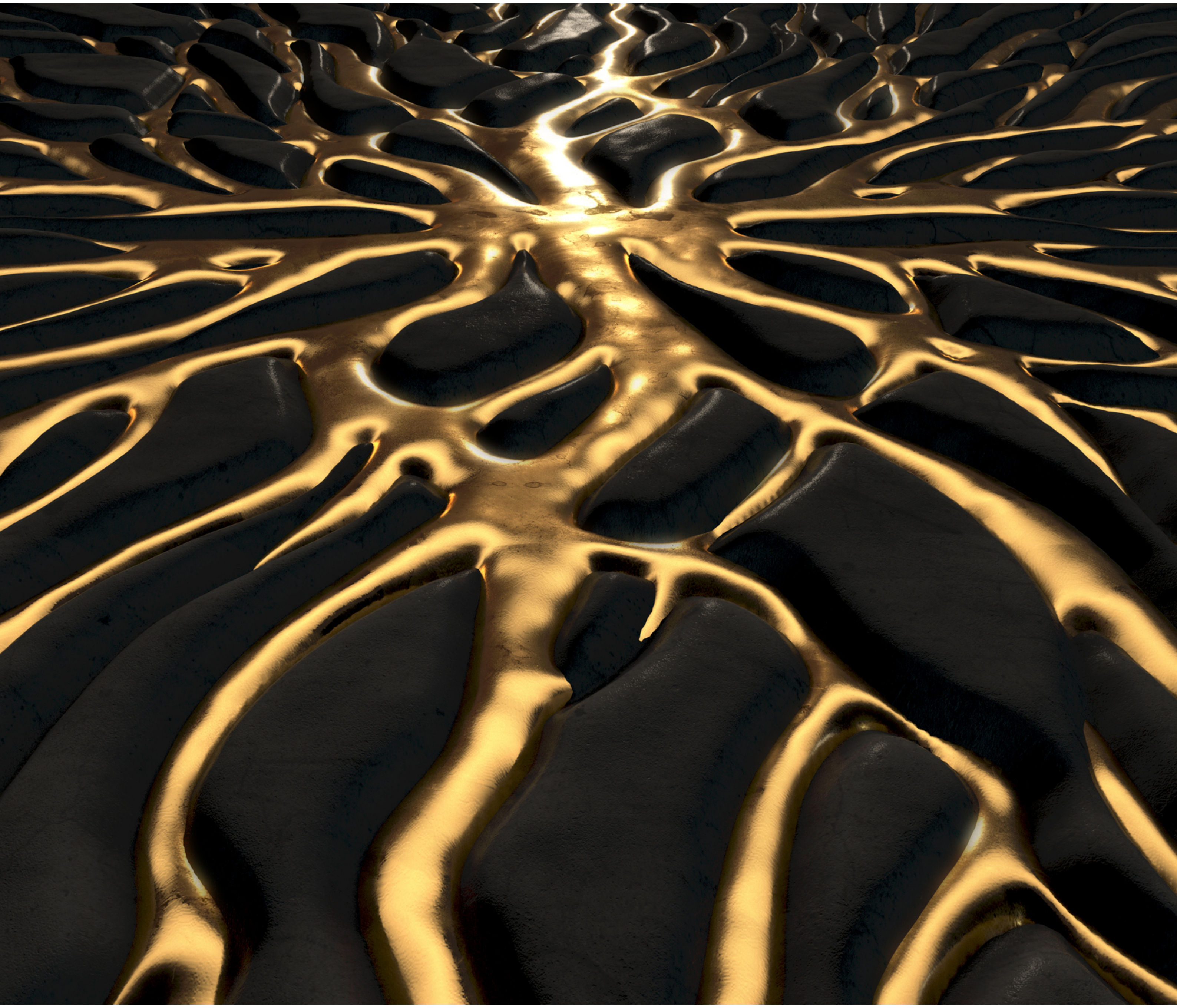
# Gold Flows from Venezuela

## Supporting due diligence on the production and trade of gold in Venezuela



OECD

**Please cite this publication as:**

OECD (2021): Gold flows from Venezuela: Supporting due diligence on the production and trade of gold in Venezuela

Photo credits: Cover © @Gettyimages

## Organisation for Economic Co-operation and Development (OECD)

The OECD is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

## The OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

The OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) provides practical due diligence recommendations to assist companies in avoiding contributing to serious human rights, conflict and financial crimes through their mineral purchasing decisions and practices. This Guidance is for use by any company in the mineral supply chain potentially sourcing minerals or metals from conflict-affected and high-risk areas. The OECD Guidance is global in scope, and applies to all mineral supply chains. More information on the Guidance and OECD Responsible Minerals Implementation Programme can be found on their respective webpages.

## Notes on this study

This report was prepared by I.R. Consilium under the supervision of the OECD Secretariat through qualitative research methods including a literature review, desk-based research, and remote semi-structured interviews. Annex B summarises the 39 interviews undertaken over the course of the study. The scope of the study is focused on responsible business conduct in the production and trade of gold in Venezuela, to support companies implementing the recommendations of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) to exercise their due diligence.

## Acknowledgements

This report was prepared by Dr. David Soud with the support of Dr. Ian Ralby and Rohini Ralby (I.R. Consilium), under the direction of Louis Maréchal, Luca Maiotti, Hannah Koep-Andrieu and Tyler Gillard (OECD Centre for Responsible Business Conduct). Communications support was provided by Roxana Glavanov and Zara Kuruneri. This report also benefited from comments by OECD delegations to the Working Party on Responsible Business Conduct, in addition to countries neighbouring Venezuela and mentioned in this report.

# Table of Contents



## Tables

## Figures



## Boxes

# Executive Summary

As highlighted by the Financial Action Task Force, gold is a preferred medium for illicit finance (FATF, 2015; 2021). It is highly valuable, portable and capable of holding its value even during significant market shocks in markets around the world. As an element, it is very difficult to trace through chemical analysis. It can be reshaped in myriad ways, or literally blended into anonymity. Perhaps most importantly, gold is not intrinsically illicit, so it can be laundered easily into legitimate supply chains, contributing to the greying of local, national and regional economies, and even the global financial system. In this context, gold flows from the Bolivarian Republic of Venezuela (hereafter “Venezuela”) present serious challenges.

Since the nationalisation of Venezuela’s mining industry in 2011, criminals of various kinds have encroached on the country’s gold mining sector. In the five years since the 2016 decree establishing the Orinoco Mining Arc (AMO) in the south of Venezuela, gold mining has expanded beyond the confines of the AMO. Over the same period, the volumes of gold flows out of the country have only grown in scale. The risks linked with those flows extend beyond human rights abuses and environmental destruction and include criminal economies linked with various forms of trafficking and money laundering, as well as the financing of terrorism.

While it is extremely difficult to estimate gold production in Venezuela, processing capacity and reporting suggest that it could conceivably amount to as much as 75 t per year; as of July 2021, the market value of that production would exceed USD 4.4 billion (United States Dollars). Research suggests that actual current production throughout Venezuela amounts to a third to half that amount. Gold flows within Venezuela can be categorized under two broad headings: centralised and dispersed. In a rough metaphor, the centralised flows run to the tap, while the dispersed flows are the plumbing leaks.

The **centralised flows** carry a portion of production from the country’s myriad small mining operations – there is no large-scale mining currently in Venezuela – to the government-monitored trading hubs in cities such as El Callao, where some is purchased by buyers representing Venezuelan elites. These flows also include the substantial and expanding trucking of gold sands and other crude material from shuttered and operational mines as well as alluvial deposits to cyanidation plants in Bolívar state. The production from those facilities appears to be divided between the Central Bank of Venezuela (BCV) and politically exposed persons (PEPs). While centralised flows of gold out of Venezuela might be considered legal, it is still necessary to carry out enhanced due diligence to ascertain whether conditions of extraction and trade are associated with actual or potential risks of severe human rights abuses, conflict financing and other financial crimes as per Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (“OECD Guidance”), as well as environmental harm.

In contrast, **dispersed flows** are those that leave the country from mining areas by various other routes. The Venezuelan military and political elites, Colombian militant groups, and domestic gangs are reported to be key actors in both categories of domestic gold flows. While centralised flows reportedly include gold transfers from the BCV to foreign governments and other entities in Turkey, the United Arab Emirates, Iran and elsewhere, transnational dispersed flows reportedly benefit a wider and more overtly criminal range of actors, including criminal cartels, Colombian *grupos armados organizados* (GAOs) and designated terrorist organizations.

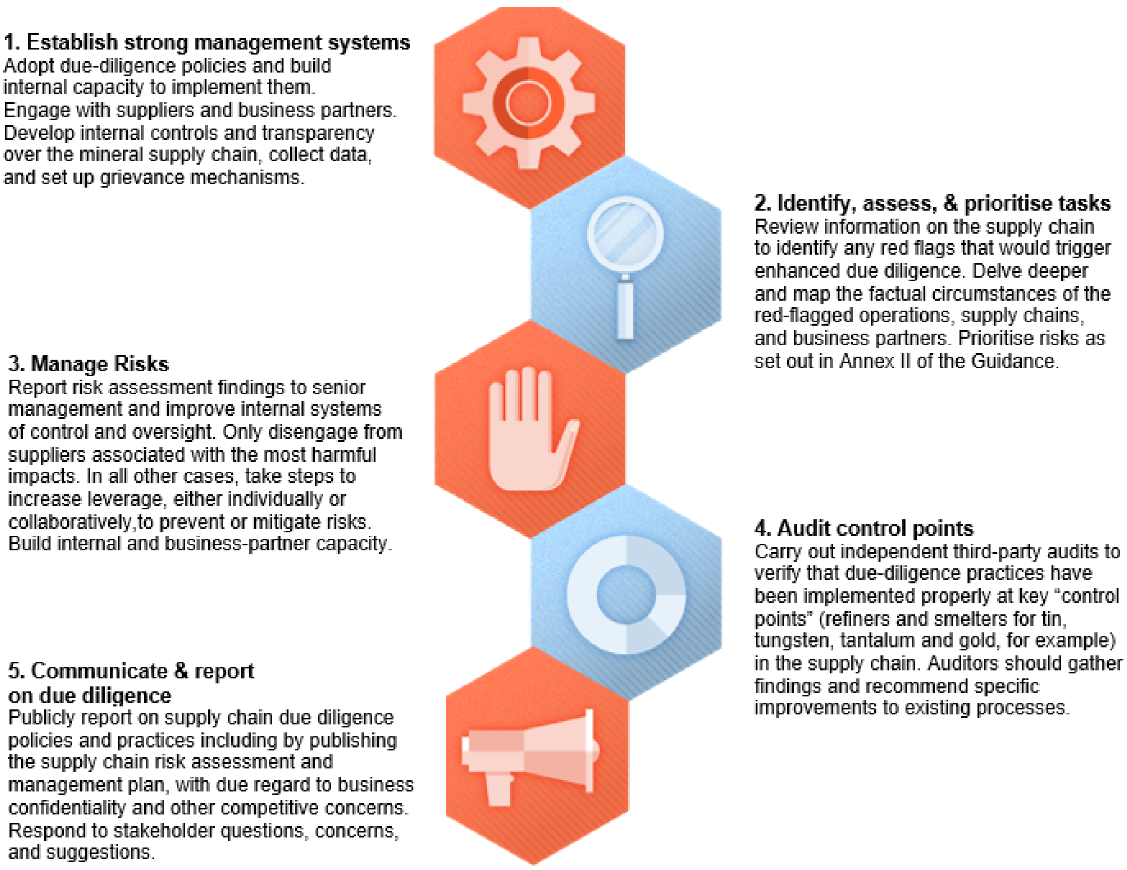
Gold from dispersed flows departing Venezuela appears to be laundered primarily within the Latin America and Caribbean (LAC) region, mainly in one or more key regional transit hubs. Currently, these have been identified as Colombia, the Dominican Republic, Brazil, Suriname, Guyana and Panama, and some reports of potential laundering elsewhere in Central American and in Mexico. Laundering networks can, however, extend across the globe and  actors connected with Europe, the United States, the People's Republic of China (hereafter "China"), the Middle East and possibly West Africa have also been implicated. Reports suggest that some gold laundering may involve informal value transfer systems that reach the Middle East and China.

As pointed out by this and other reports, all risks listed in Annex II of the OECD Guidance are reported to be prevalent across supply chains of gold from Venezuela. Companies sourcing gold need to determine whether they purchase, handle, process or transport gold associated with any red flags linked to country of origin or transit, suppliers or other circumstances listed in the OECD Guidance to make sure they do not contribute to human rights abuses, conflict financing or financial crimes. Existing regulations and industry due diligence programmes have thus far been inadequate for ensuring due diligence is carried out on Venezuelan gold flows – making it likely that international purchases of Venezuelan gold may be contributing to abuses linked to Annex II risks. In addition to increasing regulatory consistency and implementation across legal regimes on due diligence for minerals in key mineral importing, transit and exporting jurisdictions, internal silos need to be dismantled. In particular, closer and more sustained collaboration between financial regulators including financial intelligence units and industry actors would allow for better detection of the links between gold flows and illicit financial flows (IFFs).

The resulting picture is revealing but also preliminary, as more research is needed, including on a detailed mapping of gold flows from Venezuela, the illicit financial flows linked with that gold, and the ensuing risks for and responsibilities of actors connected with these gold supply chains. While this report is hence intended to provide only a baseline assessment, its preliminary findings already reveal areas in which further analytical work is necessary. The role of the maritime space in high-risk gold flows needs more attention; so does the role played by Free Trade Zones (FTZs) in facilitating gold flows and related financial crimes.

# An introduction to the OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

The Guidance provides practical due diligence recommendations to assist companies in avoiding contributing to serious human rights, conflict and financial crimes through their mineral purchasing decisions and practices. This Guidance is for use by any company in the mineral supply chain potentially sourcing minerals or metals from conflict-affected and high-risk areas. The Minerals Guidance is global in scope, and applies to all mineral supply chains.



Miners Traders Point of transformation

Market makers Manufacturers End-user

**Upstream**

- Establish traceability or chain of custody to mine of origin
- For red flagged supply chains, undertake on-the-ground assessments of mines, producers, and traders for conflict, serious abuses, bribery, tax evasion, fraud, money laundering
- Collaborative engagement with local government, CSOs, local business to prevent and mitigate impacts, monitor
- Report publicly on due diligence efforts

**Downstream**

- Identify 'choke points' in supply chain (e.g. metal smelter or refiners)
- Collect information on their upstream due diligence (e.g. both through individual efforts and industry auditing)
- Use collective industry leverage to encourage improvement of upstream due diligence
- Report publicly on due diligence efforts

### Box 1. Risks in Annex II of the OECD Guidance

The scope of risks in Annex II of the OECD Guidance covers the following:

Serious abuses of human rights associated with the extraction, transport or trade of minerals, such as worst forms of child labour, forced labour, degrading treatment, torture and widespread sexual violence.

Direct or indirect support to non-state armed groups, public or private security forces: for example, in cases where such groups control mine sites or transportation routes or points where minerals are traded, or illicitly tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded. The role of public and private security forces should be solely to maintain the rule of law, including safeguarding human rights and providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.

Bribery, corruption and fraudulent misrepresentation of the origin of minerals: Bribery or fraud occurs when supply chain actors offer, promise, give, or demand a bribe or other undue advantage to obtain or retain business or any other improper advantage, for example to secure mine site concessions, to facilitate smuggling, or to fraudulently misrepresent the origin of minerals. Bribes can take the form of money or other pecuniary advantages (e.g. sub-contracting firms linked to public officials) or non-pecuniary advantages (e.g. favourable publicity). Corruption, the abuse of entrusted power for private gain, can take the form of grand corruption (when a public official causes the State or any of its people a loss greater than 100 times the annual minimum subsistence income of its people as a result of bribery, embezzlement or other corruption offences) or petty corruption (everyday abuse of entrusted power by public officials in their interactions with citizens in places like mine sites, mineral transport routes, security checkpoints, trading houses, airports and ports).

Money laundering is the process by which criminals disguise the illegal origin of the proceeds of criminal conduct by making such proceeds appear to have derived from a legitimate source.

Tax evasion. Under the Guidance, in addition to paying taxes, fees and royalties due to governments, companies are expected to disclose payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI)

Source: Transparency International, no date; OECD, 2021

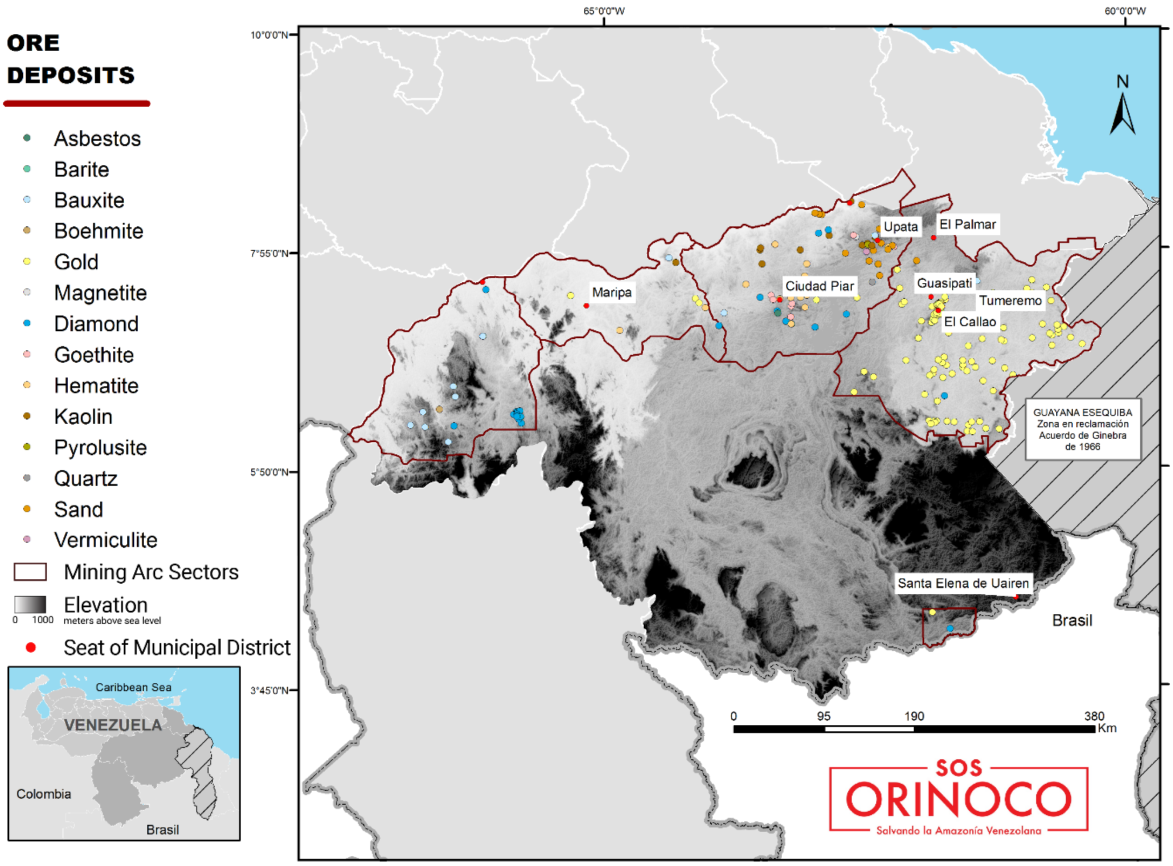
# Context

## Recent History

Since 2013, consecutive economic crises have both precipitated and accelerated an unfolding crisis in Venezuela. The oil crash of 2014 in particular, combined with the deteriorating circumstances of the Venezuelan state-owned oil and gas company Petróleos de Venezuela, S. A. (PDVSA), led to a burgeoning exploitation of other resources – primarily minerals. In this context, gold became the new oil.

The foundation of that strategy was established in 2011, when then-president Hugo Chávez nationalized the mining industry, putting an abrupt end to the operations of international mining companies. Under the new framework, all gold mined in Venezuela was the property of the state. In reality, the economic and power vacuum in mining areas created by that policy shift led almost immediately to criminal encroachment into the sector. In February 2016, president Nicolás Maduro signed a decree establishing the Arco Minero Orinoco (AMO), an area of 112 000 km² divided into four sectors and spreading mainly across the states of Bolívar and Amazonas in the country's mostly rugged south (see Figure 1). Not only gold, but also copper, coltan, diamonds and bauxite were to be legally extracted, and the decree's goals included reducing criminality, protecting miners, enriching the state, and environmental conservation and protection. One notable goal emphasized by Maduro was "to defeat the mafias that exploit and enslave mining communities" (Ministerio del Poder Popular para la Comunicación y la Información, 2017).

**Figure 1. The Arco Minero del Orinoco (AMO) and its mineral deposits**




Source: *SOSOrinoco, 2020*

Two weeks before the decree was published, however, the Maduro government had also established the Military Company for the Mining, Oil and Gas Industries (CAMIMPEG), effectively giving the military economic access to Venezuela's mining and petroleum industries (International Crisis Group, 2019). In the ensuing five years, the AMO has drawn international concern. None of the government's professed goals has been met; on the contrary, the AMO is widely regarded as the center of an uncontrolled and often violent experiment in the exploitation of resources, regions and communities. That exploitation, and its consequences, have now extended well beyond the original boundaries of the AMO. In April 2020, the Maduro administration announced that six additional rivers would be open to exploitation for gold and diamonds (Banco y Negocios, 2020). By 2019, economic hardship elsewhere in Venezuela, coupled with the prospect of income from mining, had significantly increased internal migration and hence the number of small-scale miners in the AMO and other mining areas. Estimates of the number of active miners have ranged from as high as 500 000 (Montiel and Benezra, 2019) to a more realistic 70 000-150 000 (Ruiz, 2018).

## The Question of Scale

It is difficult to gauge the scale of gold production in Venezuela. Official numbers are unreliable, and even the most careful estimates of NGOs, journalists, and other observers must come with the caveat that such a complex and opaque ecosystem of criminality and corruption is resistant to inspection. As one United

States law enforcement source put it, Venezuela is largely “an unseeable country” (USA-gov-g-050321). Most often, one has to rely on the anecdotal evidence of observers and participants, the insights of regional and international security and law enforcement personnel and the broad contours and proxy data provided by trade records. Published estimates have spanned a wide range. For 2019 alone, estimates range from 27.8 t to well over 80 t of the amount of gold alleged to have been smuggled out of the country (Goldhub, 2021; Pisani, 2020). Based on available data and interviews with local actors, this report estimates that annual production may now total as much as 75 t – the market value of which would, in July 2021, exceed $4.4 billion. That estimate is intended as a ceiling; research indicates that current total production is considerably less, on the order of a third to half that amount. The NGO Transparencia Venezuela estimates that at least 70 per cent of that total is smuggled out of the country (Transparencia Venezuela, 2019).

The Covid-19 pandemic has done surprisingly little to stem these gold flows. Though it has severely affected the income of small-scale miners and led to some stockpiling within Venezuela (Ebus, 2020), the crisis has not discernibly slowed gold extraction, nor has it appeared to significantly constrict some of the most important routes by which gold travels out of the country. Research indicates that over the past year the Maduro administration’s efforts to centralise and expand a large portion of the country’s gold processing have made progress under the added layer of opacity the pandemic has brought. But these increases have not led to any replenishment of the depleted reserves in the Banco Central de Venezuela (BCV), which now stand at their lowest levels in decades (Goldhub). Most of Venezuela’s gold continues to be smuggled abroad, laundered and eventually sold to traders and refiners around the world.

## The Question of Legality

Until September 2020, when a decree was signed by the Maduro government (Gaceta Oficial, 2020), all gold mined in Venezuela was legally considered the property of the BCV. By this standard, it could be reasonable to consider any gold exiting the country without passing through the BCV or without its explicit authorization as being illegal. Since that date, the sale of gold to the market has been allowed – but only with the BCV as preferential buyer and with a substantial licensing fee (Gaceta Oficial, 2021). Accordingly, any gold mined in Venezuela and transported out of the country without first being offered for sale to the BCV or without a commercial license would in principle be in contravention of the September 2020 decree, and also of a February 2021 decree affirming the previous one but reducing the licensing fees. No criminal penalties are associated with the contravention of the September 2020 or February 2021 decrees (Banca y Negocios, 2021). While Venezuelan authorities have on occasion issued indictments for gold smuggling, the relevant laws do not appear to be consistently enforced. The sizable informal economy in mining and border regions where gold is often used as a currency should also be borne in mind.

A more consistent and compelling assessment of the legal issues surrounding Venezuelan gold needs to take into account other considerations: the cases of money laundering and other financial crimes connected with those flows, pursued primarily but not exclusively by the United States Department of Justice; the evidence of corruption among key actors in those flows; the sanctions imposed by the United States and other countries on some of those actors; the evident links with, and financing of, militant and terrorist groups; and the well-documented abuses – including child labour, sex trafficking and environmental devastation, among others – that attend upstream activities generating the flows.

The involvement of international actors in Venezuelan mining – especially those based in countries that have applied economic sanctions to Venezuelan entities – is another development that needs to be analyzed. The recent revelation that a former investment banker and UK citizen had signed a contract with the state-owned Venezuelan Mining Company (CVM) to prospect for gold in the AMO, potentially securing 20-year mining rights, drew international criticism and questions about potential consequences (Burgis and Long, 2021).

# Centralised Domestic Flows

There is no large-scale mining in Venezuela. The authors were unable to confirm rumours of highly mechanized operations conducted discreetly by international mining enterprises. In the current environment, scale is a function not of individual operations but rather of the proliferation of small mines. This expansion unfolds within a core structure of a hierarchy of authorities – military, political, and other – sending a portion of the gold produced in scores of small operations up the chain of command while enriching themselves with the rest. This constitutes direct or indirect involvement of state and non-state armed groups, a risk listed in Annex II of the OECD Guidance.

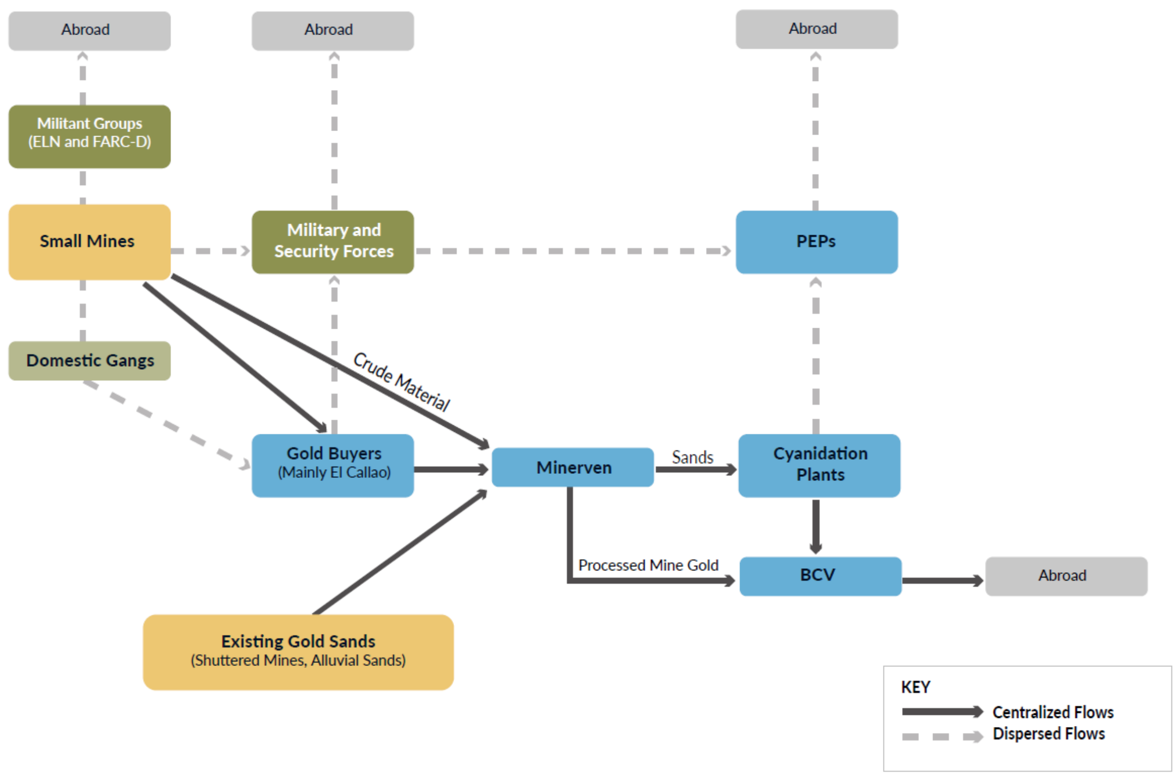
A typical operation is a small mine, often having no more than a dozen miners and some form of financier supplying modest machinery and members of militant groups or occasionally criminal gangs enforcing order and taking a portion of the extracted gold. In addition, military or security personnel — the army or the national guard, predominantly — commonly take their own cut of the mine's production, often buying it at well below the local market price. Military and security forces also routinely extort payments at checkpoints, and local and state political officials receive sizeable shares. In short, protection rackets, as well as extortionary payments called *vacunas* ("vaccines"), which may be arbitrary or systematic, are inseparable from gold mining. A mercury amalgamation process, often conducted near the mines, usually extracts the gold for these purposes, securing perhaps a quarter of the gold from the crude material (VEN/USA-cso-h-21022). A portion of the gold collected by military officers and state and local officials also goes, via military logistics networks, to bases near Caracas (VEN-cso-l-110321). More productive mines are often compelled to sell their production directly to representatives of PEPs (Delgado, 2019). According to a number of sources, some of the *vacunas* and other shares taken by officials enter into dispersed flows, exiting Venezuela by a variety of routes for the personal enrichment of the officials.

A separate branch of the supply chain begins with the crude material remaining after amalgamation, along with some of the processed gold. This is reportedly collected and taken by truck to a facility of the state-owned gold mining company (Minerven) plant near the gold hub of El Callao in Bolívar state. There, the crude material from the small mines is merged with tailings and other leftover material from shuttered large-scale mines predating nationalization. The combined material goes to the growing number of quasi-official cyanidation plants nearby, which can extract more than twice as much gold as the mercury amalgamation process (VEN-cso-m-120321).[1] These plants also process "gold sands" collected from where they have accumulated along riverbanks from over a century of mining operations (Zerba, 2020). As detailed below, evidence indicates that these plants are capable of extracting close to 50 t of gold per year, perhaps more. If capacity is any indication, the centralised flow appears to produce more gold than the accumulated dispersed flows.

In addition, miners and others may sell their shares to one of the hundreds of traders in controlled hubs such as El Callao, where buyers representing powerful interests are known to purchase large quantities of the gold (Valverde and Ebus, 2020). In this system, much of the gold earned by small miners ultimately ends up in the hands of the military and political elite, who largely control the flow of essential goods in mining areas (Delgado, 2019).

As shown by Figure 2,any current map of Venezuelan gold flows begins with this array of what we have termed the "centralised" and "dispersed" flows: the central streams converging on El Callao and Caracas, including the cyanidation plants, and the streams that leak abroad from the mining regions or from the centralised flow itself by other routes. As Figure 2 makes clear, at a few key points the flows intersect.

## Figure 2. Schematic of domestic gold flows




Source: *Author's own work*

The centralised flows originate mostly in the AMO and are managed by the military and a small number of politically exposed persons (PEPs). A typical flow out of El Callao involves monthly motorcades of military transport vehicles, escorted by motorcycles, taking gold bars collected at the Minerven vaults to the airport at Guasipati, whence the gold is flown to Maiquetía airport near Caracas and then moved to the vaults of the BCV (Boon and Meléndez, 2019a). This flow itself divides, with a portion going to the state and the rest enriching the political and military elite.

## Cyanidation plants

As noted previously, the cyanidation plants of Bolívar state are at the center of the centralised flow from which the political elite allegedly derive illicit funds. Analysts have seldom paid sufficient attention to the seriousness of this enterprise. As one anonymous military source put it, "If the complex processes one thousand kilograms of gold, nobody is there to audit it. And they distribute the loot among themselves" (Delgado, 2019).

The roots of the cyanidation project can be discerned in a 2014 academic study that includes data on the six plants that existed then as well as estimates of recoverable gold that appear to have shaped the thinking of the Maduro administration. The document, located by investigators with SOSOrinoco, cites a Ministry of Petroleum and Mines table on projected Minerven production. One entry in that table is a telling estimate of the total potential gold in Venezuela's gold sands, or auriferous sands: "a potential of 160 million ounces of gold", a potential gold extraction of nearly 5 000 t (Rojas, 2015). It would seem reasonable to assume that this impressive number was considered in discussions about gold as the AMO project was taking shape.

The subsequent development of the cyanidation plants indicates their centrality. In 2015, Minerven's six cyanidation plants varied in both their technology and their capacity, which ranged from 400 t/day to 7 200 t/day of crude material; the four plants devoted specifically to gold sands had a total capacity of 4 100 t (Rojas, 2014). If, as one recent analysis suggests, the gold content in g/t of the sands going to the plants ranges from 5 to 20 (Delgado, 2019), and the median of that range (12.5) is multiplied by the four plants' total capacity of crude material in tonnes, the resulting gold production in one day is 51.25 kg. Those four plants, operating consistently at full capacity, would thus generate over 15 t of gold per year.

In 2018, then mining minister Victor Cano announced that the projected total number of cyanidation plants was 54; a year later, he revised that number to 60 (Ministerio). In 2020, there were 31 plants, 25 of which were located in El Callao (SOSOrinoco, 2021). While the growing number of plants could be aspirational or a form of political messaging, the increase may be interpreted as more likely indicating a need: that is, capacity is being expanded to exploit more fully the existing flows of crude material. If this is true, then the increase in plants provides an important indication of the scale of gold extraction in the centralised flows.

Conservative estimates indicate a tenor of 5 g/t for the auriferous sands collected for those plants. If, in a speculative calculation, the 31 plants are assumed to provide currently needed capacity, therefore operate at full capacity approximately 300 days a year (idle Sundays and holidays), and if are all allotted the reported capacity of the Berakah plant in Piar (1 000 t/day), then the resulting gold production would be 46.5 t per year. This indicates that the infrastructure may already be in place for the Maduro administration to process significantly more than its official production goal of 35 t of gold per year by 2021. That would put processing capacity about two years ahead of schedule in relation to the government's strategic production target of 80 t of gold per year by 2025 (Ministerio del Poder Popular para Desarollo Minero Ecológico, 2019). It is important to keep in mind that multiple variables are in play here, from the amount and tenor of the crude material to the operating condition of the plants, so this rapidly expanded capacity might exceed production, even significantly. Nonetheless, given that the Domingo Sifontes complex had already, in 2019, purchased 3 million t of gold sands from Minerven at a mere USD 2.60/t (Delgado, 2019), and that gasoline shipped from Iran can now ensure the continuing transport of sands, the sums of money involved could reach billions of dollars. And this is in addition to the gold that comes from active mines.

How much of this production is diverted to line the pockets of PEPs remains difficult to establish. Certainly, not all of it goes to the state; as of February 2021, Venezuela's gold reserves stood at 86 t, their lowest level in half a century (Reuters, 2021). The complaint of a Minerven auditor hints at the discrepancies involved: "One quantity is always reported, but another is produced. There are reports that say that 26 tons of gold left Venezuela in 2015, but the official production was 1.22 tons. Despite the fact that these alliances (with the processing plants) have allowed the government to recover something, the gold continues to go away" (Boon and Meléndez, 2019a).

One outcome of these opacities is the greying of the entire gold sector. This effect extends from Venezuela into the global market, as Venezuela has no domestic refining capacity to allow for direct shipment of gold of 99.5% purity. One well-placed source has indicated that at least some high-concentrate gold sands may be shipped unprocessed via cargo vessel from Bolívar state to destinations outside the LAC region; the same approach has been seen in Colombia, though not at scale (COL-com-g-110321; COL-cso-n-250321). Beyond this unconfirmed possibility, sources suggest that gold in the centralised flows remains doré[2] to the point of export. The gold in the dispersed flows likely remains doré as well. This poses a serious reputational risk for refiners into whose supply chains Venezuelan doré may be laundered. For this reason, doré receives special attention in this report's assessment of international trade data.

## Key Domestic Actors

### *Politically Exposed Persons (PEPs)*

The Venezuelan governing elite is reported to be deeply involved in gold supply chains flowing out of the country. This group extends well beyond highly public figures to include many well-connected Venezuelans, known as *enchufado*s ("plugged in"), who reap the benefits of their proximity to the inner circle (Tarver, 2018). Investigative journalists have found a number of "boligarchs" linking the gold of Bolívar state and the profits it generates to front companies abroad (Boon and Meléndez, 2019a). As will be detailed elsewhere in this report, many of those companies are domiciled in Florida.

In June 2018, then vice president Tareck El Aissami announced a law enforcement operation titled *Manos de Metal* ("Metal Hands"), purportedly meant to crack down on gold smuggling and related illicit activities in Venezuela. In retrospect, given the Maduro administration's express purpose to "coordinate, organize and control small-scale mining inside the Orinoco Mining Arc" (qtd. in Montiel and Benezra, 2019), this operation is perhaps more accurately viewed as the opening move in a strategy to consolidate and centralise control of gold flows. According to investigative reporter Lisseth Boon, the operation reduced the players controlling the collection and processing of gold in the AMO from about 40 down to a handful of Maduro insiders (Boon, 2021).

PEPs are also reported to be embedded as investors in the cyanidation program, mainly through companies whose stated objectives include "to sign strategic alliances with the State" (Boon and Meléndez, 2019a).

### *The Military*

"Everything has to go through the military … it's a chain that starts from the lowest grade: the Hoti or Sanema, then the Yekuana [indigenous peoples], then the mafia groups and armed groups, and at the top is the general who controls the entire area. And above him: the high government in Caracas" (Mawad, 2020). This statement from a source in the south of Venezuela encapsulates the role of the Venezuelan armed forces (FANB) – particularly the army and the national guard (GNB) – in gold flows.

But high-ranking officers reportedly also have access to the official flows through the cyanidation plants. Many members of the officer corps in the FANB are also *enchufados*, as evidenced by their presence in 30 per cent of the state companies in Venezuela (International Crisis Group, 2019). This is a deliberate consequence of the establishment of the Military Company for the Mining, Oil and Gas Industries Compañía Anónima Militar para las Industrias Mineras, Petrolíferas y de Gas  (CAMIMPEG) in 2016. Furthermore, representatives of military leaders reportedly work as wholesalers in the gold markets of Bolívar state, purchasing up to 100 kg at a time (Valverde and Ebus, 2020). In addition to cuts of mine production, the generals in gold-producing areas are alleged to take bribes routinely from other operators in the form of gold that, in 2019, could average 20 kg a month; this has apparently led to postings to mining areas becoming popular and to frequent rotations that reportedly enrich high-ranking officers, ensuring their loyalty to the Maduro administration (International Crisis Group, 2019).

One advantage the military enjoys is the control of illicit supply chains linked with other forms of trafficking, mainly in narcotics. For nearly three decades, Venezuelan generals have been referred to as *el Cartel de los Soles* ("the Cartel of the Suns"), a sobriquet inspired by the insignia on the epaulettes of their uniforms. While the name implies a monolithic operation, sources indicate that in reality the army and the national guard operate distinct networks involving divergent partnerships (VEN-cso-m-120321). The military is said to have moved gradually from tolerating drug trafficking by Colombian groups to facilitating it, and then taking over some operations (InSight Crime, 2018b). This is one reason why, as will be detailed below, some gold flows out of Venezuela tend to follow narcotics flows.

### *Diminishing influence of gangs*

Starting in the wake of the 2011 nationalization of the mining industry, and expanding after the opening of the AMO, criminal gangs began to exploit small-scale mining as an income stream. Two forms of gangs predominated: the *pranatos*, prison gangs with operational reach beyond prison walls; and *sindicatos*, criminal gangs originating in some municipal trade unions. The term *megabandas* came to describe gangs with greater numbers and weaponry.

In the first two years after the opening of the AMO, much of the region's extreme violence was attributed to these gangs, who in many cases managed their own dispersed gold flows. When Colombian armed groups began to penetrate deeper into Venezuelan mining areas, miners actually found the new overseers preferable, as their violence was consistent and they maintained a kind of civil order, whereas the gangs had not (VEN/USA-cso-h-210221).

The resulting violence can be seen in light of the *Manos de Metal* campaign in 2018, which precipitated a gradual and continuing decline in gangs' control over gold flows. Gangs operating mostly out of El Callao engaged in lethal rivalries among themselves and with Colombian groups and the Venezuelan military; one source indicated that the violence was largely outsourced by the Venezuelan military to Colombian militants (VEN/USA-cso-h-210221). Nevertheless, in 2020, raids by the General Directorate of Military Counterintelligence (DGCIM) and the national guard led to over 20 recorded deaths, and the commanding officer of Fort Tarabay, outside Tumeremo in the state of Bolívar, was assassinated (Meléndez, 2020).

The campaign to quell the gangs has reportedly for the most part succeeded. As of March 2021, there is reported to be only one remaining *sindicato* of any consequence remaining, based in the El Péru neighborhood of El Callao (VEN-cso-d-090221). The prevalence of *pranatos* and *sindicatos* in Venezuelan gold flows has accordingly diminished.

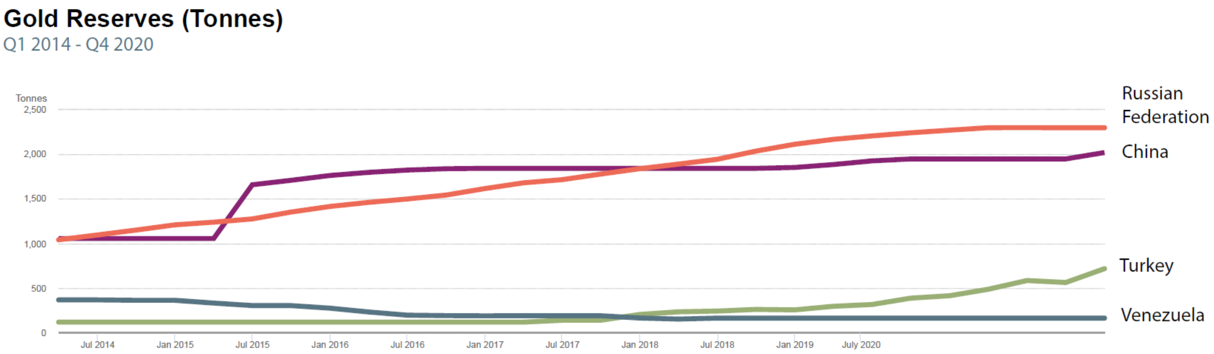
## Centralised Transnational Flows

As noted above, the gold flows within Venezuela can be classified as "centralised" and "dispersed." The same categories apply, with some qualifications, to the flows that depart the country. In this context, centralised flows are those involving gold removed from the reserves of the BCV, and dispersed flows are those in which domestically produced gold bypasses the BCV and heads for international markets.

Much of the press coverage and commentary on Venezuelan gold flows focuses on the depletion of the country's monetary gold reserves, which have been used by the Maduro administration to secure foreign currency and essential goods. These flows, which have primarily been transacted between governments, are not intrinsically illicit; some of the details that surround those transactions, however, illuminate ways in which both gold flows and the illicit financial flows linked with them can be obscured, as outlined below.

The shrinking of the country's gold reserves began in earnest with the oil price crash of 2014, which precipitated a fiscal and economic crisis in Venezuela; the Maduro administration had to pivot from oil to other extractive resources to maintain even a limited flow of essential goods and services. The decline also corresponded with a trend among some governments to acquire more gold given the financial uncertainties lingering in the wake of the 2008 global economic crisis. Venezuela's predicament can be illustrated by comparing the changes in its gold reserves over the past several years to those in the reserves of three of its economic partners: the Russian Federation, China, and Turkey (see Figure 3).

### Figure 3. Changes in official gold reserves 2014-2020




Note: Data as of 31 December, 2020
Source*: GoldHub, 2021*

Most telling are the decline in Venezuela's reserves that begins in the final quarter of 2014 and the sharp rise in Turkey's reserves that commences in mid-2017 and accelerates thereafter. The two trends are linked. On 1 January 2018, just over a year after direct flights by Turkish Airlines were inaugurated between Caracas and Istanbul, one such flight took a shipment of $36 million in gold from the BCV to Turkey; then, petroleum and mining minister Victor Cano explained the delivery by indicating that Venezuela would need to outsource the refining to sufficient purity of the doré bars coming in from miners, and that Switzerland was no longer an option due to the threat of such assets becoming subject to sanctions (Pamuk and Pons, 2018). Over the course of that year, 33 more flights were reported to have carried over 73 t of gold to Turkey and Dubai (Boon and Meléndez, 2019b). There is no record of any gold being returned after refining and total Venezuelan gold reserves have continued to diminish. Just under 24 t of that gold reportedly went to a Turkish company, Sardes Kiymetlí Madenler AS (Sardes Precious Metals), which not only had recently changed its name and converted from a general import-export firm to a gold trader, but also had managed to secure over $900 million in Venezuelan gold despite itself being valued at under $1 million (Boon and Meléndez, 2019b).

The chief architect of these deals was reportedly the Colombian-Venezuelan facilitator Alex Saab, who is now facing extradition to the United States from Cape Verde. In July 2019, Saab was sanctioned by the US Office of Foreign Assets Control (OFAC) for a long record of bribery, corruption and various profiteering schemes, one of which involved what the US Department of the Treasury termed "illicit operations in the Venezuelan gold sector." According to OFAC, these illicit operations involved Saab securing a contract to purchase gold from miners at an official rate rather than the black-market rates in mining regions. He then reportedly sold it on to the BCV and arranged shipment to foreign destinations including Turkey, where the gold is bought by Turkish entities. The profits would then be released to BCV accounts in Turkey and some of those funds were used by Saab to purchase essential goods, which are then over invoiced on their eventual import to Venezuela (U.S. Department of the Treasury, 2019a).

The Turkish refinery Ahlatci Metal Rafineri AS was particularly visible around these transactions; its owner is reported to have visited the presidential residence in Caracas in December 2018 (Boon and Meléndez, 2019b). The refinery's website states that its gold bars had begun being traded in the Dubai Multi Commodities Centre (DMCC) the year before (Ahlatci, 2021). According to *El Tiempo*, one of the many companies behind which Saab is believed to operate is a Turkish firm called Marilyns Proje Yatirim AS (Marilyns Investments), which is focused on precious metals; that firm is linked with another, Marilyns Dis Ticaret Ve Madencilik AS (Marilyns Foreign Trade and Mining). In August 2018, a joint venture was decreed between the latter firm and the state-owned mining company Minerven, which was headed at this point by longtime Saab associate Adrian Perdomo Mata. The contract was signed on behalf of the Maduro administration by then minister of industry and national production Tareck El Aissami; the signatory for Marilyns Dis Ticaret Ve Madencilik AS was a young Italian named Lorenzo Antonelli, the brother-in-law of Saab's wife (El Tiempo, 2020). As opposition figure Americo de Grazia describes it, given that Minerven had become a mere shell, the centralised flows of gold out of Venezuela were now in the hands of Saab (Smith and Reel, 2019).

Similar diversions characterized other gold flows out of the BCV, particularly those destined for Dubai. Of the 49 t of gold that went from Venezuela to Dubai in 2018, more than half was purchased by the firm Noor Capital, based in Abu Dhabi. In January 2019, Noor Capital, citing instability in Venezuela, declared it had ceased purchasing Venezuelan gold (Boon and Meléndez, 2019b).

One major recipient in Dubai of gold from the BCV was reportedly Goetz Gold LLC, which, according to a report by NGO The Sentry, received 21.8 t in 2018. Alain Goetz, its owner, was until 2020 also part owner of Tony Goetz NV in Antwerp, Belgium; the latter firm was de-listed by the Responsible Minerals Initiative in 2017 (Sentry, 2018). In 2020, Goetz, was convicted in Belgium along with his brother Sylvain of laundering money through their gold business a decade prior; the penalty consisted of an 18-month suspended sentence and a hefty fine (Bove, 2020). Alain Goetz was also owner of the African Gold Refinery (AGR) in Uganda in March 2019, when 7.4 t of gold from an unspecified South American country was delivered there. Ugandan authorities concluded the gold was Venezuelan and impounded the portion that had not yet been exported. In 2019, the Ugandan attorney general ruled that the gold had been lawfully imported and dismissed the case, allowing the remainder to be released (Biryabarema, 2019); AGR reportedly conceded that it had indeed imported Venezuelan gold and declared it correctly (Lewis and Hobson, 2020).

More recently, the Maduro government's depletion of its gold reserves to procure essential goods appears to have shifted to Iran. In 2020, after a visit to that country by Alex Saab and executives of PDVSA, 9 t of gold was reportedly taken on several flights of the Iranian airline Mahan Air from Punto Fijo to Tehran (Meléndez, 2020). In return, Iran is reported to have delivered essential additives and equipment for scaling up PDVSA's degraded capacity to refine Venezuela's abundant but mostly very heavy crude oil, as well as tankers loaded with gasoline to alleviate a crippling fuel shortage in the country with the world's largest oil reserves (Laya and Bartenstein, 2020; Parraga and Sequera, 2020).

Gold bars from Venezuela are also reported as having been sent directly to companies as payment for goods. According to recent reports, in 2019 gold bars were the Maduro government's method of payment for imports of agricultural goods – mainly grains – from the Italian company Casillo, which had hired football superstar Diego Maradona on commission to help secure that and other contracts in the LAC region (Pizzi, 2021). The extent of such gold transactions with non-government actors deserves further research.

## Notes

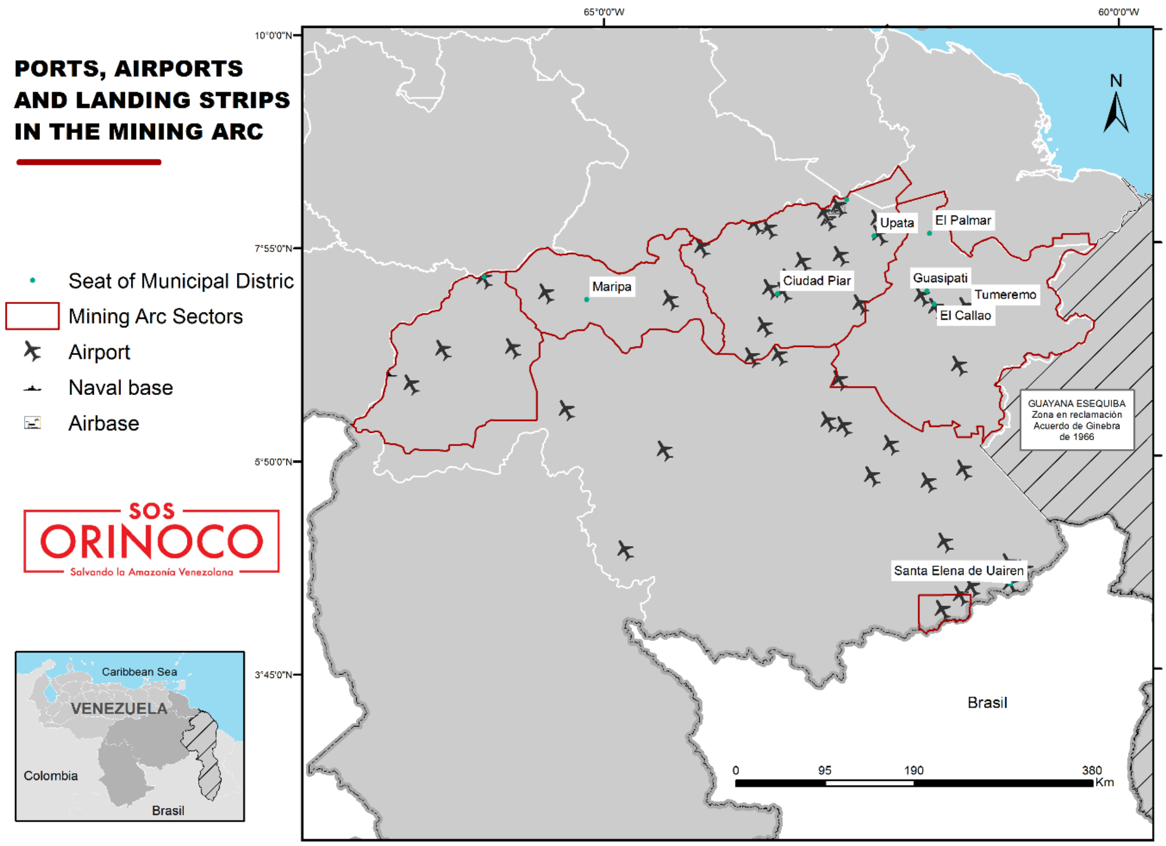
[1] Cyanidation, also known as cyanide leaching, is the process by which sodium or potassium cyanide is added to a slurry of crude material, binding with gold and making it water-soluble, allowing for easy extraction of much more gold than mercury amalgamation can manage.

[2] Doré is partially refined gold, but its gold content can vary widely. Although doré bars typically contain between 50%-90% gold, even doré with as little as 10 per cent gold content can be exported under the Harmonized System (HS) code 710812 covering unwrought gold for non-monetary purposes.

# Dispersed Transnational Flows

Sources consistently indicate that most gold leaving Venezuela in dispersed transnational flows travels by air, though some goes overland and a portion reportedly also travels by sea, including on fishing boats. They further concur that, at least on its initial leg, the gold tends to track narcotics routes, as the actors moving the goods are often the same and take advantage of existing narcotrafficking infrastructure. Clandestine airstrips along the border are allegedly operated by different stakeholders in this trafficking: the ELN, the FARC-D and Mexican cartels, all reportedly in cooperation with elements in the Venezuelan armed forces (El Tiempo, 2021b). There are also, however, a number of airports in mining areas from which aircrafts can take gold to consolidation hubs within Venezuela or directly to transit countries in the region (see Figure 4).

## Figure 4. Ports, airports, and landing strips in the Arco Minero




Source: *SOSOrinoco, 2020*

The border areas of Venezuela and Colombia in particular are a hotbed of illicit activity, with a range of actors that appear to engage in constantly shifting alliances, business relationships, rivalries and open conflicts over lucrative cross-border and other transnational trafficking routes. The Colombian border state of Norte de Santander is a global hub of coca production, and narcotrafficking groups routinely wrestle for control of the many clandestine border crossings, or *trochas*, by which all manner of contraband travels between the countries (International Crisis Group, 2020). As noted below, some of those groups are reported to operate deep within Venezuelan mining areas as well.

## Key actors in dispersed transnational flows

In 2019, Hugo Carvajal, former head of Venezuela's General Directorate of Military Counterintelligence (DGCIM), told the *New York Times* that Tareck El Aissami, who has held multiple prominent positions in the Maduro administration, had operated at a criminal nexus of political officials, military officers, transnational drug trafficking organizations and Colombian militant groups (Herrera and Casey, 2019). The Times reported that it had found corroboration for Carvajal's account, and later that year cited documents sourced from Venezuelan intelligence officials detailing how El Aissami and his father had allegedly orchestrated a scheme to bring Hezbollah operatives into Venezuela to collaborate with Colombian militants, enhance drug trafficking operations and conduct espionage (Casey, 2019). One of El Aissami's alleged associates, the convicted drug trafficker Walid Makled, claimed after his arrest in Cúcuta in 2010, "All my business associates are generals" (InSight Crime, 2019). That same year, drawing on Homeland Security investigations, the United States Immigration and Customs Enforcement agency (ICE) added El Aissami to its Most Wanted List for trafficking in narcotics (United States Immigration and Customs Enforcement, 2019).

The convergence of officials, criminal syndicates and groups designated by some governments as terrorist organizations reveals the complexity of the criminal-logistical ecosystems that prevail in Venezuela. A confluence of actors engaging in shifting alliances, deadly rivalries and large-scale criminal enterprises serves as the point of departure for dispersed flows of gold out of the country.

This web of actors must also be viewed within a context in which, especially amid the collapse of the Venezuelan currency, gold is used domestically and even regionally as a form of currency in both small-scale informal economies and large-scale illicit economies and its value is often determined locally. Some of the gold emerging from Venezuela therefore may not enter the legitimate global market immediately, but rather circulate within those grey and black economies, where criminal actors often use it to settle debts. In the complex systems of transnational criminality rooted in Venezuela and neighboring countries, some groups generate products, others may provide logistical services, and still others might specialize in money laundering. As a diplomatic source in a neighboring country said, "Services must be paid for and gold is always good" (BRA-gov-q-140421). By the time such gold is laundered into the global market, perhaps after years, it may have changed hands and even forms many times over.

The dynamics resulting from this complexity are intricate, opaque and constantly evolving. Detailed analysis is beyond the scope of this report, but some essentials can be set forth here.

### *Militant Groups*

Two well-known militant groups of Colombian origin have expanded their operations well into Venezuela: the National Liberation Army (ELN) and the dissident groups of the former Revolutionary Armed Forces of Colombia (FARC), often known as the FARC Dissidents or FARC-D. Both groups have well documented histories of political violence and have been designated as terrorist organizations by multiple governments.

As these groups are linked with each other and other actors in the region, including the Venezuelan military and political elite, it is important to understand their current roles in gold flows.

Since the early 2000s, Colombian militants have enjoyed sanctuary across the border in Venezuela. Over the last decade, that passive support from some Venezuelan officials and elements within the military reportedly appears to have evolved into coordination (InSightCrime, 2020; COL-com-g-110321; COL-cso-c-030221). The binding motive is profit. Though both groups originally identified as leftist insurgents, the consensus among experts today appears to be that neither now qualifies as especially ideological. The ELN has devolved, become increasingly fragmented as it has grown, and now operates as “a multi-purpose criminal organization” (COL-cso-j-080321). The FARC-D consists of multiple groups seeking to expand their control over both territory and illicit economies; they have agendas that sometimes coincide and sometimes conflict. Estimates vary as to the groups’ numbers there, from as few as 1 400 to nearly 7 000 (Mendéz, 2020; Acosta, 2021). Recent analysis by the NGO Fundaredes has indicated that the ELN operates in as many as 20 states in Venezuela, and groups of the FARC-D in 17 (Semana, 2021c).

Both the ELN and the FARC-D have extensive and longstanding experience with gold, as well as regional and global connections to facilitate maximizing its value. Speaking of the ELN, one Colombian expert remarked, “Gold is in their DNA. They have been in it from the beginning, and they know the business deeply” (COL-com-a-020221). In the 1990s and 2000s, militant groups not only smuggled gold into Colombia for laundering into the legitimate supply chain; they also developed a secondary income stream by engaging in gold-related value added tax (VAT) fraud (OECD, 2018). Gold mining remains a key source of revenue, as well as a mechanism for laundering the proceeds of other revenue streams such as narcotics and weapons trafficking. In this respect, gold could be considered financing for terrorism. As the global demand for gold has risen, so has both groups’ income, increasing by as much as four to six times over the past five years (COL-cso-c-030221).

Mining communities therefore represent both revenue sources and accumulated territory. The ELN and FARC-D exploit gold mining on both sides of the Colombia-Venezuela border, and move gold in whichever direction which provides the optimal calculus of risk and reward. They also, according to one source in the gold trade, operate as freelance logisticians, facilitating the delivery of various illicit goods for other regional actors (COL-com-g-110321). It would be extremely difficult, and beyond the scope of this initial study, to delineate the precise scale of these groups’ mining activities, though some areas of operations and transport routes can be introduced here.

### *The ELN*

After the disbanding of the FARC-EP with the 2016 peace agreement, the ELN emerged as the dominant militant group operating along the Colombia-Venezuela border, and even deep inside Venezuela. One prominent analyst has labeled them a “Colombo-Venezuelan force” (McDermott, 2019). Their relationship with the Venezuelan authorities has reportedly become somewhat symbiotic, as the militants can be relied on to maintain order in mining areas that generate revenue for both parties (SOSOrinoco, 2019; VEN-cso-k-120321). Near the border, ELN forces dominate the zone of the National Park of Yapacana in the Amazonas state, where mining has expanded rapidly in the past two years, and have made significant inroads into the Caura National Park and even into El Callao in the Bolívar state, indicating perhaps a broader regional strategy. They have also reportedly been seeking, and largely managing, to control flows of fuel, food and other goods entering Venezuela via the Autana, Cuao, Guayapo and Sipapo rivers (SOSOrinoco, 2019). To the north, they reportedly have a base on the border between Lara and Falcón states, with easy access to the Dutch islands of Aruba, Bonaire, and Curaçao and the greater Caribbean (International Crisis Group, 2019). The ELN also reportedly has a firm foothold in Apure state (International Crisis Group, 2021), though that area has recently seen increased violence among armed groups and the Venezuelan armed forces.

In Yapacana, as well as elsewhere in Amazonas state – which it shares with the FARC-D – the ELN operates on a business model common to the region. Militants are tasked by the Venezuelan military with the collection of “taxed” gold, by weight, from the owner or boss of every gold mine in their territory; this take is delivered to Venezuelan military bases, at which point it enters into the military’s gold flows. In return, the military allows the ELN to operate freely, taking its own share of mine production (SOSOrinoco, 2019). Much of that gold, along with other minerals, makes its way across the Colombian border.

Sources in Venezuela have indicated that the ELN benefits from a stronger relationship with the Venezuelan army than most of the FARC-D, some of whom are reportedly close to the national guard (VEN-cso-m-120321)). In a video released in July 2020, one ELN leader professed loyalty to the Maduro administration, pledging to defend it against all aggression (El Tiempo, 2020). While the durability of that vow may be questionable, its political positioning is not. Furthermore, **ELN fighters have been reported as having the support of the Venezuelan armed forces for training para-police groups known as *colectivos*, and have even collaborated with Venezuelan military and security forces in taking control of key areas along the Colombian border** (International Crisis Group, 2021).

Nonetheless, suspicions of discord within the ELN’s already federalized structure were given further credence by the February 2021 publication in the Colombian newspaper *El Tiempo* of an internal communiqué from the group’s leaders decrying conflict among ELN factions feuding over control of narcotics trafficking routes (2021c).

### *The FARC-D*

Like the ELN, the FARC-D have long experience in exploiting gold mining. Much of their income has historically come from enforcing *vacunas* and other forms of extortion, charging fees for equipment brought into their territory and gold extracted there. They are reported to operate dozens of dredges in the rivers of Guainía in Colombia, and have become directly involved in mining for gold and other minerals on both sides of the border (InSight Crime, 2019).

As of 2020, the FARC-D reportedly consisted of 36 groups totaling about 5,000 fighters (Semana, 2021b). Importantly, however, those segments do not make up one organization but rather two major groups and a scattering of smaller dissident outfits.

The largest group, whose operations include mining areas in the Venezuelan states of Amazonas, Apure and Bolívar as well as farther north along the border, is reportedly headed by commander “Gentil Duarte,” along with “Iván Mordisco” and “Leonardo Posada” (International Crisis Group, 2020). Members of the “16th Front” and the “Acacio Medina Front,” reportedly led by the commander known as “Jhon 40,” are engaged in the multifarious criminal enterprise, including illegal mining, extortion and drug trafficking, that the FARC-EP’s powerful “Eastern Front” ran prior to 2016. According to SOSOrinoco, some fighters under Jhon 40 operate from a headquarters just over the Colombian border in Inírida, with a Venezuelan hub in Atabapo, with ready access to mines in Amazonas state (2019). Such a significant presence in areas advantageous to the exploitation of gold mining suggests that the group has connections, wealth and power beyond its apparent numbers. This should not surprise, given that they have re-energized alliances and trafficking routes established before the Colombian peace agreements.

A smaller group, known as the “Nueva Marquetalia” or more colloquially the “Residencias” because of their long stays in Venezuelan territory, was reportedly headed by Iván Márquez and Jesús Santrich until the latter’s death in May 2021 (Semana, 2021c; Cobb, 2021). Its members are based primarily in Apure and Zulia states. There, allegedly with the collusion of elements in the Venezuelan government, they vie for control of key drug trafficking routes and cross-border flows (Semana, 2021b).

According to recent reports, tensions between the two main groups flared into open conflict in late 2020 and especially early 2021 after a failed attempt to reconcile via negotiations between Iván Márquez and Iván Mordisco. There were some indications that the Nueva Marquetalia may have also been looking out for the interests of the ELN in parts of Apure (El Tiempo, 2021b). Those tensions are driven by the strategic importance for narcotrafficking of the middle stretch of the Colombian-Venezuelan border. This area, including parts of Apure and Tachíra on the Venezuelan side, includes border crossings closely associated by sources with gold flows (COL-gov-m-060421; COL-com-a-020221; COL-com-g-110321).

Sources interviewed for this report indicate that elements of the FARC-D have steady working relations with the Venezuelan armed forces (FANB), most particularly the national guard (GNB) (VEN-cso-m-120321). Fighters under Jhon 40 in Amazonas state have even been reported to share their food with GNB personnel in the area (International Crisis Group, 2020). Otherwise, the general arrangement in relation to gold appears to follow the same logic elsewhere: in broad terms, a division of spoils. A firefight between the GNB and some of Gentil Duarte's fighters in the south of Apure state in September 2020, and the March 2021 bombing by the FANB of some FARC-D encampments near the Colombian border, however, demonstrate that the Venezuelan military remains at risk of being embroiled in rivalries among the militants. **One source in the Colombian gold trade voiced suspicion that the FANB may be in the initial stages of asserting more direct control over some key mining areas and smuggling routes.**

### *Mexican Cartels*

Sources have confirmed that Mexican criminal organizations, including the Sinaloa and Jalisco Nueva Generación (CJNG) cartels, are directly involved in Venezuelan and Colombian trafficking operations (COL-com-f-100321; Acosta, 2020). Mexican cartels have been operating on the ground in Colombia for many years now; in 2018, the attorney general of Colombia indicated their presence in a third of Colombia's departments, where they coordinate discreetly with multiple groups (International Crisis Group, 2020). The Sinaloa cartel especially is connected with the gold trade, reportedly serving as a mercury supplier for illegal mining operations in Colombia and elsewhere (VEN/USA-cso-h-210221). Leader "Gentil Duarte" of the FARC-D is said to enjoy particularly good relations with Sinaloa (Méndez, 2019). Mexican operatives fly cash into Cúcuta for dispersal to coca farmers; across the border in Venezuela, flights handled by Mexican cartels out of an area by Lake Maracaibo have earned a neighboring village the nickname "Sinaloa" (International Crisis Group, 2020). The overall picture is one of carefully maintained and hugely profitable business relationships, with the Mexican cartels leveraging their considerable expertise as logisticians. **Given the consensus among sources that gold flows often track narcotics flows, this latter role suggests that Mexican criminal groups may be important transporters moving gold into jurisdictions beyond Venezuela and Colombia** (COL-com-f-100321; USA-gov-g-050321; USA-cso-f-180221).

### *Colombian Organized Criminal Groups*

Among Colombian criminal groups, the *grupos armados organizados*, or GAOs, are considered the "third generation" of drug trafficking organizations in Colombia, after the Medellin and Cali cartels gave way to an array of smaller syndicates, and those in turn gave rise to such organized criminal groups as the Clan del Golfo (also known as the Urabeños), the Rastrojos, and the Paísas. Unlike the first-generation cartels, the GAOs are not vertically integrated narcotics trafficking organizations; they operate on a franchise model, and mainly work as links in a transnational narcotics supply chain from which Mexican cartels collect the lion's share of profits (McDermott, 2014). Though they have roots in right-wing paramilitary groups, the GAOs are no longer ideologically driven.

The Clan del Golfo in particular is considered the most powerful criminal organization in Colombia. It has a strong presence in the gold-producing states of Chocó and Antioquía, far from the Venezuelan border; it is likely that their main interest in gold is focused on those areas. That said, the Clan del Golfo is reported to have a significant presence in Cùcuta, where sources say its members are involved in smuggling all forms of contraband, including gold. The Rastrojos also operate along the border, but their presence in Venezuela has reportedly been sharply reduced by Venezuelan security forces and the ELN (International Crisis Group, 2020).

Furthermore, the Clan del Golfo have been immersed over the past year in an ongoing conflict with the ELN and other groups operating in those regions (García, 2021). Reports indicate that the Clan del Golfo and the remaining Rastrojos along the border, normally rivals, have joined forces against the ELN for control of the hundreds of *trochas*, or smuggling trails, along northern stretches of the Colombia-Venezuela border (Posada, 2021b), and a recent move by the FARC-D to reassert old influence in the north of Colombia is also likely to incite conflict with the GAOs (Posada, 2021a). **These developments would seem to indicate that while GAOs are involved in gold flows out of Venezuela, their participation is far less significant than that of the ELN and FARC-D.**

### *Middle Eastern Groups*

Evidence indicates that actors out of the Middle East play roles in Venezuela that may be linked with transnational flows of Venezuelan gold, perhaps moving the gold itself or laundering its value. One element of context for this involvement is the large Syrian and Lebanese diaspora in Latin America. In Trinidad, for instance, Syrian families control entire industries, and a thriving Lebanese-Syrian community that runs back for generations straddles the border of Venezuela and Colombia. Members of that community, and perhaps recent arrivals, appear to be involved in the Venezuelan gold trade, operating gold purchasing businesses in such hubs as El Callao (Boon and Meléndez, 2019a), and sources on the ground in mining regions and elsewhere have confirmed that some also finance small mining operations (VEN/USA-cso-h-210221). **None of this is necessarily illegal, but it does provide context as to why Middle Eastern groups, ranging from criminal to terrorist organisations, might seek to exploit the Lebanese-Syrian diaspora for generating and laundering revenues. The chief concerns in this context, then, are not so much gold smuggling as money laundering and the financing of terrorism.**

Though well-connected individuals or Lebanese and Syrian criminal organisations could be involved in moving gold or otherwise laundering money with it, the group that has garnered the most international attention is Hezbollah, which has been designated a terrorist organization by a number of governments. Hezbollah is a global organization engaged in a wide range of illicit enterprises, including various forms of trafficking and trade-based money laundering (TBML). Nearly one in ten individuals and entities designated as narcotics kingpins by the United States government have known links with Hezbollah (Humire, 2020). The endeavors of these and other actors extend across the LAC region; Hezbollah facilitators are clearly active in both Venezuela and Colombia.

It is here that the alleged connections among the FANB, Venezuelan officials, Colombian militants and Hezbollah take on a different resonance. The lineaments of those alleged connections are evident in one nexus of Venezuelan-Colombian gold flows that will be detailed later in this report.

Venezuela also may have served as a stronghold for Hezbollah in Latin America. According to a Colombian former security official, the 2018 arrest of a key Hezbollah financial operative, Assad Ahmad Barakat, in the Tri-Border Area of Brazil, Paraguay and Argentina disrupted the group's long-established position there and prompted a shift to Venezuela (COL-com-a-020221). The assertion by Cristopher Figuera, former director of the Venezuelan intelligence agency (SEBIN), that he knew of evidence that Hezbollah was running illicit fundraising operations in Caracas, Nueva Esparta, and Maracaibo appears credible (Faiola, 2019).

## Key transit hubs for dispersed transnational flows

While the centralised flows out of Venezuela have been documented by many, **the dispersed flows, which are most closely linked physically or financially with trafficking networks, are far more difficult to trace. Prior to laundering, the gold is generally reported to move outside the global financial system and legitimate markets.**

In the context of transnational flows, it is important to keep in mind Venezuela's lack of gold refining capacity. As noted above, available evidence indicates that gold leaves Venezuela as doré, and therefore must be refined elsewhere before achieving the requisite purity to be traded in the global bullion market. For that reason, gold in dispersed transnational flows would most likely be categorized in trade data under HS Code 710812, for doré and gold bars. Alternatively, the gold might be misrepresented as scrap, under HS Code 7112; while this is a common practice in gold laundering, evidence suggests very little of it in relation to Venezuelan gold. Accordingly, the trade data cited below emphasize HS Code 710812, the code for doré. It is important to keep in mind, however, that doré can vary in actual gold content. Though doré typically contains anywhere from 50 per cent to 90 percent gold content, the balance usually being mostly silver, even doré with as little as 10 per cent gold content can be exported under code 710812.

**Research indicates that the majority of illicit gold flows out of Venezuela are laundered within the LAC region before entering the global gold market in destination countries.** Several jurisdictions appear to be transit hubs that serve precisely this purpose. In many cases, the gold flows into those transit jurisdictions correspond to other illicit flows, such as narcotics and weapons, and the networks of actors involved can be complex and far-reaching.

In the flows of high-risk gold beyond Venezuela, the primary transit hubs – the first jurisdictions through which the gold passes after its departure – are critical, as they constitute the first layer in the process of laundering the gold. This laundering can take a variety of forms, but it must begin in a jurisdiction outside Venezuela. The key primary transit hubs are within the LAC region (see Figure 5).

## Figure 5. Primary transit hubs for transnational gold flows


Source*: Author's own work*

### *Colombia*

As detailed below, some of the most complex illicit flows out of Venezuela involve Colombia. This is the case not because logistical or regulatory hurdles are particularly high, but rather due to the number of actors and interests involved in the relevant supply chains. Decades of countering narcotics trafficking and armed groups in Colombia have led to strong surveillance capabilities and rigorous attempts at regulation of the gold sector; furthermore, extensive study of that sector has been undertaken over the years. Accordingly, information related to gold flows is often more accessible in Colombia than elsewhere in the region.

The amount of gold moving across this border is also significant, and depending on the who, where, and why, flows can run in either direction. According to one Colombian expert, most of the gold crossing the border is laundered into the legitimate Colombian supply chain and exported to destinations such as the United States and Switzerland (COL-cso-c-020221).

Laundering gold into the legitimate supply chain in Colombia is more difficult now than it was several years ago because of multiple government initiative to better track production and trade of gold, including from subsistence miners, and increasing awareness of supply chain due diligence by the private sector. Regulations imposed in 2015, combined with other reforms that disincentivised VAT fraud as well as the impact of the FARC demobilization begun the following year, sharply reduced the chronic disconnect between production and exports that had signaled widespread laundering of illegal gold (OECD, 2018). The same laundering methods used for years, however, have proved surprisingly durable.

Stricter regulation was linked with a series of criminal cases involving alleged gold laundering by some of Colombia's top gold distributors. Colombia subsequently introduced a regulation establishing the Single Registry of Mineral Traders (RUCOM), which required small miners to register with local authorities according to verifiable criteria (OECD, 2017). In 2017, subsistence miners were limited to production of 35 g of gold per month, or 420 g per year. As a consequence, the gold sold to local vendors by unregistered subsistence miners, or by registered subsistence miners producing in excess of the legal limit, is reportedly laundered into the legitimate supply chain by intermediaries who have been supplied with catalogs of unused mining titles. The gold can then be bought by international distributors, many of which are based in Medellín; after the distributors smelt it, it is effectively laundered. Other forms of fraud, including false invoicing, are also reportedly used (Robles and Urán, 2020).

Gold smuggled into the country can be laundered into the legitimate supply chain by being misrepresented as domestic production. Miners producing little or no gold can be paid to say the smuggled gold is their production. Mining titles can be duplicated, and the minimal production of subsistence miners topped up to the limit with illegal gold. Given the sheer difficulty of implementing the regulations, especially in remote areas, titles can also be secured using identity theft.

#### *Small-Scale Smuggling*

In the most basic instance, small quantities of gold are carried on foot into Colombia, either via the hundreds of *trochas* that cross the 1 600 km border or, in some cases, through one of the seven official border crossings, when they are open. A considerable portion is carried by mules – often displaced or impoverished Venezuelans who are recruited or coerced by militant groups or criminal organizations into smuggling gold for modest pay. An encounter with the authorities on either side of the border might be dangerous, but it more often results in a bribe. On arrival in Colombia, the mules meet with appointed buyers; those selling gold for themselves have no shortage of potential buyers. Cúcuta, in Norte de Santander, is the prime gold hub for cross-border traffic, crowded with shops where gold can be sold (Ebus, 2019).

#### *Militant Groups, Venezuelan PEPs and Military Personnel*

While the ELN and FARC-D have been known to use "mules" to move gold into Colombia, they have other routes, many of them involving air or riverine transport. As criminal organizations with multiple income streams, both groups have been known to put that diversity to effective use. Drug trafficking funds the gold mining, which launders the proceeds of the drug trafficking.

It is believed by some observers that some of the gold eventually exported from Colombia originates at militant mines in Amazonas state, especially in the Yapacana National Park and the Atabapo municipality. Reports have emerged of gold, as well as coltan, transported to Inírida in the Colombian department of Guainía, where buyers from abroad connect to close sales (SOSOrinoco, 2019a). In 2018, the Acacio Medina Front of the FARC-D, was reportedly coordinating with military officers to fly as much as 20 kg of gold a week into Colombia (International Crisis Group, 2018); given the group's expanded mining activities since, it stands to reason that those quantities have risen. In March 2021, Colombian authorities seized over a tonne of "black sand," containing extractable coltan, from rafts on the Guaviare River near the Venezuelan border – indication of the sort of volumes of mining material being moved in riverine transit (Semana, 2021a). The ELN has also been identified as moving gold mined in the Venezuelan states of Bolívar, Amazonas, and Apure across the border farther north, to the Colombian department of Norte de

Santander. This flow would almost inevitably reach the city of Cúcuta, the gold smuggling center that serves as a critical link in one of the more complex gold flows out of Venezuela.

Venezuelan military and security forces, especially the national guard (GNB), are reported to be implicated in large-scale overland smuggling of gold into Colombia. Journalists have described as many as 40 large trucks being waved through late at night by members of the GNB, even when the border has been formally closed. Some of the trucks are reportedly issued special military passes to pass unchecked, and witnesses, including military personnel, have claimed that gold is among the commodities heading into Colombia (Montiel and Benezra, 2019).

One recent indicator of how gold smuggling from Venezuela via Colombia can be at once complex and brazen is the recent discovery at El Dorado airport in Bogotá of 41 gold bars, totaling approximately 25 kg, concealed in computer parts. A joint investigation by Colombian and United States authorities uncovered a scheme in which the gold – collected from mines by the GNB – was concealed in equipment manufactured and shipped by a Chinese company. The equipment was transported from Caracas to Bogotá by a commercial carrier, and intended for continued shipment to the United States and eventually Turkey, where it could reportedly be sold at double its value in the United States. According to the joint investigation, the United States was the key transit hub in the scheme, as an effective layer for obscuring the origin of the gold. The network of criminal actors was found to extend beyond those countries to the Netherlands, Switzerland and Israel. Significantly, the packages in which the gold was concealed were actually labeled “GNB,” perhaps to signal complicit customs personnel (Semana, 2021). This criminal network also calls attention to the trend reported in recent years by which trafficked weapons, often from the United States, are shipped between countries using commercial shipping companies; according to a Colombian source in the gold trade, the same practice is commonplace with gold (COL-com-g-110321).

### *The Cúcuta hawala Connection*

While gold is highly portable, it is not always necessary to move it physically to transfer its value, a foundational principle of what may be one of the more sophisticated illicit gold operations out of Venezuela.

According to a well-placed anonymous source, in November 2019 it had become regular practice for gold bars belonging to the Venezuelan elite to be taken across the Colombian border to Cúcuta. There, the source indicated, the bars would be delivered to one or more small shops called “Chams,” at which point the gold would be assessed, the owner’s name entered into a ledger, and the equivalent value in cash released from a bank in Lebanon, primarily in euros. Alternatively, a depositor could have the funds released in China (VEN-cso-b-260121).

This account reveals the presence of global informal value transfer networks in Cúcuta. The link with Lebanese banks would be a *hawala* network, common in the Islamic world and in Middle Eastern diasporas. The connection with China could also be a similar network known in Mandarin as *feiqian*, or “flying money.” Both systems are centuries old; they involve trust-based networks, often built around kinship, by which remittances can be paid across vast distances. There is nothing intrinsically illicit about either system; both are effective ways to transfer money or value without incurring the extra costs imposed by banking systems.

The *hawala*-style system requires, at a minimum, two brokers, or *hawaladars*, who share a relationship of trust. Someone in Cúcuta who wants funds released in Lebanon needs only to submit them, or the equivalent value in acceptable goods, to a broker in Cúcuta; for a small fee or percentage, this broker will send a communication of some sort – even as simple as a text message – to instruct a broker in Beirut to release funds from his account to the designated recipient. At that point, the customers’ involvement ends, but the brokers must at some point settle accounts between themselves, as one has had value come in and the other had it go out. Contemporary brokers often settle such balances by bundling transactions and transferring value by a wide variety of means, from cash to commodities to cryptocurrencies – but gold is one of the most preferred methods. For the unscrupulous, false invoicing and other forms of TBML can be built into the process, potentially generating even greater profits.

For a PEP, a *hawala* or *feiqian* transfer would mean instant laundering of the wealth concentrated in the gold delivered to Cúcuta. But the broker must still launder the gold, and settle accounts with the correspondent broker. This is where surrounding details of the Cúcuta value transfer hub begin to paint a more complex picture.

The Chams shops in Cúcuta – more properly known as "Chams Money" or "Chams Exchange" – are not benign shops dealing exclusively in ordinary *hawala* transfers. They are retail outlets of Chams Exchange Company SAL, the global network run by Kassem Mohammed Chams (VEN-cso-d-090221). In April 2019 Kassem Chams was sanctioned by OFAC for moving money for Hezbollah, as well as laundering tens of millions of dollars per month in narcotics trafficking proceeds. In addition to Hezbollah, his associates are alleged to have included Colombian cartels and the money laundering network of Ayman Joumaa, another associate of Hezbollah and Colombian and Mexican cartels (U.S. Department of the Treasury, 2019b). Joumaa is alleged to have laundered illicit funds by buying used cars, selling them in Africa, using the proceeds to purchase commodities in Asia for front companies that sell the goods in Colombia and Venezuela, and sending the profits from those retail sales, minus commission, back to his clients. Exchange houses and bulk cash smuggling are integral parts of Joumaa's network. Listed by OFAC as a Specially Designated Narcotics Trafficker in 2011, Joumaa remains at large, having unsuccessfully tried to sue the US Treasury Department and be de-listed (Badran and Ottolenghi, 2020). Joumaa also stands accused by the US Treasury Department of managing "an extensive maritime shipping network tied to Hezbollah" (Humire, 2020). .

Hezbollah also may have more direct ties to the Maduro elite. A month after the indictment of Kassem Chams, the US Treasury Department indicted Adel El Zabayar, a Lebanese-Venezuelan national who had previously served in in Venezuela's National Assembly. The indictment charges El Zabayar with engaging in a complex conspiracy involving the Maduro elite, FARC-D, Mexican cartels, Hezbollah and the governments of Iran and Syria. Citing the "*Cártel de Los Soles*," the criminal complaint includes allegations that El-Zabayar facilitated cocaine-for-weapons deals for the FARC-D, served as a go-between for the Maduro and Assad governments, and recruited Hezbollah and Hamas militants to come to Venezuela; it also catalogs alleged ties with Hezbollah of Venezuelan PEPs (Southern District of New York, 2020).

This web of allegations serves as a backdrop for the depositing of gold bars at the *hawala* brokerages of Kassem Chams. Allegations of Maduro's personal assistance to the FARC in particular have been documented (InSight Crime, 2020).

The gold bars accumulated in the Chams hawala offices could move in a variety of ways, the most obvious of which is by air. One source in the gold trade reported that private planes routinely make brief, touch-and-go landings at the Cúcuta airport to pick up gold for destinations elsewhere in the Caribbean; according to him, a relatively modest bribe sufficed to gain unfettered use of the airport (COL-com-g-110321).

As noted above, however, the settling of *hawala* accounts can be accomplished through a range of mechanisms, many of which involve trade goods. It would be consistent with the reported profiteering and money laundering practices of Venezuelan facilitators and the other networks connected with Kassem Chams to extract more value than from a simple balancing of the books. Under the Maduro administration, narcotics have reportedly flowed steadily from Colombia through Venezuela, headed for markets abroad. In return comes a corresponding flow of profits. Though the various groups that, with the collusion of the Venezuelan authorities, profit from this trade have many sophisticated ways to launder the profits they generate in North America, bulk cash smuggling back upstream in the narcotics supply chain is still common (USA-com-b-160221). The cash that arrives in Venezuela can be laundered in a few quick and effective ways; two of them are buying gold and buying cattle.

Given that the livestock industry, in which both Venezuela and Colombia have historically been major players, does not generally involve itemized receipts, the potential for fraudulent invoicing and other forms of profiteering and money laundering is enormous (Gershel, 2020). A number of criminal organizations in Latin America have recognized as much; shortly before Maduro became Venezuela's foreign minister, the FARC had taken up cattle smuggling as an income stream (OECD, 2018). In 2018, the International Crisis Group issued a report including a description of the cross-border cattle smuggling that also serves as a form of money laundering. Hundreds of thousands of heads of cattle were being smuggled into Colombia, taking advantage of cross-border arbitrage to turn profits of up to 200 per cent; the vast majority of the meat sold in Norte de Santander had been smuggled in.

Laundering money with cattle may form another link in a value transfer network for Middle Eastern entities engaged in the laundering of Venezuelan gold. Unlike gold, which is usually flown internationally, livestock frequently moves by sea. Livestock carriers are able to carry tens of thousands of animals on a single voyage (Kumar, 2020). Port calls of livestock carriers in Colombia and Venezuela rose markedly in 2020. Furthermore, of the many livestock carriers that have called at Colombian and Venezuelan ports since 2018, the majority are tied to Lebanese or Jordanian ownership, and sources have confirmed that at least one has been involved in trafficking weapons and drugs for Hezbollah. Nearly all have sailed directly from Colombia or Venezuela to the Middle East. The maritime domain awareness platform Windward reveals others engaging in highly suspicious behaviour, both within the LAC region and beyond. In light of this evidence, the potential for such livestock carriers to be connected with gold flows merits further research. Hypothetically, goods such as livestock could be used not only to launder profits from gold or narcotics but also to effect informal value transfers. This would allow wealth tied to gold flows to be moved abroad outside the global financial system while the gold itself could be stored within the region or laundered in other ways, perhaps over longer periods of time. It is also possible that some gold could be shipped to the Middle East on those vessels.

### *The Dominican Republic*

Until mid-2019, a preferred transit hub for illicit gold flows out of Venezuela was the Dutch Caribbean – specifically, the islands of Aruba, Bonaire, and Curaçao, or the ABC Islands. The islands' proximity to the Venezuelan coast, numerous outgoing flight itineraries, and long history as a gold transit hub made them ideal for immediate laundering (Boon and Meléndez, 2019a). Gold transiting the Free Trade Zones (FTZs) in Aruba and Curaçao in particular was routinely shipped out as originating on the islands, effectively erasing its country of origin, and traveled to Europe easily on commercial flights, often heading to Switzerland or Dubai (Ebus, 2019).

**The resulting numbers were striking. From 2014 to 2018 alone, 130 t or more of gold transited through Curaçao, at least 30 t through Aruba. Documents reportedly revealed that 90 per cent of that gold originated in Venezuela (Delgado, 2019a).** According to one anonymous source in the region, the heightened vigilance of Dutch authorities since the emergence of this information has made it prohibitively risky to continue moving large amounts of gold through the ABC Islands. In April 2021, officials in Curaçao indicated that no detectable gold had recently transited the jurisdiction. **Gold from Venezuela shifted to other transit hubs, one of which appears to be the Dominican Republic.**

This development was encapsulated in a recent case shared by a regional diplomat. A group of Venezuelans sought to establish an illegal smelting operation on Bonaire; when Dutch authorities took notice, the operation promptly decamped to the Dominican Republic. In some ways, the Dominican Republic's position as a possible transit country for gold flows has to do with its economic success. With the largest economy in the Caribbean, a sizable population of around 11 million people, and high-traffic airports and seaports, the country offers a scale of activity that makes it easier to conceal illicit trade. Furthermore, unlike most of its neighbors, the Dominican Republic is a significant gold producer. It holds the largest gold mine in Latin America: Pueblo Viejo, a joint venture of Barrick Gold and Newmont Mining. A number of mining juniors, including QuestGold, Precipitate Gold and Unigold, are engaged in relatively modest exploration and production (Investing News Network, 2019). Artisanal and small-scale gold mining (ASGM) production is minor.

A 2018 report by the Colombia-based observatory InSight Crime sets forth other advantages of the Dominican Republic as a transit hub for gold. To begin with, it has already functioned for years as a major transshipment and money laundering hub for narcotics traffickers. Increasingly isolated, Venezuela lacks the scale of legitimate business necessary for concealing high-volume trafficking. Furthermore, Dominican criminal organizations control large swaths of the retail narcotics business along the east coast of North America, coordinating with groups across the Caribbean and Gulf of Mexico (InSight Crime, 2018a). Dominican groups have shown considerable prowess at bulk cash smuggling and money laundering; the Peralta organization, whose leader was sanctioned by OFAC in 2019, reportedly laundered over a quarter of a billion USD over three years, primarily through nightclubs (Asmann, 2020). A number of sources have indicated a pipeline of drugs and cash between Venezuela and the Dominican Republic. Perhaps because of the threats posed by this criminal industry, law enforcement and customs authorities in the country are primarily focused on drugs, and secondarily weapons; security and diplomatic sources within and outside the Dominican Republic indicated that gold laundering has not been a law enforcement priority.

The Dominican Republic's role as a transit hub is partly explained by its open trade policies. The country has 74 Free Zones, attached to both seaports and airports. Traffic of both goods and people is heavy, providing anonymity. According to one intelligence source, some of those Free Zones are at least superficially well-managed, while others are completely resistant to oversight. One free zone rejected the use of cameras in work areas. The country also contains a number of small airports, which is a common avenue to smuggle in gold from abroad in the region.

The Dominican Republic also has a large and influential Venezuelan expatriate presence, some of whom, according to a US law enforcement source, do a great deal of trafficking and money laundering. The latter activity appears to include the purchase of luxury vacation homes by some PEPs and other *enchufados*. Samark Lopez, reportedly one of the original architects of the Maduro administration's international gold deals, is alleged by the US Department of State to have laundered money for Tareck El Aissami and used a fleet of chartered jets to fly members of the Maduro elite to Russia, Turkey and the Dominican Republic (U.S. Department of State, 2017). Lopez is also reportedly suspected of using the same planes to fly Venezuelan gold to Dubai (Dominican Today, 2019).

**A number of analysts and observers concur that the Dominican Republic has emerged as a critical transit hub for Venezuelan gold. Sources in law enforcement and security from the United States and Colombia point out that the gold follows established drug trafficking routes**: narcotics typically travel there by boat or plane from Venezuela, at which point the contraband can pivot to either North America or Europe (COL-com-a-020221; USA-gov-g-050321). Multiple intelligence and law enforcement sources have indicated that the problem is not new, and some have indicated that they have long had concerns about gold flows through the country (USA-gov-d-080221; USA-com-b-160221). Trade statistics reveal troubling discrepancies in relation to gold. The most recent United Nations Commodity Trade Statistics Database (UN Comtrade) from the Dominican Republic come from 2018, and must be measured against the country's overall production figure for that year of 31.7 t (Goldhub, 2021).

The discrepancies between self-reported exports of gold by the Dominican Republic and imports from the Dominican Republic as reported by its trading partners are striking, with the former much higher than the latter (see Table 1 and Table 2 in the Annex for more detail). Significantly, the Dominican Republic also reported importing virtually no scrap gold; its total reported gold imports that year under the broad HS Code of 7108 were under 750 kg, while its reported imports of semi-manufactured gold (HS Code 710813) were just over 1,100 kg. If these data are to be believed, the Dominican Republic had a total production of 31 700 kg of gold, imported very little, yet exported nearly 200 000 kg of doré. A few variables might clarify this discrepancy. It could indicate that the doré produced by the Dominican Republic was extremely low in actual gold content. If, for instance, the gold content in the country's doré in 2018 averaged about 20 percent, then, extrapolating from the domestic production of 31.7 t of gold, it is possible that approximately 158 t of those exports were fully accounted for by domestic production. This quantity would still, however, leave a discrepancy of about 40 t between doré production and exports. A different explanation is that the export numbers include gold in transit; in that case, a tremendous quantity of gold – much more than the entire annual production of Peru, the largest gold producer in the LAC region – is moving through the country's FTZs. It is also possible that some of the numbers indicate large-scale money laundering – false invoicing and/or "phantom gold"[1] transactions that exist only on paper so as to legitimize cash transfers. Another possibility, however, is that at least a portion of these figures represent questionable imports of gold, some of it Venezuelan.

The import figures of the Dominican Republic's trading partners for HS 710812 raise further questions. India's reported imports from the Dominican Republic dropped from 77 000 kg in 2018 to 47 286 kg in 2019, and to 11 915 kg in 2020. In 2019, Switzerland, a rigorous and timely reporter, imported 62 218 kg from the Dominican Republic; the 2020 figure jumped to 85 348 kg. In Switzerland's internal customs reporting for the first two months of 2021, the HS code is broken down further, but the numbers are still striking: for mined gold, imports from the Dominican Republic were 5 079 kg in January, 10 793 kg in February. One industry analyst has suggested that this swing may result from relatively high silver content in the doré being exported – Swiss refiners are better positioned to profit from silver than their Indian counterparts – but the shift in end market does not explain the overall quantity of doré reported as being exported from the Dominican Republic.

Anecdotally, the array of sources on the ground in Venezuela, in the Caribbean, and in other countries attesting to both gold smuggling through the Dominican Republic and flows to that country from Venezuela are remarkably consistent. Observers in Venezuela and the Caribbean note frequent, often regular flights of private aircraft, not only from major airports but also from mining areas; some of the reported flights are visible on commercial tracking platforms.

While no precise conclusions can be drawn from this initial survey, the conditions on the ground, the observations of analysts and at least some of the relevant trade data strongly suggest the possibility of significant high-risk gold flows through the Dominican Republic. The question requires further research.

### *Brazil*

**There is no question that Venezuelan gold flows into, and sometimes through, Brazil. The precise scale and destinations of those flows resist scrutiny, partly because of conditions connected with mining in Brazil itself.** The country is currently considering legislation to regulate mining activities in the Amazon region and to make the Brazilian mineral sector more sustainable in line with international standards.

In recent years, the Brazilian Amazon has seen a boom in illegal mining. In 2019, the area cleared for illegal mining reportedly increased by nearly 25 per cent over the previous year (Financial Times, 2019). The sheer scale and difficulty of access that characterize Brazil's mining areas make meaningful regulatory enforcement extraordinarily challenging. Aggravating that difficulty are the realities that the country's National Mining Agency (ANM) fields only 250 personnel to inspect an estimated 35,000 mining locations

(Jones, 2021). The regulatory framework itself is highly conducive to gold laundering: agencies are often located far from where wildcat miners (“*garimpeiros”)* live and work, and the relevant administrative responsibilities are often handled informally within mining communities (de Theije, 2020). As a result, laundering gold in the Brazilian Amazon is not challenging. Paperwork of any kind, including certificates of origin, can reportedly be quickly and easily generated, and gold effectively becomes legal at the first point of sale. One Brazilian prosecutor described efforts to deter illegal mining as “like trying to stop ice from melting” (Harris, Cowie and Long, 2020).

The state of Roraima, which bulges northward into the Venezuelan state of Bolívar, appears to receive most of the gold flows out of the mining areas of Venezuela. Informal commerce, including fuel, flows in both directions across the border (SOSOrinoco, 2020b), and the proliferation of mining operations on both sides often means, according to multiple sources, some degree of criminal interchange as well. Experienced Brazilian *garimpeiros* are often taken on by groups in Venezuela to supervise mines there. Beyond this informal cross-border gold smuggling, there are operations that originate from deeper into Venezuela. According to some sources, large quantities of gold are flown from Tumeremo in the state of Bolivar and other locations into Brazil, often by private helicopter, for high-ranking Venezuelan military officers, who routinely smuggle gold over the border (Valverde and Ebus, 2020; VEN-cso-m-120321). Government and indigenous authorities have reportedly authorized a schedule of fees for the use of the airport at Santa Elena de Uairén, in Gran Sabana state on the Brazilian border, including assessments for such things as fuel, amount of mining material, takeoff and landing, and passengers. As a result, one flight costs on average 30 g of gold (Valverde and Ebus, 2020).

**The acceleration in mining activity within Roraima has paralleled that of Bolívar, and much of the resulting gold has been exported to India.** From 2018 to 2019, Roraima’s annual exports to that country increased from 38 kg to 486 kg out of a total estimated production of 668 kg (Scarr and Boadle, 2020; Cowie, 2020). That production, however, is a fraction of the gold allegedly smuggled into Roraima from Venezuela by just one criminal operation, a joint enterprise of Venezuelans and Brazilians that is alleged to have laundered over a tonne of gold between 2017 and 2019 with the complicity of corrupt officials and a trading company in São Paulo state (Efecto Cocuyo, 2020). After first being brought in from Venezuela overland in small quantities, the gold was reportedly exported from São Paulo to India and Dubai (Cowie, 2020). The illegal gold mining in the region and its flows to Brazilian territory are attracting growing attention from local law enforcement authorities. Between 2019 and 2020, the Brazilian government carried out several major operations to dismantle gangs that were laundering Venezuelan gold in the country (Brazilian Ministry of Justice and Public Security, 2020).

An open question is the potential involvement of major Brazilian criminal organizations, such as the Primeiro Comando da Capital (PCC), the Comando Vermelho (CV) and the Familia do Norte (FDN), in moving gold within and beyond Brazil. One analyst indicated that this is unlikely, as the ease of laundering gold in Brazil would not require the services of such groups, who would both require a cut of the profits and present an added degree of practical risk (USA-cso-e-120221). But it is possible that these groups are already in the gold trade, given their ties to actors in Colombia and Venezuela such as the FARC-D, with which both the CV and, more recently, the PCC have reportedly worked. In recent years, the PCC has wrested control of key trafficking routes in the Amazon region, and has made a practice of recruiting migrants from the south of Venezuela into its ranks. An investigation by the Federal Police, in 2006, found that the PCC had also built a relationship with Hezbollah, with the latter organization providing logistical and money laundering support (Coutinho, 2019).

Those two destinations stand out in Brazil’s trade data as available in UN Comtrade, which otherwise show a pattern of mostly moderate but consistent discrepancies, as shown in more detail in Table 3 and Table 4 in the Annex.

**For both India and the UAE, reported imports from Brazil far exceed Brazil's reported exports to them. The discrepancy may be greater for Dubai than for India, but both are outliers.** Marked discrepancies are also evident in relation to Italy, Turkey and Belgium – the latter reporting no imports from Brazil at all. The possibility of a criminally coordinated flow that runs from Venezuela into Brazil, and from there to other jurisdictions, would appear to be a possibility. Again, these questions require further research.

### *Suriname*

Suriname has a thriving gold mining industry, with both large-scale operations, including the Rosebel mine operated by IAMGOLD and the Merian mine run by Newmont Mining, and an extensive informal mining sector. Annual production in 2019 was 32.8 t (Goldhub, 2021). The country has a long history of questionable activity linked with mining and gold flows, and, despite the departure from the presidency in 2020 of the convicted murderer and drug trafficker Desi Bouterse, it remains ripe for illicit gold flows. The current government of President Chan Santokhi, who has a reputation for effective action against drug trafficking, appears committed to necessary reforms. Vice President Ronnie Brunswijk, however, was convicted of drug trafficking in the Netherlands in 2000 and is widely known to have owned many gold concessions. He has been described as using his gold wealth to achieve his current position (Kurmanaev, 2021).

Evidence of irregularities in Suriname's gold flows can be found in UN Comtrade data (see Table 5 and Table 6 in the Annex for more detail). For HS Code 710812, interesting patterns emerge. **Among the countries reporting imports from Suriname, there are discrepancies in Suriname's gold trade with Switzerland, Dubai and, on a lesser scale but still noteworthy, Belgium. These trading partners alone report imports of gold far beyond Suriname's annual production, with none of the imports categorized as scrap or jewelry. It is therefore possible that gold from elsewhere is being exported from Suriname.**

Gold trading in Suriname is lightly regulated, and this is reflected in how business is conducted in the many gold shops of the capital, Paramaribo. Identification is only required of someone selling gold to a trader if the purchase price exceeds $15 000, and even in such cases the regulation is often overlooked, especially in the case of established business relationships (Heemskerk, Negulic and Duijves, 2016). There is no functional requirement to determine the origin of the gold, either, though employees in gold shops are reportedly often aware when gold from Venezuela or other jurisdictions is coming in (Ebus, 2020, "tracing"). Export licenses have been seen as the currency of political patronage. One source for a 2010 report pointed out how small but well-connected traders have gained export licenses while larger, more established businesses have not (Heemskerk, 2010).

In recent years, the historically small number of licensed exporters has diminished to two. One is Amazone Gold NV, owned by the longtime trader Conrad Issa; the other, far more prominent, is the Kaloti Suriname Mint House (KSMH), launched in 2015 as a joint venture between Kaloti Precious Metals of Dubai and the Bouterse government (SUR-gov-e-100221). Since then, all licensed exporters have been required to have their gold assessed for taxes and royalties at the KSMH. According to a 2016 report, an estimated 80% of ASGM production flows through the KSMH, while the rest theoretically goes through the Central Bank (Heemskerk, Negulic and Duijves, 2016). According to the Mint House's director, Ryan Tjon, between 15 000 and 20 000 kg of gold passed through in 2019, some of it going to Kaloti Dubai, but he cannot vouch for the gold's origins (Ebus, 2020). Furthermore, the contract between the government of Suriname and Kaloti offers loopholes in reporting as well as freedom to transact in foreign currencies and transfer money anywhere, no questions asked. The apparent lack of smelting activity in the KSMH has led some analysts to conclude that it actually functions as a money laundering operation, using "phantom gold" to justify large transfers of illicit funds abroad (Farah and Babineau, 2017). Research for this report was unable to substantiate those allegations and it remains unclear how much, if any, smelting takes place at the KSMH facility.

Though some gold shop workers have admitted to taking Venezuelan gold, the market in Suriname is so opaque in its sourcing that there is no way apart from reliable testimony or direct observation of gold en route to know the origins of what passes through the shops.

Another interesting discrepancy in Suriname involves casinos. Paramaribo, a city of about 250 000 inhabitants and little tourism, contains over 30 large casinos. Some are Chinese-owned and cater to the city's large Chinese expatriate community; others belong to Turkish interests. It is common knowledge among ASGM workers that gold can be used at the casinos to purchase chips, which can then be cashed out. The effect is that the casinos become gold laundromats, the gold having bypassed the normal, regulatory processes.

The variety of possible modalities and vectors for criminality linked with gold in Suriname hence pose considerable risk, including that of Venezuelan gold being laundered into the legitimate supply chain.

### *Guyana*

Like Brazil, Guyana shares a long land border with the mining regions of Venezuela. In one important distinction, however, the border area between Guyana and Venezuela, known as Essequiba, is disputed between the two countries. According to a report by Transparencia Venezuela, a number of smuggling routes have been established through that region (2019), though they are by no means the only paths Venezuelan gold is taking into Guyana.

Gold reportedly travels into Guyana by air as well as on foot. In a 2020 investigative piece, Bram Ebus encountered ample testimony to that effect. One Guyanese gold dealer detailed how, in one operation, light planes out of Venezuela fly every two weeks to clandestine airstrips on the border, bringing on average 200 kg of gold per trip. At one point, according to a source, as much as 150 kg of Venezuelan gold was taken through Brazil to the city of Lethem, on the border with Guyana; from there, it was flown to Georgetown (in Guyana). Hired couriers would pay the suppliers in cash – US dollars, euros, or pounds sterling (Ebus, 2020).

The connection with Brazil also suggests a different potential criminal link. In some Brazilian – and presumably Venezuelan – mining operations, motors have been used to extract gold from deep caverns (Harris, Cowie and Long, 2020). One source has described engines being extracted for this purpose from trucks hijacked on Venezuelan highways. Other sources indicate that, in recent years, over 300 boats have been similarly hijacked off the coast of Guyana for the primary purpose of stealing their engines; the criminal enterprise may be considered to make little sense until one considers how such equipment might be put to use powering modest extraction or processing machinery at small gold mining operations.

Guyana's two most prominent gold traders have come under scrutiny for allegedly accepting Venezuelan gold. In August 2020, the Guyana Gold Board launched an investigation into El Dorado Trading after a complaint was lodged with the Minerals Grievance Platform, a multi-stakeholder mechanism for recording, screening and addressing complaints in mineral supply chains managed by the Responsible Minerals Initiative (RMI), in collaboration with the LBMA, and the Responsible Jewelry Council (RJC). El Dorado's owner, Tamesh Ragmohan, vehemently denied the accusations (Thomas, 2020). According to a well-placed source in Guyana, however, Ragmohan has already been investigated by the FBI for smuggling gold into the United States after failing to declare 27 gold bars while entering Miami International Airport in 2012 (Ebus, 2020; GUY-gov-b-020221). Nazar Mohamed, owner of Mohamed's Trading, has been characterized as aggressively pursuing Venezuelan gold, some of which originates with the ELN, but there is also a perception that many Guyanese exporters are taking advantage of the easy access to Venezuelan gold (Ebus, 2020).

Laundering the gold is reportedly effortless; all a trader has to do is mix it with Guyanese gold (Valverde and Ebus, 2020). Sources have indicated that some of the gold not shipped out as official exports transits Trinidad, arriving there by plane or boat. According to other reports, gold is taken into Suriname, for access to commercial flights to Europe; some allegedly goes out on flights to Miami (Ebus, 2020).

UN Comtrade data reveal three noteworthy discrepancies between Guyana's reported exports and its trading partners' corresponding imports under HS Code 710812 (see Table 7 and Table 8 in Annex for more detail).

For 2019, Guyana reported exports to Belgium of 1 306 kg, while Belgium reported no imports from Guyana at all. This could be attributed to a data entry error, except that in 2018 and 2020, when Guyana reported exporting more modest amounts of 335 kg and 248 kg respectively, Belgium still reported no corresponding imports. The other questionable discrepancies involve the United States and the UAE. In 2018, Guyana reported sending 827 kg to the United States; the United States reported imports of 2 862 kg. Guyana's reported 2019 exports to the UAE totaled 3 492 kg, while the UAE reported a significantly higher 9 423 kg in imports. **While these discrepancies are not as large as those seen in the Dominican Republic, they are concerning, and merit further research.**

### *Other Regional Flows*

While Colombia, the Dominican Republic, Brazil, Suriname and Guyana appear to be the most significant transit hubs for illicit Venezuelan gold flows, a number of other jurisdictions in the region merit research as well.

Of island jurisdictions, the ABC Islands' decline as a transit hub has been discussed earlier in this report. Modest flows are reported to continue moving through Aruba and Curaçao, however. One source in the gold trade claimed that corruption there is so well established that the typical procedure for a small transit of gold is simply to pay a $200 bribe, hand your bag of gold to a security officer, and sit in a waiting room for half an hour until the gold is returned to you with all the necessary falsified documentation (COL-com-g-110321). The Cayman Islands featured in one notable case involving Venezuelan gold when, in 2019, just over 100 kg of Venezuelan doré was confiscated at Heathrow Airport in London en route to Switzerland. When a second flight arrived in the Caymans on the same route, four Venezuelan nationals and a gold dealer from the Caymans were arrested. The case was later dismissed for lack of conclusive evidence that a crime had been committed (Caribbean News Global, 2020). Some sources also mentioned other island jurisdictions, both Dutch and French, as easy points of entry into the European Union, though no evidence of those islands serving as significant transit hubs for Venezuelan gold has been presented. Again, further research may be warranted. This would be especially relevant since the application of the Regulation of the European Union 2017/821 on due diligence for tin, tantalum, tungsten, their ores, and gold as of January 2021 (European Union, 2017).[2]

#### *Panama and Other Central American Jurisdictions*

There is significant scope for further research on possible flows of Venezuelan gold through Central America. Panama, in particular the Colon Free Zone, might deserve special scrutiny. It has a long history of serving as a transit hub for gold, though some sources indicate that increased law enforcement coordination among Panama, Colombia and the United States has heightened the risks for smugglers.

In recent years, analysts and other sources have indicated multiple routes by which gold can travel from Venezuela to Panama; almost all involve transit through Colombia. While gold is reportedly often flown in from a range of airports – chartered and private flights from Venezuela to Colombia rose sharply after the opening of the AMO – gold also travels by boat, including fishing boats (Massé, 2019). According to one source in the Colombian gold trade, Venezuelan gold is brought to the small port of Necocli on the Gulf of Uraba, and taken by boat from there to Panama (COL-com-g-110321).

In August 2019, Colombian authorities' "Operación Esplendor," a three-year investigation, led to the arrest of several people involved in smuggling gold from Colombia to Panama. Over $5 million worth of gold, mostly disguised as less precious metals, was smuggled into Panama, allegedly with the assistance of corrupt officials; the gold was sold to two buyers in the Colón FTZ: Gold America and Alpha Trading, both of which paid for the Colombian gold with Italian jewelry. The jewelry was then taken back to Colombia to be sold in shops that were fronts for an organized criminal group. This was the second disrupted enterprise in three years in which smuggled gold was paid for with jewelry in Panama (Neves, 2019).

According to one source, some gold smuggled into Panama may be stored with offshore vaulting companies there (PAN-gov-l-230321). In these establishments, which operate outside the global financial system, gold can be securely stockpiled or even sold off the books without any change in its physical location.

Other Central American states, particularly Honduras, are key transit hubs in narcotics trafficking, including out of the Dominican Republic; according to sources, gold may well track the routes by which marijuana in particular moves toward North America.

#### *Mexico*

**Mexico's substantial gold mining industry, the presence in Mexico of sophisticated cartels with histories of criminally exploiting gold, and the long and porous land border with the United States, a key destination market and transit hub for gold, are elements that appear to warrant special consideration when analysing gold flows out of Venezuela.** United States law enforcement sources believe that significant quantities of gold are moving undetected across the border with Texas (USA-gov-g-050321). Furthermore, the narcotics supply chain into North America has linked Colombian, Venezuelan and Dominican criminal organizations with the major Mexican cartels. The presence of Mexican organizations, especially the Sinaloa cartel, in Colombia and Venezuela has been discussed earlier in this report.

Within Mexico, cartels are deeply engaged in mining. According to a US law enforcement source, some have been known to infiltrate mining companies and exploit them for money laundering. In 2013, no fewer than a dozen mining companies in one state were investigated for possible collusion with drug traffickers (Wagner, 2016). A well-placed Colombian source has cited Mexican mining companies that do not operate mines but rather launder gold from elsewhere for export; reportedly, no action is taken to investigate such companies, however, because they pay export duties (COL-com-f-100321).

Given the sophistication of Mexican cartels, their connections in Venezuela and Colombia, their established exploitation of gold, their easy access to markets around the world, and the apparent vulnerabilities of the gold mining industry within Mexico, much more work could be done to tease out the role Mexican criminal organizations, and Mexico as a jurisdiction, might play in flows of Venezuelan gold.

### *Beyond the LAC Region*

As indicated elsewhere in this report, the research and evidence on which this report draws indicate that most of the illicit gold flows out of Venezuela are generally laundered before leaving the LAC region. In capable hands, gold moving into Colombia, the Dominican Republic, Brazil, Suriname and Guyana can be laundered into the legitimate supply chain within those immediate transit countries before moving onward to global supply chains. This pattern poses profound challenges for destination markets and refiners beyond the region. This, however, does not mean that the gold is refined before leaving the region – only that its origin in Venezuela is effectively obscured during its passage through a transit country.

The United States, as the nearest major market outside the region, reportedly continues to receive Venezuelan gold, primarily through Florida. According to a United States security official, Venezuelan gold is often hand carried into major and secondary airports in the state, in some cases having been transshipped via Suriname or Guyana. A source in the gold trade has described gold being trucked from Mexico across the land border, to be used to acquire real estate in California (COL-com-g-110321). In the United States, section 1502 of the Dodd Frank Act requires publicly-listed companies to conduct due diligence on their supply chains for tin, tungsten, tantalum and gold from the Democratic Republic of the Congo and its adjoining countries in accordance with the OECD Guidance. Unlike the Regulation of the European Union, the geographic coverage of section 1502 is therefore limited to the African Great Lakes region, and does not apply to gold from Venezuela.

Perhaps most egregious is the money laundering connected with the exploitation of Venezuelan gold and other resources by PEPs. Raúl Gorrin, allegedly a major facilitator, was indicted in 2018 for money laundering and corrupt practices; confiscated assets in the United States included 24 luxury properties in Florida and New York (Weaver and Delgado, 2020). An investigation by Venezuelan journalists with the online publication runrun.es catalogued how Venezuelan *enchufados* own a number of front companies in south Florida (Boon and Meléndez, 2019a), where the population of Venezuelan expatriates is such that the city of Doral, close to the Miami airport, has come to be known as “Doralzuela.”

Farther afield, responses from refiners appear to vary in different countries to the risk of gold flows from Venezuela, especially depending on the formality of the allegations and the degree of reputational exposure. As one source made clear, the two top gold dealers in Guyana, El Dorado Trading and Mohamed’s Trading, offer a case in point. Both have been alleged to be buying up and exporting Venezuelan gold. Only one—El Dorado Trading, as noted above—faced a formal complaint; Mohamed’s Trading was reportedly cited by gold traffickers and intelligence sources as the more aggressive buyer of Venezuelan gold. El Dorado’s service providers reportedly included Swiss and Belgian refiners, and a Canadian recycler, who ceased buying gold from the firm once they were made aware of a complaint with the Minerals Grievance Platform (Ebus, 2020).

The Tony Goetz case, previously mentioned in this report, may have surprised few in the wake of various allegations of unethical sourcing (Sentry, 2018; Bove, 2020; Lewis and Hobson, 2020), but the issues evident by a simple mirror analysis of UN Comtrade data invite questions. While not addressed in the present report, Belgium’s role as both a home to refiners and traders and a transshipment hub deserves further research.

As noted above, preliminary findings show that both Switzerland and India may be receiving Venezuelan gold out of the Dominican Republic, though the risk does not end there. In particular, India’s unbalanced trade numbers indicate that the deepening scrutiny facing the Indian gold trade is warranted.

One possible transit link between Venezuela and India is Bolivia, which has enjoyed considerable interchange and traffic with the Venezuelan elite under Bolivarist governments. The recent election of a government more friendly to the Maduro program, and the subsequent return of Morales from exile, may reinvigorate those connections. In 2018, Bolivia emerged as the most prolific exporter of gold doré to India, sending that country 70 per cent of its production, with the remainder mostly going to Dubai (Siddiqui, 2019). This development forms part of the larger trend in which India’s imports of doré rose from 23 t in 2012 to over 212 t in 2019 (Lezhnev, 2021). That shift, which partly reflects the Indian government’s previously mentioned implementation of importing and refining incentives, poses serious due diligence risks that merit consideration in relation to gold flows out of the LAC region, including Venezuela.

## Notes

[1] "Phantom gold," or "ghost gold," is a money laundering technique in which a fraudulent paper trail allows illicit funds to be accounted for as proceeds of the sale of gold. The gold exists only on paper, not physically.

[2] Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas. The EU Regulation is based on the OECD Guidance and refers to its 5-step framework. Details of the contents of the regulation, its enforcement mechanisms and its implications for players in the industries concerned can be found on the following web page: http://ec.europa.eu/trade/policy/in-focus/conflict-minerals-regulation/regulation-explained/

# Conclusion

Venezuela presents a particular challenge to due diligence in gold supply chains. The general lack of visibility, as well as the complex, violent and exploitative dynamics surrounding the country's gold flows, make it especially difficult to mitigate the considerable risks attending those flows. These issues are clearly exacerbated by the Maduro administration's ambitious programme to further exploit Venezuela's mineral wealth.

The risk categories in Annex II of the OECD Guidance are a helpful tool to support companies in identifying risks associated with gold flows such as those moving out of Venezuela. In light of those categories, and given the forces, actors and activities linked with Venezuelan gold flows from the mines onward, research indicates that all gold originating within Venezuela should be considered high-risk. There is simply no assurance available that any gold emerging from the country has not, at some point, intersected with at least one of Annex II risks. The only exceptions to this guidance would be grandfathered stocks of monetary gold.

Since many of the high-risk gold flows out of Venezuela involve regional transit hubs as well as distant transit countries and destination markets, any approach to mitigating the risks tied to Venezuelan gold should include regional and international coordination among both government and industry actors. This consideration is heightened by the evident involvement of transnational criminal organisations and designated terrorist groups in exploiting mining communities, extracting gold and laundering it into the legitimate supply chain.

It is a truism in law enforcement that by the time a trafficking route is detected and mapped, it is often already obsolete. But another principle is just as reliable: that once an active trafficking route is put under a spotlight, illicit operators will quickly adjust, and those adjustments will themselves be visible if a sufficient number of law enforcement, security, and regulatory bodies coordinate their surveillance. The public release of reports such as this can serve as occasions for well-prepared actors to detect the shifts in gold flows, and in related IFFs, that such publicity triggers.

With those principles and the larger contexts of high-risk gold flows in mind, our research has given rise to a few recommendations on how best to address the risks that characterize not only Venezuelan gold flows but also other parts of the global supply chain.

**A truly coordinated and effective approach to detecting and mitigating risk in gold flows requires the full participation of financial institutions**, which are in a position to gain visibility on where and how gold flows enter the global financial system, and how the profits those flows generate are converted and concealed. This is especially true of gold flows such as those out of Venezuela, which often involve sophisticated, far-reaching schemes of money laundering and other forms of fraud. In every relevant jurisdiction as well as internationally, **financial regulators should be directly involved in the efforts of government, intergovernmental and industry entities to reduce risks in the gold supply chain.**

While the FATF Recommendations extend AML/CFT requirements to dealers in precious metals and stones, they do not place reporting obligations on all actors in the gold supply chain (e.g. metals and mineral processors, transport companies) (FATF, 2021). Given the revealing nature of shifts or imbalances in production and trade data, as well as the significance of some legal cases outlined in this report, regulators could **draw on and expand existing anti-money laundering requirements to other actors in the supply chain to align with the OECD Guidance**. The OECD Guidance recommends that companies identify, mitigate and publicly report on risks related to financial crimes linked to the extraction and trade of gold.

**One key fact reaffirmed by the research for this report is that high-risk gold flows such as those out of Venezuela typically involve organized criminal groups.** Such organizations are now globalized in that they draw on multiple income streams, build and maintain transnational business relationships with other criminal, militant, and terrorist groups and are experts at exploiting gray zones in the global economy. Much work needs to be done to map those transnational networks, and to leverage knowledge of their other income streams and supply chains to gain insight into their control of gold flows. This work needs to be effectively resourced and supported.

**As appears to be the case in the Dominican Republic and Panama as well as elsewhere, FTZs can serve as enabling mechanisms for both gold laundering and money laundering linked with gold.** A concerted, sustained inquiry into how the risks attending this dynamic can be assessed and mitigated is absolutely essential.

**Finally, governments can strengthen due diligence requirements on various segments of the industry, which in turn could help ensure that it is not just illicitly mined gold that is prevented from entering the legitimate market. Legally mined gold that is illegally traded needs to be curtailed as well.** Furthermore, legally mined and legally traded gold that nevertheless funds or supports illicit or terrorist actors needs to be excluded from entering the market. Dialogue on how to conduct due diligence on these three fronts in the LAC context should be constantly reviewed and updated given the proven agility of the networks and actors involved in the sector.

## Avenues for further research

As noted at the outset, this report is intended to provide a baseline. The report's aim is to provide companies, as well as government and NGOs, with a preliminary mapping of gold flows within and out of Venezuela that can serve as a point of departure to conduct of due diligence and to better implement the OECD Guidance. The report's conclusions therefore partly take the form of questions for further research and analysis.

How can the sometimes complex networks that support those flows be more comprehensively mapped? This question takes on added urgency when the apparent involvement of transnational criminal and terrorist organizations that pose major security threats is considered.

What about ships? Conventional wisdom suggests that gold does not move in the maritime domain – it is too risky and too slow, as the price of gold may have changed between when the vessel sets sail and when it arrives at the destination. Given this general assumption, there is limited monitoring of potential gold flows in the maritime domain. This could indicate a blind spot, as a recent report by the Canadian NGO IMPACT noted that as much as 25 per cent of the gold smuggled into India arrived by sea (Martin, 2019). Furthermore, for state actors looking to stockpile gold, fluctuations in the London Gold Fix do not have the same impact, meaning that shipping by sea is a viable option. In addition to the livestock carriers discussed above, this report has identified at least five maritime matters that deserve further research:

1. Timber trading (physical movement of gold);
2. Sand shipments (physical movement of gold);
3. Luxury yachts (physical movement of gold);

4. Empty containers (laundering); and
5. Mercury flows from Southeast Asia (supply networks).

Sources have indicated a nexus between timber concessions and mining operations, which raises the question of whether the movement of timber – one of the heaviest goods in transit – is being used to obscure the movement of gold. The recent bust of smuggled gold hidden in computers in Colombia indicates how important weight can be in masking the transport of gold shipments. The weight of the timber, therefore, provides an attractive means of obscuring the gold, particularly as logs are rarely able to be moved to look for hidden cargo. There is already an established practice of using timber shipments to obscure cargos of cocaine and other drugs in South America (Wilander, 2017), so this modality of trafficking deserves greater examination (VEN-cso-d-090221).

As noted earlier in this report, sources have indicated that gold sands may be loaded onto vessels in Venezuela and shipped to other countries for processing abroad. Most coast guards and customs agencies would merely see those cargos as benign "sand," but as much as 80% of the value of the gold being mined could be hidden in that sand. Sand can actually be transported in a variety of different ways, including bulk carriers, cement carriers and containers. Moving gold in a substance as unremarkable as sand allows for it to be hidden in plain sight, as in the case reported by one source in the mining industry, who knew of powdered gold being concealed in coal shipped out of an African mining region. In a similar vein, luxury yachts are able to move between marinas with little interference. Carrying gold on short voyages may not even appear suspicious even if detected by law enforcement, given the wealth of the individuals onboard. Luxury yachts are often disregarded when discussing the movement of heavy cargos, but present an ideal means of moving concentrated value such as gold (Ralby, 2021).

Beyond the physical movement of gold, the maritime space may be used for laundering it. An empty container shipped around the world may provide the paper trail needed for the value of "phantom gold" to be credibly transferred. One source indicated that this is occurring, but it was outside the scope of the present report.

# Annex A.

## Table 1. Reported exports from the Dominican Republic 2018, HS Code 710812 (Gold, non-monetary, unwrought)

| Period | Trade Flow | Reporter | Partner | Commodity Code | Trade Value (US$) | Netweight (kg) | Qty Unit | Qty | Flag |
|---|---|---|---|---|---|---|---|---|---|
| 2018 | Export | Dominican Rep. | World | 710812 | 1,372,718,453 | 198,278 | Weight in kilograms | 198,278 | 0 |
| 2018 | Export | Dominican Rep. | Canada | 710812 | 584,521,477 | 84,311 | Weight in kilograms | 84,311 | 0 |
| 2018 | Export | Dominican Rep. | India | 710812 | 648,850,922 | 98,087 | Weight in kilograms | 98,087 | 0 |
| 2018 | Export | Dominican Rep. | Switzerland | 710812 | 136,249,975 | 15,683 | Weight in kilograms | 15,683 | 0 |
| 2018 | Export | Dominican Rep. | USA | 710812 | 3,096,078 | 195 | Weight in kilograms | 195 | 0 |

*Note*: For Comtrade database coverage and limitations please see UN Comtrade, no date..
*Source*: UN Comtrade, 2021.

## Table 2. Reported imports from the Dominican Republic 2018, HS Code 710812 (Gold, non-monetary, unwrought)

| Period | Trade Flow | Reporter | Partner | Commodity Code | Trade Value (US$) | Netweight (kg) | Qty Unit | Qty | Flag |
|---|---|---|---|---|---|---|---|---|---|
| 2018 | Import | Canada | Dominican Rep. | 710812 | 552,711,057 | 13,168 | Weight in kilograms | 13,168 | 0 |
| 2018 | Import | India | Dominican Rep. | 710812 | 511,402,563 | 77,228 | Weight in kilograms | 77,228 | 0 |
| 2018 | Import | Switzerland | Dominican Rep. | 710812 | 186,317,868 | 22,249 | Weight in kilograms | 22,249 | 0 |
| 2018 | Import | USA | Dominican Rep. | 710812 | 58,152,336 | 1,468 | Weight in kilograms | 1,468 | 0 |

*Note*: For Comtrade database coverage and limitations please see UN Comtrade, no date..
*Source*: UN Comtrade, 2021.

## Table 3. Reported exports from Brazil 2019, HS Code 710812 (Gold, non-monetary, unwrought)

| Period | Trade Flow | Reporter | Partner | Commodity Code | Trade Value (US$) | Netweight (kg) | Qty Unit | Qty | Flag |
|---|---|---|---|---|---|---|---|---|---|
| 2019 | Export | Brazil | World | 710812 | 1,534,330,688 | 43,921 | Weight in kilograms | 43,918 | 6 |
| 2019 | Export | Brazil | Belgium | 710812 | 82,255,160 | 2,640 | Weight in kilograms | 2,640 | 0 |
| 2019 | Export | Brazil | Canada | 710812 | 566,175,109 | 17,395 | Weight in kilograms | 17,395 | 6 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2019 | Export | Brazil | China, Hong Kong SAR | 710812 | 23,574 | - | Weight in kilograms | - | 6 |
| 2019 | Export | Brazil | Italy | 710812 | 149,095,667 | 3,703 | Weight in kilograms | 3,703 | 0 |
| 2019 | Export | Brazil | Portugal | 710812 | 12,525 | - | Weight in kilograms | - | 6 |
| 2019 | Export | Brazil | India | 710812 | 102,481,592 | 3,407 | Weight in kilograms | 3,404 | 0 |
| 2019 | Export | Brazil | Switzerland | 710812 | 567,044,916 | 15,154 | Weight in kilograms | 15,154 | 0 |
| 2019 | Export | Brazil | United Arab Emirates | 710812 | 64,307,413 | 1,500 | Weight in kilograms | 1,500 | 0 |
| 2019 | Export | Brazil | USA | 710812 | 2,934,732 | 121 | Weight in kilograms | 121 | 0 |
| 2020 | Export | Brazil | World | 710812 | 2,554,635,222 | 55,950 | Weight in kilograms | 55,950 | 6 |
| 2020 | Export | Brazil | Belgium | 710812 | 66,478,127 | 1,535 | Weight in kilograms | 1,535 | 0 |
| 2020 | Export | Brazil | Canada | 710812 | 1,402,255,912 | 32,740 | Weight in kilograms | 32,740 | 0 |
| 2020 | Export | Brazil | China, Hong Kong SAR | 710812 | 336,732 | 7 | Weight in kilograms | 7 | 0 |
| 2020 | Export | Brazil | Italy | 710812 | 83,065,784 | 1,588 | Weight in kilograms | 1,588 | 6 |
| 2020 | Export | Brazil | India | 710812 | 27,508,368 | 496 | Weight in kilograms | 496 | 0 |
| 2020 | Export | Brazil | Switzerland | 710812 | 815,349,383 | 16,435 | Weight in kilograms | 16,435 | 0 |
| 2020 | Export | Brazil | United Arab Emirates | 710812 | 130,022,823 | 2,583 | Weight in kilograms | 2,583 | 6 |
| 2020 | Export | Brazil | Turkey | 710812 | 9,763,549 | 181 | Weight in kilograms | 181 | 0 |
| 2020 | Export | Brazil | USA | 710812 | 19,854,544 | 384 | Weight in kilograms | 384 | 6 |

*Note*: For Comtrade database coverage and limitations please see UN Comtrade, no date.
*Source*: UN Comtrade, 2021.

## Table 4. Reported imports from Brazil 2019, HS Code 710812 (Gold, non-monetary, unwrought)

| Period | Trade Flow | Reporter | Partner | Commodity Code | Trade Value (US$) | Netweight (kg) | Qty Unit | Qty | Flag |
|---|---|---|---|---|---|---|---|---|---|
| 2019 | Import | Canada | Brazil | 710812 | 940,264,304 | 21,755 | Weight in kilograms | 21,755 | 0 |
| 2019 | Import | Croatia | Brazil | 710812 | 6,449 | - | Weight in kilograms | - | 0 |
| 2019 | Import | France | Brazil | 710812 | 184 | - | Weight in kilograms | - | 0 |
| 2019 | Import | China, Hong Kong SAR | Brazil | 710812 | 1,176,130 | 31 | Weight in kilograms | 31 | 0 |
| 2019 | Import | Italy | Brazil | 710812 | 221,419,367 | 5,581 | Weight in kilograms | 5,336 | 0 |
| 2019 | Import | Japan | Brazil | 710812 | 45,329 | 1 | Weight in kilograms | 1 | 0 |
| 2019 | Import | Peru | Brazil | 710812 | 53 | - | Weight in kilograms | - | 0 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2019 | Import | India | Brazil | 710812 | 375,228,853 | 10,347 | Weight in kilograms | 10,347 | 0 |
| 2019 | Import | Switzerland | Brazil | 710812 | 789,067,425 | 20,172 | Weight in kilograms | 20,172 | 0 |
| 2019 | Import | United Arab Emirates | Brazil | 710812 | 394,491,117 | 10,200 | Weight in kilograms | 10,200 | 0 |
| 2019 | Import | Turkey | Brazil | 710812 | 57,685,144 | 1,390 | Weight in kilograms | 1,390 | 0 |
| 2019 | Import | United Kingdom | Brazil | 710812 | 12,189,042 | 299 | Weight in kilograms | 299 | 0 |
| 2019 | Import | USA | Brazil | 710812 | 52,088,211 | 1,074 | Weight in kilograms | 1,074 | 0 |
| 2020 | Import | Canada | Brazil | 710812 | 1,757,199,124 | 32,051 | Weight in kilograms | 32,051 | 0 |
| 2020 | Import | China, Hong Kong SAR | Brazil | 710812 | 25,819,684 | 524 | Weight in kilograms | 524 | 0 |
| 2020 | Import | Italy | Brazil | 710812 | 354,980,764 | 6,485 | Weight in kilograms | 6,454 | 0 |
| 2020 | Import | India | Brazil | 710812 | 239,752,313 | 4,693 | Weight in kilograms | 4,693 | 0 |
| 2020 | Import | Spain | Brazil | 710812 | 8,416 | 1 | Weight in kilograms | - | 0 |
| 2020 | Import | Switzerland | Brazil | 710812 | 851,709,306 | 17,303 | Weight in kilograms | 17,303 | 0 |
| 2020 | Import | Turkey | Brazil | 710812 | 91,376,272 | 1,642 | Weight in kilograms | 1,645 | 0 |
| 2020 | Import | USA | Brazil | 710812 | 198,128,151 | 3,529 | Weight in kilograms | 3,529 | 0 |

*Note*: For Comtrade database coverage and limitations please see UN Comtrade, no date.
*Source*: UN Comtrade, 2021.

## Table 5. Reported exports from Suriname, 2018-20, HS 170812 (Gold, non-monetary, unwrought)

| Period | Trade Flow | Reporter | Partner | Commodity Code | Trade Value (US$) | Netweight (kg) | Qty Unit | Qty | Flag |
|---|---|---|---|---|---|---|---|---|---|
| 2018 | Export | Suriname | World | 710812 | 1,001,324,865 | 25,330 | Weight in kilograms | 25,330 | 0 |
| 2018 | Export | Suriname | Belgium | 710812 | 89,087,541 | 2,314 | Weight in kilograms | 2,314 | 0 |
| 2018 | Export | Suriname | Canada | 710812 | 15,240,013 | 375 | Weight in kilograms | 375 | 0 |
| 2018 | Export | Suriname | China, Hong Kong SAR | 710812 | 215,706,708 | 5,406 | Weight in kilograms | 5,406 | 0 |
| 2018 | Export | Suriname | Switzerland | 710812 | 389,397,759 | 9,320 | Weight in kilograms | 9,320 | 0 |
| 2018 | Export | Suriname | United Arab Emirates | 710812 | 291,892,842 | 7,913 | Weight in kilograms | 7,913 | 0 |
| 2019 | Export | Suriname | World | 710812 | 680,428,130 | 16,145 | No Quantity | - | 6 |
| 2019 | Export | Suriname | Belgium | 710812 | 118,587,914 | 2,813 | No Quantity | - | 6 |
| 2019 | Export | Suriname | Switzerland | 710812 | 26,847,596 | 582 | Weight in kilograms | 582 | 0 |
| 2019 | Export | Suriname | United Arab Emirates | 710812 | 534,992,619 | 12,748 | Weight in kilograms | 14,687 | 0 |

*Note*: For Comtrade database coverage and limitations please see UN Comtrade, no date.
*Source*: UN Comtrade, 2021.

## Table 6. Reported imports from Suriname, 2018-20, HS 170812 (Gold, non-monetary, unwrought)

| Period | Trade Flow | Reporter | Partner | Commodity Code | Trade Value (US$) | Netweight (kg) | Qty Unit | Qty | Flag |
|---|---|---|---|---|---|---|---|---|---|
| 2018 | Import | Switzerland | Suriname | 710812 | 1,076,598,033 | 27,207 | Weight in kilograms | 27,207 | 0 |
| 2018 | Import | United Arab Emirates | Suriname | 710812 | 398,768,673 | 11,210 | Weight in kilograms | 11,210 | 0 |
| 2019 | Import | Switzerland | Suriname | 710812 | 1,087,790,531 | 25,171 | Weight in kilograms | 25,171 | 0 |
| 2019 | Import | United Arab Emirates | Suriname | 710812 | 1,033,604,485 | 25,898 | Weight in kilograms | 25,898 | 0 |
| 2019 | Import | USA | Suriname | 710812 | 1,167,300 | 28 | Weight in kilograms | 28 | 0 |
| 2020 | Import | Belgium | Suriname | 710812 | 1,831,961 | 34 | Weight in kilograms | 34 | 0 |
| 2020 | Import | Switzerland | Suriname | 710812 | 1,117,266,581 | 20,409 | Weight in kilograms | 20,409 | 0 |
| 2020 | Import | USA | Suriname | 710812 | 129,937,164 | 2,561 | Weight in kilograms | 2,561 | 0 |

*Note*: For Comtrade database coverage and limitations please see UN Comtrade, no date.
*Source*: UN Comtrade, 2021.

## Table 7. Reported exports from Guyana, 2018-20, HS 170812 (Gold, non-monetary, unwrought)

| Period | Trade Flow | Reporter | Partner | Commodity Code | Trade Value (US$) | Netweight (kg) | Qty Unit | Qty | Flag |
|---|---|---|---|---|---|---|---|---|---|
| 2019 | Export | Guyana | World | 710812 | 861,363,244 | 19,359 | Weight in kilograms | 19,359 | 0 |
| 2019 | Export | Guyana | Belgium | 710812 | 63,917,930 | 1,398 | Weight in kilograms | 1,398 | 0 |
| 2019 | Export | Guyana | Canada | 710812 | 545,979,788 | 12,448 | Weight in kilograms | 12,448 | 0 |
| 2019 | Export | Guyana | Switzerland | 710812 | 29,660,289 | 656 | Weight in kilograms | 656 | 0 |
| 2019 | Export | Guyana | United Arab Emirates | 710812 | 206,936,789 | 4,524 | Weight in kilograms | 4,524 | 0 |
| 2019 | Export | Guyana | United Kingdom | 710812 | 555,123 | 13 | Weight in kilograms | 13 | 0 |
| 2019 | Export | Guyana | USA | 710812 | 14,313,324 | 318 | Weight in kilograms | 318 | 0 |
| 2020 | Export | Guyana | World | 710812 | 609,070,737 | 11,583 | Weight in kilograms | 11,583 | 6 |
| 2020 | Export | Guyana | Belgium | 710812 | 11,719,912 | 248 | Weight in kilograms | 248 | 0 |
| 2020 | Export | Guyana | Canada | 710812 | 399,701,610 | 7,608 | Weight in kilograms | 7,608 | 6 |
| 2020 | Export | Guyana | United Arab Emirates | 710812 | 177,127,346 | 3,367 | Weight in kilograms | 3,367 | 0 |
| 2020 | Export | Guyana | United Kingdom | 710812 | 1,251,935 | 21 | Weight in kilograms | 21 | 0 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2020 | Export | Guyana | USA | 710812 | 19,269,933 | 336 | Weight in kilograms | 336 | 0 |
| 2018 | Export | Guyana | World | 710812 | 767,323,700 | 19,012 | Weight in kilograms | 19,012 | 0 |
| 2018 | Export | Guyana | Belgium | 710812 | 13,465,555 | 335 | Weight in kilograms | 335 | 0 |
| 2018 | Export | Guyana | Canada | 710812 | 497,928,894 | 12,421 | Weight in kilograms | 12,421 | 0 |
| 2018 | Export | Guyana | Switzerland | 710812 | 8,651,053 | 213 | Weight in kilograms | 213 | 0 |
| 2018 | Export | Guyana | United Arab Emirates | 710812 | 212,292,535 | 5,214 | Weight in kilograms | 5,214 | 0 |
| 2018 | Export | Guyana | USA | 710812 | 34,985,661 | 827 | Weight in kilograms | 827 | 0 |

*Note*: For Comtrade database coverage and limitations please see UN Comtrade, no date.
*Source*: UN Comtrade, 2021.

## Table 8. Reported imports from Guyana, 2018-20, HS 170812 (Gold, non-monetary, unwrought)

| Period | Trade Flow | Reporter | Partner | Commodity Code | Trade Value (US$) | Netweight (kg) | Qty Unit | Qty | Flag |
|---|---|---|---|---|---|---|---|---|---|
| 2018 | Import | Canada | Guyana | 710812 | 428,554,824 | 11,618 | Weight in kilograms | 11,618 | 0 |
| 2018 | Import | France | Guyana | 710812 | 1,726,708 | 44 | Weight in kilograms | 44 | 6 |
| 2018 | Import | Switzerland | Guyana | 710812 | 31,529,164 | 758 | Weight in kilograms | 758 | 0 |
| 2018 | Import | United Arab Emirates | Guyana | 710812 | 171,800,086 | 5,321 | Weight in kilograms | 5,321 | 0 |
| 2018 | Import | USA | Guyana | 710812 | 116,104,630 | 2,862 | Weight in kilograms | 2,862 | 0 |
| 2019 | Import | Canada | Guyana | 710812 | 363,702,800 | 8,632 | Weight in kilograms | 8,632 | 0 |
| 2019 | Import | Switzerland | Guyana | 710812 | 34,031,089 | 754 | Weight in kilograms | 754 | 0 |
| 2019 | Import | United Arab Emirates | Guyana | 710812 | 332,819,695 | 9,423 | Weight in kilograms | 9,423 | 0 |
| 2019 | Import | USA | Guyana | 710812 | 15,687,721 | 353 | Weight in kilograms | 353 | 0 |
| 2020 | Import | Canada | Guyana | 710812 | 290,512,157 | 5,661 | Weight in kilograms | 5,661 | 0 |
| 2020 | Import | Switzerland | Guyana | 710812 | 58,503,205 | 1,027 | Weight in kilograms | 1,027 | 0 |
| 2020 | Import | USA | Guyana | 710812 | 29,830,301 | 525 | Weight in kilograms | 525 | 0 |

*Note*: For Comtrade database coverage and limitations please see UN Comtrade, no date.
*Source*: UN Comtrade, 2021.

# Annex B.

## Interviews conducted for this study

| Interview code | Interview description |
|---|---|
| VEN-cso-a-260121 | Investigative reporting team members |
| COL-com-a-020221 | Former defense official, current executive in risk management consultancy |
| DOM-gov-a-020221 | Security official with responsibility for port of entry |
| GUY-gov-b-020221 | International law enforcement officer |
| COL-cso-b-030221 | Academic researcher and consultant |
| BRB-gov-c-030221 | Foreign service official |
| USA-gov-d-080221 | Foreign service officials |
| VEN-cso-c-090221 | Investigative reporting team members |
| SUR-gov-e-100221 | International law enforcement official |
| USA-cso-d-120221 | Member of academia |
| USA-gov-f-160221 | Homeland security official |
| USA-com-b-160221 | Former federal agent, independent consultant |
| USA-com-c-180221 | Former customs official |
| USA-cso-e-180221 | Members of NGO researching financial malfeasance |
| COL-cso-f-190221 | Independent investigative journalist and researcher |
| VEN/USA-cso-g-210221 | Members of NGO regional observatory |
| USA-com-d-220221 | Security consultant |
| USA-com-e-040821 | Senior mining executive |
| USA-gov-g-050321 | Senior federal law enforcement officer |
| USA-cso-h-050321 | Member of academia |
| COL-cso-i-080321 | Regional director of international NGO |
| COL-gov-h-090321 | Foreign service officer |
| USA-cso-i-090321 | Journalist for international news service |
| COL-com-f-100321 | Former defense official, current executive in risk management consultancy |
| BRA-gov-i-100321 | International law enforcement official |
| COL-com-g-110321 | Gold trading firm executive |
| VEN-cso-j-110321 | Investigative reporting team members |
| VEN-cso-k-120321 | Staff members, regional research center and observatory |
| CHE-gov-j-150321 | Senior officials in customs, commerce, foreign service |
| USA-gov-k-150321 | Scientist detailed to State Department |
| PAN-gov-l-230321 | International foreign service officer |
| COL-cso-l-250321 | Senior member, regional crime observatory |
| COL-gov-m-060421 | Personnel, regional intergovernmental organization |
| CUW-gov-n-060421 | Senior legal and policy officers |
| GUY-gov-o-060421 | Senior foreign service officer |
| DOM-gov-p-090421 | Senior regulatory official |
| IND-com-h-140421 | Senior industry analyst and academic researcher |
| BRA-gov-q-140421 | Senior foreign service officer |

*Note*: Interview codes are used to anonymise sources for this study.

# Bibliography

Acosta, Luis Jaime, “Colombia's illegal armed groups lost more than 5,000 members in 2020 -military commander,” Reuters, 5 January 2021, https://www.reuters.com/article/us-colombia-security-idUSKBN29A1ED.

Acosta, Luis Jaime, “Four Mexican drug cartels top buyers and traffickers of Colombian cocaine,” Reuters, 22 October 2020, https://www.reuters.com/article/us-colombia-mexico-drugs/four-mexican-drug-cartels-top-buyers-and-traffickers-of-colombian-cocaine-official-says-idUSKBN2772G6.

Africa Intelligence, “Mali: Who’s leading the way for Pearl Gold?,” West Africa Newsletter, 30 January 2018, https://www.africaintelligence.com/mining-sector/2018/01/30/who-s-leading-the-way-for-pearl-gold,108291746-art.

Ahlatci Metal Rafineri A S, “History,” 2021, https://www.ahlatcimetal.com.tr/history.

Armando.info, “El capataz que ‘mantiene a Venezuela,” armando.info, 26 July 2020,

https://armando.info/Reportajes/Details/5647?s=09.

Asmann, Parker, “Drug Ring Exposes Massive Money Laundering in Dominican Republic,” InSight Crime, 11 Augus 2020, https://insightcrime.org/news/brief/dominican-republic-massive-money-laundering/.

Badran, Tony, and Emmanuele Ottolenghi, “Hezbollah Finance in Lebanon,” Foundation for Defense of Democracies, 23 September 2020, https://www.fdd.org/analysis/2020/09/23/hezbollah-finance-in-lebanon/.

Banca y Negocios, “BCV redujo tasa por permiso para exportaciones privadas de oro,” Banca y Negocios, 22 March 2021, https://www.bancaynegocios.com/bcv-redujo-tasa-por-permiso-para-exportaciones-de-oro-por-parte-de-privados/.

Banca y Negocios, “Denuncian la declaración de nuevos ríos como aptos para la explotación de oro y diamantes,” Banca y Negocios, 17 April 2020, https://www.bancaynegocios.com/denuncian-la-declaracion-de-nuevos-rios-como-aptos-para-la-explotacion-de-oro-y-diamantes/.

Sebastiana Barráez, “La empresa estatal venezolana Minerven envía oro a Cabo Verde con el objectivo de aceitar la libertad de Alex Saab,” Infobaie, 24 December 2020, https://www.infobae.com/america/venezuela/2020/12/24/la-empresa-estatal-venezolana-minerven-envia-oro-a-cabo-verde-con-el-objetivo-de-aceitar-la-libertad-de-alex-saab/.

Barrick Gold, “Pueblo Viejo, Dominican Republic,” Barrick.com, 2021, https://www.barrick.com/English/operations/pueblo-viejo/default.aspx.

Biryabarema, Elias, “Uganda returns seized gold consignment to African Gold Refinery,” Reuters, 28 March 2019, https://www.reuters.com/article/uganda-gold/uganda-returns-seized-gold-consignment-to-african-gold-refinery-idUSL8N21F6OK.

Boon, Lisseth, and Lorena Meléndez, “Fuga del oro Venezolano: la ruta de un saqueo,” runrun.es, 2019, https://runrun.es/especiales/fuga-del-oro-venezolano/.

Boon, Lisseth, and Lorena Meléndez, “Más de 73 toneladas de oro de Venezuela salieron en 33 vuelos rumbo a Dubai y Turquía en 2018,” runrun.es, 14 March 2019, https://runrun.es/investigacion/376055/mas-de-73-toneladas-de-oro-de-venezuela-salieron-en-33-vuelos-rumbo-a-dubai-y-turquia-en-2018/.

Bové, Lars, “Belfius nooit gestraft voor aankoop crimineel goud,” De Tijd, 26 September 2020, https://www.tijd.be/dossiers/fincen-files/belfius-nooit-gestraft-voor-aankoop-crimineel-goud/10254043.html.

Brazilian Ministry of Justice and Public Security, “PF deflagra Operação Dhahab para investigar contrabando de ouro para o Brasil”, 9 October 2020, https://www.gov.br/pf/pt-br/assuntos/noticias/2020/10-noticias-de-outubro-de-2020/pf-deflagra-operacao-dhahab-para-investigar-contrabando-de-ouro-para-o-brasil

Burgis, Tom, and Gideon Long, “British businessman strikes Venezuelan mining deal despite US sanctions,” Financial Times, 1 April 2021, https://www.ft.com/content/a6302cb6-7ed0-4e72-8f4d-4ea985e36edf.

Caribbean News Global, “Venezuelans and Cayman national acquitted on gold smuggling charges,” 25 March 2020, https://www.caribbeannewsglobal.com/venezuelans-and-cayman-national-acquitted-on-gold-smuggling-charges/.

Casey, Nicholas, “Secret Venezuela Files Warn About Maduro Confidant,” New York Times, 2 May 2019, https://www.nytimes.com/2019/05/02/world/americas/venezuela-maduro-hezbollah-drugs.html.

Chabrol, Denis, “No politician invested in US$20 million Sleepin Hotel/Carnival Casino; security guaranteed,” Demerara Waves, 15 March 2017, https://demerarawaves.com/2017/03/15/no-politician-invested-in-us20-million-sleepin-hotelcarnival-casino-security-guaranteed/.

Cobb, Julia Symmes, “Ex-FARC leader Jesus Santrich killed in Venezuela, dissident group says,” Reuters, 18 May 2021, https://www.reuters.com/world/americas/colombia-confirming-if-ex-farc-leader-killed-venezuela-defense-minister-says-2021-05-18/.

Connectas, “Sospechas doradas: las millonarias transacciones de CIJ Gutiérrez,” 2020, https://www.connectas.org/sospechas-doradas-millonarias-transacciones-cij-gutierrez/.

Coutinho, Leonardo, “The Evolution of the Most Lethal Criminal Organization in Brazil – the PCC,” PRISM vol. 8, no. 1 (19 February 2019), https://cco.ndu.edu/News/Article/1761039/the-evolution-of-the-most-lethal-criminal-organization-in-brazilthe-pcc/.

Couturier, Kelly, “Charges Fray Turkish Ties to Neighbors,” The Washington Post, 26 January 1998, https://www.washingtonpost.com/archive/politics/1998/01/26/charges-fray-turkish-ties-to-neighbors/a6817832-3623-4c9a-8a53-e9aec9158d09/.

Cowie, Sam, “New Gold Rush Moves Illicit Mercury Markets in Roraima,” Infoamazonia, 14 September 2020, https://mercurio.infoamazonia.org/en/brazil.

Delgado, Antonio Maria, “Pillaging El Dorado: Here is how Maduro and his cronies siphon out Venezuela’s gold,” Miami Herald, 28 October 2019, https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article236664243.html.

de Theije, Marjo, “Brazil: Forever Informal,” in *Global Gold Production Touching Ground: Expansion, Formalization, and Technological Innovation*, ed. Boris Verbrugge and Sara Geenen, Palgrave Macmillan, 2020.

Dominican Today, “Dominican Republic at center of US hunt for Venezuelan fugitive,” Dominican Today, 14 May 2019, https://dominicantoday.com/dr/local/2019/05/14/dominican-republic-at-center-of-us-hunt-for-venezuelan-fugitive/.

Ebus, Bram, “Tracing Tainted Gold,” Infoamazonia, 14 September 2020, https://mercurio.infoamazonia.org/en/gold.

Ebus, Bram, “The Caribbean gold laundromat,” Infoamazonia, 2019, https://smugglersparadise.infoamazonia.org/story/caribbean-crossroads.

Ebus, Bram, “These idyllic Caribbean islands are trading illegal Venezuelan gold. Can it be stopped?,” Miami Herald, 23 July 2019, https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article232461642.html.

Ebus, Bram, “‘You pay or you die’: Why Venezuelan refugees work as gold smugglers to survive,” Miami Herald, 23 July 2019, https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article232444307.html.

Efecto Cocuyo, “Desarticulan en Brasil red de contrabando de oro procedente de Venezuela,” Efecto Cocuyo, 6 December 2019, https://efectococuyo.com/sucesos/desarticulan-en-brasil-red-de-contrabando-de-oro-procedente-de-venezuela/.

El Morichal, “Incautan en Guainía enorme cargamento de coltán que iba ser extraído del país de manera ilícita,” El Morichal, 12 March 2021, https://elmorichal.com/2021/03/13/incautan-coltan-guainia/.

El País, “Venezuela, Crimen sin frontera,” El País, 2017, https://www.elpais.com.co/especiales/venezuela-crimen-sin-frontera/home.

El Pitazo, “Santiago Morón: el amigo favorito de Nicolasito,” El Pitazo, 23 July 2020, https://elpitazo.net/reportajes/santiago-moron-el-amigo-favorito-de-nicolasito/.

El Tiempo, “Álex Saab controlaría oro venezolano a través de su concuñado italiano,” El Tiempo, 10 July 2020, https://www.eltiempo.com/unidad-investigativa/alex-saab-controlaria-oro-venezolano-a-traves-de-su-concunado-italiano-515934.

El Tiempo, “Condenado en Italia Primer Narco del Cartel de Cali,” El Tiempo, 27 October 1995,” https://www.eltiempo.com/archivo/documento/MAM-438636.

El Tiempo, “Documento enviado desde Cuba deja en evidencia crisis en el Eln,” El Tiempo, 7 February 2021, https://www.eltiempo.com/unidad-investigativa/eln-documento-enviado-desde-cuba-revela-division-en-esa-guerrilla-565197.

El Tiempo, “La fracasada reunión de disidencias que desató su pelea en Venezuela,” El Tiempo, 28 March 2021, https://www.eltiempo.com/justicia/conflicto-y-narcotrafico/disidencias-reunion-en-venezuela-que-desato-enfrentamientos-576680.

El Tiempo, “Los videos del emisario del Eln jurando lealtad total a Nicolás Maduro,” El Tiempo, 20 July 2020, https://www.eltiempo.com/unidad-investigativa/eln-los-videos-de-su-emisario-jurando-lealtad-a-nicolas-maduro-519742.

El Tiempo, “¿Quiénes administran las pistas del narcotráfico en Venezuela?,” El Tiempo, 3 April 2021, https://www.eltiempo.com/politica/gobierno/quienes-administran-las-pistas-del-narcotrafico-en-venezuela-en-secreto-578098.

European Union (2017), Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas, Official Journal of the European Union, 19 May 2017, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017R0821

Faiola, Anthony, “Maduro’s ex-spy chief lands in U.S. armed with allegations against Venezuelan government,” Washington Post, 24 June 2019, https://www.washingtonpost.com/world/the_americas/maduros-ex-spy-chief-lands-in-us-armed-with-allegations-against-venezuelan-government/2019/06/24/b20ad508-9477-11e9-956a-88c291ab5c38_story.html.

Farah, Douglas, and Kathryn Babineau, “Extra-regional Actors in Latin America: The United States is not the Only Game in Town,” PRISM Vol. 8, No. 1, National Defense University, 26 February 2019, https://cco.ndu.edu/News/Article/1767399/extra-regional-actors-in-latin-america-the-united-states-is-not-the-only-game-i/.

Farah, Douglas, and Kathryn Babineau, “Suriname: The New Paradigm of a Criminalized State,” Center for a Secure Free Society, Issue 3, March 2017, https://www.securefreesociety.org/wp-content/uploads/2017/04/Global-Dispatch-Issue-3-FINAL-small.pdf.

FATF (2021), Money Laundering from Environmental Crimes, FATF, Paris, France,

https://www.fatf-gafi.org/publications/methodsandtrends/documents/money-laundering-environmentalcrime.html

FATF (2015), Money laundering and terrorist financing risks and vulnerabilities associated

with gold, https://www.fatf-gafi.org/publications/methodsandtrends/documents/mltf-risks-and-vulnerabilities-gold.html

García, Sara, “Massacres Spike in Antioquia as Colombia’s Urabeños Expand,” InSight Crime, 10 March 2021, https://insightcrime.org/news/massacres-spike-antioquia-colombia-urabenos-expand/.

Gaceta Oficial de la República Bolivariana de Venezuela, Número 41.958, 4 September 2020, GHM Abogados, https://www.ghm.com.ve/wp-content/uploads/2020/12/41958.pdf.

Gaceta Oficial de la República Bolivariana de Venezuela, Número 42.066, 10 February 2021, FinanzasDigital, https://www.finanzasdigital.com/2021/02/gaceta-oficial-no-42-066-normas-sobre-el-regimen-de-comercializacion-externa-de-oro/.

Gershel, Brad, “Money Laundering and ‘Narco-Cattle Ranching,” Money Laundering Watch, Ballard Spahr LLP, 16 July 2020, https://www.moneylaunderingnews.com/2020/07/money-laundering-and-narco-cattle-ranching/?utm_source=Ballard+Spahr+LLP+-+Money+Laundering+Watch&utm_campaign=16f6106b28-RSS_EMAIL_CAMPAIGN&utm_medium=email&utm_term=0_790b46fdeb-16f6106b28-77321101.

Goldhub, “Data,” World Gold Council, 2021, https://www.gold.org/goldhub/data.

Harris, Bryan, Sam Cowie and Gideon Long, “Amazon gold rush: Brazil grapples with illegal mining in the rainforest,” Financial Times, 4 November 2020, https://www.ft.com/content/fa74a20e-69be-46d3-99d6-c38a9780e191.

Heemskerk, Marieke, “The Gold Marketing Chain in Suriname,” World Wildlife Federation, 2010, https://wwflac.awsassets.panda.org/downloads/2010__gold_mining_marketing_chain_heemskerk.pdf

Heemskerk, Marieke, Eric Negulic and Celine Duijves, “Reducing the Use and Release of Mercury by Artisanal and Small-Scale Gold Miners in Suriname: Review of the Suriname ASGM sector,” Artisanal Gold Council, September 2016, http://social-solutions.net/data/images/reports/Suriname_ASGM_Sector_Report_Final.pdf.

Herrero, Ana Vanessa, and Nicholas Casey, “Venezuela’s Ex-Spy Chief Rejects Maduro, Accusing Leader’s Inner Circle of Corruption,” New York Times, 21 February 2019, https://www.nytimes.com/2019/02/21/world/americas/hugo-carvajal-maduro-venezuela.html.

Humire, Joseph M. “The Maduro-Hezbollah Nexus: How Iran-backed Networks Prop up the Venezuelan Regime,” The Atlantic Council, 2020, https://www.atlanticcouncil.org/wp-content/uploads/2020/10/The-Maduro-Hezbollah-Nexus-How-Iran-backed-Networks-Prop-up-the-Venezuelan-Regime.pdf.

InSight Crime, "The Criminal Portfolio of the Ex-FARC Mafia," InSight Crime, 11 November 2019, https://insightcrime.org/investigations/criminal-portfolio-ex-farc-mafia/.

InSight Crime, "Dominican Republic and Venezuela: Cocaine Across the Caribbean," 24 May 2018, https://insightcrime.org/investigations/dominican-republic-venezuela-cocaine-across-caribbean/.

InSight Crime, "Drug Trafficking Within the Venezuelan Regime: the 'Cartel of the Suns,'" 17 May 2018, https://insightcrime.org/investigations/drug-trafficking-venezuelan-regime-cartel-of-the-sun/.

InSight Crime, "Venezuela President's Drug Trafficking Exploits Detailed in US Indictment," InSight Crime, 26 March 2020, https://insightcrime.org/news/analysis/venezuela-president-drug-trafficking-indictment/.

International Crisis Group, "Containing the Shock Waves from Venezuela," Report No. 65, 2018, https://www.crisisgroup.org/latin-america-caribbean/andes/venezuela/65-containing-shock-waves-venezuela.

International Crisis Group, "Disorder on the Border: Keeping the Peace between Colombia and Venezuela," Report No. 84, 14 December 2020, https://www.crisisgroup.org/latin-america-caribbean/andes/colombiavenezuela/84-disorder-border-keeping-peace-between-colombia-and-venezuela.

International Crisis Group, "Gold and Grief in Venezuela's Violent South," Report No. 73, 28 February 2019, https://www.crisisgroup.org/latin-america-caribbean/andes/venezuela/073-gold-and-grief-venezuelas-violent-south.

Investing News Network, "Gold Exploration Driving Dominican Republic Mining Industry," INN, 28 November 2019, https://investingnews.com/innspired/gold-exploration-driving-dominican-republic-mining-industry/.

Kumar, Vimal, "Are livestock carriers synonymous with disaster?," Splash247.com, 17 September 2020, https://splash247.com/are-livestock-carriers-synonymous-with-disaster/.

Kurmanaev, Anatoly, "Guerrilla Leader, Drug Baron, Gold Magnate … and Now Social Reformer?," New York Times, 8 January 2021, https://www.nytimes.com/2021/01/08/world/americas/ronnie-brunswijk-suriname.html.

Laya, Patricia, and Ben Bartenstein, "Maduro to Tap Sanctioned Dealmaker to Ship Gold to Iran," Bloomberg, 8 May 2020, https://www.bloomberg.com/news/articles/2020-05-08/maduro-said-to-tap-sanctioned-dealmaker-to-ship-gold-to-iran.

Lewis, David, and Peter Hobson, "Race to refine: the bid to clean up Africa's gold rush," Reuters, 15 January 2020, https://www.reuters.com/article/us-gold-africa-refineries-insight-idUSKBN1ZE0YG.

Lezhnev, Sasha, "Conflict Gold to Responsible Gold: A Roadmap for Companies and Governments," The Sentry, February 2021, https://cdn.thesentry.org/wp-content/uploads/2021/02/ConflictGoldResponsibleGold-TheSentry-Feb2021.pdf.

Martin, Alan, "A Golden Web: How India Became One of the World's Largest Gold Smuggling Hubs," IMPACT, 2019, https://impacttransform.org/wp-content/uploads/2019/11/IMPACT_A-Golden-Web_EN-Nov-2019_web.pdf.

Massé, Frédéric, "La disparada que se pegó el tráfico ilegal de oro en la region," El Tiempo, 30 November 2019, https://www.eltiempo.com/colombia/otras-ciudades/la-disparada-que-se-pego-el-trafico-ilegal-de-oro-439036.

Mawad, Tony Frangie, "Caura: A Maduro-made Environmental Disaster in the Amazon," Caracas Chronicles, 16 December 2020, https://www.caracaschronicles.com/2020/12/16/caura-a-maduro-made-environmental-disaster-in-the-amazon/.

McDaniel, Justin, “Organization Attributes Sheet: Air Holland Money Laundering Ring,” unpublished academic report, University of Pittsburgh, http://research.ridgway.pitt.edu/wp-content/uploads/2012/05/AirHollandMoneyLaunderingRingPROFILEFINAL.pdf.

McDermott, Jeremy, “Op-Ed: The ELN as a Colombo-Venezuelan Rebel Army,” InSight Crime, 22 March 2019, https://insightcrime.org/news/analysis/op-ed-the-eln-as-a-colombo-venezuelan-rebel-army/.

McDermott, Jeremy, “The BACRIM and Their Position in Colombia’s Underworld,” InSight Crime, 2 May 2014, https://insightcrime.org/investigations/bacrim-and-their-position-in-colombia-underworld/.

Meléndez, Lorena, “Línea de tiempo : El oro se movió con salvoconducto durante la cuarentena,” runrun.es, 27 August 2020, https://runrun.es/rr-es-plus/419912/linea-de-tiempo-el-oro-se-movio-con-salvoconducto-durante-la-cuarentena/.

Mendéz, Alicia Liliana, "Disidencias de Farc afianzan red criminal en la frontera con Venezuela,” El Tiempo, 29 August 2019, https://www.eltiempo.com/justicia/conflicto-y-narcotrafico/desde-la-frontera-con-venezuela-disidencias-de-gentil-duarte-mueven-narcotrafico-338650.

Méndez, Alicia Liliana, “‘El narcotráfico se está tomando lentamente a Venezuela’: MinDefensa,” El Tiempo, 3 April 2021, https://www.eltiempo.com/justicia/conflicto-y-narcotrafico/narcotrafico-regimen-de-maduro-y-disidencias-de-ivan-marquez-577958.

Mendéz, Alicia Liliana, “En Venezuela se ocultan casi 1.500 integrantes de redes criminales,” El Tiempo, 20 December 2020, https://www.eltiempo.com/justicia/conflicto-y-narcotrafico/en-venezuela-se-esconden-mas-de-1400-integrantes-del-eln-y-las-disidencias-555895.

Ministerio del Poder Popular para la Comunicación y la Información, Gobierno Bolivariano de Venezuela, “Plan de ordenamiento de la gestión productiva en el Arco Minero del Orinoco Parque La Llovizna, Ciudad Guayana, estado Bolívar Martes, 5 de diciembre de 2017,” http://www.desarrollominero.gob.ve/wp-content/uploads/2017/12/planOrdenamientoGestionProductiva.pdf.

Ministerio del Poder Popular para Desarollo Minero Ecológico, Plan Sectorial Minero 2019-2025, Gobierno de la República Bolivariana de Venezuela, 2019, http://www.desarrollominero.gob.ve/wp-content/uploads/2019/03/plan-sectorial-minero2019-2025_reducido.pdf.

Ministerio del Poder Popular para Desarollo Minero Ecológico, Gobierno Bolivariano de Venezuela, http://www.desarrollominero.gob.ve/.

Montiel, Algimiro, and Jorge Benezra, “Gold mining may be all that’s keeping Venezuela in business. Organized crime runs it,” Miami Herald, 23 July 2019, https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article232672327.html.

Neves, Yuri, “Gold Smugglers Innovating Along Colombia-Panama Route,” InSight Crime, 2 September 2019, https://insightcrime.org/news/brief/gold-smugglers-innovating-colombia-panama-route/.

OECD, “Due diligence in Colombia’s gold supply chain”, 2017, https://mneguidelines.oecd.org/Colombia-gold-supply-chain-overview.pdf

OECD, “Due Diligence in Colombia’s Gold Supply Chain: Where does Colombian gold go?,” 2018, https://www.oecd.org/corporate/Where-does-Colombian-Gold-Go-EN.pdf.

OECD, “requently Asked Questions: How to address bribery and corruption risks

in mineral supply chains”, 2021, https://mneguidelines.oecd.org/faq-how-to-address-bribery-and-corruption-risks-in-mineral-supply-chains.pdf

Pamuk, Humeyra, and Corina Pons, “Venezuela exported $779 mln in gold to Turkey in 2018 – data,” Reuters, 19 July 2018, https://www.reuters.com/article/venezuela-gold-turkey-idINL1N1UF113.

Parraga, Marianna, and Vivian Sequera, “Tankers carrying Iranian fuel begin entering Venezuelan waters – data,” Reuters, 28 September 2020, https://www.reuters.com/article/venezuela-iran-fuel/tankers-carrying-iranian-fuel-begin-entering-venezuelan-waters-data-idINKBN26K062?edition-redirect=uk.

Perez G., Rafael, "Abren causa a integrante de 'narcored,'" La Prensa, 6 November 2007, https://www.prensa.com/politica/Abren-causa-integrante-narcored_0_2149285103.html.

Pisani, Sofia, "At Least 80 Tons of Gold Are Smuggled Out of Venezuela Each Year, Experts Say," Diálogo, 17 January 2020, https://dialogo-americas.com/articles/at-least-80-tons-of-gold-are-smuggled-out-of-venezuela-each-year-experts-say/.

Pizzi, Nicolas, "A document confirms that the Maduro regime paid in gold to an Italian company for which Maradona acted as a 'lobbyist,'" Infobae, 26 March 2021, https://www.infobae.com/politica/2021/03/26/un-documento-confirma-que-el-regimen-de-maduro-le-pago-en-oro-a-una-empresa-italiana-para-la-cual-maradona-actuaba-como-lobbista/.

Posada, Juan Diego, "Ex-FARC Expand into Northern Colombia," InSight Crime, 16 March 2021, https://insightcrime.org/news/ex-farc-expand-into-northern-colombia/.

Posada, Juan Diego, "New Criminal Alliance Fending Off ELN at Colombia-Venezuela Border," InSight Crime, 19 January 2021, https://insightcrime.org/news/brief/new-criminal-alliance-eln-venezuela/.

Ralby, Ian M., "Crossover Criminal Vessels: A Growing Illicit Maritime Trend," The Diplomatic Courier, 14 January 2021, https://www.diplomaticourier.com/posts/crossover-criminal-vessels-a-growing-illicit-maritime-trend.

Rendón, Olga Patricia, et al., "Tras El Oro Turbio," El Colombiano, 2019, https://www.elcolombiano.com/especial/tras-el-oro-turbio/home.html.

Reuters, "Venezuela gold reserves drop to new five-decade low as withdrawals accelerate," Reuters, 11 February 2021, https://www.reuters.com/article/venezuela-gold-idUSL1N2KH2BW.

Robayo, Luis,  "Los 'negocios' del Eln con la Venezuela de Maduro," El Tiempo, 3 February 2019, https://www.eltiempo.com/justicia/investigacion/los-negocios-del-eln-con-la-venezuela-de-maduro-322298.

Robles, Maria Eugenia, and Alexandra Urán, "Colombia: Legal Loopholes Behind Illegal Gold Trade," in *Global Gold Production Touching Ground: Expansion, Formalization, and Technological Innovation*, ed. Boris Verbrugge and Sara Geenen, Palgrave Macmillan, 2020.

Rojas Martinez, Luisa Orelis, "Propuesta de un Sistema Integrado de Gestion de Calidad, Medio Ambiente y Seguridad Laboral en la Empresa Minerven," unpublished dissertation, Universidad Católico Andres Bello, Puerto Ordaz, Venezuela, December 2014.

Ruiz, Francisco Javier, "El Arco Minero del Orinoco: Diversificación del extractivismo y nuevos regímenes biopolíticos," Nueva Sociedad No. 274, March-April 2018, https://nuso.org/articulo/el-arco-minero-del-orinoco/.

Scarr, Simon, and Anthony Boadle, "Amazon gold rush: illegal mining threatens Brazil's last major isolated tribe," Reuters, 25 June 2020, https://www.reuters.com/article/us-brazil-indigenous-mining-insight-idUKKBN23W2W0.

Semana, "Encautan en Guainía enorme cargamento de coltán que iba ser extraído del país de manera ilícita," Semana, 13 March 2021, https://www.semana.com/nacion/articulo/este-es-el-mineral-poco-conocido-por-el-que-pagan-sumas-millonarias-y-que-fue-decomisado-en-rio-guaviare/202148/.

Semana, "Exclusivo: Así se mueven Iván Márquez, Santrich, Romaña y el Paisa en Venezuela," Semana, 7 February 2021, https://www.semana.com/nacion/articulo/exclusivo-asi-se-mueven-ivan-marquez-santrich-romana-y-el-paisa-en-venezuela/202122/.

Semana, “¿Timochenko, Iván Márquez, Santrich y Gentil Duarte tienen reuniones trimestrales en Venezuela?,” Semana, 4 April 2021, https://www.semana.com/nacion/articulo/timochenko-ivan-marquez-santrich-y-gentil-duarte-tienen-reuniones-trimestrales-en-venezuela/202157/.

The Sentry, “The Golden Laundromat: The Conflict Gold Trade from the Eastern Congo to the United States and Europe,” The Sentry, October 2018, https://cdn.thesentry.org/wp-content/uploads/2018/10/GoldenLaundromat_Sentry_Oct2018-final.pdf.

Siddiqui, Huma, “India becomes top importer of Gold Doré Bars from Bolivia,” Financial Express, 19, March 2019, https://www.financialexpress.com/economy/india-becomes-top-importer-of-gold-dore-bars-from-bolivia/1521152/#:~:text=In%202018%2C%20Bolivia%20exported%20%24%20720,of%20the%20Bolivian%20gold%20production.

Smith, Michael, and Monte Reel, “Venezuela’s Trade Scheme With Turkey Is Enriching a Mysterious Maduro Crony,” Bloomberg, 25 April 2019, https://www.bloomberg.com/news/features/2019-04-25/venezuela-turkey-trading-scheme-enriches-mysterious-maduro-crony.

SOSOrinoco, “Autana: guerrilla, minería y narcotráfico al pie del ‘Árbol de la Vida,’” SOSOrinoco, September 2020, https://drive.google.com/file/d/1A7o4nDI-FCv6YWgWT5OYJ9QeJF7h9tpo/view.

SOSOrinoco, “Boletín 23 : Nuevo informe de SOSOrinoco,” SOSOrinoco, March 2021, https://us18.campaign-archive.com/?u=cc1a2f43b5b758dfcfbe4b06d&id=a6db4343f8.

SOSOrinoco, “Current Gold Mining Situation in 2020 at Canaima National Park, A World Heritage Site in Venezuela: Update to the 2018 Report Submitted to UNESCO,” SOSOrinoco, March 2020, https://sosorinoco.org/wp-content/uploads/2020/07/Update-CanaimaNP-Report20200427.pdf.

SOSOrinoco, “The Icabarú Mines in the Caroní River Basin: Incoherence, State-Sponsored Anarchy and Criminality,” SOSOrinoco, May 2020, https://sosorinoco.org/wp-content/uploads/2020/07/Icabaru-Mines-in-Caroni-River-Basin-20200513.pdf.

SOSOrinoco, “Illegal Mining, Guerrillas and Disease: The Revolution’s Legacy to the Indigenous Peoples of the Upper Orinoco-Casiquiare Biosphere Reserve in Venezuela´s Amazonia,” SOSOrinoco, September 2019, https://sosorinoco.org/wp-content/uploads/2020/07/RBAOC_Ingles_20191002.pdf.

SOSOrinoco, “Illegal Mining in Yapacana National Park (Amazonas, Venezuela) 2019, SOSOrinoco, 15 March 2019, https://sosorinoco.org/en/reports/second-report-illegal-mining-in-yapacana-national-park-amazonas-venezuela/.

Southern District of New York, *United States of America v. Adel El Zabayar*, Complaint, 20 MAG 5469, 3 May 2020, https://www.justice.gov/usao-sdny/press-release/file/1279391/download.

Talley, Ian, and Benoit Fauçon, “Iranian Military-Owned Conglomerate Sets up Shop in Venezuela,” Wall Street Journal, 5 July 2020, https://www.wsj.com/articles/iranian-military-owned-conglomerate-sets-up-shop-in-venezuela-11593972015.

Tarver, H. Micheal, *The History of Venezuela*, 2nd edition, The Greenwood Histories of the Modern Nations, Greenwood, 2018.

Thomas, Marcelle, “El Dorado Trading denies illegal Venezuelan gold link,” Stabroek News, 31 December 2020, https://www.stabroeknews.com/2020/12/31/news/guyana/el-dorado-trading-denies-illegal-venezuela-gold-link/.

Transparencia Venezuela, “Oro Mortal,” 2019, http://transparencia.org.ve/oromortal/.

Transparency International (no date), Corruptionary A-Z, available at https://www.transparency.org/en/corruptionary (accessed on 02 August 2021).

United Nations Commodity Trade Statistics Database (UN Comtrade), “Coverage and limitations of the data”, no date https://comtrade.un.org/db/help/uReadMeFirst.aspx

U.S. Department of State, “Samark Jose Lopez Bello,” Transnational Organized Crime Reward Program, 8 October 2020, https://www.state.gov/samark-jose-lopez-bello/.

U.S. Department of the Treasury, “Treasury Disrupts Corruption Network Stealing From Venezuela’s Food Distribution Program, CLAP,” press release, U.S. Department of the Treasury, 25 July 2019, https://home.treasury.gov/news/press-releases/sm741

U.S. Department of the Treasury, “Treasury Sanctions Lebanese Money Launderer Kassem Chams Who Moves Money on Behalf of Narcotics Trafficking Organizations and Hizballah,” Press Release, 11 April 2019, https://home.treasury.gov/news/press-releases/sm650.

U.S. Immigration and Customs Enforcement, “El Assaimi Maddah, Tareck Zaidan,” 2019, https://www.ice.gov/most-wanted/el-aissami-maddah-tareck-zaidan.

Valverde, Marcos David, and Bram Ebus, “La grand barata del oro en el Sur de Venezuela: compre un grano y la otra le sale gratis,” armando.info, 10 May 2020, https://armando.info/Reportajes/Details/3637.

Wagner, Livia, “Organized Crime and Illegally Mined Gold in Latin America,” The Global Initiative against Transnational Organized Crime, April 2016, https://globalinitiative.net/wp-content/uploads/2016/03/Organized-Crime-and-Illegally-Mined-Gold-in-Latin-America.pdf.

Weaver, Jay, and Antonio Maria Delgado, “As Venezuela spiraled into an impoverished hellscape, rich expats cashed in, records reveal,” Miami Herald, 21 September 2020, https://www.miamiherald.com/news/nation-world/world/americas/article245623340.html.

Wilander, Casey, “Illicit Confluences: the Intersection of Cocaine and Illicit Timber in the Amazon,” Small Wars Journal, 16 October 2017, https://smallwarsjournal.com/jrnl/art/illicit-confluences-intersection-cocaine-and-illicit-timber-amazon.

Zerpa, Fabiola, “Venezuela Fuels an Amazon Gold Rush With Petrodollars Drying Up,” Bloomberg, 31 August 2020, https://www.bloomberg.com/news/articles/2020-08-31/venezuela-fuels-amazonian-gold-rush-with-petrodollars-drying-up.

# Gold Flows from Venezuela

## Supporting due diligence on the production and trade of gold in Venezuela

**Gold Flows from Venezuela**

Supporting due diligence on the production and trade of gold in Venezuela

**https://mneguidelines.oecd.org/mining.htm**

OECD