

Targeting corruption and its proceeds: Why we should mainstream an anti-corruption perspective into “follow the money” approaches to natural resource crime

Alexandria Reid, Royal United Services Institute (RUSI)
Rob Parry-Jones, World Wide Fund for Nature (WWF)
Tom Keatinge, Royal United Services Institute (RUSI)

Key takeaways

- » “Follow the money” (FTM) techniques are increasingly being applied to investigate natural resource crimes and networks, but the corruption that facilitates these crimes is not often included in programs and initiatives that apply financial investigations to environmental crime.
- » Governments, the private sector, civil society, and donors will get better results from these initiatives with more effective integration of anti-corruption objectives.
- » The FTM approach analyzes the illicit natural resource supply chain from a financial perspective. This mindset can be used to identify all possible financial responses to corruption from a crime prevention, detection and enforcement perspective.
- » Financial investigations can identify and collect evidence against mid- and high-level members of a criminal network, but they are currently underused in the investigation of natural resource crime. This results in missed opportunities to identify corrupt actors and practices too.
- » A lack of inter-agency collaboration between anti-corruption, financial crime and environmental management authorities means that there is a lack of information about the financial aspects of corruption related to crime in the renewable natural resource sector (wildlife, timber and fisheries).
- » The success of FTM efforts to combat natural resource crimes can be directly and positively affected by broader anti-corruption reforms such as robust record keeping, codes of conduct, asset declarations by government officials, digitization and transparency.
- » Technical capacity is not the only constraint to “following the money” in corruption-related environmental crime investigations. Powerful corrupt actors may obstruct financial investigations, or prevailing political dynamics within or outside institutions may create disincentives for uncovering corruption, such as fear of repercussions.
- » Well-informed risk assessments or context analyses should inform programs and strategies to support FTM work, and resulting efforts should include protections, partnerships and procedures to incentivize and give confidence to local agencies in pursuing financial disruption strategies.

The need for financial investigations of natural resource crime and corruption

By some estimates, timber trafficking is worth between \$50 billion and \$150 billion annually ([Wallen, 2018](#)), with illegal wildlife trade amounting to a further \$7 to \$23 billion a year ([Lehmacher, 2016](#)). Illegal, unreported and unregulated (IUU) fishing, meanwhile, reportedly reaps a further \$10-23.5 billion a year ([de Rivaz et al., 2019](#)). The scale and organized nature of the networks involved in some of the illegal exploitation and trafficking of fisheries, timber and wildlife resources (henceforth “natural resource crime”) demands a professionalized response that focuses on the financial aspects of the crime.¹

Yet while other serious crimes – like drug and arms trafficking – are routinely investigated from a financial perspective, financial investigations are still rare in wildlife, timber and IUU fishing cases ([FATF, 2020](#)). This creates a vicious circle where a lack of information about the ever-changing techniques of financing or laundering the proceeds of environmental crime (often referred to as “financial typologies”) results in missed opportunities to detect and investigate the mid- and high-level members of a criminal network, including corrupt actors who facilitate natural resource crimes. Focusing on the illicit financial side of natural resource crime also contributes to a positive impact on livelihoods, because corruption, embezzlement and tax evasion exacerbate poverty and inequality, which undermines the ability of states to meet their human rights obligations and development objectives ([Bohoslavsky, 2016](#)).

There is now broad international consensus that parallel financial investigations should be used as

Key terms:

Natural resource crime: The exploitation and trafficking of renewable resources such as timber, fisheries, and wildlife in contravention of national or international law and regulations.

Politically exposed person (PEP): Someone in a high-level public position or an associate of that person – like a family member or close associate (FATF, 2013). PEPs have a high risk for potential involvement in bribery and corruption due to the influence that they may hold. By law, PEPs must be continually monitored by financial institutions and other regulated professions like lawyers and accountants, with any suspicions reported to the authorities.

Money laundering: Processes by which criminals disguise the original ownership and control of the proceeds of crime and corruption by making them appear to have derived from a legitimate source.

standard in natural resource crime investigations ([Pleyer, 2020](#)). As a result, a considerable number of technical assistance programs devoted to building natural resource crime-specific financial investigation skills have emerged over the past five years.² Many have taught public sector agencies to integrate basic financial inquiries and intelligence collection as part of their [standard operating procedures](#), while others have helped develop [public-private sector information sharing partnerships](#) to enable the global anti-money laundering regime to better detect and report illicit financial flows related to natural resource crime.

These initiatives have primarily focused on identifying the proceeds of crime, however, rather than related

¹ Not all natural resource crime is “organized crime”; the implications this has for financial investigations are examined later in this paper.

² These programs are run by a variety of actors, including international organizations like the United Nations Office on Drugs and Crime (UNODC), Basel Institute on Governance and RUSI. Further, a bank-led [IWT Financial Taskforce](#) was established in 2018 by United for Wildlife. More recently, NGOs like TRAFFIC, Wildlife Conservation Society and WWF have established their own financial crime programs.

opportunities to prevent and detect related corruption. Given that corrupt officials are often the gatekeepers who facilitate multiple types of illicit trade ([OECD, 2017](#)), disrupting these actors is a high-impact use of limited resources.

This Topic Brief therefore focuses on the multiple benefits of mainstreaming anti-corruption as a key theme in the emergent “follow the money” (FTM) approach to natural resource crime.

Defining a “follow the money” approach

A financial investigation is an enquiry into the financial affairs related to a criminal activity ([FATE, 2012-19](#)). Financial investigations use financial intelligence and collect evidence to answer the following questions:

- » **WHAT** criminal activities are taking place and how can financial intelligence and evidence prove offences?
- » **WHO** are the key individuals involved in the case and how are they connected?
- » **HOW** are the activities financed?
- » **WHERE** are the key locations?
- » **WHEN** did the criminal activity take place?

The FTM approach is broader than a single financial investigation because it moves beyond the analysis of a particular crime to analyze the criminal supply chain from a *financial* perspective; identify possible financial responses to strengthen crime prevention, detection and enforcement; and identify possible criminal wealth. From an anti-corruption perspective, the FTM approach could include the following elements:

- » At the **prevention level**, an FTM approach might include:
 - » Identifying institution-level accounting or record-keeping vulnerabilities that create opportunities for fraud, embezzlement, or other forms of corruption, along with implementation of measures to address these gaps.

- » Increasing transparency in budgets, expenditure, procurement, and other policies and procedures. This can be at a micro-level (for example, by publishing publicly accessible licensing or access fees), or at the macro-level (for example, by publishing expected expenditure and income figures or tender award decisions).

- » At the **detection level**, an FTM approach might include:
 - » Establishing systematic information-sharing pathways with financial institutions and other regulated parts of the private sector to ensure they are actively monitoring and reporting suspicious behavior related to natural resource crime and corruption to relevant authorities.
 - » Audits or financial management reviews to measure actual versus expected income and detect anomalies or vulnerabilities. This could take many forms, such as a comparison of funds deposited in a bank versus revenue collected, or a review of public procurement contracts, tenders, and access agreements to evaluate integrity or detect anomalies.
- » At the **enforcement level**, an FTM approach might include:
 - » Establishing (or reinforcing existing) inter-agency groups or taskforces to facilitate financial investigations into natural resource crime.
 - » Ensuring that investigators seek to access and understand the financial arrangements of suspects.
 - » Applying for asset-freezing orders as standard practice to prevent a suspect or associates from withdrawing or hiding illegally gained assets during an investigation.
 - » Educating prosecutors to pursue financial charges alongside environmental ones, such as money laundering or illicit enrichment.

- » Ensuring the proceeds of natural resource crime are confiscated following the successful conclusion of criminal or civil procedures.

An FTM mindset is useful because limited financial and human resources mean that a full financial investigation will not be possible in all cases, but a whole-of-crime financial approach can be used to identify key areas for intervention. If combined, interventions can be used as part of a financial disruption strategy that allocates responsibility across the public, private and civil society sectors.

Why mainstream anti-corruption as a core focus of the FTM agenda?

To date, the FTM approach has predominantly focused on identifying the proceeds of crime, such as illegally harvesting and exporting timber or wildlife species, but not necessarily the corrupt actions that facilitate those crimes, like granting fraudulent export licenses or falsifying inspection documents ([Zain, 2020](#)).

Mainstreaming anti-corruption into the environmentally focused FTM agenda can lead to better results in several ways:

1. ‘Following the money’ is already a central pillar of anti-corruption regimes and legislation worldwide, but corruption in the natural resource sector remains under-prioritized. This means i) that the anti-corruption community – including civil society – has untapped specialist resources, knowledge and experience relevant to the financial investigation of natural resource crime; and ii) that there are likely to be multiple entry points for anti-corruption investigations given the scale and depth of corrupt practices.
2. Successful financial investigations rely on multi-agency cooperation and effective information-sharing partnerships across the public and private sector. In most jurisdictions, environmental management authorities receive

and collect a range of financial information and intelligence, some of it unwittingly. In order for it to be exploited it will need to be passed to other competent authorities with broader investigatory powers, such as the police or anti-corruption agencies. Anti-corruption agencies, in turn, have much to learn from their environmental counterparts about corruption related to environmental crime, including in the renewable natural resource sectors. Where possible, trust must be established between these parties to ensure these investigations are pursued. This is not to say that all anti-corruption agencies are allies, but to highlight the importance of exploring the role they could play in combating natural resource crime.

3. Effective FTM approaches need to leverage the resources and capabilities of the financial institutions. But in order to develop typologies and red flags to help them identify and report suspicious activity, financial institutions need more information about both specific environmental crimes and associated patterns of corruption. To date, most public sector and civil society initiatives have focused on identifying the proceeds of the natural resource crime itself without a concerted focus on related corruption.
4. Broader anti-corruption reforms can strengthen a holistic FTM approach to natural resource crime. These include reforms like digitizing

Box 1: Bribery adds up

A 2017 financial investigation by Malaysian authorities found that Vietnamese fishers had bribed corrupt Malaysian officials RM50,000–200,000 (\$12,000–\$48,000) per vessel for fraudulent permits to fish in the country’s eastern seas and a free pass to fish illegally ([The Sun Daily, 2017](#)). This represents a large bribe relative to the average salary of fisheries officials. It also demonstrates the scale and value of these illegal fisheries.

and standardizing record keeping, increasing transparency, or appointing named individuals with responsibilities for specific revenue collection functions. Anti-corruption’s broader focus on transparency also offers new tools and data sources for the FTM and environmental crime agenda. Working in silos may lead to duplication of effort and resources or missed opportunities to harness the benefit of broader reforms.

The case studies explored in Boxes 1-3 demonstrate the ways in which a financial approach has been used to combat corrupt actors along the natural resource value chain.

Pursuing corruption as a financial offence

While the cases in Boxes 1-3 prove financial investigations can be done, FTM approaches to corruption in the natural resource sector remain underused. This is in part because the siloed nature

of anti-corruption, financial crime and environmental management authorities means that there is a critical lack of information sharing about the financial aspects of corruption and illicit natural resource extraction.

In 2020, the Financial Action Task Force (FATF) – the international standard-setter for the global anti-money-laundering regimes – published a global evaluation of 45 countries which concluded that financial information is ‘not being regularly or proactively collected, developed, and disseminated to initiate or support financial investigations into wildlife crimes’ (FATF, 2020). This lack of an FTM mindset in investigating natural resource crimes has a knock-on effect by creating a cycle where neither possible financial entry points to combat the crime itself nor related corruption are exploited.

This is despite the fact that the treatment of corruption as a financial offence is central to the United Nations Convention against Corruption

Box 2: Politically exposed person (PEP): Ansoumane Doumbouya, former head of CITES in Guinea

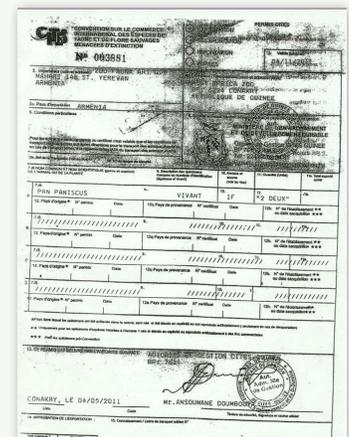
In 2015, Interpol arrested the former head of wildlife and CITES management authority of Guinea, Ansoumane Doumbouya. Financial intelligence collected and shared by local civil society organizations showed how Doumbouya repeatedly sold fraudulent CITES Appendix 1 export permits for a range of protected animals, including baby chimpanzees and gorillas. Each permit earned him between \$3000 and \$5000.

The fraudulent permits listed a Mr Abdourahamane Sidibé as the exporter. Financial records show he received up to \$450,000 in transfers, principally from a Chinese account. Further records show multiple transfers between \$30,000 and \$40,000 from the same Chinese account to the owner of a Guinea-registered business, the Doumbouya Pets Company (no relation).

All individuals involved used their own names and well-known financial institutions who should have detected these illicit transactions, including HSBC, Western Union and Bank of China. Payment references describe transactions for “import animals” and “airline fees”. These financial institutions now use red flags for similar payment terms and transaction patterns to help flag suspicious activity.

There are no registered captive-breeding facilities in Guinea, yet it is estimated over 130 chimpanzees and 10 gorillas were exported from Guinea to China in 2009-2011 alone.

For the full case study, see [Clough and May, 2018, p.15](#)



Source: <https://freethetapes.org/category/guinea/>

Box 3: Cross-border corruption: The global financial trail of the ‘Fishrot’ scandal

Source: <https://wikileaks.org/fishrot/>



In 2019, Wikileaks published over 30,000 documents obtained from whistle-blower Johannes Stefansson, a former manager at Samherji, Iceland’s largest fishing company. The company allegedly paid over \$10 million to senior Namibian officials and politicians to secure access to lucrative horse mackerel fisheries.

The financial evidence shows Samherji’s use of intermediary accounts in Mauritius, Dubai and Norway to transfer funds to corrupt elites through figures linked to Namibian fisheries minister Bernhard Esau, including his son-in-law Tamson Hatuikulipi and justice minister Sacky Shanghala. Esau is implicated in several

further offences, including the negotiation of a fishing quota agreement with a non-existent Angolan company.

In 2019, Angolan officials used evidence from the Namibia Anti-Corruption Commission to open a criminal case against national fisheries minister Victoria de Barros Neto for her involvement in the scandal, freezing her bank account and those of her husband and four children ([Reuters, 2019](#)).

This global financial trail has led the white-collar crimes unit of the Norwegian police to investigate DNB, the country’s largest bank, for its role in processing transactions used as bribes. Esau and others await trial in Namibia for money laundering, corruption, fraud and tax evasion, crimes which carry much longer sentences than fisheries legislation.

For the full case study, [see Gibson, 2020](#).

([UNCAC](#)), which advocates for the role of FTM approaches in the prevention and disruption of corruption. The UNCAC and other instruments such as the OECD Anti-Bribery Convention criminalize multiple corruption-related financial crimes commonly seen in natural resource cases including bribery, embezzlement, concealment, and money laundering.

Detecting the proceeds of corruption is central to the global anti-money laundering regime. For example, financial institutions are legally required to take action to mitigate the risks posed by politically exposed persons (PEPs) by conducting enhanced customer due diligence, monitoring their behavior, and reporting any suspicions to public authorities. Money laundering is connected to corruption because many corrupt actors accrue proceeds that need to be disguised or ‘cleaned’ before they can be used as apparently legitimate funds ([Shelley, 2020](#)).

Given that regulated private sector actors such as financial institutions, lawyers and accountants are legally obliged to monitor and report suspected corruption – regardless of the sector it occurs in – it is telling that there are still very few financial investigations and prosecutions in cases of corruption related to natural resource crime.³ The overwhelming number of private sector responses to the FATF (2020) evaluation noted the difficulties in identifying suspicious activity – including corruption – without information sharing from the public sector.

This is not to say that all corruption is financially motivated ([Wyatt et al., 2017](#)), or that financial investigations are suitable in all cases ([Jenkins, 2015](#)). For example, some offences may be rewarded with small sums of cash which are never integrated into the formal financial system, especially in cash-based economies. This type of transaction may be

³ The authors recognize that not all these actors fulfil their legal obligations or act with integrity. Some may become ‘professional enablers’ who facilitate the transfer, laundering or use of illicitly sourced funds and thereby contribute to a cyclical and destructive enabling environment for corruption. We do not elaborate further in this briefing because i) there are still avenues that can be pursued with successful outcomes through follow the money approaches, and ii) the subject requires fuller analysis than can be given here. [Transparency International](#) offers many resources on issues with the integrity of the financial system itself, including topics such as secrecy jurisdictions and corporate vehicles such as shell companies.

virtually undetectable by looking at an individual's formal financial records, though it may be possible to understand more about the finances of corruption by interviewing a suspect, witnesses or their colleagues.

Yet the case studies in Boxes 1-3 also demonstrate that in aggregate, even smaller sums can add up to significant and detectable amounts and many corrupt acts linked to the natural resource value chain have a formal, paper-based money trail that can be investigated as a key stream of work under an FTM approach. The 2020 FATF study also showed the multiple ways in which criminal and corrupt actors involved in natural resource crime launder the proceeds, including the use of shell companies and payments through the formal financial sector.

Box 4: Lessons from Mozambique's hidden loans case: The 'tuna bond' scandal

In 2016, three semi-public companies in Mozambique were discovered to have taken on debts in excess of \$2.2 billion to develop a modern tuna fishing fleet, amongst other things. The loans were technically backed by government guarantees, but these had been acquired without the formal approval of parliament, leading to a public debt crisis and the suspension of lending and donor aid to Mozambique.

In 2016, with funding from the Swedish government and International Monetary Fund, the Mozambican Attorney General's office commissioned the forensic audit firm Kroll to probe the debt – a condition for resumed lending.

The report uncovered connections between high-level figures in the country's intelligence service and the three semi-public entities. All three companies showed major inconsistencies in their business plans and company structures that should have been warning signs for international creditors, some of whom are now under investigation.

In general, however, the audit was severely hampered by the refusal to share key information and a lack of cooperation from the government. The case demonstrates the challenges of "following the money" even when the world is watching.

For the full case study, see [Williams \(2018\)](#) and [Hanlon \(2020\)](#).

Overcoming the challenges of using an FTM approach to natural resource crime

Sometimes financial investigations do not occur in environmental cases for reasons unrelated to the technical capacity of investigating agencies. Financial intelligence gathered as part of an investigation can be used to identify who is involved in a criminal network or specific incident. The fear of uncovering high-level corrupt actors can be a major disincentive for even well-equipped local agencies. In other cases, corrupt actors themselves may obstruct or prevent the initiation or progress of financial investigations ([Wyatt et al., 2017](#)). In some contexts, what is identified as a

"capacity issue" may be better addressed by understanding the ways in which corruption creates a persistent disincentive for using financial approaches. This is crucial to the success of FTM programs set up to address natural resource crimes specifically.

Understanding the role of corruption in preventing or inhibiting financial investigations can help in the development of protocols or policies to overcome local concerns about the repercussions of conducting financial investigations. However, distinguishing between a lack of capacity and the influence of institutional- or individual-level corruption is challenging.

Indeed, not all anti-corruption agencies will be effective or appropriate partners in "following the money." The quality and capability of anti-corruption agencies vary considerably across contexts and sometimes even within the same country ([AFA, 2020](#)): some may lack the skills, powers or resources to help, while others may suffer from internal corruption or political limitations on their freedom of action (see Box 4). Many countries have more than one institution with an anti-corruption function ([AFA, 2020](#)).

Each local context is different. Taking time to understand the local operating context and the limitations of specific institutions, including anti-corruption agencies and how they function in practice is an important step in any program design. This provides a useful starting point to then assess whether a lack of financial action against natural resource crimes and related corruption is a result of bureaucratic inefficiency, internal corruption, a lack of capacity, political limitations or a combination of all these factors.

Once the opportunities and constraints of the specific context are understood, it is possible to experiment with new ways to overcome barriers. These may include mechanisms to increase mutual accountability, including clear criteria regarding the types of natural resource cases suitable for financial investigation, as well as regular multi-agency meetings to review cases, ensuring there is no single point of failure. If shared with civil society or donors, clear investigation criteria can help provide external accountability and a way to legitimately raise concerns if a certain case has not been financially investigated.

An FTM approach to corruption risk assessments

A successful FTM approach that explicitly focuses on corruption must first understand the natural resource crime itself. Crime dynamics differ across sector, species and stages of the value chain, and understanding these nuances is essential to providing an effective response. The majority of criminal actors involved in illegal wildlife trade, for example, do not belong to a highly structured and organized network or group; even if perpetrators “have a plan and are coordinated,” many offenders

are not part of structured organized crime network or group in the normative or legal sense of the word (Wyatt, 2016). Likewise, a more focused assessment might uncover that corruption opportunities are uniquely linked to instances where a legal supply chain provides an opportunity to introduce or co-mingle illegal products, as seen in the trade of timber, seafood, reptile skins, caviar and eels, among other products (UNODC, 2016).

Similarly, although we can identify some common patterns of corruption related to natural resource crime, there is no single typology suitable for every country or natural resource. The most effective anti-corruption strategies are therefore tailored and specific, built on an accurate understanding of where value accumulates across the supply chain and the lessons of past cases or experiences (TNRC, 2019). These assessments may identify specific job roles, institutions, or processes that are vulnerable to corruption because of a lack of transparency or inadequate oversight, among other reasons.

In a natural resource context, these vulnerabilities may be based on multiple factors, including the management and trading process for that resource, or the availability, volume and value of a specific product (UNODC, 2019a, 2019b). The process of identifying these vulnerabilities is known as a “corruption risk assessment” (UNODC, 2019a). Approaching this assessment with an FTM mindset focused on specific value chains can identify priority areas for introducing financial controls or policies that improve prevention and detection of corruption, while also creating valuable information that can be used by the private sector to better detect and report suspected corruption.⁴

Moreover, risk assessment processes that bring together multiple agencies provide an opportunity to discuss corruption challenges while also building

⁴ There are a broad range of private sector actors who play a role in the licit and illicit natural resource value chain. This includes (but is not limited to) the regulated private sector explored in-text above, as well as logistics and transport companies, processors, manufacturers and retailers, for example.

Table 1: An FTM approach to corruption risk assessments. Examples from three natural resource sectors.*

Export/Import/Trade (Fisheries, timber, and wildlife)		Financial Analysis
Access Agreements (Fisheries and timber)		<ul style="list-style-type: none"> » Is the corrupt act rewarded financially or with other material assets? » What are the typical volumes of proceeds associated with the corruption? » How many opportunities are there to conduct the corrupt act over a given time period? (e.g. day, month, year) » What can previous cases at this point in the value chain tell us about the financial aspects of natural resource corruption? » Is the typical volume of proceeds related to specific methods of money laundering? » Does the national financial intelligence unit hold information about the case or suspects involved? » Are legitimate businesses used to launder the proceeds of crime? » Are there common financial institutions or other services like lawyers, real estate agents or trust and company service providers used by multiple corrupt actors? » Are politically exposed persons suspected to be involved in the crime? » Should the private sector have detected and reported the illicit financial flows? » What information can be shared with the private sector about this corruption risk to improve the detection of illicit proceeds? » Can civil society conduct independent monitoring, accountability and reporting activities at this stage of the value chain?
Example Corruption Risks	<ul style="list-style-type: none"> » Forgery of export permits in return for a bribe or other benefit » Forgery of documents, e.g. invoices or product descriptions to under- or over-value commodities » Conflicts of interest in commercial access agreements » Use of state-owned enterprises to negotiate access agreements in violation of competition laws or scientific quotas » Non-transparent payments by governments or countries to fish in another country's waters and embezzlement of those funds » State capture » Bribery of access agreement negotiators 	
	Processing (Fisheries, timber, and wildlife)	
Example Corruption Risks	<ul style="list-style-type: none"> » Forgery or fraud of permits and documentation to legitimize processing of protected species and mislabeling » Bribery to prevent or manipulate the results of premises inspections (e.g., timber mill; skin tanneries; fish processing) » Failure to conduct due diligence or fraudulent permits for processors 	

* The table offers examples from different sectors; it should not be considered a complete description of any given sector's value chain.

trust and confidence ([Keatinge, 2017](#)). A better understanding of the scale and challenges of natural resource corruption may provide agencies such as the police, a financial intelligence unit or an anti-corruption agency with justification for focusing on natural resource crime specifically ([Reid and Keatinge, 2020](#)). In Indonesia, for example, while financial investigations are regularly used to investigate corruption in timber cases, they are rarely used in wildlife trafficking investigations in part because of the assumption that the proceeds are less significant or moved in cash, which is not the case ([OECD, 2019](#)). An FTM mindset can help illuminate assumptions like these and avoid missed opportunities to use financial investigations to disrupt and investigate natural resource crime.

Table 1 gives selected examples of how and where financial analysis might be used along the renewable natural resource value chain in an anti-corruption risk assessment.

Policy recommendations for mainstreaming anti-corruption into FTM approaches to natural resource crime

Recommendations for public and private sector actors

Establish multi-agency taskforces. Many jurisdictions have established some form of institutional structure to coordinate policy and operational responses to environmental crime. These bodies are essential to the FTM approach because of the broad distribution of responsibilities and powers needed to conduct financial investigations. Anti-corruption bodies, as well as agencies responsible for financial crime, should be included from the outset and encouraged to coordinate at a strategic level on natural resource cases. Memoranda of understanding should be signed to ensure the swift and secure transfer of

information between agencies. Taskforces should consider the option of a policy and operational function ([de Rivaz et al., 2019](#)).

Explicitly include corruption in financial typologies created for natural resource crimes. Some private sector institutions and initiatives such as the [United for Wildlife Finance and Transport Taskforces](#) are beginning to put together more robust bodies of evidence on how the proceeds of natural resource crimes are moved. The preparation of these and future typologies should seek to include the financial aspects of related corruption from the outset so that systems are better tailored to detect and report suspicious behavior.

Approach corruption risk assessments with a financial mindset. Not all corruption is financially motivated, and many corrupt behaviors are most effectively addressed through a mixture of non-financial incentives and policy or procedural changes. Nonetheless, understanding the financial dimensions of corrupt activity is essential to devising policies and interventions that prevent, detect or disrupt corruption.

Include natural resource crimes and related corruption in national risk assessments (NRAs). In anticipation of their FATF mutual evaluations, countries should outline and explicitly address their national money laundering risks ([Haenlein and Keatinge, 2017](#)). As a high income generating crime, countries should include natural resource crimes and related corruption in their NRA ([FATF, 2020](#)).

Establish transparent criteria or thresholds that clearly define the types of cases that may be appropriate for a full financial investigation. Limited resources mean that not all cases can be financially investigated. Government bodies such as financial intelligence units, anti-corruption and environment agencies should work together to create clear and transparent criteria defining what kinds of cases should trigger a parallel financial and/or corruption investigation. Such criteria will be unique to each

country's priorities but might include factors such as the suspected volume of criminal proceeds, the social or environmental impact of the crime, suspected links to other offences like corruption or money laundering, and the likelihood of achieving a prosecution or enforcement outcome. A transparent list of criteria shared across public sector agencies – and potentially civil society and donors too – can provide the basis for challenging why an investigation is not being pursued from a financial angle and create accountability in high-level cases.

Recommendations for donors and civil society

Promote the use of political economy analysis and baseline capacity assessment of key agencies involved in financial investigations. All successful FTM capacity building programs are based on an accurate assessment of the broader enabling environment for financial investigations. Initial context analysis should assess how financial investigations do and should work in each jurisdiction, as an essential precursor for a program or strategy related to natural resource crime. Political economy analysis can help i) ensure that interventions are appropriate to the context; ii) avoid the potential harms that can arise from interventions based on inaccurate or unsubstantiated assumptions; and iii) help identify potential disincentives created by broader political and economic interests, corrupt actors, or institutional cultures along with the most feasible and realistic ways to address these challenges.

Provide resources to conduct follow-up investigations and strategic-level analysis and to contribute to debates on enhancing existing legal mechanisms. Donors can use their political and financial influence to fund or support financial investigations in natural resource cases. They may provide resources to conduct retrospective analyses ([Williams, 2018](#)) of large-scale cases with financial dimensions or promote investigations into the global private sector institutions who should, reasonably,

have detected suspicious activity related to the natural resource sector ([Smith, 2020](#)). Donors and civil society can also support programs of legislative reform that seek to incorporate natural resource crime as a predicate offence to money laundering, ensuring this can be charged alongside penalties under environmental crime legislation ([Haenlein and Keatinge, 2017](#)).

Publicize natural resource cases and prosecutions, whether successful or not, to ensure they are picked up by financial institutions conducting media checks about their clients. *When it is safe and appropriate to do so*, civil society and journalists can highlight cases that may not otherwise be getting attention locally and internationally. This can also help deter further corruption and raise awareness of the financial dimensions of natural resource crime. The [Philippines Center for Investigative Journalism](#), [International Consortium of Investigative Journalists \(ICIJ\)](#), [Mongabay](#), [Oxpeckers](#) and [Gecko Project](#) are some examples of successful environmentally focused investigative reporting initiatives.

Promote engagement across conservation, governance, illicit flows (financial and other) and anti-corruption. Financial investigations require public sector agencies to establish new working relationships in order to coordinate and share intelligence. This should be mirrored in the civil society community to identify areas of common ground, possible points of convergence between corrupt actors or practices, and mutually reinforcing policy responses. Examples in this context might include collaboration between actors from the environment, anti-corruption (e.g., Transparency International) and human rights sectors.

References

- AFA. 2020. *Global Mapping of Anti-Corruption Authorities*. A project of the French Anti-Corruption Agency (AFA) in partnership with the Council of Europe's Group of States against Corruption (GRECO), the Organisation for Economic Co-operation and Development (OECD) and the Network of Corruption Prevention Authorities (NCPA). rm.coe.int/ncpa-analysis-report-global-mapping-acas/16809e790b
- Bohoslavsky, J.P. 2016. Final study on illicit financial flows, human rights and the 2030 Agenda for Sustainable Development of the Independent Expert on the Effects of Foreign Debt and Other Related International Financial Obligations of States on the Full Enjoyment of All Human Rights, particularly Economic, Social and Cultural Rights. UN, Geneva, Switzerland. digitallibrary.un.org/record/831668/?ln=en
- de Rivaz, C., Haenlein, C., Reid, A. and Nouwens, V. 2019. *Turning the Tide? Learning from Responses to Large-Scale Illegal, Unreported and Unregulated Fishing in Five Countries*. Royal United Services Institute for Defence and Security Studies, London, UK. rusi.org/publication/whitehall-reports/turning-tide-learning-responses-large-scale-illegal-unreported-and
- Clough, C., and May, C. 2018. *Illicit Financial Flows and the Illegal Trade in Great Apes*. Global Financial Integrity, Washington DC, USA. secureservercdn.net/45.40.149.159/34n.8bd.myftpupload.com/wp-content/uploads/2018/10/GFI-Illicit-Financial-Flows-and-the-Illegal-Trade-in-Great-Apes.pdf?time=1591317855
- FATF. 2012-2019. *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*. Financial Action Task Force, Paris, France. www.fatf-gafi.org/recommendations.html
- FATF. 2013. Politically exposed persons (recommendations 12 and 22). Financial Action Task Force, Paris, France. www.fatf-gafi.org/media/fatf/documents/recommendations/Guidance-PEP-Rec12-22.pdf
- FATF. 2020. *Money Laundering and the Illegal Wildlife Trade*. Financial Action Task Force, Paris, France. www.fatf-gafi.org/media/fatf/documents/Money-laundering-and-illegal-wildlife-trade.pdf
- Gibson, D. 2020. Namibia's "Fishrot" scandal: from start to present. *Undercurrent News*, 6 January. www.undercurrentnews.com/2020/01/06/namibias-fishrot-scandal-from-start-to-present
- Haenlein, C. and Keatinge, T. 2017. *Follow the Money: Using Financial Investigation to Combat Wildlife Crime*. RUSI Occasional Paper, London, UK. rusi.org/publication/occasional-papers/follow-money-using-financial-investigation-combat-wildlife-crime
- Hanlon, J. 2020. Mozambique: Credit Suisse is liable for the \$2 bn secret debt. Committee for the Abolition of Illegitimate Debt. www.cadtm.org/Mozambique-Credit-Suisse-is-liable-for-the-2-bn-secret-debt
- Jenkins, M. 2015. *Topic Guide: Codes of Conduct*. Transparency International, Berlin, Germany. transparency.org/assets/uploads/kproducts/Topic_Guide_Codes_of_Conduct.pdf
- Keatinge, T. 2017. Public-private partnerships and financial crime: advancing an inclusive model. *RUSI*, 1 December. rusi.org/commentary/public-private-partnerships-and-financial-crime-advancing-inclusive-model
- Lehmacher, W. 2016. Wildlife crime: a \$23 billion trade that's destroying our planet. *World Economic Forum*. www.weforum.org/agenda/2016/09/fighting-illegal-wildlife-and-forest-trade
- OECD. 2017. *Global Trade Without Corruption: Fighting the Hidden Tariff*. OECD Publishing, Paris, France. doi.org/10.1787/9789264279353-en
- OECD. 2019. Proceeds of crime, illicit financial flows and money laundering. Chapter 6 in *The Illegal Wildlife Trade in Southeast Asia*. OECD Publishing, Paris, France. doi.org/10.1787/14fe3297-en
- Pleyer, M. 2020. *Objectives for FATF – 2020-2022*. Financial Action Task Force, Paris, France. www.fatf-gafi.org/media/fatf/documents/German-Presidency-Priorities.pdf
- Reid, A. and Keatinge, T. 2020. Case closed? Why we should review historic wildlife trafficking cases from a financial perspective. *RUSI Newsbrief*, 27 March. rusi.org/publication/rusi-newsbrief/case-closed-why-we-should-review-historic-wildlife-trafficking-cases
- Reuters. 2019. Angola opens case against ex-minister over Namibia fishing bribe scandal. *Reuters*, 11 December. www.reuters.com/article/namibia-iceland-angola/angola-opens-case-against-ex-minister-over-namibia-fishing-bribe-scandal-idUSL8N28L4L5

Shelley, L. 2020. *Why is money laundering a critical issue in natural resource corruption?* Targeting Natural Resource Corruption. www.worldwildlife.org/pages/tnrc-introductory-overview-why-is-money-laundering-a-critical-issue-in-natural-resource-corruption

Smith, S. 2020. Another law firm dragged into Fishrot scandal. *The Namibian*, 15 January. www.namibian.com.na/196948/archive-read/Another-law-firm-dragged-into-Fishrot

The Sun Daily. 2017. MMEA, DoF officers arrested over bribes for illegal fishing activities. *The Sun (Malaysia)*, 6 November. www.thesundaily.my/archive/mmea-dof-officers-arrested-over-bribes-illegal-fishing-activities-BUARCH500461

TNRC. 2019. *A Guide to Identifying Corruption Risks Along Natural Resource Supply Chains*. Targeting Natural Resource Corruption. www.worldwildlife.org/pages/tnrc-nrm-supply-chain-corruption

UNODC. 2016. *World Wildlife Crime Report: Trafficking in protected species*. United Nations Office on Drugs and Crime, Vienna, Austria. www.unodc.org/documents/data-and-analysis/wildlife/World_Wildlife_Crime_Report_2016_final.pdf

UNODC. 2019a. *Scaling Back Corruption: A guide on addressing corruption for wildlife management authorities*. United Nations Office on Drugs and Crime, Vienna, Austria. www.unodc.org/documents/corruption/Publications/2019/19-08373_Scaling_Back_Corruption_ebook.pdf

UNODC. 2019b. *Rotten Fish: A guide on addressing corruption in the fisheries sector*. United Nations Office on Drugs and Crime, Vienna, Austria. www.unodc.org/documents/Rotten_Fish.pdf

Wallen, K. 2018. Global timber trafficking harms forests and costs billions of dollars – here's how to curb it. *The Conversation*, 24 April. theconversation.com/global-timber-trafficking-harms-forests-and-costs-billions-of-dollars-heres-how-to-curb-it-93115

Williams, A. 2018. *The Mozambique hidden loans case: An opportunity for donors to demonstrate anti-corruption commitment*. U4, Chr. Michelsen Institute, Norway. www.u4.no/publications/the-mozambique-hidden-loans-case-an-opportunity-for-donors-to-demonstrate-anti-corruption-commitment.pdf

Wyatt, T. 2016. The uncharismatic and unorganized side to wildlife smuggling. In: Elliott, L. and Schaedla, W.H. (eds). *Handbook of Transnational Environmental Crime*, pp.129-145. Edward Elgar Publishing. doi.org/10.4337/9781783476237

Wyatt, T., Johnson, K., Hunter, L., George, R. and Gunter, R. 2017. Corruption and wildlife trafficking: Three case studies involving Asia. *Asian Criminology* 13: 35–55. doi.org/10.1007/s11417-017-9255-8

Zain, S. 2020. *Corrupting trade: An overview of corruption issues in illicit wildlife trade*. Targeting Natural Resource Corruption. www.worldwildlife.org/pages/tnrc-introductory-overview-corrupting-trade-an-overview-of-corruption-issues-in-illicit-wildlife-trade

About Targeting Natural Resource Corruption

The Targeting Natural Resource Corruption (TNRC) project is working to improve biodiversity outcomes by helping practitioners to address the threats posed by corruption to wildlife, fisheries and forests. TNRC harnesses existing knowledge, generates new evidence, and supports innovative policy and practice for more effective anti-corruption programming. Learn more at tnrcproject.org.

Disclaimer

This publication is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of the author(s) and do not necessarily reflect the views of USAID, the United States Government, or individual TNRC consortium members.

