ORGANISED CRIME IN ICELAND

CRIMINAL NETWORKS AND NEW CHALLENGES FOR LAW ENFORCEMENT 2021-2025

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NCIP | National Commissioner of the Icelandic Police

FOREWORD

The essence of effective law enforcement lies in cooperation, trust, and the systematic collection and sharing of information. In the fight against organised crime—one of the most serious threats of our time—it is more important than ever that these fundamental elements work hand in hand.

Organised crime in Iceland is neither confined to individual municipalities nor to specific police districts. It seeks out opportunities for illicit gain and is not deterred by borders, language, or legislation in its pursuit of vulnerabilities.

This report provides a comprehensive overview of the development of organised crime in Iceland in recent years. It demonstrates that the police now face a serious challenge. The threat posed by organised crime is constantly evolving, shaped by technological advances and a changing global landscape.

Organised crime exploits technological innovations, migration, armed conflicts, and extremist ideologies to expand its operations and increase illicit profits. The number of organised criminal networks has grown, and their activities across various crime areas are interwoven into a complex web. For example, the same individual may become a victim of multiple crimes committed by organised networks, such as cybercrime, drug offenses, human trafficking, and money laundering. Precisely because of this intricate overlap, every analysis and every conversation between police districts can be decisive in resolving a case.

The newly established Information Center, created to strengthen cooperation, trust, and data sharing on organised crime within the police, played a key role in preparing this report. The purpose of the Information Center is to ensure that knowledge, insight, and experience gained in one police district benefit the entire system, thereby enhancing the collective capacity of the police to combat organised crime. This approach has already yielded tangible results and demonstrates that when the police unite their efforts and act as one, the threat of organised crime can be met effectively.

I wish to thank all those who contributed to this report—the authors, those who collect, analyze, and investigate data, and those on the front line who perform law enforcement duties every day. Together, we stand stronger.

Sigríður Björk Guðjónsdóttir,
National Police Commissioner

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INTRODUCTION

Over recent decades, organised crime has emerged as one of the most significant challenges facing law enforcement agencies worldwide. Iceland is no exception to this trend. The number of organised criminal networks has doubled in the past decade, and they have firmly established themselves within Icelandic society.

A review of the past five years reveals a clear escalation in the activities and visibility of these networks. This escalation is reflected in the increased frequency and severity of violence, large-scale criminal activities, and a growing presence of foreign criminal networks in the country. This development has been rapid and is taking place despite reinforced law enforcement efforts.

This report primarily covers the period 2021–2025, as the last report by the National Commissioner of the Icelandic Police (NCIP) on this matter was published in 2021. However, domestic developments in recent years must also be examined in the context of international changes that have taken place over the past 10-20 years.

This report outlines the current situation in Iceland regarding organised crime over the past five years, with a particular focus on criminal networks and organisations, their methodologies, and operational characteristics. It also highlights emerging trends that authorities need to remain alert to. The report aims to build a shared understanding of the status of organised crime in Iceland and its key concepts, both among the general public and within the public administration, to support continued dialogue and policy development.

The report was prepared by the National Security Unit of the NCIP. It draws on a wide range of police data, contributions from partner agencies, judicial information, academic research, and intelligence from foreign law enforcement authorities. Several police experts specialising in this field were also consulted. The report's focus areas are further informed by Europol's latest EU SOCTA[1] assessment, which identifies common trends in organised crime across Europe.

NEW CHALLENGES FACING LAW ENFORCEMENT

The operating landscape for organised criminal networks has changed significantly in recent years. Technological advances, growing international connectivity, and the increased movement of people, capital, and goods across borders have created a global criminal ecosystem that increasingly exploits the vulnerabilities of different states and systems. Organised criminal networks are highly adaptive, and these rapid societal changes have opened up new opportunities and enabled diversification in criminal activity. Criminal networks use whatever opportunities exist. These may take the form of established local networks, gaps in surveillance or regulation, or simply where higher returns can be secured for their illicit goods and services.

Iceland has not been immune to this development, and the criminal landscape is increasingly resembling that of neighbouring countries. In recent years, this evolution has been particularly rapid in Iceland, with criminal methodologies from neighbouring countries being adopted swiftly into Icelandic society. As a result, authorities have been compelled to adapt to new challenges—one that poses numerous challenges and requires a coordinated approach in the fight against organised crime.

BORDERS

Iceland's geographic isolation has long served as a deterrent to the activities of organised criminal networks, but this has changed in recent years. Today, the vast majority of such networks operate across borders, trafficking illicit goods, including drugs, stolen goods, weapons, and money, between countries. Borders therefore are a critical link in the operations of organised criminal networks in Iceland.

Increased air travel, a broader range of destinations, and less expensive fares have made the country more accessible. Keflavík Airport plays a key role in this context, handling approximately 95% of all passengers entering and leaving Iceland. It serves as a point of entry for offenders travelling for illegal purposes, often using forged documents, as well as for victims of crime. The majority of drug smuggling cases in Iceland also originate at the airport.

"The methodologies used by criminal networks in neighbouring countries are rapidly spreading to the criminal landscape in Iceland."

Ports are also of significant importance in this context. It is estimated that a large proportion of the world's illicit drugs are trafficked by sea. Approximately 80–90% of cocaine is believed to be smuggled via maritime routes,[2] and the recent increase in supply across Europe is linked to ever-larger shipments.[3] Criminal networks have gained a presence in numerous European ports, where corruption plays a key role—both on vessels and within port operations.

Monitoring maritime cargo is a major challenge, primarily due to the sheer scale of global freight, which continues to grow, but also because of the complex environment involving numerous actors in the supply chain. In Europe, only about 2% of containers are inspected.[4] Increased surveillance in the continent's largest ports—such as Rotterdam, Hamburg, and Antwerp—has resulted in a shift, with cocaine shipments increasingly routed through smaller ports, often using small vessels or fishing boats.[5] Nevertheless, the largest volumes of seizures still occur on cargo ships.

Iceland has a coastline of approximately 5,000 km, with 30 designated border ports. In addition, numerous coves and inlets allow smaller vessels to dock without supervision. There is significant maritime traffic around the country year-round, involving both large and small vessels. These factors, combined with Iceland's small population, present substantial challenges for monitoring and control.

Each year, only one or two major drug smuggling cases are detected in Icelandic ports. It is likely, however, that the actual volume is considerably higher than what is known to law enforcement.

MIGRATION

Migration between countries has increased rapidly over the past decades, leading to greater diversity in most European societies. In Iceland, this trend has accelerated in recent years. The proportion of residents with a foreign background has risen, and immigrants now make up nearly 20% of the population.[6]

People come to Iceland for various reasons, including those fleeing violence, persecution, or difficult conditions in their home countries, as well as those seeking better living standards for themselves and their families. These groups often include vulnerable individuals with diverse cultural backgrounds who face significant challenges in their new environment due to weak economic and/or social standing.

It is well established that criminal networks exploit vulnerable individuals in their criminal activities. Asylum seekers are in an especially vulnerable position, as their legal status remains precarious throughout the application process. In the last five years, more than 12,000 individuals from 113 nationalities have applied for asylum in Iceland, including approximately 140 unaccompanied minors aged 5–17.[7]

"Asylum seekers are especially vulnerable to exploitation by criminal networks."

Weaknesses can emerge in both the asylum system and the welfare system when they are under strain and safeguards are insufficient. Criminal networks take advantage of this situation, often using coercion and intimidation against individuals in vulnerable circumstances— particularly those of the same origin as the perpetrators themselves. In Iceland, there are documented cases of criminal networks approaching asylum seekers in their accommodation, seeking to exploit their vulnerability. In such situations, young people—especially unaccompanied minors—are particularly exposed to targeted recruitment and exploitation by the networks.

TECHNOLOGICAL DEVELOPMENTS

The internet has become an increasingly significant arena for criminal activity. As more aspects of society are digitalised, crime has correspondingly shifted online. Greater access to information and data has substantially altered the opportunities available to organised criminal networks. Data are increasingly treated as a form of currency—traded on illicit markets or used to extort money from victims.[8]

The online domain is also enabling new types of offending, with the emergence of artificial intelligence (AI) being especially impactful. AI lowers the technical threshold for committing sophisticated and specialised fraud and cyber-enabled attacks. New modi operandi have already been observed, including deepfakes, forged digital identities, and fabricated online (news) content. AI also allows criminals to tailor communications to victims—exploiting both technical vulnerabilities and human weaknesses—and to automate many offences, thereby greatly increasing scale and reach.[9]

On the dark web, anonymous marketplaces facilitate the trade in illicit goods and services, often settled with cryptocurrencies.[10] Widespread use of cryptocurrencies has, both in Iceland and elsewhere, simplified efforts by criminal networks to obscure the trail of illegal transactions. Communications among criminals have also largely migrated to encrypted channels, and continued advances in encryption technology complicate law enforcement access and investigative work.

SECURITY SITUATION

It is well established that extremist and terrorist groups seek to exploit connections with organised criminal networks in planning attacks, as evidenced by the Paris attacks in 2015 and Brussels in 2016.[11] The increasing overlap between organised crime and terrorism—referred to as the crime–terror nexus—reflects the ability of these groups to learn from each other, collaborate on acquiring information and illicit finance, access weapons, and jointly plan violent acts.[12]

Rising geopolitical tensions, including those following the invasion of Ukraine and developments in Gaza, have created new opportunities for organised criminal networks. In the Nordic countries, there are indications that state actors have made use of criminal networks to facilitate criminal activity. This has been seen, for example, in Denmark, where two young individuals were prosecuted for throwing a hand grenade at the Israeli Embassy in Copenhagen.[13] Similarly, individuals in Sweden were charged for acts of violence targeting the Israeli Embassy in Stockholm.[14] In both cases, foreign states use social media platforms to reach and recruit young individuals to carry out criminal acts.

There are also instances where foreign states —or actors aligned with them—have procured services from more specialised criminal networks, including those specialising in cyberattacks, whether for sabotage or to target critical infrastructure. There have been indications of such activity in Iceland, including in connection with cyberattacks during the Council of Europe Summit held in 2023.[15]

The strengthening links between criminal networks, terrorism, and foreign states are driven primarily by increasing geopolitical tensions. There is every reason to monitor this threat closely in the coming months and years.

"The crime–terror nexus refers to the ability of organised criminal networks and terrorist groups to learn from each other, share information, financial resources and weapons, and collaborate in planning violent attacks."

CRIMINAL NETWORKS IN ICELAND

It is estimated that around 20 organised criminal networks are currently active in Iceland—approximately double the number from a decade ago. Group membership varies, typically ranging from three to twenty individuals, though size alone does not determine the level of threat they pose. Even smaller groups are capable of undermining public safety. Organised criminal networks operate nationwide. In Iceland, both domestic and foreign groups linked to international criminal networks are present, including one considered among the most dangerous criminal networks in Europe.[16]

The criminal networks engage in a wide range of criminal activities, including drug trafficking, human trafficking, prostitution, migrant smuggling, cybercrime, property crime, and money laundering. It is most common for these groups to engage in multiple types of crime simultaneously—a practice referred to as poly-criminality—for example, combining drug distribution, prostitution, and money laundering.

MODUS OPERANDI

Organised crime has evolved rapidly in recent years. Both the frequency and severity of violence have increased, and the professionalism and operational capability of criminal networks have strengthened. These groups demonstrate considerable resilience; even when key members receive custodial sentences, criminal operations continue, with responsibilities reassigned within the network. Recent examples of methods used by criminal networks in Iceland include:

Encrypted communication platforms:
Criminals and criminal networks make extensive use of encrypted communication tools to organise their activities. These platforms contain features that reduce traceability, such as the automatic deletion of messages after they are read (both on the sender's and receiver's devices), and pseudonyms that obscure users' real identities. Criminal networks continually adopt new, increasingly sophisticated encrypted applications. In Iceland, data retrieved from encrypted platforms have been pivotal in the investigation of serious offences.[17]

Crime-as-a-Service (CaaS):
A widely used method in organised crime is the sale of illicit services by individuals or groups who specialise in specific criminal skills. This includes services related to cyberattacks and money laundering. Notably, violence is not considered part of this model.

In the summer of 2025, four individuals belonging to a foreign criminal group specialising in violence-as-a-service were refused entry at the border. The group offers its services to carry out serious acts of violence in exchange for payment.

Violence-as-a-Service (VaaS):
Some criminal networks outsource violent acts to individuals in return for payment. These individuals may be recruited through personal contacts or via social media. While previously associated primarily with debt collection, this method has evolved. For example, the 2023 arson attack on a police officer's vehicle falls into this category, with suspects receiving payment for the act. In another case, a police officer was threatened at home by four young individuals armed with knives—also believed to be linked to violence-as-a-service. This approach allows criminal networks to distance themselves from violent acts, thereby reducing their risk of detection and prosecution.[18]

Exploitation of vulnerable individuals:
Criminal networks exploit vulnerable individuals, often through threats, coercion, and violence. In Iceland, there are cases involving serious abuse of asylum seekers, including labour exploitation and prostitution. There are also recent incidents where youth is used to smuggle drugs or engage in violent assaults. Even when individuals appear to consent or take part voluntarily, they may still hold victim status due to their circumstances. As such, violence-as-a-service, crime-as-a-service, and the exploitation of vulnerable individuals can overlap within the same case.

In the spring of 2025, two young women were charged with the importation of 20,000 counterfeit OxyContin tablets into Iceland. The tablets contained nitazenes, among other substances. One of the women was a minor, classifying the case as an example of the exploitation of a vulnerable individual.

International connections:
Most criminal networks operating in Iceland have foreign links. Many are directed from abroad, by either Icelandic or foreign actors, which creates direct connections to international markets and access to criminal expertise and cheaper illicit commodities—later resold in Iceland at higher prices. International organised motorcycle gangs such as Hells Angels, Bandidos, and Outlaws are present in the Nordic countries and maintain links with Iceland, with further connections to other parts of Europe. Criminal networks active in Iceland are linked to Latin America, Europe, the Middle East, and East Asia. For drug trafficking, human trafficking, and migrant smuggling, European transit countries are commonly used before goods or people are moved onward to Iceland.

Increased marketing:
The substantial supply of illicit goods and services has increased competition among criminal networks, prompting them to offer higher-quality and more diverse services and to promote them more actively. Drug distribution and prostitution services are advertised on social media platforms and websites, often signalled through emojis. Criminal networks appeal to consumers by offering home delivery of drugs and prostitution services—sometimes in combination. There are also reports of Iceland being promoted on social media as a destination for human smuggling.

Finally, organised criminal networks in the Nordics and Europe are increasingly using the gig-economy model in their operations, outsourcing smaller tasks—such as drug distribution and transport—to unaffiliated individuals (including minors) in exchange for payment.[19] While clear evidence of this practice has not yet been observed in Iceland, it is assessed as likely to develop in the near future.

TIMELINE

There has been clear escalation in organised crime in Iceland in recent years. This is evident in the increasing scale and seriousness of offences, the growing professionalism of criminal networks, and more frequent, visible, and severe violence.

2020
Encrypted data from the EncroChat platform reveal extensive criminal activity in Iceland and international connections.

2021
A man is shot dead by a criminal network.

2022
The "Saltdreifari-case": Rural areas used to conceal drug production.

2022
Violent clashes between groups in a public space ("Bankastræti Club"). 25 suspects charged.

2020 | 2021 | 2022

2023
Shooting in Úlfarsárdalur: Attempted murder.

2023
The "Timbur-case": Largest cocaine importation case in Iceland's history.

2023
Arson attack on a police officer's car (violence-as-a-service).

2024
One of the largest crystal methamphetamine seizures, found in a vehicle en route to Iceland.

2024
The "Sólheimajökull-case": 18 suspects. First case where the organised crime provision in the Penal Code played a decisive role in sentencing.

2024
One of the largest human trafficking cases to date, with dozens of victims of alleged labour exploitation.

2025
Large-scale drug production in rural areas; four foreign nationals deported.

2025
Highest number of border refusals of individuals associated with organised crime.

2025
Stabbing incident: conflict between criminal networks in central Reykjavík.

2025
Record seizures of cocaine and cannabis at Keflavík Airport.

2023 | 2024 | 2025 | 2026

STRUCTURE

According to Europol's 2024 report, contemporary organised criminal networks are highly diverse.[20] These networks are defined based on how criminal networks are organised, taking into account different factors such as hierarchy, origin, interpersonal ties, or subcultural affiliation. A subculture in this context refers to a distinct group identity with norms, behaviours, values, and forms of interaction that deviate from the mainstream culture in which legal and social rules are observed.[21]

In Iceland, organised criminal networks exhibit varied structures—some highly formalised, others more loosely organised. These networks can be categorised into three main types:

Organised criminal networks:

The most common type in Iceland today. The internal structure may be based on:[22]

a) Personal ties, such as family relationships, shared origin, or friendship.

b) Functional collaboration without personal ties—where individuals with specific skills come together to carry out criminal activities.

These networks share one general feature: members are assigned specific roles and responsibilities. At the same time, they remain flexible, and individual members can be replaced with relative ease.[23]

Organised criminal organisation:

These are self-identified groups with a hierarchical structure. They emphasise group identity through symbols, insignia, and a sense of exclusive membership.21 Such organisations often impose membership rules and obligations regarding participation in criminal activities. Members may be required to pay monthly dues or comply with other formal obligations associated with belonging to an international criminal organisation.[24] Examples abroad include the Italian mafia and drug cartels in Central and South America. In Iceland, outlaw motorcycle gangs are an example, and there is growing evidence of increased connections to foreign organisations.[25]

Loosely structured crime group (gang):

Here defined as a group of offenders that is publicly visible, with a shared identity built around participation in criminal behaviour.[26] This includes offences related to drug distribution, violence, and other illegal activities.[27]

LEGAL DEFINITIONS

The Icelandic Penal Code contains a provision on organised crime, using the term ''organised criminal organisations''. As outlined in the previous section, this term covers only a minority of the groups involved in organised criminal activity. It would be beneficial to align the terminology. The relevant provision is found in Article 175 a, Paragraph 2.

''Organised criminal organisations refer to associations of three or more persons whose main objective, whether directly or indirectly for financial gain, is to commit, in an organised manner, offences punishable by at least four years' imprisonment, or where a substantial part of their activities consists of committing such offences.''

This provision was introduced into the Penal Code in 2009. It has rarely been applied in judicial practice, with only two convictions to date.[28] For example, in the so-called ''Hvalfjarðargöng-case'' from 2020, the defendants were convicted in the District Court for drug production and participation in organised crime.[29] However, the Court of Appeal overturned the judgment and acquitted them of participation in organised crime, despite having regarded the offences as well organised and having assessed that the defendants acted in concert. The court reasoned that the association between the defendants appeared incidental and that deliberate cooperation had not been proven. The requirement that the cooperation is intentional is therefore a key element in the interpretation of the provision. As previously noted, cooperation within organised criminal networks may often appear coincidental, even when it is in fact intentional. Criminal networks go to great lengths to conceal roles and connections, resulting in a high evidentiary burden.

It is important to note that the limited number of convictions is not consistent with the scale of organised crime in Iceland. This raises the question of whether the current statutory requirements should be broadened in light of developments in recent years. For example, Europol's definition of organised crime takes into account different characteristics and structural forms of a wide range of criminal networks and organisations.[30]

A shared understanding among law enforcement, policymakers, academia, and the general public of what constitutes organised crime is essential for improving information-sharing—both domestically and internationally—ensuring coordinated practices within the police and developing a clear policy direction within the public sector. Given the increasing diversity of organised crime and the structures of criminal networks, it is imperative that the legal framework evolves to reflect these developments.


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MONEY LAUNDERING

Money laundering is the process used to conceal the illicit origin of proceeds from criminal activity.

- Money laundering plays a key role in the operations of organised criminal networks.
- Organised criminal networks are increasingly using more complex and sophisticated methods to launder the proceeds of their crimes.
- The scale of money laundering in Iceland is estimated to amount to billions of Icelandic kronas.

Money laundering is carried out by a range of actors across society, with organised criminal networks among the principal perpetrators. Money laundering is an integral part of the operations of criminal networks: it conceals the illicit origin of proceeds so that they appear legitimate. It is also a fundamental requirement for criminal networks to exploit the financial gains of their criminal activity without interference. Because organised crime is profit-driven, the ability to launder proceeds is a core prerequisite for its continued existence. Depriving these groups of their proceeds—for example through the seizure of illicit assets—is therefore an essential priority in efforts to disrupt and deter organised crime, by reducing both their profits and incentives to continue.

MONEY LAUNDERING

Money laundering involves concealing the origin of the proceeds of criminal activity and can be divided into three stages:

Ilicit proceeds are introduced into the financial system

The funds are moved through the financial system to obscure their origin

The laundered funds are re-introduced into the economy and used as though they were legally obtained

[i] *Money laundering is defined in Act 140/2018.*

PREDICATE OFFENCES

All criminal offences that generate financial gain are considered predicate offences for money laundering. Drug trafficking is regarded as the most common and financially significant predicate offence among organised criminal networks (see Figure 1).[ii]

MODUS OPERANDI OF ORGANISED CRIMINAL NETWORKS

As criminal networks expand and become more organised, they employ increasingly complex methods to launder money. According to a recent Europol report, 86% of the most dangerous organised criminal networks in Europe make use of legitimate businesses in their criminal operations and money laundering activities.[31] In Iceland, this trend is reflected, among other things, in the growing use of so-called "straw men".[ii] Individuals in vulnerable situations are known to be used as fronts, for example by being registered as owners of companies or serving as intermediaries in transfers, foreign currency exchanges, or the issuance of fictitious invoices.[32]

This development is closely linked to the involvement of professionals—such as those in finance and law—who facilitate money laundering and reduce the likelihood of detection.[33] There are increasing indications at the international level of the use of professional money laundering services (also known as professional enablers), a trend that also appears to be relevant in Iceland. In a recent case before the Reykjanes District Court, a lawyer was convicted of money laundering for handling illicit proceeds on behalf of a co-defendant. The court found that his role had been necessary for the commission of the offences.[34] Although the case did not involve organised crime, it confirms that such services exist in Iceland and that professionals may play a key role in enabling money laundering for organised criminal networks.

IMPACT

Money laundering increases the incentives and capacity of organised criminal networks to continue their illicit activities. It can also distort markets and reduce competition, contribute to inflation, lower government tax revenues, and foster corruption within public administration.

The International Monetary Fund (IMF) estimates that the total volume of money laundering amounts to 2–5% of global GDP.[35] Applied to Iceland, this corresponds to approximately ISK 90–230 billion in 2024. However, the risk in Iceland is considered lower than in many other countries,[36] and it is therefore likely that the actual volume is closer to the lower end of the IMF estimate. Contributing factors include the small size of the economy, the limited scope of the financial market, and the relatively low number of major money-laundering cases in recent years.

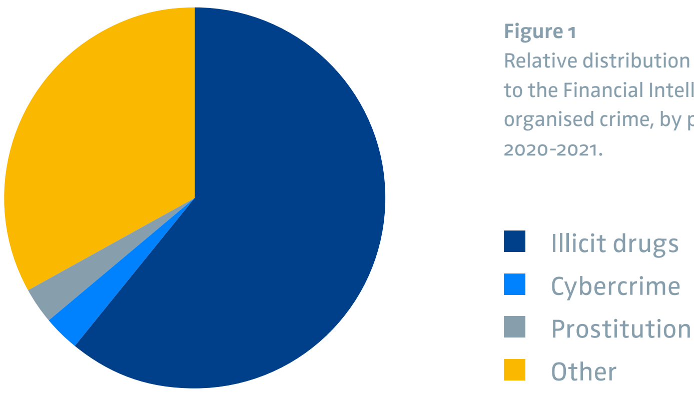


Figure 1
Relative distribution of the value of reports to the Financial Intelligence Unit, related to organised crime, by predicate offence, 2020-2021.

ii *A straw man is an individual which is used to conceal illegal activities.*

The main money-laundering typologies used by organised criminal networks include:[37]

1. Consumption and lifestyle:
Using illicit proceeds to fund everyday spending or an upscale lifestyle (e.g. groceries, frequent restaurant bills, luxury goods) to mask illegal income.

2. Purchase and smuggling of currency
Converting proceeds into foreign currency and smuggling it abroad for consumption, investment, or to finance further criminal activity; funds often change hands to obscure the audit trail.

3. Real-estate transactions and construction
Purchasing, developing or selling property to integrate illicit funds (see textbox) — widely regarded as a high-risk vehicle for money laundering in Iceland.

4. Investment in high-value assets
Acquiring artwork, jewellery, luxury vehicles and similar valuables to store or move value outside traditional financial channels.

5. Loan arrangements
Using loans, fictitious receivables or purchased debt claims to create apparent legitimate income streams; often involves straw persons and may include extortion.

6. Virtual assets
Using cryptocurrencies and other virtual assets to move value cross-border and anonymously, reducing traceability

EXAMPLE OF MONEY LAUNDERING THROUGH REAL-ESTATE TRANSACTIONS AND CONSTRUCTION

A property is purchased. Part of the down payment is paid in cash—"dirty"/undeclared cash (ML1)—and the purchase price is therefore recorded as lower than the true amount in the sales contract. A mortgage is taken out for the outstanding purchase price, providing the buyer with "clean" funds. The mortgage is repaid monthly using undeclared cash (ML2). Renovation or construction work on the property is paid for off-books with undeclared cash (ML3). Finally, the property may be sold, and a higher capital gain can be declared than is warranted (ML4), thereby explaining an increase in apparent legitimate income.

ILLICIT DRUGS

Illicit drugs are the most common commodity traded by organised criminal networks.

- The Icelandic drug market mirrors developments in the European market, characterised by a broad supply of diverse substances with increasing potency.
- Imports consist primarily of cocaine and cannabis products.
- So-called NPS (new psychoactive substances) have triggered a new phase in drug markets globally and present new challenges for authorities.

Organised criminal networks exploit technological advancements and societal changes to maximise profits and develop increasingly diverse business models, with greater efficiency in distribution and sales. This has resulted in a wider range of drugs on the market, which are also being detected at increasingly higher purity levels. There has additionally been a rise in serious violence, particularly linked to cocaine markets.[38]

THE DOMESTIC DRUG MARKET

The developments observed in Europe, particularly in the Nordic countries in recent years, are also mirrored in Iceland. Similar patterns can be seen in the Icelandic drug market, especially concerning the sale, distribution, and trafficking routes used by criminal networks. New substances tend to enter the Icelandic market rapidly. Additionally, the consistently high street prices of drugs in Iceland act as a strong incentive for criminal networks to engage in illicit trade in the country.

Criminal networks in Iceland are involved in both domestic production and importation of drugs, although seizure data from recent years indicate that importation outweighs domestic production. In both cases, criminal networks are becoming increasingly sophisticated. Recent court judgments suggest that substantial preparation is carried out before drugs are imported and/or production begins.[39] Rural properties, holiday homes, and storage facilities are commonly used as concealment sites or as production locations, while cars, small boats, and larger vessels are used to transport drugs. Raw materials and other necessary equipment for drug production are often sourced locally.

Domestic production has increased significantly in recent years, consisting primarily of cannabis but also amphetamine and MDMA.[40] Notably, police data indicate that the production of cannabis and amphetamine has more than doubled when comparing the periods 2020–2024 and 2015–2019.[41] This does not include the significant amount of amphetamine base seized by police in the so-called "Saltdreifari-case" which was estimated to be convertible into around 117 kg of amphetamine.[42] Increasingly, drug production is taking place in rural areas, as criminal networks find it easier to conceal their activities in remote and sparsely populated locations.[43]

The importation of drugs into Iceland consists primarily of cannabis products (mainly marijuana) and cocaine, in full alignment with trends observed in Europe and Norway.[44] There has been a notable increase in seizures of these substances—particularly cannabis—when comparing the last five years to the period 2015–2019, as shown in Figure 2. It is also worth noting the substantial quantity of cocaine hidden in imported timber in 2023 and destined for the Icelandic market but seized in Europe before it reached Iceland.

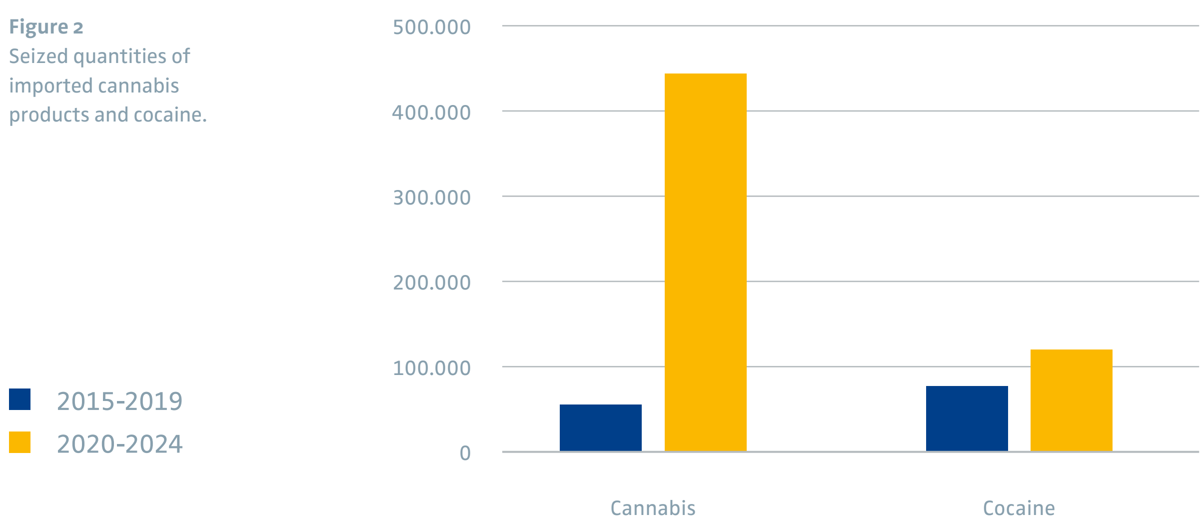
Cannabis is commonly imported from Canada and the United States, while cocaine typically originates in South America, arriving via transit points in Europe—often Spain, Belgium, or France.

Most imported drugs are seized at Keflavík Airport. Around half or more are found in passengers' luggage, though there has also been a significant rise in seizures linked to express or parcel shipments, in line with trends in neighbouring countries.[45] Cocaine, however, is most often smuggled internally by so-called "body packers" who are frequently coerced into the act through violence, threats, or other forms of pressure.

In addition to illicit drugs, seizures of imported controlled pharmaceuticals have also increased compared to 2015–2019, when volumes were minimal. These primarily include opioids such as oxycodone and morphine, as well as the sedative alprazolam.

International connections are crucial in facilitating drug importation, as is the use of encrypted communication platforms to carefully coordinate operations involving multiple actors, both domestically and abroad.[46] This evolution in the scale and nature of drug importation has required increased international cooperation among law enforcement authorities.

Figure 2
Seized quantities of imported cannabis products and cocaine.



THE "SÓLHEIMAJÖKULL-CASE"

In 2024, over 2 kg of cocaine were imported into Iceland, concealed in pots aboard a cruise ship en route to the country. In addition to smuggling, the case involved storage, packaging, distribution of the drugs, and money laundering.

The crime group consisted of more than a dozen members, connected through friendship and family ties. They communicated via the encrypted messaging platform Signal, and each member held a clearly defined role within the operation.

This was the first case in Iceland where the provision on organised crime in the Penal Code served as the principal basis for sentencing.

CONSUMPTION

According to wastewater analysis from the capital area in 2024, cocaine and cannabis use in Reykjavík is on par with levels in Stockholm, though slightly lower than in Copenhagen and Oslo when adjusted for population size.[47] The findings further indicate that, despite a substantial increase in seized quantities of cannabis, consumption has remained relatively stable, and even shows signs of decline between 2022 and 2024. Cocaine use increased up to 2019 but decreased significantly during the COVID-19 period. Measurements from 2022 are comparable to those from 2019. However, cocaine purity has been increasing over a longer period and is currently at its highest recorded level, consistent with developments in neighbouring countries.[48]

Wastewater analysis of other substances in the capital area indicates relatively stable consumption over time. Heroin use remains negligible in Iceland, despite the drug's prominence in European markets.[49] In contrast, there is a domestic market for other opioids, as evidenced by rising seizures of oxycodone and morphine. This trend poses risks: data from the Directorate of Health show that around 40% of accidental poisonings between 2019 and 2023 were linked to opioids (excluding heroin). Wastewater data do, however, show a decrease in opioid consumption between 2024 and 2025.

NPS

New psychoactive substances (NPS) are designed to mimic the effects of illegal drugs or pharmaceutical products but with altered chemical structures to evade drug-control legislation.[50] Their effects can, however, be stronger than those of the original substances, which increases the risk of harm to users. NPS first appeared on the market around 2008 and now vary widely in type and effect. In the European Union, most NPS are believed to be imported from China and India, although there are signs of growing production within Europe.[51]

Concerns about NPS use are increasing, partly due to the chemical composition of these substances. Recently, new compounds combining opioids and sedatives have emerged, and such combinations have been linked to heightened harm, including overdose risk.[52]

Wastewater testing for NPS in Iceland began in 2021 and has been conducted annually since.[53] Substances most commonly seized include new benzodiazepines (e.g. bromazolam) and new synthetic opioids (e.g. nitazenes). Law enforcement has also encountered new synthetic cannabinoids (often referred to as "spice") and new cathinones.

In March 2025, 20,000 tablets containing nitazenes were seized at Keflavík Airport. Nitazenes are synthetic opioids designed to replicate the effects of traditional opioids.[54] These substances are considered especially dangerous: in Norway, Sweden, the UK, and elsewhere in Europe, there have been dozens to hundreds of deaths linked to nitazenes between 2023 and 2025, and they appear to be replacing fentanyl and heroin in certain markets.[55]

RMore regular wastewater monitoring of NPS in the capital area began in 2025. Although only two measurement rounds have been completed to date, the results suggest a possible increase in NPS consumption. There is a clear need to further investigate the spread of these substances in Iceland. Vigilance is required, along with appropriate mitigation measures, to respond effectively to this evolving threat.

THE DRUG MARKET

The size of the illicit drug market in Iceland was estimated at ISK 9–20 billion in 2020.[56] The social cost of drug use was estimated at a minimum of ISK 28 billion in 2022.[57] Both assessments suggest that the scale and impact of the drug market in Iceland are broadly in line with those in other European countries.[58]

While consumption patterns for specific substances may fluctuate, there is little evidence to suggest that the overall size of the drug market is shrinking. On the contrary, the range of substances is increasing, and there are indications that they are becoming more dangerous.[59] A recent report indicates that drug markets are remarkably resilient, with neither external shocks (such as COVID-19) nor law enforcement interventions resulting in lasting effects on supply or demand.[60] Consistent with this finding, police seizures of large shipments—for example, of amphetamine base or cocaine—do not appear to have had a significant impact on drug prices in the Icelandic market, suggesting limited disruption to market dynamics. It is therefore essential to consider a broader range of strategies to mitigate the harmful effects of the drug market.

"New psychoactive substances (NPS) are designed to mimic the effects of illegal drugs while circumventing controlled substance legislation."

HUMAN TRAFFICKING

Human trafficking may be defined as the organised exploitation of individuals for profit and constitutes a grave violation of fundamental human rights.

- Increasing economic inequality, war, armed conflict, and natural disasters can make individuals vulnerable to exploitation by criminal networks. .
- Iceland is now classified as a destination country for trafficking, meaning victims are brought here and exploited within the country.
- Police records indicate that trafficking-related cases in Iceland have increased in recent years.

Organised criminal networks are responsible for the majority of trafficking cases globally. These groups subject victims to prolonged and severe violence, with women and children disproportionately affected.[61] The drivers of trafficking are both social and economic. Poverty, unemployment, and a lack of opportunities push individuals to seek new prospects, but these same conditions expose them to exploitation by criminals and criminal networks.

VICTIMS OF HUMAN TRAFFICKING

Three elements must be present for a case to fall under the legal definition of human trafficking:[62]

1. Act – such as recruiting, transporting, housing, or receiving a person.
2. Means – including threats, violence, coercion, or deprivation of liberty.
3. 3. Purpose of exploitation – such as sexual exploitation or forced labour.

The investigation of trafficking cases is particularly complex, as criminal networks often use deception to recruit victims. Such deception may lead victims not to perceive themselves as trafficked. As a result, trafficking is often hidden, and it is common for victims to hesitate to engage with authorities. Criminal networks also frequently recruit victims in one country before transporting them to another, where exploitation takes place.[63] This leaves victims entirely dependent on their exploiters, with limited means of seeking help. Despite these challenges, international data indicate that most trafficking cases come to light because victims themselves take the initiative to report their situation to authorities — more often than through law enforcement-led investigations or other formal mechanisms.[64]

DEVELOPMENTS IN ICELAND

Prior to 2021, the legal definition of human trafficking in Iceland applied solely to trafficking for the purpose of prostitution and forced labour. With a legislative amendment in 2021, the definition was expanded in line with international developments to include forced services, forced criminality, and forced marriage.[65]

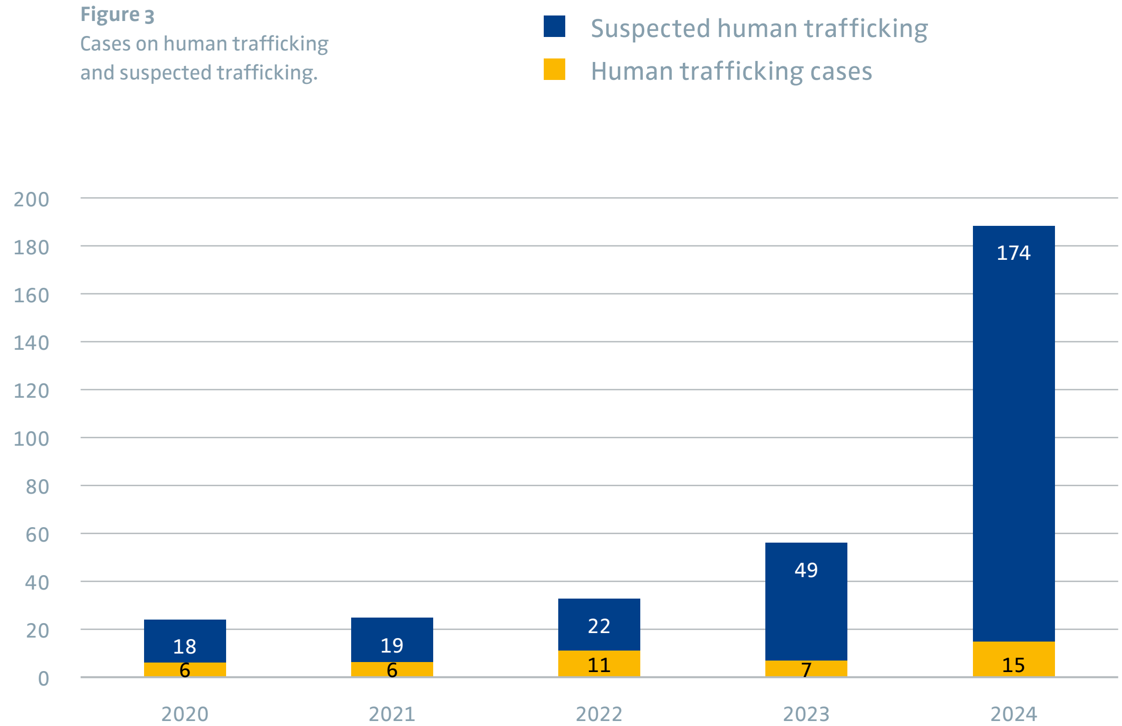
Police data show an increase in recorded instances of suspected human trafficking (i.e. cases involving suspicion or unverified reports) since the legal definition was broadened in 2021. A particularly sharp rise occurred between 2023 and 2024 (see Figure 3), indicating a growing level of awareness within both society and law enforcement—especially following a large-scale case in 2024 involving numerous potential victims of trafficking.[66] Despite this trend, only a very small number of trafficking cases progress through the prosecution process as such.

Analysis of police data on human trafficking cases in Iceland indicates that the majority of cases relate to forced labour and sexual exploitation. This is consistent with global developments.[67]

Police records show that nearly all identified victims of trafficking in Iceland are foreign nationals, originating from both within and outside the EEA. The group includes men, women, and non-binary individuals. Between 2019 and 2024, twelve children aged 18 or younger and of five different nationalities were registered as potential trafficking victims. In all cases, the incidents were reported to child protection authorities.

Iceland was previously primarily characterised as a transit country for trafficking victims, i.e., a location through which victims passed with only a brief stay. This has shifted in line with developments in criminal activity, and police are now increasingly seeing indications that the country has become a destination for organised criminal networks involved in trafficking.[68]

Figure 3
Cases on human trafficking and suspected trafficking.



SEXUAL EXPLOITATION

In Iceland, there are typically dozens of individuals engaged in prostitution. A police review of prostitution advertisements in May 2025 identified approximately 460 ads. The activity is geographically dispersed and frequently takes place in rented accommodation, such as Airbnb. The majority involved are women, though men and transgender individuals are also present in the sex trade in Iceland. A significant share of these individuals are believed to meet the criteria for victims of trafficking for sexual exploitation. Although police records suggest that most trafficking victims in Iceland are foreign nationals, there are indications that Icelandic women are also among those exploited in prostitution.

Buyers of sexual services come from all segments of society. In Iceland, courts have followed a practice of concealing the identities of buyers in legal proceedings, and rulings in prostitution cases are not publicly disclosed. From a traditional deterrence perspective, this approach is unlikely to reduce the scale of prostitution and may in fact undermine government action in this policy area.

Prostitution services are either controlled by organised groups abroad, with local facilitators managing operational aspects, or by domestic criminal networks with international ties. In some cases, coordination is carried out remotely through call centres abroad. It is common for individuals in prostitution to be coerced into transporting illegal drugs into the country and selling them to clients. These criminal networks exploit vulnerable individuals, particularly from South America, West Africa, Asia, and Europe. According to police data, the involvement of organised criminal networks in prostitution is extensive, further reinforcing indications of trafficking (see Figure 4). A known tactic is to rotate individuals between countries, allowing them to remain only briefly in each location to minimise detection by law enforcement.

Figure 4: Example of organised crime group involvement in trafficking for sexual exploitation.

FORCED LABOUR

In Iceland, forced labour is considered most prevalent in the construction industry, the hospitality sector, various service jobs, and beauty salons.[69] Forced labour refers to any work obtained through deception, coercion, or threats, regardless of the individual's initial consent. It has been noted that persons arriving from outside the European Economic Area (EEA) are particularly at risk and are often linked to the most severe cases of exploitation. Many non-EEA nationals hold residence permits based on their employment, meaning their right to remain in the country is largely dependent on their employer. There are documented cases in which these individuals have been subjected to threats and coercion by employers, with some even threatened with deportation. As a result, victims may remain trapped in unacceptable conditions out of fear of their employers.[70]

In 2024, one of the largest forced labour cases to date emerged in Iceland.[71] The scale of the case necessitated coordination and cooperation between multiple entities, including the police, the Directorate of Labour, Bjarkarhlíð (Centre for Survivors of Violence), and the Icelandic Confederation of Labour (ASÍ). The case has also helped draw attention to the importance of a victim-centred approach in trafficking investigations, prioritising the needs and circumstances of victims throughout the investigative process.

MIGRANT SMUGGLING

It is important to distinguish between human trafficking and migrant smuggling, as these offences differ in nature (see textbox). The former is defined as a crime against the individual, while the latter is a crime against the state. However, in some cases, smuggling may evolve into trafficking—for example, when an individual accepts assistance from a crime group to cross borders but subsequently ends up in debt bondage and becomes a victim of trafficking. In Iceland, there have been cases where individuals were subjected to extortion by smugglers after arrival in the country, being forced to work off the debt incurred during their journey. There are also cases involving persons brought into Iceland specifically to engage in criminal activity.

Police intelligence indicates that criminal networks operating both in Iceland and abroad offer services to facilitate the travel of individuals to Iceland, including through the asylum process.

HUMAN SMUGGLING

- Consent for transportation
- Crossing borders
- Commodity is a service
- Relationship between smuggler and smuggled person ends at the destination

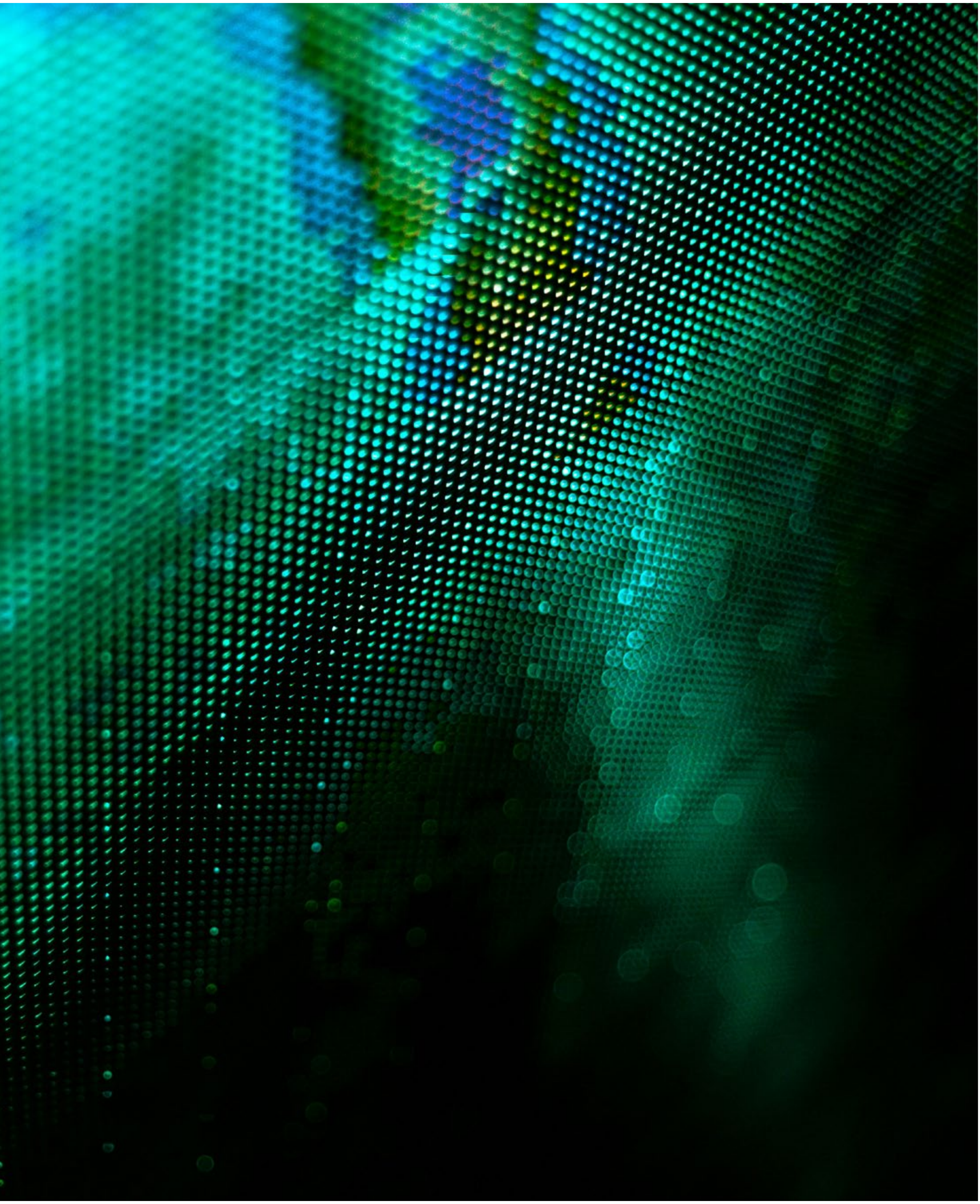
HUMAN TRAFFICKING

- Consent obtained through coercion/threats
- Not always across borders, also within the country
- Commodity is a person
- Relationship does not end

Migrant smuggling may involve various forms of "service", such as providing forged identity documents, purchasing travel tickets, or advising on how to interact with police and authorities. Criminal networks also unlawfully obtain residence permits for individuals, either through falsified documents or by securing permits that do not reflect the true purpose of stay—for example, by using sham marriages. Securing residence permits that allow for extended family reunification—for spouses, children, or even parents—can be particularly lucrative for criminal networks, with reports of smugglers charging high fees for such "package deals." In some cases, individuals may be smuggled under these dependent permits regardless of whether genuine family ties exist.

The police have information suggesting that the cost of smuggling into Iceland is generally higher than elsewhere in Europe. This may reflect both the level of demand and the profitability of smuggling operations for the criminal networks involved.

Furthermore, police have observed foreign nationals registering Icelandic social security numbers (kennitala) and subsequently selling them to persons residing illegally in the country, before departing themselves. The misuse of legitimate identities for illicit purposes has become widespread in Europe. One example involves criminal networks purchasing the services of vulnerable EU citizens, transporting them between countries, registering them in welfare systems, and then sending them back to their home countries shortly thereafter. These identities are then used for systematic benefit fraud and other financial crimes.



CYBERCRIME

Cybercrime refers to offences committed using the internet or a computer, or offences directed at digital components such as data or systems.

- International criminal networks are increasingly moving their illicit activities online, targeting individuals, businesses, and public entities, generating illicit profits amounting to billions annually.
- Online fraud has grown rapidly in recent years and is expected to become one of the primary crime types exploited by organised criminal networks in the near future.[72]
- In Iceland, the total value of online fraud in 2024 amounted to approximately ISK 1 billion, according to data from payment service providers.

Cybercrime committed by organised criminal networks is diverse and extensive. It encompasses a wide range of frauds, deceptions, data theft and other illicit activities carried out online for profit. Recent developments show that cyber-enabled offences are becoming increasingly specialised and that criminal methodologies are growing more complex.

In the majority of cybercrime cases, the criminal network is located in a different country from the victim. The internet therefore provides legal and jurisdictional ambiguity that complicates law-enforcement investigations and facilitates illicit activity. On the dark web, criminals have access to increasingly sophisticated tools and services—such as malware and other offensive software—that facilitate a broad spectrum of cybercrime, fraud and attacks.[73]

"The internet as a venue for crime generates legal and jurisdictional ambiguity, which hinders law-enforcement investigations and facilitates illicit activity."

ILLICIT ONLINE ACTIVITY HOSTED IN ICELAND

Cybercrime in Iceland manifests in several ways, with a distinction between cases involving illicit content or services hosted in Iceland and those targeting individuals, companies, or institutions within the country.

Cases regularly arise involving illegal content or activity hosted on Icelandic servers. These cases relate to various forms of organised crime, including fraud, money laundering, drug distribution, and sexual offences. A recent case involved a so-called "bitcoin laundering service," in which a large volume of cryptocurrency from multiple sources was laundered to conceal its illicit origin.[74] In this case—as in most such hosting-related cases in Iceland—neither the perpetrators nor the victims had direct links to Iceland.

Despite the recurring nature of such cases in Iceland, the police consider the volume of hosting-related crime to be broadly comparable to that seen in other neighbouring countries, as these are inherently cross-border offences in which the physical location of servers is rarely a central factor. However, it is likely that supervisory practices and the legal framework play a role in this context.

ONLINE FRAUD

A wide range of methods and techniques are currently used to commit online fraud, and in many cases, organised criminal networks are involved. These frauds are often carried out through the misuse of software, the exploitation of electronic identities, and via bank accounts, digital wallets, and various mobile applications used for money transfers. It is also common for perpetrators to create fraudulent websites, online marketplaces, and advertisements, as well as deploy different types of malware.[75] Social engineering is frequently used in online fraud. This refers to psychological or emotional manipulation techniques employed to extract sensitive information from victims. These techniques, as well as the type of fraud, are often tailored to each individual target. Increasingly, the bank accounts of fraud victims are also being misused to launder proceeds from other crimes, illustrating the multi-layered nature of organised crime operations.

Police in Iceland define online fraud as fraudulent activity typically conducted via the internet or other digital communication technologies, where individuals are deceived into disclosing personal information or transferring funds or other assets. The police categorise online fraud into six types: romance scams, phone scams, investment scams, payment fraud, fake instructions, and email fraud.

Romance scam

The perpetrator builds a fictitious online relationship in order to gain the victim's trust and extract money or personal data. Communications often last for a long time, during which strong trust is established between the victim and the offender. Victims are often reluctant to report such scams due to shame, and many do not realise they have been defrauded until much later.

Mass mailing/phishing attacks

A large volume of fraudulent emails or messages is sent to steal passwords or banking details, distribute malware, or establish contact with the aim of defrauding victims.

Telecom fraud

Fraud carried out via phone calls or text messages, often masquerading as originating from banks, police, or public authorities. These scams are becoming increasingly widespread and sophisticated. It is now common for spoofed phone numbers to be used, making it appear as if the call is coming from an Icelandic number.

Investment fraud

The victim is lured into fake or high-risk investments with promises of high returns. These schemes often involve cryptocurrencies (e.g. bitcoin) or stock purchases. In Iceland, there are cases where individuals have lost tens of millions of Icelandic kronas to such fraud.

E-commerce fraud

The victim buys or sells something online, but the goods or payment are never delivered as agreed. This also applies to service purchases and payments for rental housing or accommodation.

Business email compromise

Fraud in which the offenders gain access to company email communications. They impersonate a company executive or business partner and deceive employees with fake invoices or altered bank account details in order to divert funds or obtain sensitive information.

There are strong indications that online fraud is increasing rapidly in Iceland. Based on police investigations, such fraud appears to be significantly more profitable for criminal networks than many other types of acquisitive crime. In 2023, the total value of online fraud in Iceland was approximately ISK 800 million. By 2024, the amount had risen to around, or above, ISK 1 billion. Recovering funds lost through such schemes is often extremely difficult. In 2024, less than 40% of the total amount defrauded was recovered, according to data from payment service providers.[iii] It should also be noted that in online fraud cases investigated by the police, recovery rates are usually much lower—around 1% of total proceeds.

There is further reason to believe that the true volume of such cases is significantly higher, and the associated losses correspondingly larger. Online fraud is considered to be heavily underreported, with available data suggesting that only around 9% of victims report such offences to the police.[76] One reason for this is that victims may be embarrassed to admit they were deceived and lost money through online scams. In other cases, victims may refrain from reporting when the financial loss is relatively small. However, it is important to recognise that criminal networks typically cast a wide net, and even small individual losses can cumulate and result in extremely high profits for offenders. This underscores the importance of raising public awareness about the nature of these offences as a key element in prevention.

Although online fraud almost invariably originates abroad, there is a clear trend towards increasingly tailored fraud campaigns targeting Icelandic society. For example, in 2023, the official government portal island.is was exploited to gain access to individuals' online banking accounts.[77] This suggests that the perpetrators possess knowledge of Icelandic social norms and digital usage patterns. The emergence of artificial intelligence and large language models has also made it easier for criminal networks to write in Icelandic and engage with victims under false pretences. Police experience further indicates that these groups adapt rapidly to enhanced countermeasures by authorities and adjust their methods accordingly.

FRAUD PREPARATION

Business Email Compromise is one form of online fraud. These are well-prepared scams in which the perpetrators often hack into email communications and monitor exchanges for months at a time. They strike when a high-value international transfer is expected, substituting their own bank account details to divert the funds.

[iii] *Data from payment service providers, collected by the Central Bank. The police do not have corresponding data on the total amounts of fraud reported to them.*

CYBERATTACKS

Actors who conduct cyberattacks against companies, institutions, and critical infrastructure can generally be divided into three groups: lone actors/"hacktivists", organised groups, and advanced persistent threat (APT) groups.[78]

Lone actors / "hacktivists"

- Varying levels of expertise
- Limited capabilities
- Minimal finacial resources

Organised groups

- Proficient in information technology
- Limited financial resources

Advanced persistent threat (APT) groups

- High level of expertise in information technology and artificial intelligence
- Well-funded

APT groups engage in large-scale data theft and frequently operate in cooperation with organised criminal networks.[79] As Europol has noted, data has become a form of currency among criminal networks, and cyber actors now specialise in stealing data to sell it or extort money from victims. Data may be held hostage, encrypted, or threatened with public disclosure. These groups continuously scan systems for vulnerabilities and exploit them whenever opportunities arise.[80]

In Iceland, cyberattacks have particularly targeted public institutions and industrial and manufacturing companies.[81] However, a wide range of other organisations have also been affected—for example, a university, a media outlet, and an information services company all suffered major attacks and data breaches in 2024.[82] It is also known that high-risk APT groups such as "Salt Typhoon" have operated within Iceland's digital domain.[83]

ORGANISED PROPERTY CRIME

Organised property crime refers to burglaries and thefts committed by mobile organised criminal groups (MOCGs) operating across borders.

- Europol warns of organised criminal networks travelling between countries to carry out large-scale theft using a variety of methods.
- Due to the dispersed nature of these offences, investigations are often complex, as it can be difficult to uncover the full structure behind the crime.
- There are indications of a rise in organised property crime in Iceland over the past two years.

The main types of crime within this category include thefts from homes and retail stores, vehicle theft, and pickpocketing. It can be challenging to determine when a property offence meets the definition of organised crime. This is partly because such offences often take place across several police districts or countries, requiring coordinated investigations across agencies and borders. In addition, criminal groups often remain in a country only briefly, departing soon after — or even before — the offence is detected.

The scale of organised property crime is significant, and the value of stolen goods is considerable. For instance, in the Netherlands, organised property crime is estimated to generate €36 billion annually.[84] Beyond the economic loss, these crimes also undermine societal trust and create a sense of insecurity within communities.

DEVELOPMENTS IN ICELAND

There has been an increase in offences believed to be linked to organised property crime in Iceland, mirroring trends in other European countries. Criminal networks often travel to Iceland specifically to carry out theft. Typically, they stay for only a few days, committing various types of theft—including from retail stores, homes, and construction sites—before leaving the country again. There are also cases of individuals or groups making repeated trips to Iceland for this purpose, including persons with convictions for property theft in multiple European countries. These groups generally focus solely on property crime.

Investigations indicate that such groups often consist of individuals from the same country of origin. This is consistent with Europol's assessment that many organised property criminal networks are structured around family or kinship ties.[85]

It is common for these groups to have facilitators in the destination country who arrange practical matters, such as renting vehicles, securing accommodation, or obtaining identity documents.[86] In some cases, individuals residing in Iceland have recruited groups from abroad to commit crimes on their behalf.

While some stolen goods are believed to be sold on the domestic black market, the police believe that a large portion of it is smuggled out of the country. Supporting evidence includes the discovery of goods stolen in Iceland during customs inspections abroad, and their appearance on foreign auction and sales websites.

Police have noted an overall increase in organised property crime in Iceland, with a turning point marked by the so-called "ELKO-case" one of the most extensive cases of this type to date (see textbox).

CASE STUDY: THE "ELKO-CASE"

On 22 September 2024, a large-scale theft involving electronic goods and cash took place in Reykjavík. A criminal group targeted two ELKO electronics stores in the capital area, stealing a significant quantity of mobile phones and cash. The total value of the stolen goods was estimated at approximately 100 million ISK. It is believed that some members of the group were also involved in other thefts in Iceland.

Three days after the robbery, on 25 September, two individuals were apprehended while attempting to leave the country aboard the Norræna ferry. Their luggage was found to contain 129 mobile phones, 1 million ISK in cash, and approximately 5,000 euros. Both men received 10-month prison sentences. Only a fraction of the stolen assets is believed to have been recovered.

The case was highly complex and involved individuals both residing in Iceland and abroad.

TYPOLOGIES

Theft in retail stores

There has been an increase in more large-scale thefts from stores. The police have documented cases where foreign criminal networks "order" specific goods from partners in Iceland. High-value, easily portable items such as mobile phones, watches, and jewellery are common targets. In supermarkets, expensive food items such as meat are frequently stolen.

Card theft ("shoulder surfing")

There are recurring incidents where foreign offenders observe elderly individuals entering their PIN at store checkouts. They then steal the victim's wallet and quickly withdraw as much cash as possible from ATMs. Losses from such incidents often amount to hundreds of thousands of ISK.

Pickpocketing

There has been an increase in pickpocketing in recent months, especially in areas popular with tourists. It is believed that many such cases go unreported.

Theft of tools and materials

Catalytic converter theft has been a growing problem in Europe for years due to the valuable metals they contain. In 2023, approximately 160 kg of catalytic converter parts were seized on board the Norræna ferry as it was leaving the country. GPS units from construction tools are also frequently stolen, as are tools from worksites and metals such as copper.

Vehicle theft

Vehicle theft is not particularly common in Iceland, as it is more difficult to move vehicles off the island than on the European mainland, where such thefts are extensive. However, 30 vehicles were reported missing in Iceland in 2024, though it is unclear whether they were exported or dismantled for parts.

MEASURES AGAINST ORGANISED CRIMES

Iceland has taken targeted steps to strengthen societal resilience against organised crime.

A Steering Committee on Organised Crime has been operating in its current form since 2023. Its purpose is to ensure coordination on a national level among police districts in the fight against organised crime and to enhance information-sharing across jurisdictions. The committee is responsible for shaping national strategy, ensuring oversight of the threat landscape, setting priorities, and supporting the implementation of key initiatives. A milestone development in this context was the adoption of legislation that expanded police powers to collaborate and share information for crime prevention purposes.[87]

A Steering Committee on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) is also operational, serving as a coordination platform for all government authorities involved in the field. Its mandate includes strategy development, harmonisation of supervision, and coordination of risk mitigation measures.[88]

A new Interagency Coordination Forum for Crime Prevention in Public Institutions was recently established to bolster the public sector's defences against organised crime and address systemic vulnerabilities that criminal networks may exploit. In addition, the police participate in various domestic partnerships aimed at improving coordination and operational capacity. Notably, cooperation between the police and customs authorities has been significantly enhanced, enabling more effective responses to complex cases.

International cooperation is a key pillar in Iceland's response to organised crime. Cooperation with Europol is of critical importance, as organised crime cases in Iceland almost always involve cross-border elements, requiring rapid action in close collaboration with partner countries. Iceland also participates in the Council of Europe's GRECO (Group of States against Corruption), the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and the UN Convention against Corruption. Moreover, Iceland is a member of the Financial Action Task Force (FATF), through which it engages in global efforts to combat money laundering, terrorist financing, and the proliferation of weapons of mass destruction.

NEXT STEPS

The challenges that police and other authorities now face has direct consequences for the social climate, public perceptions, and the sense of safety among residents. Violence is one of the most visible features of the threat environment associated with organised criminal networks in Iceland, and its severity has increased. Even more extensive criminal activity takes place out of public view and is often concealed within, or mixed with, legitimate activity.

A review of the main crime types linked to organised crime reveals escalation across most areas. There is greater diversity and potency in available drugs. Indicators of human trafficking have increased markedly, and Iceland has become a destination country for exploitation. Incidents of online fraud are rising rapidly. Organised property crime is becoming more prominent across the country. Underpinning all of this activity is money laundering, which relies on professional expertise and systemic vulnerabilities. Money laundering connects criminal conduct to the legitimate economy and sustains the cycle of organised crime.

The police have strengthened their investigative and analytical capacities, and in recent years there has been an increase in proactive initiatives targeting organised crime. However, the scope of the problem has expanded rapidly. The analysis of data and investigation of cases is complex and time intensive. Investigations may extend into private enterprises, across multiple police districts, and often beyond national borders. The financial dimensions of crime are also becoming increasingly intricate and far-reaching. In light of this, it is essential to prioritise tasks so that police resources are deployed as effectively as possible. Prioritisation must be based on a risk-based approach that reflects the harm potential of different criminal networks, in line with the implementation of intelligence-led policing.

Technological developments are rapid, and the digital traces of cyber-enabled crime disappear quickly. Criminal networks operate and coordinate in the shadows of encrypted communication platforms, which are becoming more advanced and more difficult to penetrate. They exploit artificial intelligence to enhance criminal operations and to conceal their tracks through complex cryptocurrency transactions. It is therefore vital that the police are equipped to address the growing volume of cyber-enabled crime, while also maintaining proactive monitoring online, on the dark web, and within encrypted platforms. Investment in technology is not optional—it is a necessity in modern law enforcement, to keep pace with the speed of change.

As outlined earlier, money laundering is a fundamental enabler of organised crime, allowing groups to profit from illegal activity without interference. Because organised crime is driven by financial gain, denying access to such profit is essential for its disruption. Seizing, freezing, and confiscating the financial proceeds of organised crime has both preventive and deterrent effects. For victims, asset confiscation can also serve as a form of justice, particularly in cases where proving other elements of the offence in court is difficult.

CONCLUSION

Organised crime imposes a substantial burden on society. It distorts competition by undercutting lawful business activity and places increasing strain on the criminal justice system, including correctional facilities. Public-sector systems are increasingly exposed to corruption and systemic abuse by criminal networks. At the same time, organised crime erodes public trust and citizens' sense of safety. The number of victims rises, and the harm they suffer becomes more severe, calling for appropriate support measures and interventions. Of equal concern is the involvement of children and young people in criminal activities and organised crime, which threatens both their future prospects and the well-being of society as a whole.

Combating organised crime requires a whole-of-society approach in which crime prevention is prioritised and strong cooperation between law enforcement, public authorities, private-sector actors, and the general public ensures a coordinated response. The developments described in this report also call for consideration of more diverse measures to mitigate the harmful effects of organised crime.

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