areas:

1. Prevention and fight against corruption in public procurement, including public procurement in extraordinary circumstances;

2. Further strengthening of the conflict of interest and property reporting system;

3. Improving the criminal justice response to corruption and economic crimes through the creation of a regional network of specialized prosecutors, police, and financial intelligence services in the countries of the Western Balkans.[10]

The Situation in Montenegro

In Montenegro, organized crime does not deviate from the picture at the global and regional level, and achieves its influence through the implementation of violence and corruption. The proactive action of the intelligence and security sector authorities in the reporting period, and the initiation of criminal investigations and investigations, resulted in the identification of the inflow of organized crime into institutions whose competence is precisely the fight against organized

ASSESSMENT OF THE AMOUNT OF MATERIAL DAMAGE CAUSED BY CORRUPTIVE ACTIVITIES

Time period	Amount of material damage
2021	€ 775,093.58
2022	€ 4,193,931.35
2023	€ 3,791,797.66
2024 (I Q)	€ 23,841.16

9 A journey toward more just and equitable societies in the Western Balkans (2023) – OEBS

10 Regional anti-corruption and illicit finance roadmap for the Western Balkans jurisdictions; https://www.unodc.org/documents/southeasterneurope/AC_and_Illicit_Finance_Roadmap_Full_25.06_PDF.pdf

ASSESSMENT OF THE AMOUNT OF MATERIAL DAMAGE CAUSED BY HIGH-LEVEL CORRUPTION ACTIVITIES

Time Period	Amount of material damage
2021	€ 15,000.00
2022	€ 6,328,415.73
2023	€ 38,971, 923.20 USD 241,642.77 CHF 125,000.00 GBP 32,570*
2024 (I Q)	61,154.64 EUR

* Of which amount is the unlawful property gain in the amount of € 17,748,787.20, $ 241,642.77, CHF 125,000.00, and GBP 32,570 to the detriment of a company - a bank and its clients, while the material damage is in the amount of € 21,223,136.00 to the detriment of the Budget of Montenegro

crime and corruption, especially in the bodies of the executive power and the judiciary. Also, illegal activities have been identified that relate to responsible persons in companies, other business entities or other legal entities, who, by abusing their position or trust regarding the disposal of other people's property, exceeding the limits of their authority or failing to perform their duties, obtain for themselves or others unlawful pecuniary benefit or cause pecuniary damage.

Corruption in Montenegro is characterized by actions of employees in state bodies and companies in the public and private sector, who, by abusing their official position and political and economic power, performing or failing to perform official actions, through clearly divided roles and tasks, carry out activities aimed at acquiring illegal assets benefits. This criminal activity produces a significant loss for the budget of Montenegro. Statistical data show that in the reporting period it exceeds the amount of several tens of millions.

When it comes to the trends that follow this area, for the first time, persons who held high positions in the intelligence-security sector and the judiciary, who committed corrupt criminal acts through omission and failure to perform official actions, disclosure of secret information from ongoing investigations, were prosecuted; and the use of positions and mediation in making judgments and decisions on the granting of international protection and the issuing of approvals for the acquisition of weapons. Activities of these persons are registered in activities of OCGs, which predominantly carry out the activities of smuggling narcotics and committing serious crimes against life and limb, as well as

in the activities of OCGs that deal with the smuggling of excise goods – cigarettes and weapons.

Certain organized criminal groups were formed precisely by public officials and officials of the intelligence and security sector, who, by abusing their official position, performing or failing to perform official actions, through clearly divided roles and tasks, carried out activities with the aim of obtaining illegal property gain, in order to enable other members to obtain assets for the commission of a criminal offense and illegal property benefits for the entire OCG.

On the other hand, other OCGs are structured by persons who are not public officials, but use their services to carry out their criminal activities. In this sense OCGs, especially high-risk ones, whose members, including corrupt members of the executive power, exploit family, friends, and other persons with whom they have close relations and use their influence on the executive power, primarily on the security sector but also on the judiciary; and connections with state administration and local self-government bodies in order to support the implementation of their criminal activity or exercise illegal influence.

It could be said that the exploitation of family, loyalty, and friendship as usual in the implementation of these activities does not deviate from the practice used by OCGs in European territory. Europol data shows that they are trusted members who are part of the inner circle of strategic and high-level actors are targeted to exert influence and force these actors to support criminal activities, knowingly or unknowingly.[11]

Areas that are particularly risky from the point of view of corruption and high-level corruption are transactions in excise goods and weapons, drug smuggling, import/export transactions, as well as those related to the banking sector, implementation of tender procedures, and others.

Persons participating in implementation of this criminal activity are adaptable and flexible, proactive in seeking new ways to progress and spread influence when implementing this criminal activity and relatively easily adapt to changes in legislation and policies of law enforcement authorities.

The key targets of corruption are law enforcement authorities, primarily the Customs Administration and the Police Administration, as well as judicial authorities, i.e. officials of state bodies involved in the control of goods traffic, investigations, but also other administrations that implement tender procedures and policies, as well as persons in private sector.

The means that are most often used in order to carry out corrupt activities are predominantly financial means – money, services, and other material assets.

11 DECODING THE EU'S MOST THREATENING CRIMINAL NETWORKS, European Union Agency for Law Enforcement Cooperation, 2024

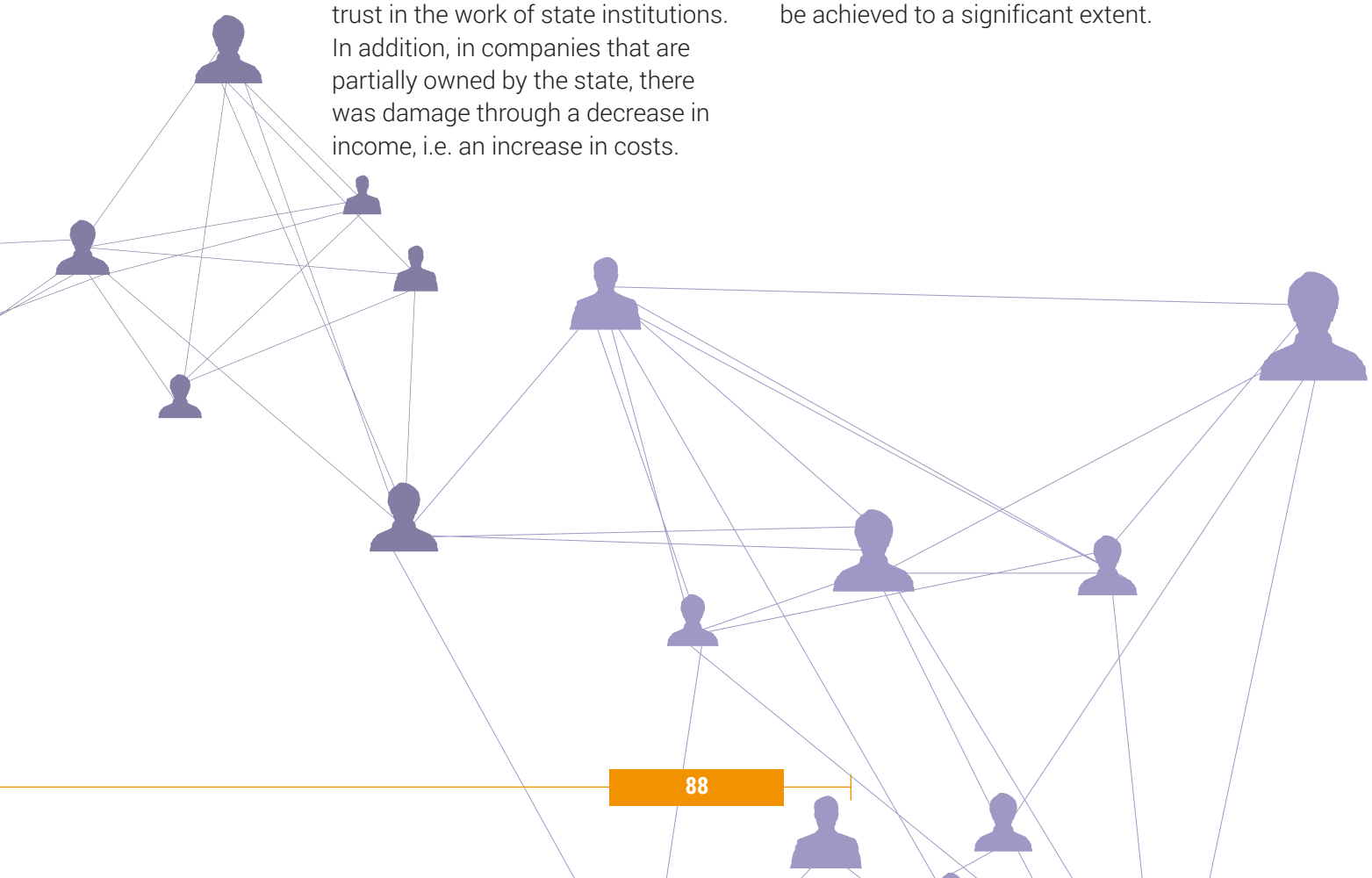
OCGs and individuals carry out corrupt activities in order to achieve goals, which are hiding and enabling criminal activities, obtaining confidential information, avoiding and slowing down investigations, conducting activities in relation to opposing OCGs, influencing judicial authorities, as well as obtaining illegal property benefits through judgments judicial authorities.

In order to carry out this criminal activity, violence or some form of intimidation is generally not used, but threats of violence have been detected in some cases. In addition, pressure was registered on certain persons by threatening to destroy their property.

The criminal activity in question has a direct impact on Montenegro, through the reduction of budget revenues in those activities that are aimed at smuggling, in the activities of public officials in law enforcement bodies, on the efficiency of the bodies as well as on the reduction of citizens' trust in the work of state institutions. In addition, in companies that are partially owned by the state, there was damage through a decrease in income, i.e. an increase in costs.

Various political, social, and socioeconomic factors influence the implementation of this criminal activity. Due to political changes, there are also frequent changes in the positions held by public officials, which hinders the commission of criminal acts for a long period and sometimes facilitates the detection of criminal acts by those who succeed them in those positions.

Institutional weakness, susceptibility to corruption, the social status of officials and, on the other hand, the financial power possessed by OCGs operating in various criminal activities are factors that indicate that corrupt activities will continue in the coming period. A positive outcome in the court proceedings initiated in the previous period, i.e. the passing of final judgements, could significantly affect the situation in this area, whereby the purpose of general and special prevention when imposing criminal sanctions would be achieved to a significant extent.





MONEY LAUNDERING

Money laundering allows OCG members to incorporate the proceeds of criminal activities into the legal streams of the economy. However, the way in which money is laundered varies greatly depending on the level of expertise of the members of the OCG, as well as the frequency and scope of the criminal activity.

The Global Nature of the Problem

A stable legal and institutional framework is a basic prerequisite for the fight against all forms of crime, and therefore also against money laundering.

Money laundering, as a specific criminal activity, is related to all other criminal activities whose characteristic is the generation of funds.

The global trend is the increase in the use and execution of transactions with cryptocurrencies that enable pseudonymity and easy portability, i.e. transfer. The downsides of this way of making transactions are instability, technical complexity and the need to replace virtual assets with material assets or flat currencies.

Money laundering allows OCG members to incorporate the proceeds of criminal activities into the legal streams of the economy. However, the way in which money is laundered varies greatly depending on the level of expertise of the members of the OCG, as well as the frequency and scope of the criminal activity. Criminal networks are continuously looking to exploit the latest technology such as cryptocurrencies and anonymous payment methods. Rapid processing of transactions and development of effective tools for anonymization are significant obstacles in the identification of participants in transactions, as well as in identification of beneficial owners of material benefit derived from criminal activities.

On the global level, the trend of OCGs increasingly using the services of other organizations that were established as legal business entities that serve as money laundering providers has been maintained. In this regard, in exchange for a certain commission in the amount of 5 to 8%, business entities that are providers offer complex techniques for money laundering, establishing a large number of fictitious legal entities, usually with one employee, further business activities, mixing legal and 'dirty' money, and finally the complete legalization of money that was acquired through criminal activities.

Factors that can define whether a certain country or geographical area is more vulnerable to money laundering can include different criteria, but most often it is about:

- countries in which a low level of international standards has been established or the existence of procedures in the exchange of information at the international level is not recognized,
- countries, that is, geographical areas that are subject to sanctions, embargoes or similar measures introduced by the United Nations, the European Union or the United States of America,
- countries where poor legal regulations have been established,
- countries, i.e. geographical areas that have been determined

by reliable sources to have a high level of corruption or other types of criminality,

- so-called states tax havens, such as the Bahamas, Delaware, British Virgin Islands, Belize, which are headquarters of a large number of legal entities from which or to which suspicious financial transactions are addressed.

The global trend is the increase in the use and execution of transactions with cryptocurrencies that enable pseudonymity and easy portability, i.e. transfer. The downsides of this way of making transactions are instability, technical complexity and the need to replace virtual assets with material assets or flat currencies. An important factor is the fact that the virtual currency market is not regulated and that there is a high degree of risk of abuse for the purpose of carrying out criminal activities.

Negative consequences of money laundering activities are reflected in the stagnation and decline of all segments of the economy, the economic system and the economic policy adapted to it. Money laundering has very negative effects on the macro and microeconomic level, disrupts the functioning of the financial sector by undermining the integrity of financial institutions, threatens the private sector by collapsing market competition, reduces the effects of privatization, and reduces foreign direct investments. If the market were to become an object of control and influence of organized crime, it could produce unfathomable consequences for development, primarily for a country in transition. There is a mutual feedback loop between the consequences caused by money laundering at the macro and microeconomic level, which is primarily reflected in the fact that the appearance of one dictates the appearance of the other.

The so-called money launderers specifically choose countries in transition, for the reason that the state apparatus in such countries focuses on raising the economic standard, reducing poverty, creating conditions for a higher gross social product, while less attention is paid to strengthening the system of prevention of money laundering and terrorist financing.

The Situation in the Region

Western Balkans' countries have always faced a number of security challenges, and organized crime represents a serious threat to the WB countries. Certain analysis indicate that illegal profits obtained in the Western Balkans are most often placed in legal flows in the region, while criminal groups from the WB partly place the funds obtained through narcotics smuggling activities in legal flows outside the region.

> **Money laundering through construction and real estate remains a high-risk area, as it can relatively easily absorb large amounts of capital.**

Money laundering through construction and real estate remains a high-risk area, as it can relatively easily absorb large amounts of capital.

According to the United Nations Office on Drugs and Crime (UNODC), money laundering accounts for about 2.7% of global GDP or $1.6 trillion. The International Monetary Fund (IMF) states that "laundered money" totals between 2% and 5% of global GDP. Applying these percentages, between 1.8 and 4.6 billion € would be "laundered" annually in the Western Balkans.

Mitigating circumstance in money laundering activities is insufficient expertise of persons engaged in inspection supervision, insufficient expertise of prosecutorial authorities for conducting investigations in the field of money laundering and weak international exchange of data regarding the origin of money.

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The Financial Action Task Force on Money Laundering FATF is an intergovernmental body that develops and promotes measures and actions to combat money laundering and terrorist financing at the international level. As part of its FATF procedures, countries that do not meet the standards are added to the so-called grey list, which is a consolidated list of countries added by financial intelligence units around the world and published on their websites. In this way, it is emphasized that the state does not respect or insufficiently respects international standards on the prevention of money laundering and financing of terrorism and reference international documents. The so-called the grey list represents a kind of alarm at the global level to all members of the aforementioned network for the prevention of money laundering and terrorist financing.

The Situation in Montenegro

Criminal offenses that are classified as a high-level threat to implementation of money laundering activities are tax offenses, abuse of the position of a responsible person, abuse of official position, unauthorized production, possession, and placing on the market of narcotic drugs, as well as various forms of criminal activity of members of the OCGs in the country and abroad.

The crime of money laundering is one of the most complex crimes, both in terms of detection and prosecution. The manner of execution of the crime is extremely complex and sophisticated, and the character of the perpetrators indicates that they are professionals in the aforementioned field.

The risk of involvement of OCG members in money laundering is expressed through possibility of their participation in offshore companies,

founding companies that operate in different areas in Montenegro, up to the purchase of movable and immovable assets and other luxury goods. Members of criminal groups most often invest money acquired through criminal activities in investment facilities, sports clubs, betting shops, casinos, real estate purchases, tourism and catering establishments, taxi and car rental associations, companies engaged in recycling of secondary raw materials, purchase of expensive vehicles and the like. In addition, in the ownership structures of companies, there are family members or other persons close to them, who are often also the owners of valuable real estate, acquired with money that was earned through criminal activities.

Citizens of Eastern European countries and Türkiye, who reside in Montenegrin territory, are linked to money laundering activities through interconnected legal entities registered on the territory of Montenegro, in whose ownership and management structures they participate, and which mainly operate in area of consulting, financial business and tax management, construction and trade in real estate, and trade in motor vehicles.

When it comes to money laundering, the following sectors have been recognized as particularly vulnerable ones:

- **The banking sector** is particularly exposed to the risk of integrating money of dubious origin, because it provides the opportunity for criminal structures to place the largest part of funds without adequate origin into legal flows through various banking transactions. Although an improved system for preventing money laundering has been established in the banking sector in Montenegro, there is still room for improvement, especially in terms of efficiency. The banking system is constantly developing, and banks are continuously expanding their range of services, which opens up opportunities to find new modalities for the purpose of money laundering.

- **The games of chance sector** has been labelled as high-risk. Accordingly, there is a potential threat and trend to integrate illegally acquired money through the gambling sector into legal flows. The aforementioned sector, with a special focus on casinos, is risky due to large cash transactions, especially by non-residents, which further complicates determining the origin of money. The mode implies online registration and transfer of a large amount of money to an open account, most often through various forms of electronic transactions, investment of smaller sums of money and withdrawal of previously transferred funds as "gains" achieved through participation in games of chance. An almost identical modus operandi is carried out through the opening of multiple sub-accounts the registration of multiple virtual players backed by one person, who deliberately makes losses by participating in virtual games of chance, after which he assumes the role of another player and withdraws

funds from his account, and in third countries with a payslip with real winnings made by playing games of chance online, raises cash winnings.

- **The virtual currency market sector** represents a potential threat from the implementation of money laundering activities, from which Montenegro will probably not remain immune in the upcoming period. Rapid development of technique and technology enables the creation of a large number of virtual currencies, and it is difficult to predict in which direction this market will develop further. Cryptocurrencies and blockchain technology currently play a key role in the transformation of traditional sectors, especially in the financial context. In this way, it is possible that digital assets and cryptocurrencies represent a form of property that can function as a means of exchange, while crypto exchanges and trading platforms (Binance and Coinbase) provide services similar to traditional financial exchanges.

It is indicative that commerce in the Internet space does not provide great opportunities for discovering persons who carry out money laundering activities.

Citizens of Eastern European countries and Türkiye, who reside in Montenegrin territory, are linked to money laundering activities through interconnected legal entities registered on the territory of Montenegro, in whose ownership and management structures they participate.

- **The real estate market sector** is still attractive and represents a leading trend when it comes to investing. Investing is most often done through cash deposits, loans, or international money transfers of unknown origin.

- **The capital market sector,** primarily due to insufficiently rounded legislation, easily available and transferable products, difficulty in identifying real owners and off-shore investors, is also susceptible to money laundering activities. Especially risky are the custody services of commercial banks, in which even natural persons, both residents and non-residents, can buy Montenegrin government bonds with a certain maturity date. The modus operandi implies payment, which could be the final stage in the money laundering process, because with the due date, the natural person will show "payment of interest from government bonds" as the origin.

When conducting money laundering activities, a large number of methods are used, some of which are characterized by a high level of complexity and constant variability. The most common methods used in money laundering are:

- **Simulated economic and legal affairs and withdrawal of money through related parties,** in such a way that related companies make money transfers based on fictitious business documents and transfer money from the accounts of companies to the accounts of natural persons on various grounds. The mentioned method implies

the establishment of legal entities whose sole purpose is business by issuing fictitious accounts, because they often do not perform the activity for which they were established. After transferring money to the accounts of such legal entities, they are withdrawn in cash.

- **The sale of real estate** in which the buyers are legal entities registered in offshore zones or the payment of cash by natural persons, where it is mostly about unrealistic real estate prices. A large number of sales contracts are realized with cash, and notary offices rarely check the origin of this money, or the contracts often contain an item that the purchase price has already been paid before the conclusion of the contract, partially or in full.

- **Withdrawal of money** from the Budget based on VAT refund requests, simulated transactions and fictitious actions of money transfers and cash withdrawals through the accounts of natural persons and entrepreneurs, as fictitious operations for the purpose of falsely claiming the right to a VAT refund.

- **Financial transactions** realized through electronic trading services (e-commerce). The e-commerce service is a service through which products or services are sold via the Internet, by accepting Visa International/MasterCard payment cards at the client's e-sales point. It is about money transfers in larger amounts from legal entities registered in Montenegro to legal entities abroad, related to e-commerce service. It is a question of a larger number of resident legal entities that are registered at the same address without a number and with the same activity of computer programming and computer programming services. The modus operandi is the registration of the mentioned legal entities for a period of one year, and then their deletion from the Central Register of Business Entities.

- **Use of prepaid payment cards** on which money is paid for a specific criminal activity, e.g. sale of narcotics at the street level, through the use of information technologies, whereby money is paid online or by depositing cash at an ATM, after which cash is withdrawn from ATMs.

- **International payment transactions without clear economic justification** – transferring money within a closed circle of a large number of non-resident legal and natural persons is carried out in such a way that funds are transferred to the account of persons in Montenegro, often from off-shore destinations, and after that, without clear economic justification, the same funds are transferred to other accounts abroad. In these situations, the banking system in Montenegro is used as a so-called pass-through or 'boiler' accounts.

- **Cash loans** in high amounts, where there is no information about the origin of the money, and different types of real estate usually serve as a guarantee.

- **Payment of cash below the legally prescribed value** is a trend that has been present for a long time, but is still current. Cash payments are made by several related natural persons below the legally prescribed value of € 15,000, in order to further integrate these monetary amounts into the banking system through fictitious contracts.

The factors that dominantly affect the implementation of money laundering activities are political events, economic events, cross-border threats, social events, technological events with a special focus on the use of the Dark Net, events in the environment, and legal events.

Money laundering activities affect the destabilization of the socio-economic business system. They directly affect the negative reflection on other participants of economic operations in Montenegro, bringing them to a position of inequality. The persons who carry out the mentioned activities do not behave in accordance with the market business, because they are not interested in legal but in criminal activity.

A major challenge in dealing with money laundering cases is international cooperation, which is weak and insufficient with some countries, and it is important in cases in which transactions with offshore destinations are investigated in the part of detecting the origin of money in those transactions. This mainly refers to the countries from which the money comes and to which it goes: Hong Kong, Singapore, Marshall Islands, Mauritius and others.

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An orderly system and a stable political situation is the best instrument for combating the implementation of money laundering activities. A prerequisite is a strong political will that will be aimed at intensively improving legislative frameworks and procedures, strengthening institutional capacities in the area of criminal investigations, and strengthening and improving international cooperation.

A significant step forward in combating the criminal offense of money laundering was made by harmonizing Montenegrin legal regulations with international standards, with emphasis on adoption of the Law on Prevention of Money Laundering and Financing of Terrorism in December 2023. Adoption of the aforementioned Law will in the following period affect improvement of the system in the sense of preventing and making it impossible to commit the criminal offense of money laundering.



TERRORISM AND RELIGIOUS EXTREMISM

Since the level of terrorist threat in Montenegro is a variable category (currently low-intensity) and is mainly influenced by events on the global and regional levels, it must be observed and monitored in the future as one of the potential challenges that could affect the country's security.

The Global Nature of the Problem

Terrorist organization in Iraq and the Levant (ISIL/ISIS/DAESH) and Al Qaeda (AQ) with their affiliates and groups/individuals inspired by their ideology continue to represent the main security threat at the global level.

The international community's focus on the war in Ukraine, as well as Israel's fight against the Palestinian militant Islamist group Hamas, has provided an opportunity for terrorist organizations to maintain networks of followers around the world, but also to radicalize and recruit new members (primarily through online activities).

The terrorist attack on Crocus City Hall in Moscow (Russia) in March 2024 highlighted the threat posed by ISIS-Khorasan (ISIS-K) not only to Asia, but also to Europe, noting that this attack is also a reminder that terrorist organizations such as ISIS retain the ability to inflict significant damage on European countries as well.

With this attack, ISIS-K has shown a wide range of targets that includes European (Russia) and not only Asian countries China, Pakistan, and Afghanistan. Despite not directly claiming responsibility for specific attacks, ISIS-K's involvement in terrorist activities is consistent with its goals, especially when it comes to destabilizing the Euro-Asian region and advancing its agenda.

Propaganda plays a key role in ISIS-K's operations, and its materials are distributed in multiple languages, including Tajik, Uzbek, Russian, Arabic, and English (thus, in a way, defining the scope of its operations). The mentioned materials glorify the contribution of militants from countries like Tajikistan, thus encouraging the organization's efforts to recruit new sympathizers from that area, while at the same time promoting a sense of belonging and solidarity among members and sympathizers of ISIS-K.

The Situation in the Region

The source of primary radicalization in the Western Balkans is different depending on the historical, political, economic, social, and cultural context of the country where it originated, but it usually does not take on a violent character.

Radicalization in the Western Balkans is most often manifested through various forms of non-advanced religious movements (the most common is Salafism), which are inhomogeneous, both in terms of the direction of action and in the ultimate goals, while extreme right-wing and left-wing movements and individuals are present to a lesser extent.

While most of these groups are non-violent, several of them are considered a security risk, especially those from whose ranks fighters in Syria and Iraq have been recruited (on the side of ISIL/DAESH or, to a lesser extent, on the side of the former Al-Nusra Front, i.e. the coalition Hay'at Tahrir al-Sham). Therefore, violent extremism in the region in recent years is generally

viewed through the prism of foreign terrorist fighters (FTF) who went to Syria and Iraq, which represents the only and specific connection with terrorist organizations.

Given this indirect connection of foreign terrorist fighters with ISIL/DAESH, the Western Balkans area is occasionally mentioned as target attacks, but higher like possibly area is logistics. Such cooperation, under current conditions, could be based on the exploitation of the region for the illegal transfer of foreign terrorist fighters through illegal migratory routes and/or the revival of extremist networks for recruitment for terrorist purposes, including indirectly inspiring susceptible individuals to carry out a terrorist attack.

However, the existence of ISIL/DAESH or Al Qaeda terrorist cells has not been confirmed in the Western Balkans, but rather smaller groups and individuals who have adopted a very rigid interpretation and practice of Islam.

Security a challenge by region i further represent "lonely wolves", unstable individuals, foreigners terrorists fighters (FTF), returnees with foreign soldiers, convicts FTF and radicalized religious preachers, of which are some after sustained penalties already on freedom, infiltrated terrorists in migratory flows, etc.

Online propaganda, which is spreading rapidly due to social networks and free communication applications (Facebook, Twitter-X, Instagram, Tik Tok, Telegram, WhatsApp, etc.) suppresses traditional methods of indoctrination, radicalization and recruitment and represents a particular security challenge that Western Balkans countries are facing.

The Situation in Montenegro

In Montenegro, as in the earlier period, there are several Salafist groups, which are at different levels of radicalization. An international component can be observed in the activities of members of these groups and their focus on attempts to spread radical ideologies, primarily on the younger population, as well as further continuation of the radicalization of members of the RAE population.

Salafist groups in Montenegro are divided into several factions that do not cooperate with each other, but connect with the same or similar groups in the country and region. They are organized according to the territorial principle with a clearly separated individual who has the role of leader (emir) of the group.

The regional connection of Salafist groups is reflected through mutual visits of persons from this category, occasional stays of radical religious preachers from the region and the diaspora, formation of local and regional groups on applications for conversations and exchange of messages, sharing of propaganda material, etc. Attention is also focused on the provision of facilities (masjids) for conducting religious activities.



CYBERCRIME

Montenegro faced an increase in cyberattacks during the reporting period, along with a rise in criminal offenses related to high-tech crime. Threats include crimes such as identity theft, computer fraud, account theft, ransomware, and violations of intellectual property rights. Additionally, crimes involving child pornography, specifically the distribution of content related to the sexual abuse of children, are becoming increasingly prevalent.

The Global Nature of the Problem

Cybercrime shows a rapid growth trend at the global level. The development of technical and technological achievements and the increasing level of digitization, along with new platforms for online communication and financial business, have created an ideal environment for the operation of criminal structures on the Internet. This form of crime is complex to investigate and is characterized by technological sophistication, anonymity, global reach, financial motives, speed and scale of attacks, variety of attacks and evolution of constantly changing methods. The perpetrators use the dark web, hacked credentials, platforms for anonymous communication, social engineering, and artificial intelligence to make identification difficult for law enforcement agencies.

OCGs use or temporarily engage experts who use advanced technological tools and methods, such as malware, ransomware, phishing and other hacking techniques, which require highly specialized technical knowledge in the field of information technology. The Internet allows a high level of anonymity and payment with virtual currencies, which makes it easier for perpetrators to hide their identity. The attacks themselves can be carried out from any part of the world, and the targets can be individuals, companies, or governments in any country. These attacks are often motivated by financial gain or instructed by state actors, and the goal is money theft, fraud or blackmail, but also theft or destruction of data. Cyber attacks can happen very quickly and hit a large number of targets, and criminals are constantly developing new methods and tools to bypass security measures.

Ransomware attacks are becoming more sophisticated and complex, evolving from simply locking data into multi-phase operations that involve stealing sensitive information before encrypting systems. The perpetrators of these crimes use this tactic to further blackmail the victim, threatening to release the stolen data unless a ransom is paid. This strategy particularly affects segments where personal data is processed and where there is a fear of public disclosure of confidential information.

The Situation in Montenegro

Montenegro is no exception when it comes to the expansion of abuse of computer and digital systems for the purpose of committing criminal acts. The most prevalent forms of cybercrime in Montenegro include sexual exploitation and abuse of children on the Internet, email notifications about planted explosive devices, phishing and smishing attacks, ransomware attacks, MITM (Man in the Middle) attacks, distributed denial of service (DDoS) attacks, sextortion (sexual blackmail) and the like. In addition to the above, campaigns of spreading

misinformation on social networks as well as hate speech, which can have a significant impact on public opinion and serious consequences for creating an unsafe environment, have also been registered. Through the manipulation of information, malicious groups have a targeted effect on public perception, undermining confidence in Montenegrin institutions as our partners.

A special challenge is the use of highly sophisticated attacks on the state's critical information structure, organizations, and media dedicated to Euro-Atlantic integration. These attacks can often be categorized as cyber espionage, and hacker groups and state-sponsored organizations are believed to be behind them.

The number of frauds related to bank payments by companies and online payments by citizens of Montenegro is increasing due to the increasing number of users and transactions with foreign companies. Phishing and smishing attacks are becoming more frequent, with fraudsters using sophisticated methods. The most common way phishing attacks are distributed involves sending fake emails with attachments or links to modified – fake websites, which often appear to come from legitimate sources. Fraudsters use social engineering, fake website design, and manipulation to carry out online fraud, including credit card fraud, bank fraud, and fake invoices. Their skills include knowledge of financial systems, forging documents and manipulating bank transactions.

Establishment of a large number of IT companies by foreign citizens on the territory of Montenegro represents an additional risk for information security, since in certain segments there are outdated or non-existent procedures for the management and implementation of new technologies. This problem is further exacerbated by working with external experts, which can lead to unsynchronized security protocols and uneven protection of personal and sensitive data. The lack of innovative approaches and standardized procedures increases the possibility of cyber-attacks and leaks of sensitive information, which threatens the integrity of information systems and affects the perception of security and trust of citizens in institutions.

Future threats include more sophisticated attacks on government and private systems, an increase in cryptocurrency-related attacks, and the growth in the use of fake social media accounts to spread misinformation and hate speech using deepfake technology, which is increasingly used for fraud and manipulation. Attacks include fake video or audio recordings used to discredit individuals or defraud organizations. In addition, perpetrators use artificial intelligence (AI) for sophisticated cyberattacks, automating phishing attacks, which allows them to access more victims in less time. The possibility that the political situation at the global level may have an impact on the increase in cyber-attacks that are used as a means to achieve political goals in the framework of hybrid wars cannot

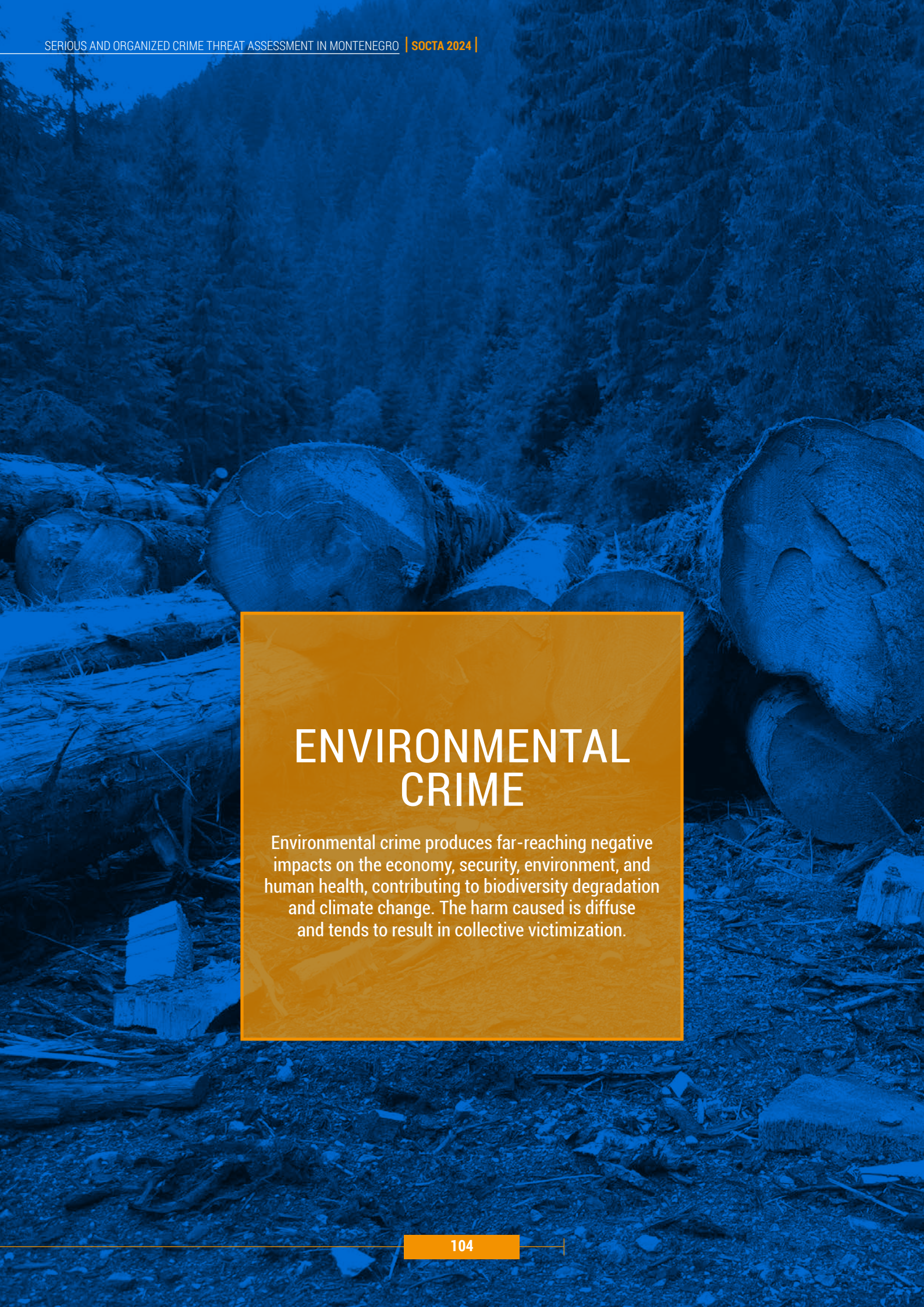


CYBERTHREAT LIVE MAP - Real-time cyber attack map according to Kaspersky data (https://cybermap.kaspersky.com/)

be ruled out. Moreover, significant growth of the crypto community in Montenegro may lead to an increase in criminal activities related to the use of cryptocurrencies, including theft of crypto wallets and crypto fraud.

Cybercrime is a serious security challenge for Montenegro. Over the past three years, the number of criminal charges related to cybercrime has fluctuated, indicating the dynamic nature of this phenomenon. Efforts to identify and prosecute perpetrators, especially in cases of sexual exploitation of children on the Internet, are showing progress.

However, the complexity and global nature of cybercrime require continuous cooperation between different states and law enforcement agencies, as well as the improvement of technical and legal capacities. A facilitating factor for the development of criminal activities in cyber space is insufficient information and information literacy of end users, a relatively small number of specialized investigators dealing with high-tech crime cases, the wide availability of educational materials and tools that can be misused for cyber criminal activity, which allows even non-professionals to commit criminal acts.



ENVIRONMENTAL CRIME

Environmental crime produces far-reaching negative impacts on the economy, security, environment, and human health, contributing to biodiversity degradation and climate change. The harm caused is diffuse and tends to result in collective victimization.

The Global Nature of the Problem

The danger of environmental crime as one of the fastest growing types of organized crime with a pronounced international component is recognized as a serious threat at the global level. This, as well as other forms of organized crime, exists in conditions of social, economic, and political changes, political and social transition, and societies with a pronounced problem of corruption. It is characterized by constant expansion, an adequate degree of organization, foreignness, dynamism, quick adaptation to changed conditions and good knowledge of environmental issues.[12]

Environmental crime produces far-reaching negative impacts on the economy, security, environment, and human health, contributing to biodiversity degradation and climate change. The harm caused is diffuse and tends to result in collective victimization. In addition to extremely harmful environmental consequences of a global character, environmental crime undermines the rule of law at the national and international level. In conflict areas, environmental crime appears as a primary source of funding for non-state armed groups.

The low level of priority in combating this form of crime and, consequently, the high rate of impunity combined with the low risk and high profits it generates have helped the accelerated global growth of organized environmental crime. According to Interpol and the United Nations Environment Program, environmental crime is ranked as the fourth most widespread criminal activity with an annual growth rate of 5 to 7%, while global economic losses due to environmental crime range between 80 and 230 billion €.[13]

There is an increasing convergence between environmental crime and other types of serious and organized crime. Established smuggling routes for narcotics smuggling or people smuggling are used for illegal mineral exploitation, while revenues from illegal fishing, trade in wildlife, timber or minerals are used for people, narcotics and weapons smuggling. This convergence is also evident in money laundering and corruption in source, transit, and destination countries, which facilitates the flow of environmental crime.

The Situation in the Region

The Western Balkans' societies are burdened with similar socio-political difficulties and show a similar degree of resistance to criminal acts of environmental crime, which, along with limited public access to information and insufficiently developed awareness of environmental issues, contributes to the unsatisfactory legal framework for detection, prevention, suppression and the sanctioning of environmental crime and/or its inadequate application. The

12 Environmental crime, Interpol, https://www.interpol.int/en/Crimes/Environmental-crime

13 Directive (EU) 2024/1203 of the European Parliament and of the Council of 11 April 2024 on the protection of the environment through criminal law and replacing Directives 2008/99/EC and 2009/123/EC, https://environment.ec.europa.eu/law-and-governance/compliance-assurance/environmental-crime-directive_en

most prevalent types of environmental crime in the Western Balkans region are dumping of hazardous waste, illegal cutting of forests and trade in wood and wood products, illegal construction, illegal exploitation of gravel, illegal hunting, smuggling, and possession of protected species of animals.

The Situation in Montenegro

The specific negative effects of environmental crime in Montenegro do not differ from the consequences on global ecosystem services. In the reporting period, Montenegro faced the expansion of environmental crimes, the most prevalent of which are illegal logging, illegal construction, and illegal exploitation of gravel from riverbeds. Corruption at different levels is recognized as the main challenge that the competent state authorities face in solving these crimes.

The problem of uncontrolled forest exploitation is very pronounced in the entire territory of Montenegro as one of the main environmental problems. According to its representation, in accordance with the geographical climate and natural characteristics of this area, the forest resource is one of the most generous natural resources whose illegal exploitation is continuously carried out over a period of many years. In addition to the great economic damage it causes, which is measured in hundreds of millions of €, this phenomenon has caused major ecological problems that have significantly affected the survival of a large number of plant and animal species.

The collected data indicate that illegal forest cutting and timber exploitation are performed through various forms of abuse in jobs related to woodcutting and processing. In this regard, the division of illegal activities into abuses in business that take place on the level of legal, concessional exploitation on the one hand, and illegal exploitation of forests that takes place in incriminated forms on the other hand, is recognized, and can be characterized as a classic criminal activity from property crime domain.

These are lucrative economic activities that generate high profits for business entities operating in this area, as well as for all persons associated with forest exploitation. The demand for wood is significantly higher than its supply on the market, which directly affects the increase in the selling price of wood, which is the main motive for its illegal exploitation.

In terms of forms of abuse and illegal exploitation, abuses that are registered as part of the official business of legal business entities engaged in forest exploitation, and which involve the abuse of officially obtained concession contracts and other documentation, lead the way. Persons engaged in this type of crime exploit state-owned forest, which they then sell for illegal financial gain. Cutting down of forests from private properties without the necessary permission from the competent Directorate for managing forests and hunting grounds is also noticeable.

In most cases, the perpetrators are smaller ad hoc groups with five to six members, who, in addition to the owners of local companies dealing in the wood industry, are in a corrupt relationship with government officials. Most often, these people live near large forest areas. Persons participating in these illegal activities have provided logistics that include all-terrain vehicles, trucks, cranes, specialized machines (skidders), as well as security of illegal logging sites and escort when transporting wood from the forest for which alternative roads are used.

The perpetrators of these criminal acts show flexibility and proactivity in their work, while in individual cases they resort to violence and threats to life and property in relation to law enforcement officials, in order not to take official actions or interrupt the investigation.

Criminal activities related to the criminal offense of timber theft are most prevalent in the northern region of Montenegro, in the municipalities of Berane, Rožaje, Plav, Andrijevica, Bijelo Polje, Mojkovac, and Pljevlja.

Due to their natural and market value, as well as established and long-standing negative practices and a weak control system, the mentioned activities represent a highly corrupt activity to which almost all state and private structures involved in forest exploitation are susceptible. The most common targets of corruption are inspection services, customs, police, judiciary, public administration, relevant ministries, i.e. persons with great authority in decision-making, persons who can significantly influence decision-making processes, as well as persons at the middle and lower levels. For this purpose, money is most often used, dominantly for issuing permits, avoiding controls and investigations.

Illegal and poorly planned construction, due to the accelerated process of spatial planning, represents a significant risk for biodiversity in Montenegro and a particularly risky area for the development of corruption. Also characteristic is the type of environmental crime that occurs during the legal construction of buildings, where measures aimed at reducing the harmful impact on the environment are not monitored. Although there are clear tendencies for an objective and effective opposition to the problems of illegal change of space and corruption in urban planning, and despite some progress achieved in terms of wide recognition of this problem, Montenegro does not have a spatial plan as of 2020, which deepens the harmful consequences of urbanization.

The problem of mass illegal construction is particularly pronounced in the southern region of Montenegro, primarily in the territory of the municipality of Budva, as well as in the area of the Capital City of Podgorica, where excessive construction results in problems with water and electricity supply, as well as traffic collapse during the tourist season.

It is estimated that there are over 100,000 illegally built buildings in Montenegro, including particularly worrying cases of illegal construction and unauthorized changes in protected areas of national parks. According to the data of the Government of Montenegro from 2022, 70 cases of illegal construction were registered in five national parks. A concrete effort aimed at combating illegal construction is the call for the legalization of already built buildings launched in 2018, which, however, has limited results.

Decades of gravel exploitation caused significant damage to riverbeds, watercourses, plant, and animal species. Among the most threatened areas, the watercourse of the Morača River stands out, from which leading construction companies have exploited gravel for years.

Although in 2020 the permits for the mentioned activities were suspended and activities of increased supervision over the riverbeds were undertaken, illegal exploitation continued. These are mostly individual cases involving smaller companies, as well as individuals and ad hoc groups formed for the implementation of these activities. Quite often, the perpetrators are natural persons who live in settlements near the former excavation sites and who have been engaged in these activities for several decades, causing minor damage.

Persons participating in the exploitation of gravel from riverbeds show a certain degree of adaptability to changes in legislation in this area and a tendency to establish corrupt connections with new decision-makers at the state and local level.

In order to suppress further illegal exploitation of gravel from riverbeds, the data for 2023 indicate that negotiations were conducted with a large number of companies regarding the granting of concessions for the exploitation of gravel obtained from crushing material from dry locations (hills, quarries).

Unauthorized exploitation of gravel from riverbeds implies further risks of weaker water flow towards the Montenegrin coast, which affects the quality of life and the summer tourist season in Montenegro.

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Mid-term Review – updated version

