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C O M B A T I N G
W I L D L I F E A N D F O R E S T C R I M E

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Identifying risk indicators for illicit timber shipments

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What is risk



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Risk is the likelihood of
a harmful event occurring and
the impact of the event if it
were to occur.

(Risk = **Likelihood** x **Impact**)



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Risk Assessment

How vulnerable the subject is to an undesirable event (a Threat), expressed in terms of **Likelihood** and **Impact**.



Risk Matrix		Impact				
		Negligible	Minor	Moderate	Severe	Critical
L I K E L I H O O D	Very Likely	Low	Medium	High	Very High	Unacceptable
	Likely	Low	Medium	High	High	Very High
	Moderately Likely	Low	Low	Medium	High	High
	Unlikely	Low	Low	Low	Medium	Medium
	Very Unlikely	Low	Low	Low	Low	Low



Risk assessment

- Risk assessment is a continuous process
- It includes the following elements:
 - Threat/hazard identification
 - Evaluation of likelihood and country prioritisation
 - Impact assessment, preparation and profiling
 - Targeting
 - Management of the risk (e.g. physical control, x-ray scanning, detector dogs, etc.)
 - Evaluation of outcomes and controls



Why is it important?

- Globally >680 million shipping containers are transporting 90% of the world's cargo every year
- Some are used to smuggle illicit goods (weapons, drugs, timber, wildlife, etc.)
- Less than 2% of containers are examined
- ASEAN region progressing towards greater connectivity and integration
- Freer movement of people and goods across borders also means increased opportunities for transnational crime
- Greater Mekong countries share 12,000 km highly porous, inadequately controlled land borders

Risk assessment helps to target the selection of shipments for inspection, to increase detection of illicit goods



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Key sources of information to develop risk profiles

- Available import, export and transit data
- National or local control database
- Seizure reports
- Strategic, Tactical or Operational Reports from other law enforcement agencies
- Intelligence data
- Information exchange with other customs administrations
- Risk information from other law enforcement agencies
- Cooperation with trade stakeholders in the supply chain (e.g. carriers, customs brokers, freight forwarders, port authorities, etc.)
- Transport documents such as manifests, airway bills, etc.



Seizure analysis

- Analysis of national, regional and international irregularities and seizures is important
 - It identifies where law enforcement has been successful
 - Sharing seizure information with other law enforcement authorities is important to be informed of the latest smuggling trends
 - It can help to recognise where there may be weakness in law enforcement systems
- Seizure analysis can be used to start developing risk profiles, which can be refined and improved over time



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Common modus operandi in illegal timber trade cases





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Fraudulent use of timber certification trademarks

Fake FSC trademark

(Appears fake, also missing the license number)

FSC website has searchable database of certified companies and FSC license numbers to assist with verification

Genuine trademark





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False use of PEFC trademark

(Fake license number)


PEFC website also has database of licensed PEFC certificate holders for verification





Use of counterfeit/ fraudulent CITES permits

- Checking and validating CITES documents at the border is one of the most important parts of CITES
- Most CITES fraud takes place in shipments accompanied with permits
- For example: Invalid date; fake security stamp; forged signature; permit does not correspond with actual traded specimens; etc.

 CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA		PERMIT/CERTIFICATE No. <input type="checkbox"/> EXPORT <input type="checkbox"/> RE-EXPORT <input type="checkbox"/> IMPORT <input type="checkbox"/> OTHER:		Original 2. Valid until												
		3. Importer (name and address) 3b. Country of export		4. Exporter/consignor (name, address and country) Signature of the applicant												
5. Special conditions <small>For live animals, this permit or certificate is only valid if the transport conditions conform to the Guidelines on Transport of Live Animals, or the case of air transport, to the IATA Live Animals Regulations.</small>		6. Name, address, national seal/stamp and country of Management Authority														
7a. Purpose of the transaction (see annex) 7b. Security stamp no.																
8a. Scientific name (genus and species) and common name of animal or plant		8. Description of specimens including identifying marks or number (optional: if live)		10. Appendix no. (specimens (see annex))	11. Country (including land)	11a. Total exported Quota										
A 12. Country of origin * Permit no. Date		12a. Country of last re-export Certificate no. Date		12b. No. of the operation ** or date of acquisition												
B 12. Country of origin * Permit no. Date		12a. Country of last re-export Certificate no. Date		12b. No. of the operation ** or date of acquisition												
C 12. Country of origin * Permit no. Date		12a. Country of last re-export Certificate no. Date		12b. No. of the operation ** or date of acquisition												
D 12. Country of origin * Permit no. Date		12a. Country of last re-export Certificate no. Date		12b. No. of the operation ** or date of acquisition												
<small>1. Country in which the specimens were taken from the wild, based on captivity or artificially propagated (only in case of re-export) ** Only for specimens of Appendix I species listed in captivity or artificially propagated for commercial purposes</small>																
13. The permit/certificate is issued by:																
Place _____ Date _____		Security stamp, signature and official seal														
14. Export endorsement.		15. Bill of Lading/Air waybill number.														
<table border="1"> <tr> <th>Block</th> <th>Quantity</th> </tr> <tr> <td>A</td> <td></td> </tr> <tr> <td>B</td> <td></td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>D</td> <td></td> </tr> </table>		Block	Quantity	A		B		C		D		Port of export _____ Date _____		Signature _____		Official stamp and title
Block	Quantity															
A																
B																
C																
D																



Illegal timber hidden among legal timber

Example case:

- Shipment declared as FSC meranti (*Shorea spp.* – not CITES listed) white primed skirtings from Indonesia to Netherlands
- 6 crates of skirtings, all painted white
- Shipment also appeared to contain Ramin (*Gonystylus spp.* - CITES App. II)



- No CITES permit was presented
- Ramin was seized
- Importer was prosecuted

Mixed shipments with other illicit commodities

- Timber can be used as the cover load for concealing other illicit products

Example:

- January 2014 – seizure made by Customs at Lome Port, Togo
- Shipping container destined for Vietnam
- Contained 124 teak logs, 1689kg ivory





Use of other names / incorrect names

- Timber is mis-declared under another species name, a local trade name, or as mixed wood
- Use of incorrect tradenames
- Use of incorrect scientific names
- Resources to help check species names:
 - CITES Species database (www.checklist.cites.org)
 - Species + database (www.speciesplus.net)

Other modus operandi

- Mislabeled packaging
- The identifying features of timber are concealed by painting, varnishing or staining
- Pallets or packing material is made from restricted timber species





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Common risk indicators for illicit timber shipments



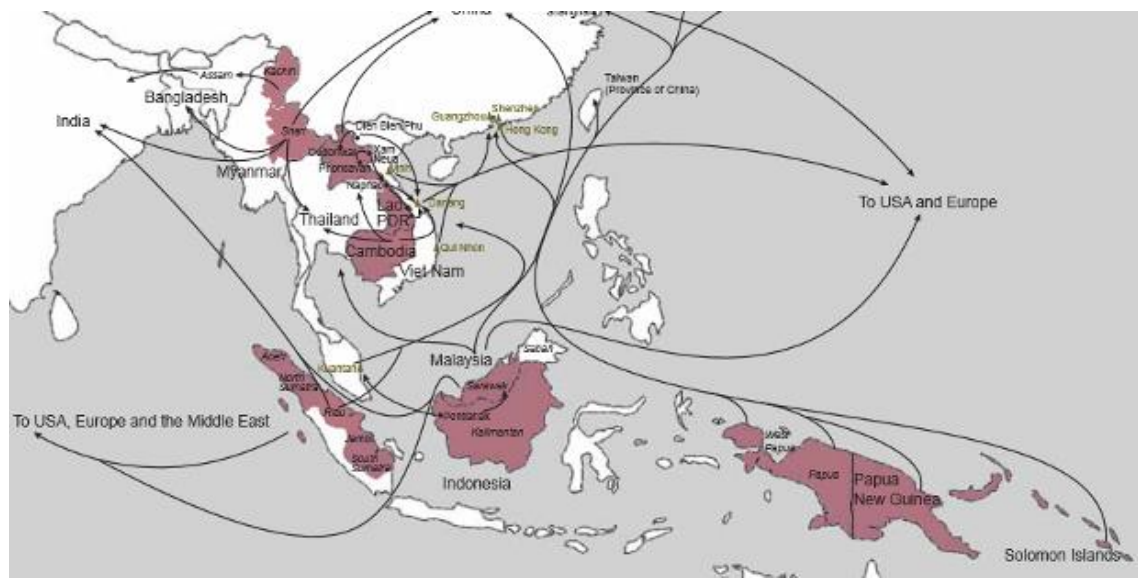


Considerations during administrative examination

- Examine all available documents:
 - CITES permits – import and export permits should mirror each other
 - Airway bills & shipping bills – crosscheck importer/exporter details
 - Customs commercial invoices – crosscheck importer/exporter details; check species declared
- Are any documents missing?
- Are all documents authentic?
- Is all information consistent between documents?

Risk indicators: Routing

- Shipment is from a high-risk origin/transit country
- Use of unusual/complicated routing
- Time of day / day of the week/ port of entry used
- Does it make economic sense? Legitimate business will always use the most efficient and economical route





Risk indicators: Declared goods

- Declared goods are not consistent with type of business of consignee/consignor
- High shipping costs for declared low value consignment (*shipment is not economically viable*)
- Shipment is a heavier (or lighter) weight than is normal for the declared goods
- Description of goods on the shipping documents does not match Harmonized Systems (HS) code (*e.g. using HS code with lower rate of customs import duty*)
- Declared goods are known to be used as cover materials for smuggled goods (*e.g. scrap plastic, tea, coffee beans, fish, handicrafts, etc.*)



Importer/exporter (consignor/consignee)

- Incomplete/false company names/addresses
- Fraudulent use of genuine company details
- P.O Box or hotel/ suite/ apartment address is listed
- Mobile phone number listed as contact point
- Loading/destination ports used should be consistent with consignor/consignee address
- Importer/exporter is recently established
- First time importing/ exporting
- Check for any known adverse compliance history (of any parties involved – importer, exporter, transporter, logging company)

High-risk industries for certain timber species

- Antique restoration
- Ships and yachts
- Musical instruments (rosewood)
- Furniture
- Wood carving
- Flooring
- Perfumery (agarwood)





Risk indicators

eg. CITES permits

- **Validity date** expired or been altered
- **Source code** is incorrect or unfeasible
- **Appendix number** is incorrect or unfeasible
- **Customs export endorsement** is missing or incorrect
- **Security seal** (if there is one) must be in contact with signature and/or security stamp
- **Document does not match** actual shipment in terms of species/ quantity/ weight
- **Scientific name** is false or incorrect
- **False declaration** of origin (e.g. artificial propagation, plantation timber)
- **Signs of document fraud:** forged signature, signs of alteration, incorrect document format, incorrect CITES logo/position

Original
Present to Malaysia and Foreign
Customs on export/re-export/import



PERMIT/ SKIL NO: 011853
PERMIT / CERTIFICATE NO.

CITES
KONVENSIEN PERDAGANGAN
ANTARABANGSA MENGENAI SPESIES
FAUNA DAN FLORA TERANCAM
CONVENTION ON INTERNATIONAL TRADE IN
ENDANGERED SPECIES OF WILD FAUNA AND FLORA

EKSPORT / EXPORT
 EKSPORT SEMULA / RE-EXPORT
 IMPORT / IMPORT
 LAIN-LAIN / OTHERS

Date of validity

3. Pengimport (nama dan alamat) <i>Importer (name and address)</i>		4. Pengeksport (nama dan alamat) <i>Exporter (name and address)</i>	
3a. Negara Pengimport <i>Country of Import</i>		Signature of the applicant	
5. Syarat-Syarat Khas / <i>Special conditions</i>		6. Nama, alamat, cop rasmi dan negara Pihak Berkuasa Pengurusan <i>Name, address, national seal/stamp and country of Management Authority</i>	
5a. Tujuan Urusniaga <i>Purpose of transaction</i>	5b. No. Setem / Security Stamp No. 1216803	LEMBAGA PERINDUSTRIAN KAYU MALAYSIA (Malaysian Timber Industry Board) NO. 73-82, JALAN BESTARI 1/4, TAMAN NUSA BESTARI, 81300 SKUDAI, JOHOR.MALAYSIA.	
7.8 Nama Saintifik dan Nama Biasa <i>Scientific Name and Common Name</i>	9. Perihal Spesimen termasuk tanda pengenalan / nombor (umur/ jantina jika hidup) <i>Description of specimens, including identifying mark or numbers (age/sex if live)</i>	10. No. Apendiks/ sumber <i>Appendix No./Source</i>	11. Isipadu (meter padu) Volume <i>Volume (cubic meter)</i>
7.8 GONYSTYLUS SPP. (RAMIN)	9. WOOD SAWN TIMBER	10. I/W	11. 61.6482 CU. METER
12. Negara Asal * <i>Country of origin*</i>	12a. Negara Pengeksport semula <i>Country of Last Re-export</i>	No. Sijil Certificate No.	12b. No. operasi pembiakan**/Tarikh pemilikan <i>No. of breeding operation** or date of acquisition*</i>
A			
VALID FOR ONE CONSIGNMENT ONLY			
B			
C			
* Negara di mana spesimen diperolehi (bagi ekport semula) <i>(Country in which the specimens were taken (only in case of re-export))</i>			
** Hanya bagi spesimen di bawah Apendik I yang dibelakurung / pembiakan beradas bagi tujuan komersial <i>(Only for specimens of Appendix-I species bred in captivity or artificially propagated for commercial purposes)</i>			
# Untuk spesimen pre-konvensyen (for pre-Convention specimens)			
13. PERMIT/SKIL INI DIKELUARKAN OLEH: <i>THIS PERMIT / CERTIFICATE IS ISSUED BY:</i>		AZAM HJ. YAHYA ASST. HEAD OF MTIB STATE OFFICE-JONGOR MALAYSIA TIMBER INDUSTRY BOARD	
14. PENGESAHAN EKSPORT / EXPORT ENDORSEMENT		15. No. bil mustan/ no. bil udara <i>Bill of lading/Air Waybill Number</i>	
Blok (Block)	Isipadu (Volume)	Tempat Pengeksportan <i>Port of Export</i>	Tarikh <i>Date</i>
A	GONYSTYLUS SPP 61.6482	P. KLANG	4/6/2014
B			
C			

Security stamp number repeated

CITES
Appendix no.
& source code

Security seal in contact with stamp and/or signature

Customs export endorsement



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Thank you



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Contact us: wafc@unodc.org

Visit our website : <http://www.unodc.org/unodc/en/wildlife-and-forest-crime>