

FROM THE BOTTOM TO THE TOP: *Examples of Corruption in the International Timber Trade*



Corruption at the Concession Allocation Level (RoC)

SICOFOR: *There were five concessions up for distribution.*

EIA: *What did you need to do to get these concessions?*

SICOFOR: *Well you make an offer...*

EIA: *All official?*

SICOFOR: *Official, but you also give money. Everybody here gives money... It is all about bribing... [Of course] you'll still need to officially submit required documents. Then, they come out with a ranking."*

- EIA's findings are in line with the Independent Monitor's (July 2016) report, which exposed multiple irregularities in the granting process for five concessions (including Lebama Forest Management Unit)
- Dejia Group allegedly outbid a competitor who paid over USD\$4 million in bribes for the forest management rights to Lebama Unit
- It was then re-allocated through an opaque and irregular process

Corruption at the Forest Management level (Gabon)

- The SSMO factory manager explained to EIA investigators that when prices are high, the company disregards its legal obligations. According to him, when the company is authorized to harvest 8,000 m³ of a particular species they usually cut 14,000 m³:
Overharvesting by 75%
- Many companies now cutting in areas that are years ahead of the management plans (i.e. will have fully exploited a concession in 8 years, that should have been cut over 20+ years)

“EIA: So you overcut?”

SSMO: Yes, we overcut and we deal with the administrations...

EIA: And dealing with them is not easy?

SSMO: It's costly!

EIA: You pay?

SSMO: Yes, extremely costly!

EIA: Their appetite is big?

SSMO: Big, I am telling you honestly. Very big!

EIA: How big? I thought usually you can settle it with 10,000RMB [~US\$1,500], no?

SSMO: Very much depending on what to settle... This kind of settlement [for overcutting] requires a lot more than 10,000RMB.

EIA: It does not need 1 million RMB [~US\$150,000]?

SSMO: No, but if you want to settle just this, you need at least 50,000 RMB [~US\$7,500]. Note this is the bare minimum, under the condition that you know the right guy.


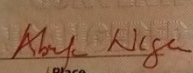
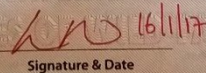
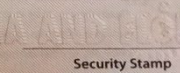
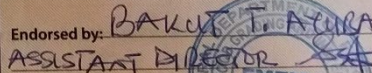

This is the problem over here...

EIA: Over here?

SSMO: Yes, government officials are corrupt, they always ask for money, and Chinese are usually willing to pay... Well, also, Chinese companies are not clean anyway...”

Corruption at the CITES Licensing Level (Nigeria)

- The retrospective issuance of approximately 3,000 CITES permits is the result of a grand corruption scheme that involves over a million dollars paid by influential Chinese and Nigerian businessmen to senior Nigerian officials, with the alleged help of the Chinese consulate.
- The scheme involved Mrs. Amina J. Mohammed, former Nigerian Minister of Environment and current UN Deputy Secretary-General, who signed the thousands of permits.

CITES CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA FMEnvFD 001357			1. Permit/Certificate No.: NG.3815.17		
2. Valid until: 16-07-2017					
3. EXPORT <input checked="" type="checkbox"/>	4. Country of (Re.) Export:	5. RE-EXPORT <input type="checkbox"/>	6. IMPORT <input type="checkbox"/>	7. Country of Import: CN	
8. Exporter/Re-exporter (Full name and address): EME GLOBAL SHIPPING LIMITED 1 COMMERCIAL ROAD APAPA, LAGOS			9. Importer (Full name and address): GUANGZHOU HOMETLAND STAR INTL TRANSPORTATION AGENT CO. LTD. ROOM 1014, NO. 5, HUANGPU ROAD HUANGPU DONG ROAD, HUANGPU DONG RD GUANGZHOU CHINA		
10. Special conditions Transport of live animals must conform with relevant CITES guidelines and the International Air Transport Association (IATA) regulations			11. Issuing management authority:  CITES MANAGEMENT AUTHORITY FEDERAL MINISTRY OF ENVIRONMENT FEDERAL DEPARTMENT OF FORESTRY Plot 393/394 Augustus Aikhomu Way Utako District, Abuja, Nigeria.		
12. Purpose: T		13. Country of last (re.) export: 13a. Certificate No.:		14. Country of origin: NG	
15. Security Stamp No.:		13b. Date of Issue:		14a. Permit No: NG.3815.17	
				14b. Date of Issue: 16-1-2017	
16. Details of specimens (including identifying marks) Processed wood					
17. Scientific name & common name of specimen	18. Appendix	19. Source	20. Quantity	21. Weight (kg.)	22. Sex
A <i>Pterocarpus erinaceus</i>	II	W	67.250 CBM	98,000.000	
B African Rose wood (Kosso)					
23. Authorisation: This permit was issued by:  Place  Signature & Date  Security Stamp					
24. ENDORSEMENT AT PORT OF EXPORT/RE-EXPORT/IMPORT			Endorsed by:  ASSISTANT DIRECTOR (Name, Signature & Rank)		
See block 17 above	Quantity	Official Stamp/Seal: 			
A <i>Pterocarpus erinaceus</i>	67.250 CBM				
B African Rose wood					
Date:	Name of Port:				

Corruption at the Export Level (Zambia)



- Traffickers told EIA investigators that the official export of seized mukula logs by ZAFFICO has served as a cover for a large clandestine operation running for years.
- Throughout the ZAFFICO scheme, anyone with enough money and high-level connection has been able to secretly export freshly cut mukula logs out of Zambia, despite the ban in place.

Corruption on the Demand Side (US)

- Mr. Green from Evergreen told EIA investigators that he does not care about the origin of the timber he imports into the US; he just needs paperwork 'to show he asked'.
- Mr. Green explained to EIA investigators that he himself sends bribes from the US in order to guarantee that the supply chain works smoothly.



Recommendations to Address Corruption

- True public transparency in the forest sector, through the release of key information on logging operations and related trade.
- Monitoring of the logging activities by a body fully independent from the forestry administration.
- Enforcement collaboration between production and demand side.



Thank You!

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