



INTERPOL

# ILLEGAL MINING AND ASSOCIATED CRIMES

A Law Enforcement Perspective On One  
Of the Most Lucrative Crimes

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# 1

## ■ BACKGROUND: A GLOBAL THREAT

### 1.1 THE CHALLENGES OF ENVIRONMENTAL CRIME

Environmental crime is a serious and growing international issue, which takes many different forms and impacts origin, source, transit and consumer countries. Broadly speaking, environmental crime is a collective term for “illegal activities harming the environment and aimed at benefiting certain individuals, groups or companies through the exploitation and theft of, or trade in natural resources”.<sup>1</sup> This crime area includes corporate crime in the forestry sector, illegal exploitation and sale of gold and minerals, illegal fishing and associated criminal activities in the fisheries’ sector, trafficking in hazardous waste and chemicals, the illegal exploitation of the world’s wild flora and fauna, and wealth generated illegally from natural resources being used to support non-state armed groups and terrorism.<sup>2</sup>

Environmental crime is low-risk and high profit for criminals.<sup>3</sup> This crime area has been recently defined as the third largest criminal sector worldwide, after drugs, counterfeit goods and trafficking. In terms of economic loss, just illegal logging, fishing and wildlife trade have an estimated value of \$1 trillion or more per year.<sup>4</sup>

## 1.2 THE CHALLENGES OF ILLEGAL MINING

Although “illegal mining” has no universal definition, INTERPOL defines it as an umbrella term covering both illegal extraction and trade of minerals, including the illegal use of toxic chemicals (such as cyanide and mercury) in mining activities.

Illegal mining has evolved into an endemic and lucrative enterprise in several regions across the globe, with seriously damaging consequences in terms of:

- **Socio-economic development**, due to the high profits generated from illicit assets of approximately 12-48 billion USD per year,<sup>5</sup> undermining government revenues;
- **Peace and stability**, as terrorist organizations, armed rebel groups and drug cartels use the sector as both a funding source and a money laundering enabler. In conflict regions, the mining sites are controlled by Organized Crime Groups and have become hotspots for widespread violence;

- **Human rights in vulnerable communities**, who are exposed to i) human trafficking, forced labor, child and women abuse/exploitation and pervasive (sexual) violence; ii) health issues for local miners and adjacent communities - caused by the chemical substances and environmental-; and iii) human displacements to facilitate the business; and
- **The environment**. Illegal mining causes water and land poisoning via the release of toxic chemicals (e.g. mercury, arsenic, and cyanide), as well illegal deforestation, biodiversity and habitat loss, erosion, sinkholes, and atmospheric carbon emissions.

The subsequent illegal trade of gems and precious metals, coupled with corruption and money laundering, is often perpetrated by organized crime. The criminal groups operating in the illegal mining sector are also often involved in other crime areas. These criminal activities pose major threats to global supply chains, the rule of law and sustainable development. Tackling criminal activities in the mining sector requires an international and coordinated policing response.



## 2

### ■ INTERPOL'S ROLE: A GLOBAL RESPONSE

INTERPOL is the world's largest international police organization, with 195 member countries. Its role is to enable police around the world to work together to make the world a safer place. Using its high-tech infrastructure of technical and operational support, INTERPOL helps meet the growing challenges of fighting crime in the 21<sup>st</sup> century.

Since 2010, the INTERPOL Illicit Markets Environmental Security Programme (ENS) supports Law enforcement in disrupting criminal networks involved in environmental crimes and related crimes (such as fraud, human trafficking, money laundering and corruption).

Within this context, ENS launched in 2020 its first project – called **"Project MNYA"** - to bring countries together in the fight against illegal mining and associated crimes. The geographical scope of the project is Latin America, specifically Colombia and neighboring countries, namely Bolivia, Brazil, Ecuador, Panama and Peru. In order to achieve the objective of the project, ENS has been tackling the crime area from different perspectives and answered to the need for a detailed intelligence picture on illegal mining in the region. This has resulted in the production of the Strategic **Report titled "Project MNYA Strategic analysis report: an intelligence picture of illegal mining and associated crimes in Project beneficiary countries"**<sup>6</sup> for law enforcement use. This report is a summarized and public version of this Strategic analysis report.



Latin America, where all “Project MNYA” focus countries are located, is highly affected by illegal mining. According to the Global Initiative against Transnational Organized Crime, Latin America experiences one of the world’s largest illegal gold extraction rates. In some countries, the illicit trade in gold would be more profitable than drug trafficking and seen as low risk by criminals, likely due to the strong law enforcement response to drug trafficking in the region.<sup>7</sup> In addition to that, links between illegal mining and armed groups activities in these countries have also been reported to INTERPOL.

The high involvement of criminal networks, their sophisticated way of conducting illegitimate business and the transnational outreach of illegal mining and associated crimes pose complex challenges to the law enforcement arena. Based on this, INTERPOL plays a significant role in supporting member countries to develop **national, regional and international coordinated law enforcement responses.**

## 3

## METHODOLOGY OF PROJECT MNYA STRATEGIC ANALYSIS REPORT

The Strategic Report titled “Project MNYA Strategic analysis report: an intelligence picture of illegal mining and associated crimes in Project beneficiary countries” presents a detailed overview of the crime area and associated threats in the Latin American region – specifically, Colombia and neighboring countries including Bolivia, Brazil, Ecuador, Panama and Peru. The purpose of the report is to assist law enforcement from these countries in the identification of high value targets (key players and facilitators), their modus operandi, linkages with other crimes and international connections.

The analysis contained in the report is mainly based on law enforcement responses to a questionnaire designed by INTERPOL,<sup>8</sup> some follow-up interviews and to a minor extent, open source information and intelligence. The analysis focuses on the following topics:

- **Legal framework** – what are the legal tools in place to tackle illegal mining at the national level?
- **National coordination** – who are the national actors at stake to tackle illegal mining?
- **International cooperation** – do law enforcement cooperate across the region and are international and regional actors supporting national authorities in addressing illegal mining?
- **Hotspots and trafficking routes** – are any hotspots and international trafficking routes related to the illicit mineral and mercury trafficking known to national authorities?
- **Criminal trends** – who are the major organized criminal groups and what techniques do they use to conduct illegal mining activities and related crimes? How have their activities been influenced by the COVID-19 crisis?
- **Crime convergence** – are any identified connection between illegal mining activities and other crimes?





## 4

# ■ KEY FINDINGS OF PROJECT MNYA STRATEGIC ANALYSIS REPORT

### 4.1 LEGAL FRAMEWORKS

According to the data collected, Project MNYA countries define illegal mining in different terms in agreement with their national legal frameworks.

All responding countries – Bolivia, Colombia, Ecuador, Panama and Peru – define illegal mining as an **offence punishable by prison sentences**. The penalty goes from two to twelve years of imprisonment and is aggravated in case illegal mining activities are perpetuated concurrently to other crimes. The same countries declared that this crime area is considered a major threat at the national level and therefore, a priority for law enforcement. In addition, Panama and Peru also categorize illegal mining as organized crime.

Within this context, Peru and Colombia's penal legislation declares that the damage to the environment caused by illegal mining activities needs to be proven – complicating the prosecution of suspects.

### 4.2 NATIONAL COORDINATION & INTERNATIONAL COOPERATION

At the national level, Project MNYA countries have at stake different law enforcement agencies responsible for investigating and enforcing illegal mining activities. While in Ecuador, Panama and Peru, the environmental police is in charge of investigating this crime; in Bolivia and Colombia, the police divisions responsible for investigating illegal mining are also in charge of other crime areas. In addition, Ecuador, Panama and Peru have also in place specific infrastructures to ensure and strengthen national inter-agency cooperation and coordination.<sup>9</sup>

At the regional and international level, several joint operations and investigations were reported by Project MNYA countries. Accordingly, a number of regional and bilateral agreements<sup>10</sup> exist that law enforcement can use to conduct joint operational activities. They are: the Lima Declaration (2012), the Andean policy to combat illegal mining (2012), the binational plan for the development of the border region Ecuador-Peru (2012-2013), the Cusco Declaration between Bolivia and Peru (2011), the Plan and Declaration between the armed forces of Colombia and Peru (2013) and the Joint agreement to combat illegal mining between the armed forces of Colombia and Ecuador (2013).

### 4.3 HOTSPOTS AND TRAFFICKING ROUTES

The data analysis resulted in the identification of a series of areas mostly affected by illegal mining within the Project MNYA countries – called hotspots.<sup>11</sup> Half of these are **cross-borders areas, suggesting that some illicit mineral trafficking might take place in these areas.** At the same time, a number of trafficking routes dedicated to the **illegal trade of gold and mercury were identified.**

Furthermore, the following assessment of illegal mining activities was provided to INTERPOL:

- **Bolivia** – source country;
- **Colombia** – source country;
- **Ecuador** – source and processing country;
- **Panama** – source, processing and transit country; and
- **Peru** – source, processing and transit country.

### 4.4 CRIMINAL TRENDS

#### Modus operandi

In criminal law, modus operandi refers to a method of operation or pattern of criminal behavior so distinctive that separate crimes or wrongful conduct are recognized as the work of the same person and/or group.

The top five common modus operandi identified across Project MNYA countries were the following:

- Mining activities taking place in permitted areas without concession / permit or in excess of concession quotas;
- Mining activities occurring in a protected area;
- Illegal forest or land clearing for mining activities;
- Mining activities conducted by illegal workers (and/or forced labor); and
- Mining associated with the use of illegal machinery (illegal use of dredges).

Within this context, all countries – except Bolivia – also identified an increase in demand for tools and means used by criminals to illegally extract minerals such as heavy machinery as well as chemical products, fuel and explosives and the recruitment of foreigners to conduct illegal mining activities.

Examples of modus operandi used by organized criminal groups involved in illegal mining include:

- **False declarations of the minerals' origins.** Minerals are declared as coming from authorized mining concessions - including mines under a formalization process or exhausted but legal mines. The earlier in the supply chain the illegal minerals are laundered, the more difficult it is for law enforcement to differentiate legally from illegally extracted minerals;
- **The use of front companies** to facilitate the extraction and transport of illegal minerals as well as to buy mercury. This encompasses hotels and dance clubs that have a direct access to a mining site where miners illegally extract the minerals and transport them by night to processing plants to avoid law enforcement controls as well as cleaning companies;
- **The burying of machineries in the ground** to avoid law enforcement detection; and
- **The disguise of precious minerals** to bypass airport security checks, for instance by adding steel or silver layers on top of it or by using them in form of jewelry and declaring them as their personal possessions.

The analysis of this data suggests that inspecting mining sites is a particularly complex matter for law enforcement authorities. This implies to verify the validity of the permit; confirm the exact areas of mining activities as well as the quantity of the minerals extracted; control the paperwork of the miners and their immigration status; and check the legality of the machinery, chemical products, fuel and explosive in use. Special attention needs also to be dedicated to document fraud.

#### **Impacts of COVID-19 on illegal mining activities**

Except Bolivia, all countries have identified an **increase in demand for gold** over the past two years triggering an increase in prices. INTERPOL foresees that it is likely that this demand continues to increase given the economic crisis still generated by the COVID-19 pandemic. This, combined with other economic impacts of the pandemic – such as surging unemployment as well as reduced enforcement and unstable gasoline costs – , makes the increase of gold miners' activities very likely to happen.

#### 4.5 CRIME CONVERGENCE

Crime convergence occurs when an organized crime group operates across multiple illicit business lines.

In the case of this analysis, all Project MNYA countries declared that criminal organized groups operating in the illegal mining sector are also involved in **human trafficking and human rights abuses** – migrant smuggling, forced displacement, kidnapping, sexual exploitation, forced labor, child labor, extortion – as well as **financial crimes** – corruption, money laundering and tax evasion. To minor extent, **drug trafficking and other environmental crimes** – illegal deforestation and waste trafficking -, and **firearms and explosive trafficking** were identified as converging with illegal mining activities.

In agreement with this assessment, the Financial Action Taskforce has highlighted in two recent reports that, unlike many other environmental crimes, illegal mining criminals use this activity to both generate proceeds and to launder proceeds from other criminal activities.<sup>12</sup> The characteristics of gold in particular would make it both attractive for, and vulnerable to, exploitation by criminal organizations that need to legitimize assets due to the cash-intensive nature of the industry.

#### 4.6 TECHNICAL CAPACITIES AND CHALLENGES

The current technical capacities to fight illegal mining vary widely from one country to another. Amongst them, it is relevant to mention: the use of **forensic laboratories** to assist the police in their illegal mining investigations; the use of **satellite data** to monitor the progress of deforestation and changes in forest cover; and the creation of a **multi-agency section of intelligence against environmental crimes** (including illegal mining) responsible to collect, process and analyze information related to environmental crimes.

Illegal mining hotspots are often located in remote locations, difficult to access. To be effective, illegal mining investigations likely require law enforcement officials – investigators, analysts and prosecutors – specifically trained in this area. Some possible challenges could therefore be the lack of logistical and technological means – such as all-terrain vehicles, drones, satellite imageries, cameras – as well as law enforcement staff knowledgeable about illegal mining or environmental crime.



## 5

# CONCLUSION AND RECOMMENDATIONS

This public report compiles the main findings from the Strategic Report titled “Project MNYA Strategic analysis report: an intelligence picture of illegal mining and associated crimes in Project beneficiary countries”. These findings are organized by topic: legal frameworks; national coordination and international cooperation; hotspots and trafficking routes; criminal trends; crime convergence; and technical capacities & challenges.

INTERPOL concluded the Strategic Report titled “Project MNYA Strategic analysis report: an intelligence picture of illegal mining and associated crimes in Project beneficiary countries” providing a series of recommendations to law enforcement agencies of Project MNYA countries in order to disrupt the transnational criminal networks operating in the illegal mining sector. Amongst them, **key recommendations** focused on the use of INTERPOL’s policing capabilities; the creation of national multi-agency illegal mining taskforces; and the identification of points of contacts in the national law enforcement agencies responsible to enforce and investigate this crime area.

The goal of these recommendations matches the objective of Project MNYA: bringing countries together in the fight against illegal mining and associated crimes. While this project focuses on Latin America and on specific countries, INTERPOL’s mission and commitment to this crime area – as well as environmental crime in general – has a global scope. Within this context, it is relevant to mention that generous contributions from external donors to INTERPOL has ensured the sustainability of the Environmental Security Programme for the past decade. Any further contribution to our work to make the world a safer place will be carefully considered and appreciated.

## References

- <sup>1</sup> INTERPOL, Rhipto & The Global Initiative Against Transnational Organized Crime, 2019: p.15
- <sup>2</sup> The Rise of Environmental Crime – A Growing Threat To Natural Resources Peace, Development And Security, A UNEP-INTERPOL Rapid Response Assessment, published in 2016 at <https://wedocs.unep.org/handle/20.500.11822/7662>.
- <sup>3</sup> Ibidem
- <sup>4</sup> Illegal Logging, Fishing and Wildlife Trade: The Costs and How to Combat It, World Bank, published in 2019 at <https://thedocs.worldbank.org/en/doc/482771571323560234-0120022019/original/WBGReport-1017Digital.pdf>.
- <sup>5</sup> The Rise of Environmental Crime – A Growing Threat To Natural Resources Peace, Development And Security, A UNEP-INTERPOL Rapid Response Assessment, published in 2016 at <https://wedocs.unep.org/handle/20.500.11822/7662>.
- <sup>6</sup> The Strategic Report is available upon request and internal assessment, addressing [environmentalcrime@interpol.int](mailto:environmentalcrime@interpol.int)
- <sup>7</sup> The Global Initiative Against Transnational Organized Crime, Organized Crime and Illegally Mined Gold in Latin America, p. 8, published in April 2016, published at <https://globalinitiative.net/wp-content/uploads/2016/03/Organized-Crime-and-Illegally-Mined-Gold-in-Latin-America.pdf>.
- <sup>8</sup> Although no data was available from Brazilian law enforcement at the time of writing the Strategic report, it is expected that this information gap will be filled in the near future.
- <sup>9</sup> Comisión Especial para el Control de la Minería Ilegal, Grupo EME and Comisión Multisectorial de naturaleza permanente
- <sup>10</sup> Sociedad Peruana de Derecho Ambiental, La realidad de la minería ilegal en países amazónicos, pp. 24-25, published in June 2014, published at <https://spda.org.pe/wpfb-file/la-realidad-de-la-mineraa-ilegal-en-paises-amaza%C2%B3nicos-spda-pdf/>.
- <sup>11</sup> Crime hotspots are areas that have a high crime intensity.
- <sup>12</sup> Modus Operandi, Legal Information Institute, 2022, published at [https://www.law.cornell.edu/wex/modus\\_operandi](https://www.law.cornell.edu/wex/modus_operandi).
- <sup>13</sup> The price of an ounce of gold rose to practically USD 2,100 in mid 2020 compared to USD 1,500 before the pandemic, early 2020. See Gold price, Ten year gold price in USD/oz, published at <https://goldprice.org/fr/gold-price-history.html>.
- <sup>14</sup> INTERPOL's analytical report on the Impact of COVID-19 on Operation Arcadia, Further illegal deforestation due to increased rates of illegal mining and agricultural expansion in forested areas, 9 February 2021 (for law enforcement only).
- <sup>15</sup> FATF, Money Laundering from Environmental Crimes, published in 2021 at <https://www.fatf-gafi.org/publications/methodsandtrends/documents/money-laundering-environmental-crime.html>.
- <sup>16</sup> The Strategic Report is available upon request and internal assessment, addressing [environmentalcrime@interpol.int](mailto:environmentalcrime@interpol.int)



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