



INTERPOL

GLOBAL FORESTRY ENFORCEMENT

Strengthening Law Enforcement Cooperation Against Forestry Crime

April 2019



EXECUTIVE SUMMARY

This document provides a comprehensive overview of INTERPOL's work to address global forestry crimes, including operational, tactical and analytical activities delivered in cooperation with our member countries and strategic partners.

Transnational organized criminal groups act along the entire timber supply chain, exploiting institutional and legislative weaknesses. Corruption, legal loopholes, weak control systems and inefficient border patrols jeopardize the rule of law and good governance. In addition, ruthless and inadequate extraction methods destroy the sustainability of ecosystems and threaten the human rights of vulnerable communities.

Forestry crimes are often perpetrated in connection with other crimes such as tax evasion, corruption, document fraud and money laundering. Vessels transporting illegal timber may also be used to smuggle other illicit commodities, such as drugs. Such links to other crime types amplify the negative impacts on the environment as well as social and economic stability, increasing the urgency of law enforcement intervention.

In 2012, INTERPOL launched Project LEAF (Law enforcement Assistance for Forests), now called Global Forestry Enforcement, a global initiative to support law enforcement working across the entire timber supply chain with the aim of disrupting international criminal networks, through increased cooperation in transnational police investigations.

Global Forestry Enforcement assists member countries by identifying the criminal activities along the timber supply chain, providing training to enhance investigative and analytical capabilities, facilitating multi-agency collaboration, providing criminal intelligence analysis leading to decisive enforcement action, and encouraging systematic intelligence sharing between countries.

THE GLOBAL TIMBER SUPPLY CHAIN



BACKGROUND

DEFINITION

“Forestry crime” is an umbrella term to describe criminal activity in the forestry sector covering the entire supply chain, from harvest and transportation to processing and selling. It also refers to those criminal offenses that facilitate such activity, including document fraud, corruption, and money laundering.



THE ISSUES



Illegal logging is responsible for **15-30%** of global timber production



Illegal logging represents **50-90%** of logging in many tropical countries



Illegal trade of timber is worth **USD 51-152 billion** per year

FOUR MAIN FORMS OF FORESTRY CRIME

1

The illegal exploitation of high-value endangered wood species, such as rosewood and mahogany (many of which are now CITES listed)

2

Illegal logging in protected areas, on indigenous lands or outside concession boundaries

3

Laundering of illegally harvested wood through plantations and agricultural front companies

4

Document fraud and misdeclarations to conceal illegal activity and tax evasion

CONNECTED CRIMES

Evidence emerges regularly of criminals using financial institutions in foreign jurisdictions to launder the proceeds of crime, while also taking advantage of legal loopholes. Criminals exploit these institutions to launder illegally sourced timber, and conceal illicit profits from logging and the timber trade.

FORESTRY CRIMES ARE COMPLEX CRIMES WHICH REQUIRE AN INTEGRATED RESPONSE

Criminals exploit the lack of communication between law enforcement agencies both within and between countries. This communication gap allows criminals to avoid detection and to export and sell illegally sourced timber into lucrative markets. Such sophisticated crimes, the smuggling of timber and the mixing of illegal with legal timber, can only be countered by multi-agency international cooperation and full supply chain traceability.

CORRUPTION

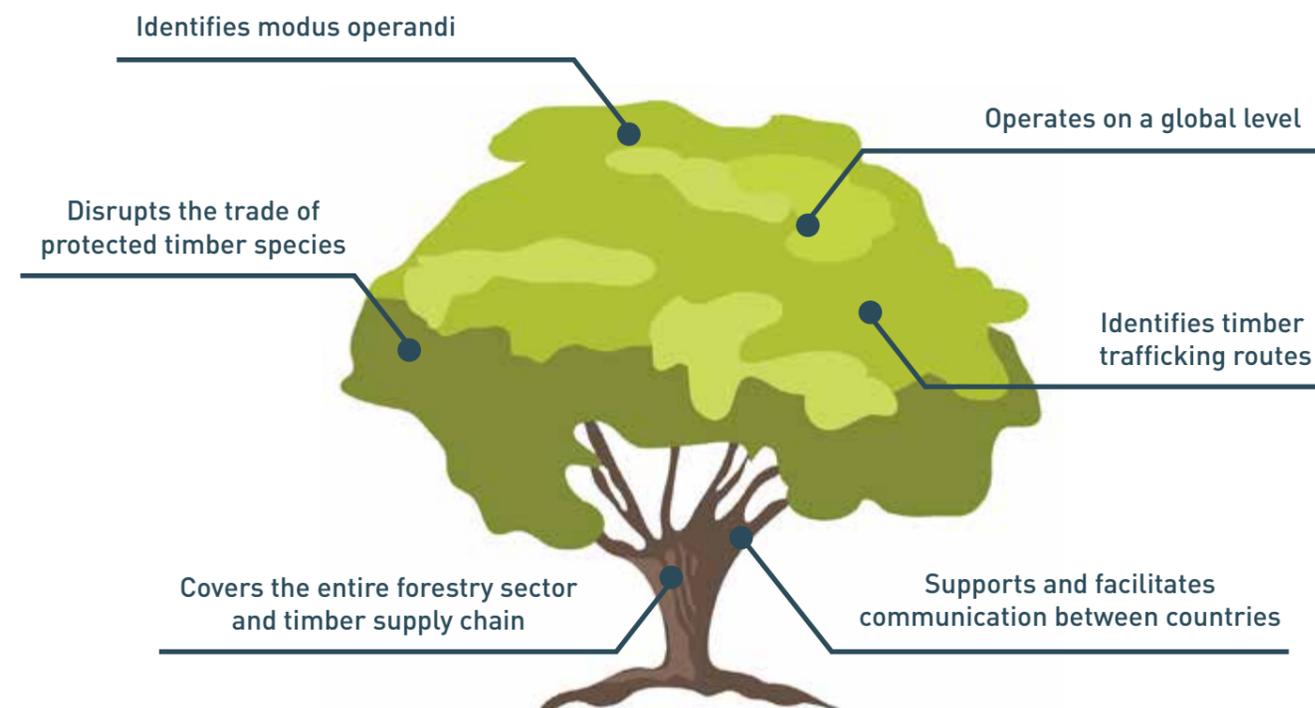
Global Forestry Enforcement has identified corruption as one of the main factors that facilitates forestry crime. Bribery is the most common form of corruption in the timber trade. Other forms of corruption, in order from most to least common after bribery, are: fraud, abuse of office, extortion, cronyism and nepotism. Corruption across the forestry sector includes government officials, law enforcement officers and logging company officials.

Global Forestry Enforcement estimates the annual global cost of corruption in the forestry sector to be in the order of USD 29 billion. INTERPOL has uncovered evidence of criminal networks using corruption and the bribery of officials to establish "safe passage" for the illegal movement of timber. Those criminal groups also exploit these same routes to transport other illicit goods, such as drugs and firearms.

CRIMES CONNECTED TO ILLEGAL LOGGING

Tax evasion	Money laundering	Document fraud	Corruption
			Bribery Abuse of office Nepotism Fraud Extortion

GLOBAL FORESTRY ENFORCEMENT: THE KEY FACTS



MODUS OPERANDI

Over thirty different methods of carrying out illegal logging and timber laundering operations are identified. Some of these methods include:

- Falsification of logging permits
- Bribes to obtain logging permits (some instances noted as USD 20-50,000 per permit)
- Logging beyond concessions
- Hacking government websites to obtain transport permits for higher volumes
- Laundering of illegal timber by establishing roads, ranches, palm oil or forest plantations
- Mixing with legal timber during transport or in mills

The same trafficking routes used for smuggling timber are also used to smuggle



Drugs



Firearms



Wildlife

QUICK FACT

The mixing of legal with illegal wood, including pulp, chips and paper is the **most common** way to hide the import/export of illegally procured timber.

2012 - 2017 IMPACT



11 operations
34 participating countries
800 law enforcement officers trained

VOLUME OF TIMBER SEIZED IS EQUAL TO



1.5 BILLION
USD



950,000
truckloads



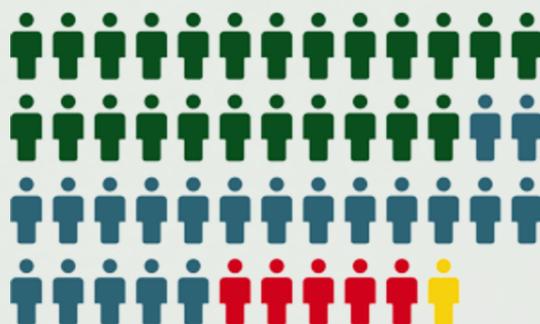
570 Olympic sized
swimming pools

more than **547 ARRESTS**

48% loggers, truck drivers
40% middlemen

10% company owners/managers

2% heads of criminal groups



GLOBAL FORESTRY ENFORCEMENT'S APPROACH

The project team is composed of criminal intelligence officers and analysts with backgrounds in international environmental law, financial investigations, forestry, and law enforcement. The team also works with specialized officers in other crime areas based at the INTERPOL General Secretariat and the INTERPOL Regional Bureaus and National Central Bureaus, in order to identify connections between crimes, routes and trends.

Global Forestry Enforcement works to tackle criminal networks involved in illegal logging and deforestation. We focus our efforts on high-level criminals and heads of criminal networks.

CAPACITY BUILDING AND TRAINING

Global Forestry Enforcement conducts extensive training and capacity building programmes for law enforcement agencies, with the aim of improving the ability of countries to undertake targeted law enforcement operations. Global Forestry Enforcement has conducted regional and national level trainings across Africa, Asia and Latin America, resulting in improved law enforcement capacity to combat illegal logging and forest crimes in key countries.

ENGAGEMENT WITH CIVIL SOCIETY

Intelligence sharing

Civil society organizations have established networks extending to remote areas, with access to on-the-ground intelligence concerning illegal activities and modus operandi of criminal networks. Global Forestry Enforcement works closely with civil society organizations to establish partnerships with law enforcement agencies to source intelligence and exchange information on illegal logging and related criminal activity in the forestry sector.



MULTI-AGENCY COOPERATION



STRATEGIC AND INVESTIGATIVE SUPPORT

NATIONAL ENVIRONMENTAL SECURITY TASKFORCE (NEST)

A NEST, is an established multi-disciplinary law enforcement taskforce, made up of experts from different national agencies such as the police, customs, environmental authorities, financial crime units, anti-corruption units, other specialized agencies, and the prosecutor's office.

NESTs can effectively unite the national law enforcement agencies responsible for enforcing environmental laws. By bringing these agencies together, a NEST can ensure communication, cooperation and collaboration at all levels to facilitate stronger, more coordinated and more effective multi-agency actions against environmental crime. This multi-agency approach means that the taskforce can utilize the different mandates of each agency, to combat environmental crime from all angles – from on-the-ground illegal logging to investigations into their financial and tax affairs.

Through the INTERPOL National Central Bureau (NCB), the taskforce is also able to function at the international level, with information exchange and tactical support between national agencies in different countries.

INVESTIGATIVE SUPPORT TEAM (IST)

At the request of a member country, a team of specialised law enforcement experts can be deployed to support local law enforcement authorities in their investigations. Among the expertise available are digital forensics, species identification techniques, language and technical support in interviewing suspects, database queries, follow-up criminal intelligence analysis and identification of transnational crime components and advice on how to issue INTERPOL Notices.

REGIONAL INVESTIGATIVE AND ANALYTICAL CASE MEETINGS (RIACM)

RIACMs allow investigators from member countries to meet face-to-face to review case files and share intelligence and analysis to further their investigation. These meetings help identify criminal networks or their company structures and lead to opportunities for further exchange of police information and evidence under international crime cooperation procedures.

RIACMs can be arranged at the request of member countries and can be supported by INTERPOL law enforcement officers with expertise in relevant crime areas as needed.

Forestry crime is among the most lucrative of environmental crimes. For this reason, financial crime investigations into the forestry sector are critical for dismantling the criminal networks operating transnationally. Their low risk, high profit crimes threaten not only our forests and natural resources but also undermine the rule of law and stability.



Jürgen Stock
INTERPOL Secretary General

REGIONAL THREATS

The map below shows a broad sample of regional threats identified by INTERPOL member countries during RIACM, IST missions and NEST seminars. It is not an exhaustive list, but captures the global and interconnected nature of forestry crime, demonstrating why an international multi-agency response is necessary.



Africa

East and Central Africa are exposed to considerable illegal forestry activities which contribute significantly to deforestation and forest degradation. Illegal behaviour includes failure to mark or monitor log and timber movement, excessive volume harvesting, illegal allocation of permits and concession areas and unsustainable management planning. In East Africa, illegal behaviour includes multiple use of permits and transport, harvesting outside of permit areas and harvesting without permits.

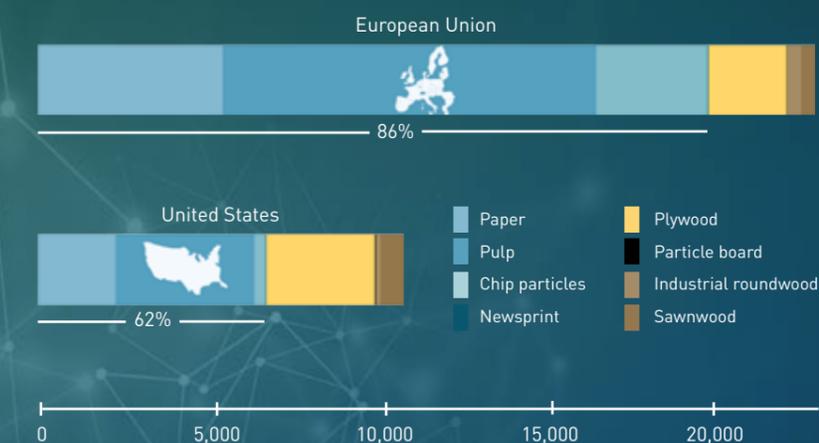
A rough estimate based on information attained through years of research in West and Central Africa indicates that approximately 50% of national timber production is supplied through informal (artisanal) production using chainsaws or other equipment and is often unreported. In 2014, West African countries sought INTERPOL's assistance after criminal intelligence analysis revealed that transnational illegal timber trade was becoming a pressing issue in the region.

MULTI-NATIONAL COOPERATION IS ESSENTIAL TO DISMANTLING THE GLOBAL TRADE IN ILLEGAL TIMBER

Illegally logged rosewood from Madagascar is transported to East Africa, where it is put into shipping containers, given new export documents with different timber species and origin, before being exported to Asian markets.

Using satellites, Global Forestry Enforcement was able to track the vessels and alert each country before the vessels arrived at port. Relevant intelligence was exchanged through INTERPOL channels prompting port authorities to inspect the cargo, resulting in a number of significant timber seizures.

WOOD AND WOOD PRODUCTS FROM TROPICAL COUNTRIES* TO EUROPE AND UNITED STATES



Thousands cubic metres of roundwood equivalent, 2010

*Selected tropical countries: Brazil, Chile, China, Indonesia, Philippines, South Africa, Uruguay

Source: FAOSTAT, EUROSTAT

Europe

While European countries are the biggest market of timber in the world, there are a number of countries in Eastern Europe where illegal logging is flourishing, mainly due to an overall lack of coordination between the various institutional and administrative frameworks. In addition, the lack of well-established bilateral processes with neighbouring countries to combat illegal trade in timber is making joint actions in controlling cross-border traffic not sufficiently implemented. Data collection and monitoring systems are still inadequate and do not provide regulators with enough accurate and accessible information.

Southeast Asia

Since the 1950s, the vast tropical forests of Southeast Asia have been steadily depleted by a growing demand for wood in the giant economies of Japan, the United States, Europe, and China. Companies involved in commercial agricultural and hydroelectric dams in the region are facilitating the illegal trade of timber species such as red sandalwood, teak and rosewood through timber laundering. Money laundering, corruption, drug trafficking and other types of organized crime are proven to be linked with illegal logging operations in this region.

South & Central America

Loggers, cattle ranchers, soy farmers, palm oil plantations, roads and dam constructors, mining and oil companies all want their share of the forest's natural resources. The largest rainforest in the world, the Amazon, extends over 9 countries including Brazil, Colombia, Ecuador and Peru. It is one of the richest places on the planet with regard to flora and fauna, yet, it is significantly affected by illegal logging. The most striking examples are Brazil and Peru, which are among the top ten countries with the largest percentage of forest cover.

In Peru, between 40 and 60% of logging is estimated to be illegal. In the Brazilian state of Pará, in the Amazon, this figure is estimated as high as 80%. Illegal logging in the Amazon has significant economic, environmental and social impacts. It goes with the loss of millions of dollars in revenue for governments each year, like in Peru where the government losses are estimated at 1.5 times the total value of its legal timber exports. Illegal logging destroys biodiversity and wildlife habitat, causes extinction of species, pollution of water sources, erosion, landslides and is responsible for climate change. It undermines the resource-based livelihoods of forest dependent people and is often responsible for social unrest. It can also be associated with slave labour and sexual exploitation of men and women hired to work at remote camps.

CASE STUDY 1 - OPERATION LOG

Participating countries:

Benin, Burkina Faso, Côte d'Ivoire, Gambia, Ghana, Mali, Mauritania, Senegal and Togo

West African countries sought INTERPOL's assistance after criminal intelligence analysis revealed that the transnational illegal timber trade was becoming a pressing issue in the region.

Global Forestry Enforcement held a forestry crime meeting in 2014, where law enforcement officials from the countries in the region first engaged INTERPOL on the topic. A series of meetings were then held between the countries to facilitate information and intelligence sharing to determine the extent to which other countries were also affected by transnational illegal timber trade. The information was analysed by INTERPOL criminal intelligence officers, where it was determined that there was a significant weakness in the abilities of law enforcement to manage timber trafficking at the borders between the West African countries. It was also determined that proper documentation for the export/import of timber was either not established or unclear.

INTERPOL facilitated Operation Log to assist the countries to identify and control the illegal timber trade across West Africa. The modus operandi used and the trade routes for timber trafficking were determined, and suspects were identified through case studies provided by the participating countries.

Between July and September 2015, Operation Log seized timber worth more than USD 262 million (rosewood seizures alone were valued at USD 216 million) and 44 arrests were made.

As a result of this law enforcement operation, INTERPOL was able to determine that West African rosewood (*Pterocarpus erinaceus*) was the most significant timber species subject to illegal trade. In particular, illegal trade across the border between Senegal and The Gambia was identified as the most significant.

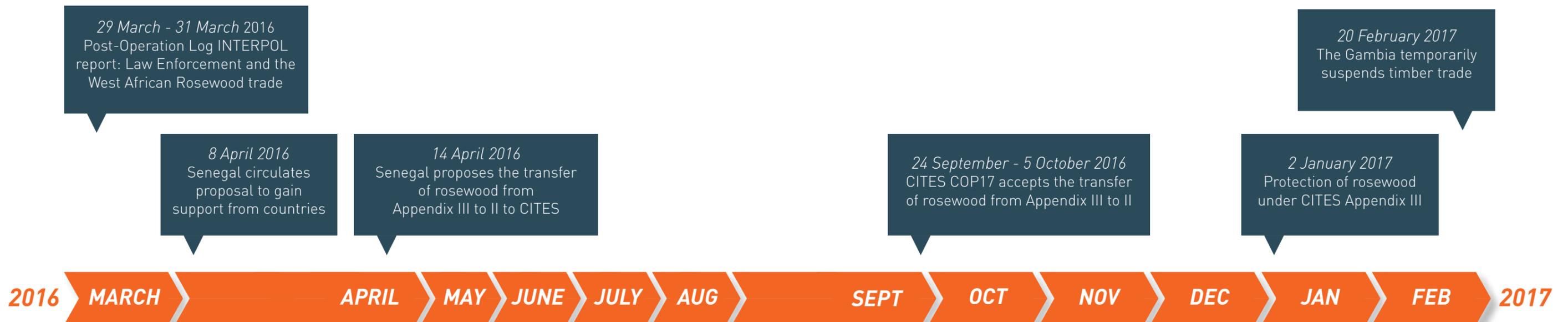
CITES LISTING FOR WEST AFRICAN ROSEWOOD

The results of Operation Log were used to support a proposal by Senegal to transfer West African rosewood from CITES Appendix III, which describes the necessity for cooperation of countries to prevent unsustainable or illegal exploitation of listed species to Appendix II, which describes the potential for a species to become threatened or endangered if the trade is not closely controlled. Benin, Burkina Faso, Chad, Cote d'Ivoire, the European Union, Guinea, Guinea-Bissau, Mali, Nigeria, and Togo were also proponents of the proposal.

In March 2016, INTERPOL provided a report to Senegal and the CITES Secretariat entitled Law Enforcement and the West African Rosewood Trade as a background briefing relevant to the proposal to list rosewood in Appendix II.

In September 2016, at the 17th Conference of the Parties (COP17), the Parties agreed to list West African rosewood as a protected species under Appendix II, effective 2 January 2017.

Then, in February 2017, again based on the results of Operation Log, The Gambia issued a temporary suspension of the transport, import and export of timber until further notice. In the meantime, The Gambia has decided to develop an action plan to eradicate the illegal timber trade, and ensure adherence to the international conventions on the trade and export of timber.



CASE STUDY 2 - OPERATION AMAZONAS II

the legacy of stronger law enforcement in Peru

In 2014, INTERPOL's Global Forestry Enforcement and the World Customs Organization conducted Operation Amazonas I, targeting illegal logging and the trade of illicit timber, while INTERPOL also supported the establishment of networks at the national and international levels to make the controls of the timber supply chain more effective.

Operation Amazonas I was a joint effort between five countries: Brazil, China, Dominican Republic, Mexico and Peru.

The operation uncovered a range of illegal activities including trade in illegally harvested timber and lumber products, the sale and use of fraudulent permits to launder timber, and the mislabelling of timber exports. It resulted in the seizure of 15,693 cubic metres of illegal timber and two vessels used for transporting illegal timber. The total value of the seized timber was worth USD 20.6 million.

In Peru, the operation focused on illicit timber shipments from the port of Callao in Lima, and the illicit timber trade across the Peru/Brazil border. The operation included a number of intensified checks of cargo and transport routes. As a result of this operation, stronger law enforcement networks were established at the national level, in particular stronger communication channels were developed between the Peruvian Customs agency (SUNAT) and the Peruvian authority (OSINFOR) responsible for supervising and controlling forest concessions.

The successful outcomes from Operation Amazonas I encouraged other timber producing countries and transit states in Central and South America to participate in the next INTERPOL facilitated operation, Operation Amazonas II.



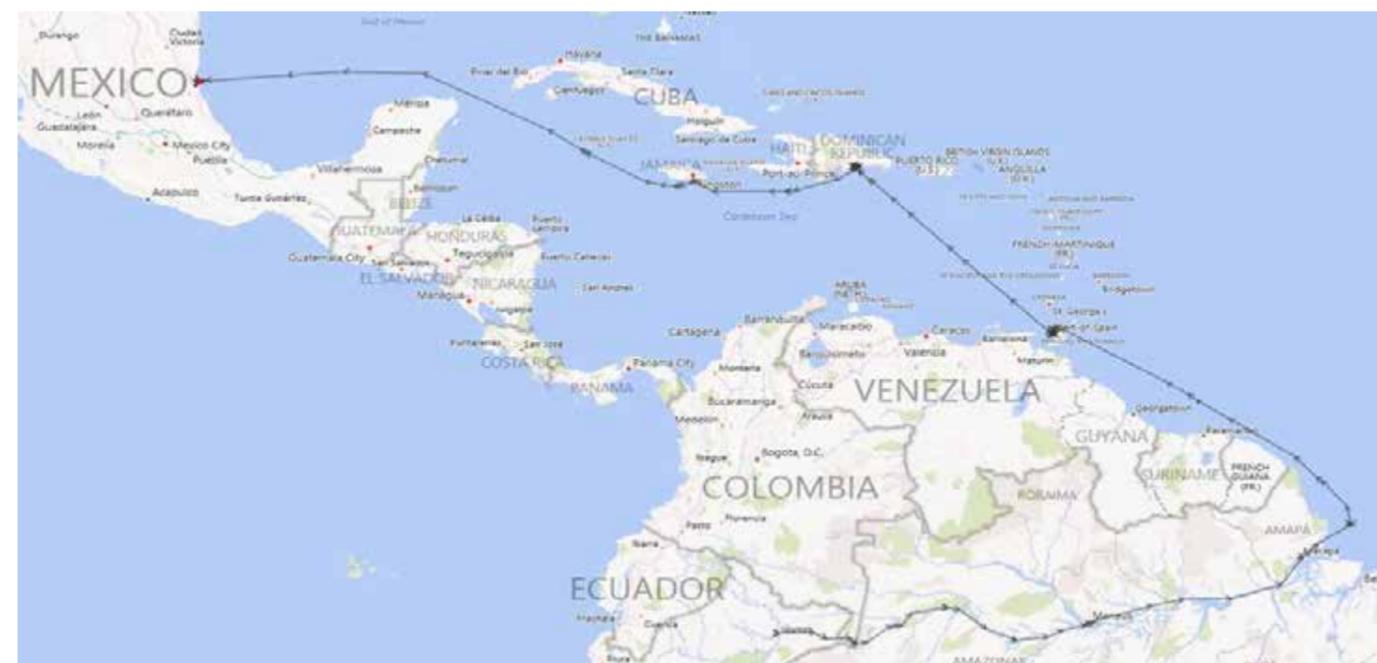
Operation Amazonas II took place between 2015 and 2016, to investigate, arrest and prosecute offenders, as well as to dismantle international criminal networks involved in illegal logging and the illicit timber trade across Central and South America. The operation saw the participation of law enforcement agencies from 12 Central and South American countries.

In Peru, the improved communication channels between SUNAT and OSINFOR allowed customs officials to trace back along the entire timber supply chain to confirm the legality of timber shipments arriving at port for export. In the framework of Operation Amazonas II, the Peruvian Customs informed INTERPOL's Global Forestry Enforcement that they had identified a shipment of illegal timber bound for Mexico and the United States on the vessel Yacu Kallpa. Using information obtained from OSINFOR, the customs authorities were able to determine that over 90% of the timber on the vessel was illegal (over 9,000m³).

At the time, the Peruvian authorities were unable to seize the timber or prevent the Yacu Kallpa from leaving the country. Consequently, they notified INTERPOL and requested our assistance to coordinate an international law enforcement operation to track and monitor the vessel, and ultimately detain the timber.

INTERPOL, through a combination of satellite vessel tracking systems and its secure police communication channels, coordinated the exchange of information in real-time between the Peruvian authorities and INTERPOL's National Central Bureaus in the transit countries in Latin America and the Caribbean, as well as, in the destination countries, Mexico and the United States.

The operation successfully led to the detention of the illegal timber and the vessel by Mexican authorities.



A GLOBAL FORESTRY CRIME RESPONSE



Using INTERPOL's broad and versatile networks to enhance international cooperation

Promoting INTERPOL's policing capabilities and providing consultations to member countries in investigative and analytical matters



Enhancing intelligence exchange through the I-24/7 secure communications system and alerting member countries about modus operandi of high-risk timber companies

Assisting member countries with regional and international cross-border operations and investigations



Enhancing awareness at the strategic, operational and tactical levels

THE INTERPOL NETWORK



GLOBAL FORESTRY ENFORCEMENT SUPPORTING PARTNERS





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