

Environmental Crimes and Corruption

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OSCE PRESENTATION – JUNE 2020

Scope of Problem

- **Illegal profits:**
 - (1) Timber – \$51-152B PY
 - (2) Wildlife - \$7-23B PY
 - (3) Mining - \$11-24B PY
 - (4) Fisheries – \$11-24B PY
- = \$91-\$258B PY**

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Scope of Problem Cont'd

- 30% global timber trade, 22% global fisheries trade = corrupt
- Forestry Sector = \$29 billion annually corruption related profits
- INTERPOL survey = avg 250 corruption cases, per country, per year

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CORRUPTION CAN HAPPEN AT EVERY STAGE OF THE GLOBAL TIMBER SUPPLY CHAIN



1
LOGGING PERMIT ISSUED
Government officials are bribed to influence the bidding process

2
HARVEST
Inspectors or rangers are bribed to allow illegal activity to continue

3
TRANSPORT
• Transport documents are falsified
• Checkpoint officials are paid off to let trucks through

4
PROCESSING
Mills launder illegal timber by mixing it with legally sourced logs

5
EXPORT
False claims are made on customs papers

6
SALE
Inspectors are bribed to cover up the sale of illegal timber or protected species

A close-up, low-angle shot of a circular saw blade with sharp teeth, set against a dark, blurred background.

CUT IT OUT

Harm

- Destroys critical habitats
- Impacts economic development, stability, and security
- Impairs resource governance
- Loss of revenue/Suppressed market prices/Unfair playing field
- Erode respect for Rule of Law
- Endangers human health
- Climate Change
- Facilitates other crimes (drugs, guns etc)

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Case examples

- U.S. vs KROMAH et al. (SDNY)
 - 190 kg rhino horns, 10 tons elephant ivory
(= 35 rhinos, 100 elephants)
 - \$7,400,000
 - Poachers in Uganda
 - Sold to and laundered payments in U.S.
 - Also sold cocaine and heroin

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Solutions

- Capacity building of law enforcement
- Specialized independent units
- Whole-of-government approach
- Strengthen international cooperation
- Policy and legislative reform
- Raise public awareness
- Financial Action Task Force (FATF) <http://www.fatf-gafi.org>