

# Money Laundering from Environmental Crime

Typologies and Trends in Countries  
in the Amazon Region



By Julia Yansura

**OCTOBER 2024**

# Acknowledgements

Many thanks to the following individuals for reviewing and otherwise contributing to this report:

- **John Dodsworth**, World Wildlife Federation (WWF)
- **Corinna Gilfillan**, UNCAC Coalition
- **Zorka Milin**, FACT Coalition
- **Thomas Georges**, FACT Coalition
- **Ian Gary**, FACT Coalition
- **Erica Hanichak**, FACT Coalition

**Daniela Altamirano Crosby**, former FACT Policy Fellow, contributed invaluable research assistance.

The recommendations and views expressed in this report are those of the FACT secretariat and do not necessarily reflect the views of our editors, coalition members, or funders.

## About FACT

Founded in 2011, the Financial Accountability and Corporate Transparency (FACT) Coalition is a non-partisan alliance of more than 100 state, national, and international organizations. Our mission is to promote policies to combat the harmful impacts of illicit finance on communities, global security, and the environment, and to campaign for a fair international tax system. The FACT Coalition's members include anti-corruption organizations, human rights watchdogs, labor unions, environment and climate groups, and more. To achieve our objectives, we also engage partners who are committed to combating these harms, including in law enforcement and the private sector.

In a globalized world, U.S. financial secrecy fuels global harms. Our work is motivated by the belief that addressing U.S. policy weaknesses will not only make our communities safer and more equitable, but also benefit our friends, neighbors, and allies around the world.

More information about the Coalition can be found on the FACT Coalition website at <https://thefactcoalition.org/about-us/>.



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Cover and report image sources: Shutterstock.  
Graphic Design: Camille Babington, *Visual Teaching Technologies*.

# Introduction

What can we learn from 230 environmental crimes committed in countries in the Amazon region over the past ten years? This report analyzes publicly available case data to better understand how these crimes are committed and how their associated profits are laundered. By understanding regional trends, typologies, and red flags, this report aims to inform policy discussions and law enforcement efforts in the Amazon region to curtail illegal deforestation, protect local communities, and strengthen the rule of law.

As a U.S. organization working on public policy, FACT also hopes that this report will inform U.S. efforts to address environmental crime<sup>1</sup> and illicit finance. Through the 2024 Amazon Region Initiative Against Illicit Finance, the U.S. Treasury Department has committed to enhanced information sharing, new “follow the money” training programs, and joint investigations with countries in the Amazon region on issues pertaining to environmental crime.<sup>2</sup> By taking stock of current needs and realities in the region, this report provides insights on the types of information sharing, technical assistance, and collaboration that are most needed to maximize the impact of the Amazon Region Initiative.

Environmental crimes are one of the fastest-growing illicit economies in the world.<sup>3</sup> They are also among the most lucrative, estimated to reach up to US\$281 billion a year internationally.<sup>4</sup> Some estimates suggest that environmental crimes are growing by 5-7 percent annually, two to three times faster than the global economy.<sup>5</sup> Governments face considerable challenges in responding, not only because these crimes are relatively new, but because they cross national borders, involve complex supply chains that commingle legal and illegal products, and frequently feature public and private sector corruption. As Europol notes in a recent report, “in order to cope with new and growing challenges, law enforcement must keep up with environmental criminals.”<sup>6</sup> It has not been easy.

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1 While more on the research methodology can be found on the next page, it should be briefly noted that this report uses an inclusive definition of environmental crime aligned with the United Nations Environment Program (UNEP). UNEP states that “environmental crime does not currently have a universally agreed upon definition, however it is regularly used to refer to almost any illegal activity that harms the environment for the (often financial) benefit of individuals, groups or companies,” further noting that “some environmental crimes also fall into the category of serious organized transnational crime as criminal groups and networks are increasingly engaged in what is currently representing a growing lucrative opportunity.” See “Documenting the international community’s understanding of environmental crimes,” UNEP and UNICRI, 30 January 2017, [https://unicri.it/news/article/environmental\\_crimes](https://unicri.it/news/article/environmental_crimes). This report includes environmental crimes such as illegal logging, illegal mining, illegal fishing and trafficking in wild flora and fauna. Waste trafficking was not included in the analysis. See the methodology section for further discussion of how cases were identified.

2 “Secretary of the Treasury Janet L. Yellen Announces the Amazon Region Initiative Against Illicit Finance to Combat Nature Crimes,” U.S. Department of the Treasury, 27 July 2024, <https://home.treasury.gov/news/press-releases/jy2503>.

3 “Interpol marks a decade of tackling serious organized crime,” INTERPOL, 23 November 2020, <https://www.interpol.int/News-and-Events/News/2020/INTERPOL-marks-a-decade-of-tackling-serious-organized-environmental-crime>.

4 The Financial Action Task Force, *Money Laundering from Environmental Crime* (Paris: FATF, July 2021), p. 5, <https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Money-Laundering-from-Environmental-Crime.pdf.coredownload.pdf>.

5 INTERPOL, *The Rise of Environmental Crime (UNEP-INTERPOL rapid assessment, 2016)*, p. 7, <https://www.cms.int/en/document/rise-environmental-crime-unesp-interpol-rapid-response-assessment>.

6 EUROPOL, *Environmental Crime in the Age of Climate Change* (The Hague: Europol, 2022), p. 40, [https://www.europol.europa.eu/cms/sites/default/files/documents/Environmental\\_Crime\\_in\\_the\\_Age\\_of\\_Climate\\_Change\\_threat\\_assessment\\_2022.pdf](https://www.europol.europa.eu/cms/sites/default/files/documents/Environmental_Crime_in_the_Age_of_Climate_Change_threat_assessment_2022.pdf).

This report builds on previous work by the FACT Coalition, most notably its 2023 report, *Dirty Money and the Destruction of the Amazon*, which looked at environmental crime from a U.S. policy perspective, identifying gaps and proposing solutions.<sup>7</sup> This report takes a different, but complementary, approach. It analyzes criminal cases in countries in the Amazon region over the last decade, drawing on case information provided by prosecutors' offices in Colombia, Peru, Ecuador and other countries to learn more about typologies, routes, and trends.

Key findings of the report include:

- **Most cases do not currently “follow the money”:** Of the 230 cases analyzed, only one in three appear to have included a parallel financial investigation;
- **The U.S. is frequently involved:** The U.S. was the single most common foreign jurisdiction mentioned in these cases, both as a destination for illegally sourced environmental products as well as the destination for dirty money associated with their sale;
- **Shell and front companies remain a significant challenge:** Among cases analyzed, the single most common money laundering typology was the use of shell and/or front companies;
- **Convergent crimes play a role:** Among cases analyzed, corruption was the single most prevalent convergent crime mentioned.

This report begins with a brief discussion of methodology before moving on to examine the nature of financial investigations in these cases. Next, it considers the geographical routes used in these cases, including transit and destination countries. It then discusses money laundering typologies and crimes of convergence. The report concludes with a discussion of the implications of this research for policy and law enforcement efforts. Throughout the report, case studies are included to illustrate the trends and issues being discussed.

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<sup>7</sup> Sofia Gonzalez, Sophia Cole, and Ian Gary, *Dirty Money and the Destruction of the Amazon: Uncovering the U.S. Role in Illicit Financial Flows from Environmental Crimes in Peru and Colombia* (Washington, DC: FACT Coalition, 2023), [https://thefactcoalition.org/wp-content/uploads/2023/10/Feb-08\\_English-Full\\_FACT-Report.pdf](https://thefactcoalition.org/wp-content/uploads/2023/10/Feb-08_English-Full_FACT-Report.pdf).

# Methodology

This report includes 230 environmental crime cases, broadly defined, that took place in countries in the Amazon region during the period 2014-2024 and were publicly reported by national authorities.

Cases were primarily identified using press releases from the offices of Attorneys General. Search terms such as “environment”, “environmental crime”, “illegal logging”, “illegal timber,” “deforestation”, “illegal gold”, “fish” and “wildlife” were used to identify cases. The most commonly identified environmental crimes included illegal mining, wildlife trafficking, illegal logging, and illegal fishing. However, using an inclusive definition<sup>8</sup> of environmental crime, a handful of cases were identified representing less common environmental crimes. These included illegal usage of heavy machinery (linked to gold mining), illegal cattle ranching in protected areas leading to deforestation, illegal road construction in protected areas, and illicit charcoal sales linked to illegal deforestation.

Illegal mining of metals and minerals represented the largest group of cases identified in the database (57 percent), and primarily involved gold. Wildlife trafficking was the second largest category representing 15 percent of cases, of which reptiles featured prominently. Timber was the third largest category representing 9 percent of cases; details on the tree species were rarely provided in the cases.

**For Colombia, Peru, and Ecuador, all environmental crime cases identified for the ten-year period were included.**

Combined, the three countries amounted to 208 cases, or 90 percent of cases analyzed. With regards to Chile, Panama and the US, only select cases linked to the Amazon region were included. In the case of Brazil, 14 cases were included, a limited number since money laundering typologies related to environmental crime in Brazil have already been well analyzed elsewhere. For example, Transparency International Brazil’s recent report, *The Wildlife Laundromat*, provides an in-depth look at the case of Brazil.<sup>9</sup>

This report is focused at the national rather than subnational level. For example, the report includes all Peruvian cases without differentiating between cases occurring in the Peruvian Amazon and cases occurring in other natural or protected areas of Peru; this level of detail is not readily available in most publicly-available case documents so it could not reliably be included.

The methodology used does not allow for comparisons between countries, since there are differences in how countries report information.

<sup>8</sup> This is similar to the “inclusive approach” taken by FATF in their recent report. See *Money Laundering from Environmental Crime* (Paris: FATF, July 2021), p.8, <https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Money-Laundering-from-Environmental-Crime.pdf.coredownload.pdf>.

<sup>9</sup> Joachim S. Stassart, Dário Cardoso J., and Renato Morgado, *The Wildlife Laundromat: How Risks of Fraud, Corruption, and Laundering Drive Wildlife Trafficking* (São Paulo: Transparency International, 2024), <https://transparenciainternacional.org.br/publicacoes/the-wildlife-laundromat/>.

This methodology has its advantages and disadvantages. Among its advantages, it provides a broad swath of cases, allowing regional trends to emerge. Since the number of environmental cases that are investigated and prosecuted for any given country tends to be quite limited, this sort of aggregated, regional approach is helpful. Among its disadvantages, the analysis relies on information reported by authorities and the details they chose to make public. In addition, it relies on cases that authorities have detected and investigated; this almost certainly represents a small subset of a much larger universe of all environmental crimes. Finally, many cases are publicly announced when an arrest is made. Cases that mention arrests have been included in the database for analytical purposes. It goes without saying that not all arrests lead to convictions, and not all arrested persons are guilty.



# Financial Investigations

Among the 230 environmental crimes identified, relatively few appear to have included a “follow-the-money” investigation.

**As an international best practice, environmental crime investigations should always attempt to follow the money.**

As the Basel Institute notes, financial investigations are key to “identify(ing) the high-level actors behind wildlife trafficking, illegal unreported and unregulated (IUU) fishing, illegal logging, illegal mining and other activities – illuminating who finances those crimes and who profits from them.”<sup>10</sup> Similarly, experts from the Royal United Services Institute (RUSI) have argued that conducting parallel financial investigations ought to be “a matter of routine” in all environmental crime cases.<sup>11</sup> The Council of Europe at the European Union notes that “parallel financial investigations (...) are one of the effective tools to identify larger criminal networks...”<sup>12</sup>

**Moreover, the failure to conduct parallel financial investigations has consequences.**

The Egmont Group – which facilitates information exchange among the financial intelligence units across the world – has pointed out that “lack of financial scrutiny and low penalties make wildlife crime a highly profitable, low-risk enterprise for perpetrators.”<sup>13</sup> Meanwhile, Earth League International notes that organized crime groups may simply pack up, move to a new area, and proceed with their criminal conduct: “a raid or other crackdowns will motivate organized crime groups and activities to quickly relocate,” they explain. “Because environmental crimes tend to be more extractive (e.g. logging and mining) and with a wider geographic span, displacement is probably more prevalent than with other crimes.”<sup>14</sup> Finally, the failure to conduct a parallel financial investigation may lead to the arrest and prosecution of low-level individuals, in many cases victims themselves, while those ultimately responsible go free. According to the World Wildlife Federation, “some estimates indicate that as much as 40% of all deforestation worldwide is carried out by victims of modern slavery or

10 Alya Nurbaiti, “Making Financial Investigations into Environmental Crimes the Norm,” The Basel Institute on Governance, 13 October 2022, <https://baselgovernance.org/blog/making-financial-investigations-environmental-crimes-norm>.

11 Cathy Haenlein and Tom Keatinge, *Follow the Money: Using Financial Investigation to Combat Wildlife Crime* (London: The Royal United Services Institute, 2017), p. viii, <https://rusi.org/explore-our-research/publications/occasional-papers/follow-money-using-financial-investigation-combat-wildlife-crime>.

12 “The Role of Prosecutors in the Protection of the Environment,” the Council of Europe, 14 October 2022, <https://www.coe.int/en/web/human-rights-rule-of-law/-/the-role-of-prosecutors-in-the-protection-of-the-environment>.

13 The Egmont Group, *Financial Investigations into Wildlife Crime* (Ottawa: ECOFEL, 2021), p.6, [https://egmontgroup.org/wp-content/uploads/2021/09/2021\\_ECOFEL\\_-\\_Financial\\_Investigations\\_into\\_Wildlife\\_Crime.pdf](https://egmontgroup.org/wp-content/uploads/2021/09/2021_ECOFEL_-_Financial_Investigations_into_Wildlife_Crime.pdf).

14 Andrea Crosta, Chiara Talerico, Allison Joseph, Mark Ungar, Gohar Petrossian, Jim Karani Riungu, and Monique Sosnowski, *Environmental Crime Convergence* (Los Angeles/New York: Earth League International and John Jay College of Criminal Justice, 2023), p. 71, <https://earthleagueinternational.org/wp-content/uploads/2023/06/ELI-Environmental-Crime-Convergence-Report-June-2023.pdf>.

forced labor.”<sup>15</sup>

Following the money is also relevant given the substantial illicit proceeds generated by environmental crimes. This has been well documented by countries in the region. According to Colombia’s 2023 National Risk Assessment, which addresses the risks associated with money laundering as well as other financial crimes, “crimes related to illegal mining and the illicit exploitation of mining deposits constitute the greatest source of threat to the country and are increasing.”<sup>16</sup> Meanwhile, Peru’s 2021 National Risk Assessment, which analyzed 23 threats and 66 vulnerabilities, ranked illegal mining in top place, alongside corruption.<sup>17</sup>

However, despite consensus around the need for financial investigations and recognition of the role of illicit finance,

**only one out of every three cases appeared to have included a parallel financial investigation.**<sup>18</sup>

*Table 1: Following the Money in Environmental Crime Cases*

TYPE OF CASE	NUMBER OF CASES	FINANCIAL INVESTIGATION (%)
Overall	230	31%
Mining - Metals/Minerals	130	43%
Timber	20	25%
Other/Misc.	17	24%
Mining - other products	19	11%
Fishing	10	10%
Wildlife	34	9%

Source: FACT analysis of 230 environmental crime cases, 2014–2024.

15 *Financial Crimes and Land Conversion: Uncovering Risk for Financial Institutions* (London: World Wildlife Federation and Themis, 2024), p. 65, <https://www.wwf.org.uk/sites/default/files/2024-04/WWF-UK-Financial-Crimes-and-Land-Conversion-Uncovering-Risk-for-Financial-Institutions.pdf>.

16 Unidad de Información y Análisis Financiero (UIAF) de Colombia, *Evaluación Nacional del Riesgo de Lavado de Activos, Financiación de Terrorismo, y Proliferación de Armas de Destrucción Masiva - Versión Pública 2022-2023* (Bogotá: UIAF, 2023), p.64, <https://uiaf.gov.co/sites/default/files/2023-12/articulos/archivos/ENR%20Digital.pdf>.

17 Superintendencia de Banca, Seguros y AFP (SBS) de Perú, *Evaluación Nacional de Lavado de Activos 2021* (Lima: SBS, 2021), p. 15,

18 Cases were marked as including a parallel financial investigation if they included mention of assets seized (bulk cash, bank accounts, properties, etc), money laundering methods employed, corporate structures used, or other details pertaining to the finances or assets of those involved.



**CASE STUDIES 1 & 2**

## Follow the Suspect vs. Follow the Money Approaches

In 2019, the Colombian Attorney General's office announced the arrest of two Colombians and one Ecuadorian for fishing in a protected zone around Malpelo, a rocky, isolated island 300 miles off the coast of Colombia.<sup>19</sup> At the time of the arrest, six sharks were seized. Based on publicly available information, it does not appear that a financial investigation accompanied the arrest. No money, other assets, or resources are mentioned as being seized.

The men were in a flipper-style boat, but no mention is made of who owned the boat or where it may have been registered. Nor is it clear what the men intended to do with the sharks, whether they intended to perhaps sell them to national or international networks. Without a financial investigation, the immediate perpetrators may be arrested, but more powerful financiers or purchasers in the illicit supply chain may not face any consequences.

As a comparison, in 2019, the Colombian Attorney General's office announced charges against members of the "Quilates" criminal organization.<sup>20</sup> In addition to arresting eight people, including one government official, they seized COP\$60 billion (approximately US\$15 million) in assets and identified the route of the illegally sourced gold, which allegedly went to Panama.

According to the Colombian Attorney General's office, the initial investigation revealed the use of real estate, foreign exchange houses ("*cambios*"), and corporate structures to move the illegal gold and launder the proceeds. Moreover, the Colombian Attorney General's office made several arrests of government officials in relation to alleged corruption. As this case suggests, financial investigations can be powerful tools to reveal who is really behind environmental crimes and to recover related assets.

19 "Asegurados tres hombres que pescaban ilegalmente en el santuario natural de Malpelo," Fiscalía General de la Nación, 30 October 2019, <https://www.fiscalia.gov.co/colombia/seccionales/asegurados-tres-hombres-que-pescaban-ilegalmente-en-el-santuario-natural-de-malpelo/>.

20 "La ruta ilícita de 'Los Quilates,'" Fiscalía General de la Nación, 22 August 2019, <https://www.fiscalia.gov.co/colombia/noticias/la-ruta-ilicita-de-los-quilates/>.

The findings of our analysis, which suggested that only one in three cases contained a financial investigation, is consistent with other studies internationally. For example, a 2021 study by the Egmont Group found that 78 percent of Financial Intelligence Units had not conducted parallel financial investigations into wildlife crime, a subset of environmental crimes.<sup>21</sup> Similarly, studies have found that connecting financial reporting to environmental crime cases remains a challenge globally. A 2021 study by RUSI found that “in terms of enforcement and parallel financial investigations” in the United Kingdom, “suspicious activity reports (SARs) are virtually unused as a source of intelligence to support illegal wildlife trafficking (IWT) cases.”<sup>22</sup> As such, much work remains to be done in connecting environmental crime investigations with financial investigations, and vice versa.



21 This is among Financial Intelligence Units that responded to their questionnaire. See The Egmont Group, *Financial Investigations into Wildlife Crime* (Ottawa: ECOFEL, 2021), p.42, [https://egmontgroup.org/wp-content/uploads/2021/09/2021\\_ECOFEL\\_-\\_Financial\\_Investigations\\_into\\_Wildlife\\_Crime.pdf](https://egmontgroup.org/wp-content/uploads/2021/09/2021_ECOFEL_-_Financial_Investigations_into_Wildlife_Crime.pdf).

22 Alexandria Reid and Cathy Haelein, *Illegal Wildlife Trade and Illicit Finance in the UK* (London: RUSI, 2022), pg. 45, [https://static.rusi.org/314\\_WHR\\_G7\\_IWT\\_UK.pdf](https://static.rusi.org/314_WHR_G7_IWT_UK.pdf)

# Other Countries Involved

Among 230 environmental crimes in the Amazon region, certain geographical trends emerged. For each case, the reporting country was noted, as were any secondary countries that the case mentioned. Typically, these secondary countries or jurisdictions included transit or destination points for illegally sourced natural resources or dirty money.

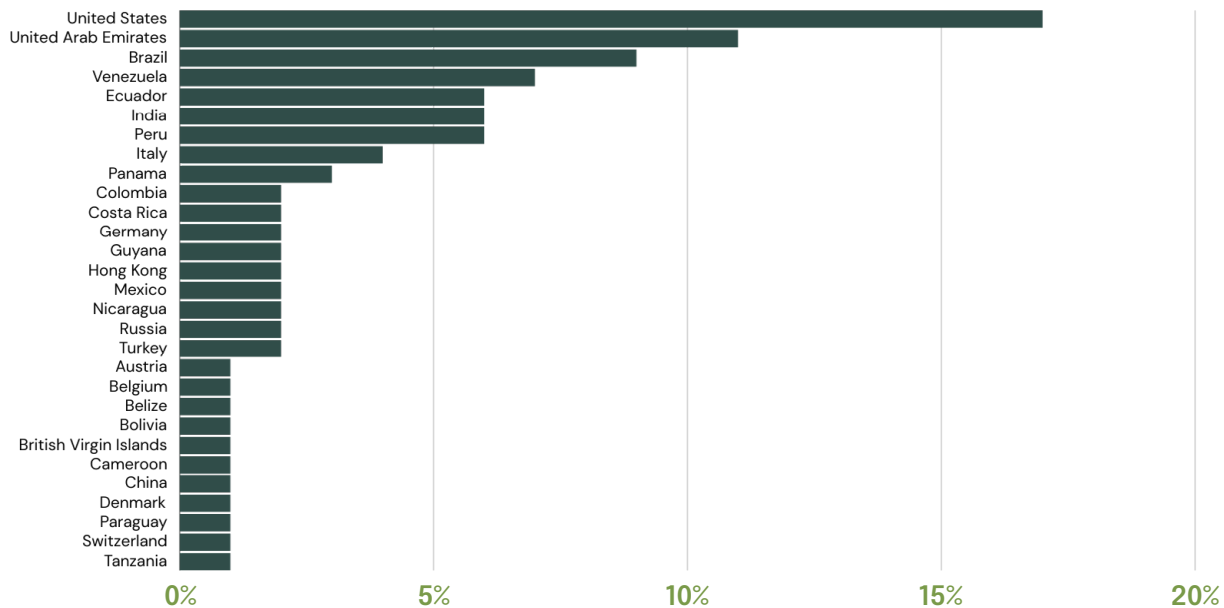
The analysis identified 29 unique secondary countries, including those in Africa, Asia, North America and Europe. The number of secondary countries involved serves as a reminder that environmental crimes are not only a problem of “source” countries but in fact a shared challenge across many countries and regions.

**Twenty five percent of all cases, and 44 percent of “follow the money” cases, involved at least one foreign jurisdiction.**

**The U.S. was the single most frequently mentioned foreign jurisdiction,**

followed by the United Arab Emirates, typically Dubai. The graphic below provides more detail. Among the specific countries mentioned, the U.S. represented 17 percent of cases.

*Graphic 1: Secondary Countries in Cases (% of Countries Mentioned)*



Source: FACT analysis of 230 environmental crime cases in the Amazon, 2014-2024. Percentage is out of 90 country mentions. Regions for which country information is not available (ie, “Central America”) are excluded from the calculation.

These findings regarding the role of the U.S. are consistent with official statements from the U.S. Treasury.

**In July 2024, Secretary Janet Yellen noted that international environmental crimes “often entail misusing and abusing the U.S. financial system.”<sup>23</sup>**

Meanwhile, a recent Financial Threat Analysis by FinCEN minced no words: “wildlife trafficking affects the U.S. financial sector.”<sup>24</sup>

Meanwhile, the Peruvian Financial Intelligence Unit found that among Financial Intelligence Reports associated with illegal mining, 50 percent included an international component, and that the primary foreign countries mentioned were the United States, the United Arab Emirates, and India.<sup>25</sup>

### CASE STUDY 3

## Illicit Gold Network Uses and Abuses U.S. LLC

In 2016, the Ecuadorian Attorney General announced a large-scale investigation into an illegal gold network, in what would become “a huge case (causing) tremendous political and economic upheaval” in Ecuador.<sup>26</sup> According to Ecuadorian authorities, the case involved money laundering linked to the illegal export of gold from Ecuador to Miami.<sup>27</sup> Two Ecuadorian companies, Spartan and Clearprocess, allegedly exported US\$500 million of gold to companies in the U.S., including MVP Imports, Republic Metals, and Akar Precious Metals.<sup>28</sup> According to Ecuadorian prosecutors, the case also involved alleged tax evasion. The exporters allegedly submitted invoices from fictitious suppliers to legitimize illegally acquired gold and to claim deductible expenses, thereby minimizing their taxable income.<sup>29</sup>

23 “Remarks by Secretary of the Treasury Janet L. Yellen Announcing the Amazon Region Initiative Against Illicit Finance in Belém, Brazil,” U.S. Department of the Treasury, 27 July 2024, <https://home.treasury.gov/news/press-releases/jy2502>.

24 Financial Crimes Enforcement Network (FinCEN), *Financial Threat Analysis: Illicit Finance Threat Involving Wildlife Trafficking and Related Trends in Bank Secrecy Act Data* (Washington, DC: FinCEN, 2021), p. 2, [https://www.fincen.gov/sites/default/files/2021-12/Financial\\_Threat\\_Analysis\\_IWT\\_FINAL%20508\\_122021.pdf](https://www.fincen.gov/sites/default/files/2021-12/Financial_Threat_Analysis_IWT_FINAL%20508_122021.pdf).

25 Superintendencia de Banca, Seguros y AFP (SBS) de Perú, *Evaluación Nacional de Lavado de Activos 2021* (Lima: SBS, 2021), p. 26, <https://www.sbs.gob.pe/Portals/5/jer/ESTUDIO-ANALISIS-RIESGO/ENR%202021.pdf>.

26 David Voreacos and Michael Smith, “Florida ‘Boutique’ Tied by U.S. to Alleged Gold Laundering Plot,” Bloomberg, 7 April 2017, <https://www.bloomberg.com/news/articles/2017-04-07/florida-boutique-tied-by-u-s-to-alleged-gold-laundering-plot>.

27 “Fiscalía reiniciará juicio por lavado de activos por exportación ilegal de oro,” Fiscalía General del Estado de Ecuador, 12 July 2017, <https://www.fiscalia.gob.ec/fiscalia-reiniciara-juicio-por-lavado-de-activos-por-exportacion-ilegal-de-oro/>.

28 Ibid.

29 Ibid.

During the investigation, Ecuadorian authorities detected certain anomalies. For example, from 2012 to 2016, the two Ecuadorian companies allegedly reported gold exports to the United States that were higher than those received by U.S. importers.<sup>30</sup> Moreover, in 2014, the Ecuadorian gold sector generated US\$752 million for 224 traders; however, only two companies, Spartan and Clearprocess, reportedly captured more than 50 percent of the profits. The two companies allegedly purchased the gold from people subject to the Ecuadorian Simplified Tax Regime (RISE).<sup>31</sup> The RISE program is for small business owners with annual sales capped at US\$60,000; however, in this case, the individuals were reporting an average annual income of US\$850,000.<sup>32</sup>

Given the important transnational aspects of the case, lead prosecutor Diana Salazar requested assistance from the U.S. to thoroughly investigate the assets and banking activities of the companies' principal shareholders.<sup>33</sup> According to Ecuadorian authorities, ongoing investigations unveiled evidence suggesting document manipulation and identity fraud.<sup>34</sup> Moreover, despite the considerable sums generated from gold sales, the majority of suppliers purportedly had financial transactions below the US\$10,000 dollar threshold.<sup>35</sup>

An investigation by the Miami Herald found that one of the U.S. importers, MVP Imports LLC, "appeared in a criminal complaint (...) as a front, or intermediary, company."<sup>36</sup> According to the Miami Herald, MVP Imports – which was registered at the same address as a high-end home decor store in Coral Gables – bought Ecuadorian gold, shipped it to Miami and then sold it to NTR. According to media reports, it is possible that NTR may have wanted to use an intermediary because of an earlier scandal with illegal Peruvian gold.<sup>37</sup> Bloomberg coverage of the case notes that the owner of MVP



30 "Entidades de control revelan presuntas irregularidades de empresas Spartan y Clearprocess," Fiscalía General del Estado de Ecuador, 9 August 2016, <https://www.fiscalia.gob.ec/entidades-de-control-revelan-presuntas-irregularidades-de-empresas-spartan-y-clear-process/>.

31 "La ruta del oro comercializado por Spartan y Clearprocess registra presuntas anomalías," Fiscalía General del Estado de Ecuador, 13 August 2016, <https://www.fiscalia.gob.ec/la-ruta-del-oro-comercializado-por-spartan-y-clearprocess-registra-presuntas-anomalias/>.

32 Ibid.

33 Ibid.

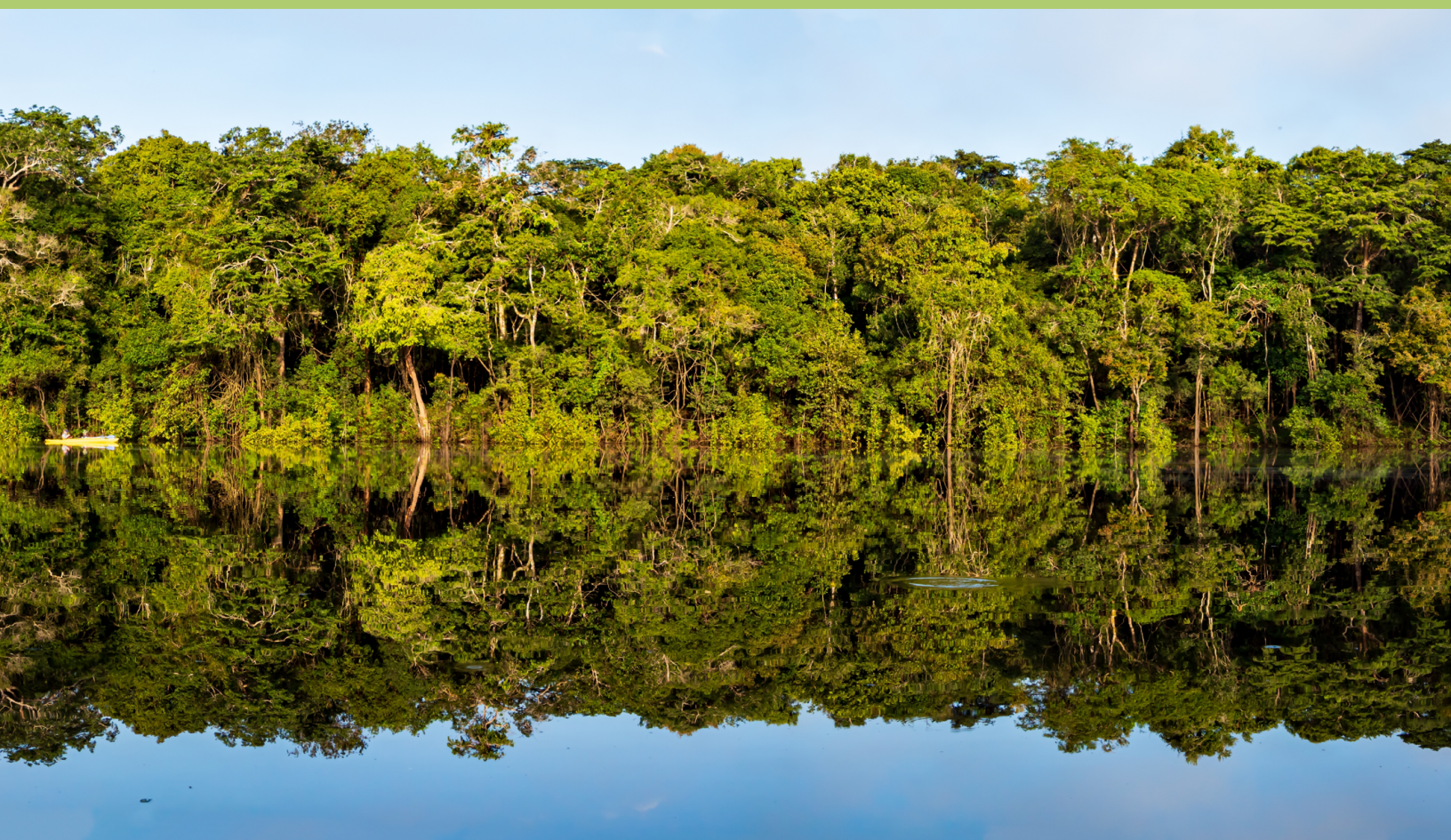
34 "Emisarios de dos firmas obtenían el oro de contrabandistas peruanos," El Comercio, 7 July 2016, <https://www.elcomercio.com/actualidad/investigacion-oro-contrabando-peru.html>.

35 Ibid.

36 Jay Weaver and Nicholas Nehamas, "He made big bucks off Ovaltine and fancy furniture. Was he 'duped' into dealing dirty gold?" The Miami Herald, 18 January 2018, <https://www.miamiherald.com/news/local/community/miami-dade/article194188324.html>.

37 Ibid.

Imports “didn’t respond to repeated requests for comment, including a letter sent to his US\$6 million mansion on an island.”<sup>38</sup> In a statement to the Miami Herald, the owner’s lawyers indicated that he did not know the gold was illegally sourced and that he was cooperating with U.S. authorities.<sup>39</sup>



38 David Voreacos and Michael Smith, “Florida ‘Boutique’ Tied by U.S. to Alleged Gold Laundering Plot,” Bloomberg, 7 April 2017, <https://www.bloomberg.com/news/articles/2017-04-07/florida-boutique-tied-by-u-s-to-alleged-gold-laundering-plot>.

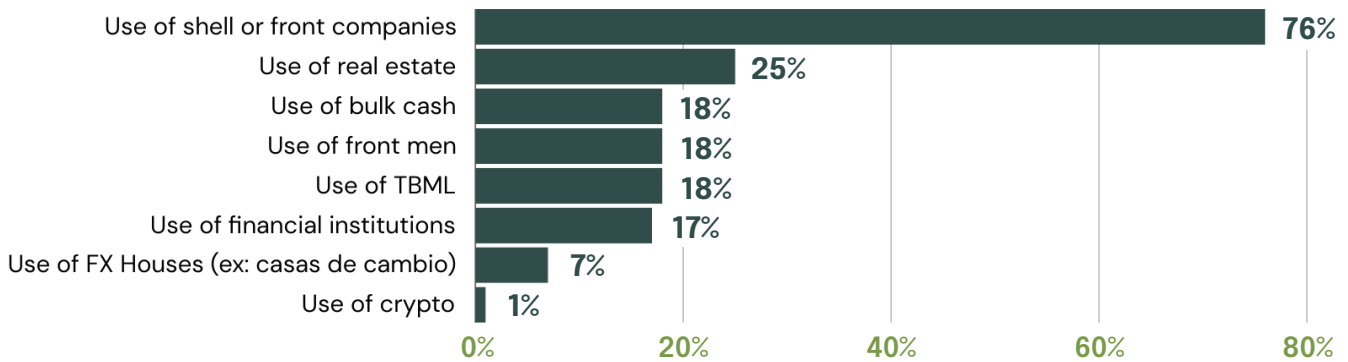
39 Jay Weaver and Nicholas Nehamas, “He made big bucks off Ovaltine and fancy furniture. Was he ‘duped’ into dealing dirty gold?” The Miami Herald, 18 January 2018, <https://www.miamiherald.com/news/local/community/miami-dade/article194188324.html>.

# Money Laundering Typologies

Among 230 cases, the single most common laundering typology was the use of legal persons such as shell and front companies.

To a lesser degree, cases involved real estate, bulk cash, front men, trade-based money laundering, (TBML) and financial institutions to move, launder or store illicit proceeds. The use of foreign exchange houses (“cambios”) and cryptocurrencies was reported infrequently.

*Graphic 2: Money Laundering Typologies (% of Cases with Financial Investigations)*



Source: FACT analysis of 230 environmental crime cases in the Amazon, 2014-2024. Percentage is calculated out of 71 cases that had some degree of financial investigation.

Many of the cases involved the use of multiple typologies. For example, among cases that involved real estate, 15 out of 18 cases also involved the use of legal persons.

Generally speaking, these results are consistent with other studies. For example, Europol has noted in their recent report on environmental crime:

*“as a large part of the environmental crime activities are carried out by legal businesses, they are often labeled as corporate crimes (or ‘white collar’ crimes). The fact that criminal networks largely use businesses makes these offenses less visible. The businesses are often rapidly opened and dissolved and commercial routes frequently change. This indicates the adaptability of the criminal networks and their tendency to use innovative schemes to conceal their operations.”<sup>40</sup>*

40 EUROPOL, *Environmental Crime in the Age of Climate Change* (The Hague: Europol, 2022), p. 6, [https://www.europol.europa.eu/cms/sites/default/files/documents/Environmental\\_Crime\\_in\\_the\\_Age\\_of\\_Climate\\_Change\\_threat\\_assessment\\_2022.pdf](https://www.europol.europa.eu/cms/sites/default/files/documents/Environmental_Crime_in_the_Age_of_Climate_Change_threat_assessment_2022.pdf).

U.S. government agencies have also pointed to issues with corporate structures. In 2019 congressional testimony, a senior FBI official noted that “transnational criminal organizations use often-witting U.S. businesses to exploit U.S. regulations and export illegally extracted gold to the United States to launder billions of dollars of illicit proceeds from criminal operations in Latin America.”<sup>41</sup>

Meanwhile, a survey of 644 financial services professionals in 17 countries conducted by the World Wildlife Federation found that between a fifth and a third of survey respondents experienced third parties attempting to hide financial crime or unethical business practices linked to deforestation or other land conversion; among these, the use of “corporate vehicles, shell companies or other corporate deception” was among the top three tactics used.<sup>42</sup>

#### CASE STUDY 4

## Colombian Gold Laundering Scheme Relies on Front Men and Shell Companies

In 2019, The Colombian Attorney General’s Office announced charges against Comercializadora CIJ Gutiérrez for allegedly laundering 2.4 trillion Colombian pesos (approximately US\$565 million) through fictitious gold transactions over ten years.<sup>43</sup> Utilizing a complex scheme involving fake suppliers, CIJ Gutiérrez purportedly facilitated the laundering of illegally obtained gold on a massive scale.

Operation ‘Legend of El Dorado’ exposed the intricate maneuvers undertaken to export and legitimize tons of gold sourced from illegal mining activities.<sup>44</sup> The subsequent phase of the investigation, conducted by accounting experts from the Attorney General’s Office, investigated the company’s transactions over the past decade. According to the Specialized Asset Laundering Directorate of the Attorney General’s

41 Testimony of Regina Thompson, Deputy Assistant Director, Criminal Investigative Division, FBI, Statement for the Record, Senate Foreign Relations Committee, Subcommittee on Western Hemisphere, Transnational Crime, Civilian Security, Democracy, Human Rights and Global Women’s Issues, hearing on Illicit Mining: Threats to U.S. National Security and Threats to Human Rights, 5 December 2019, <https://www.fbi.gov/news/testimony/illicit-mining-threats-to-us-national-security-and-international-human-rights-120519>.

42 *Financial Crimes and Land Conversion: Uncovering Risk for Financial Institutions* (London: World Wildlife Federation and Themis, 2024), p. 85, <https://www.wwf.org.uk/sites/default/files/2024-04/WWF-UK-Financial-Crimes-and-Land-Conversion-Uncovering-Risk-for-Financial-Institutions.pdf>.

43 “2.4 billones de pesos fueron blanqueados en operaciones ficticias de compra y venta de oro,” Fiscalía General de la Nación, 11 April 2019, <https://www.fiscalia.gov.co/colombia/noticias/2-4-billones-de-pesos-fueron-blanqueados-en-operaciones-ficticias-de-compra-y-venta-de-oro/>.

44 “En la operación «Leyenda del Dorado II» cayó red de lavado de dinero con compra y venta ficticia de oro,” *Minuto30.com*, 12 April 2019, <https://www.minuto30.com/video-en-la-operacion-leyenda-del-dorado-ii-cayo-red-de-lavado-de-dinero-con-compra-y-venta-ficticia-de-oro/811270/>.



Office, a network of fictitious suppliers and sub-suppliers surrounded CIJ Gutiérrez.<sup>45</sup> Investigations revealed that many of these front companies failed to meet legal requirements, lacked financial resources, and were either in the process of dissolution or liquidation. Despite these shortcomings, they were involved in commercial transactions worth millions of pesos.<sup>46</sup>

According to the Attorney General's office, an investigation into the origin of funds revealed several irregularities, including:<sup>47</sup>

- **Direct purchases with non-existent persons:** Individuals who purportedly sold gold to CIJ Gutiérrez did not exist according to national identity databases.
- **Fictitious and unjustified operations:** Between 2006 and 2016, hundreds of thousands of dollars in transactions were justified by gold purchases from suppliers without any actual commercial ties with CIJ Gutiérrez.
- **Exclusive suppliers:** Investigations uncovered alleged exclusive suppliers of CIJ Gutiérrez involved in thousands of dollars of transactions. However, these suppliers neither existed nor operated physically.
- **Other fictitious and non-existent operations:** Additionally, more than COP\$1,330,408,832.959 (approximately US\$340 million dollars) worth of transactions were identified as fictitious or non-existent.
- **Suppliers with criminal records:** Physical evidence linked representatives of companies previously prosecuted for illicit gold trading to transactions with CIJ Gutiérrez.
- **Suppliers lacking economic capacity:** Transactions worth over US\$150 million dollars involved companies lacking the financial capacity to support such substantial dealings.<sup>48</sup>

<sup>45</sup> Ibid.

<sup>46</sup> “2.4 billones de pesos fueron blanqueados en operaciones ficticias de compra y venta de oro,” Fiscalía General de la Nación, 11 Abril 2019, <https://www.fiscalia.gov.co/colombia/noticias/2-4-billones-de-pesos-fueron-blanqueados-en-operaciones-ficticias-de-compra-y-venta-de-oro/>.

<sup>47</sup> Ibid.

<sup>48</sup> Ibid.

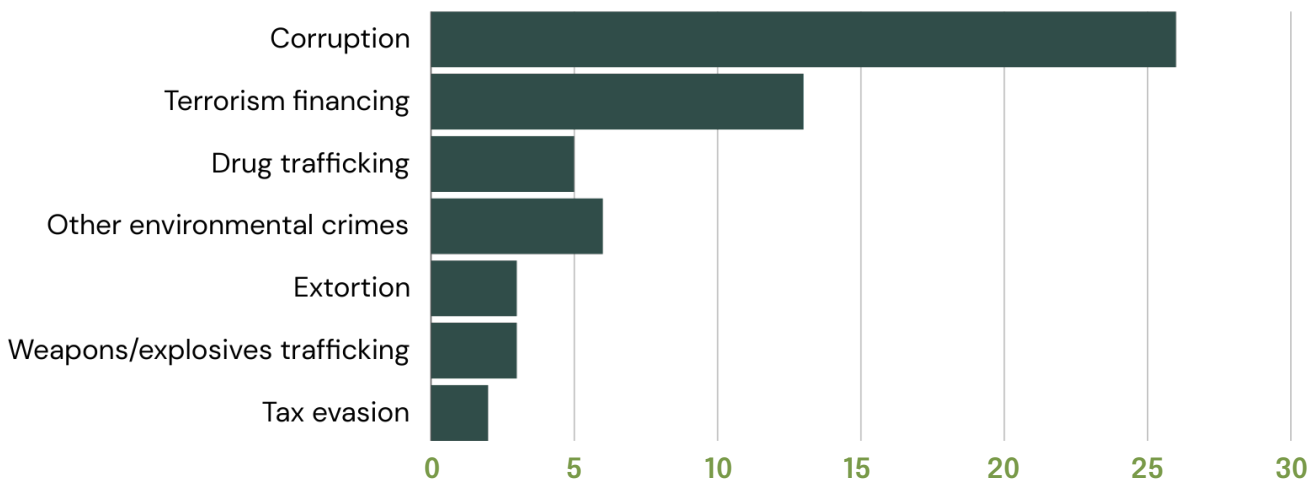
# Convergent Crimes

As the United Nations Office on Drugs and Crime (UNODC) notes, “convergent crime refers to criminal activities that connect, overlap, enable and co-locate.”<sup>49</sup> Earth League International further explains that “convergence is a term that has been used by governmental and law enforcement agencies in recent decades to describe the overlapping transnational organized criminal networks and the merging of their illicit activities.”<sup>50</sup>

**Among the 230 environmental crimes, corruption was by far the most prevalent convergent crime, followed by terrorism financing.**

Drug trafficking was also prevalent, coming in third place. The following graphic provides additional detail.

*Graphic 3: Convergent Crimes (Count of Convergent Crimes Noted in Cases)*



Source: FACT analysis of 230 environmental crime cases in the Amazon, 2014-2024. Count of convergent crimes. More than one convergent crime was possible for any given case.

As the Egmont Group has noted, “corruption is a key enabler in the illegal wildlife trade,”<sup>51</sup> and in environmental crime cases more broadly.

49 UNODC, *The Nexus Between Drugs and Crimes that Affect the Environment And Convergent Crime in the Amazon Basin* (Vienna: UNODC, 2023), p. 91, [https://www.unodc.org/res/WDR-2023/WDR23\\_B3\\_CH4\\_Amazon.pdf](https://www.unodc.org/res/WDR-2023/WDR23_B3_CH4_Amazon.pdf).

50 Andrea Crosta, Chiara Talerico, Allison Joseph, Mark Ungar, Gohar Petrossian, Jim Karani Riungu, and Monique Sosnowski, *Environmental Crime Convergence* (Los Angeles/New York: Earth League International and John Jay College of Criminal Justice, 2023), p. 12, <https://earthleagueinternational.org/wp-content/uploads/2023/06/ELI-Environmental-Crime-Convergence-Report-June-2023.pdf>.

51 The Egmont Group, *Financial Investigations into Wildlife Crime* (Ottawa: ECOFEL, 2021), p.30, [https://egmontgroup.org/wp-content/uploads/2021/09/2021\\_ECOFEL\\_-\\_Financial\\_Investigations\\_into\\_Wildlife\\_Crime.pdf](https://egmontgroup.org/wp-content/uploads/2021/09/2021_ECOFEL_-_Financial_Investigations_into_Wildlife_Crime.pdf).

# Conclusion and Recommendations

The 230 environmental cases leave important clues as to how these crimes are being committed and how the proceeds are laundered. We hope that law enforcement and policymakers can use this information to combat environmental crimes going forward. Key takeaways and implications of these findings include:

- **Parallel Financial Investigations:** Going forward, it is important to improve countries’ capacity to integrate financial investigations into their environmental crime investigation and enforcement actions. The U.S. government should support these efforts through capacity building and technical assistance to countries in the Amazon region, leveraging the existing framework of Treasury’s Amazon Region Initiative. Other regional and international stakeholders, including the Organization of American States and the United Nations Office on Drugs and Crime (UNODC), should continue capacity-building efforts related to illicit finance and environmental crime.
- **Information Exchange among Source, Transit, and Destination Countries:** Timely, robust information exchange between countries is essential. As noted in a recent report by the Egmont Group, “jurisdictions may need to recognise the illicit financial flows of wildlife crime and that these flows may cross into jurisdictions beyond source countries.”<sup>52</sup> Among the 230 cases identified in this report, a relatively small percentage (25 percent of all cases, and 45 percent of “follow the money” cases) mentioned the involvement of other countries. Going forward, more and better international cooperation is needed in order to uncover transnational linkages and networks. The Amazon Region Initiative provides an ideal mechanism. If properly leveraged, the initiative can provide an opportunity for meaningful, timely information exchange pertaining to environmental crimes.
- **Abuse of Legal Persons:** The results of this report suggest that shell and front companies play a pervasive role in environmental crimes. Going forward, countries in the region should redouble efforts surrounding beneficial ownership and corporate transparency in line with the Financial Action Task Force (FATF) standards. In the U.S., the Treasury should continue with robust, meaningful implementation of the bipartisan Corporate Transparency Act (CTA) to address issues with U.S. shell companies. Moreover, U.S. government agencies should establish protocols to share beneficial ownership information with trusted foreign partner governments, as is clearly permitted by U.S. regulations and the statute of the CTA.
- **Corruption as an Environmental Crime Issue:** Since corruption has emerged as the single most prevalent convergent crime, efforts should be taken to address governance and anti corruption alongside environmental crime.<sup>53</sup> As the United States chairs the United Nations

<sup>52</sup> The Egmont Group, *Financial Investigations into Wildlife Crime* (Ottawa: ECOFEL, 2021), p.41, [https://egmontgroup.org/wp-content/uploads/2021/09/2021\\_ECOFEL\\_-\\_Financial\\_Investigations\\_into\\_Wildlife\\_Crime.pdf](https://egmontgroup.org/wp-content/uploads/2021/09/2021_ECOFEL_-_Financial_Investigations_into_Wildlife_Crime.pdf).

<sup>53</sup> For more resources on corruption and environmental crime, including recommendations for how to address this considerable challenge, see *Dirty Money: The Role of Corruption in Enabling Wildlife Crime* (The Hague: Wildlife Justice Commission, 2023), <https://wildlifejustice.org/wp-content/uploads/2023/07/corruption-report-2023-SPREADS-V12.pdf>.

Convention against Corruption (UNCAC) for the next year, it should prioritize efforts to address corruption linked to environmental crime and natural resources, as well as advocate for stronger global commitments to tackle environmental crime and corruption at the UNCAC's 11th Conference of States Parties in 2025, and in other multilateral fora.

