



11th INTERPOL Global Programme on Anti-Corruption, Financial Crimes and Asset Recovery: Anti-Corruption in the Forestry Sector

1-5 June 2015, Kuala Lumpur, Malaysia



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This report is issued under the umbrella of INTERPOL's Project LEAF, a global initiative to combat illegal logging—a crime type that is estimated to cost the global economy between USD 30 and 100 billion, and is linked to other forms of organized and transnational crimes.

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Front cover photograph: Participants, comprising 27 officials from 8 South East Asian countries.

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EXECUTIVE SUMMARY

From 1 to 5 June 2015, INTERPOL conducted a regional training event in Kuala Lumpur, Malaysia under the title of *11th INTERPOL Global Programme on Anti-Corruption, Financial Crimes and Asset Recovery: Anti-Corruption in the Forest Sector*. This five-day training event brought together twenty-seven (27) participants from eight South East Asian countries - Cambodia, Indonesia, Malaysia, Myanmar, Papua New Guinea, Philippines, Thailand and Vietnam. This program was designed to share techniques on how to investigate and mitigate corruption and financial crimes related to illegal logging and illicit timber trade in the region.

Participants were forest police, officers and investigators from countries' forest law enforcement agencies, Anti-Corruption Commissions and Ombudsman Offices, Financial Intelligence Units, CITES Management Authority, as well as Malaysia's Wildlife Department and Maritime Enforcement Agency.

The training was delivered by INTERPOL and co-hosted by the Malaysian Anti-Corruption Commission (MACC) and Malaysia Anti-Corruption Academy (MACA) located in Kuala Lumpur, Malaysia.

Participants were required to complete an INTERPOL online e-learning module prior to the training: "Forest Crime: An Officer's Guide to Illegal Logging and Forest Crime". The e-learning module provided the background training material and pre-requisite knowledge on identifying and combatting illegal logging and forestry crime. Requiring participants to complete the module ensured that all participants commenced the training with a general level of understanding regarding forestry crime.

The training course enabled participants to exchange best practices in the detection, investigation as well as prosecution of corrupt acts related to illegal logging and the illicit timber trade. It also served to encourage collaboration and information sharing between countries' anti-corruption agencies and forestry departments.

The training course covered different subjects, such as:

1. Detection, investigation and prosecution of corruption in exploitation of natural resources
2. Challenges in successful investigation and prosecution
3. Role of intelligence in developing a corruption case in the forestry sector
4. Good governance in the forestry sector
5. Measures taken to reduce incidences of corruption in contracting and licensing
6. Best practices to tackle corruption in forestry sector
7. Digital and mobile forensics for anti-corruption investigations



Conclusion

The course provided an important opportunity for both investigators and forest enforcement officers from key forest-rich countries in South East Asia to share experiences, network and create a spirit of cooperation which will greatly benefit international coordination in future anti-corruption and forestry crime cases.

Next steps Participants

The expertise gained by participants will be shared with other investigators and officials to assist future anti-corruption investigations and illegal logging and illicit timber trade cases. Participants also requested additional trainings on the topics and the hands-on practical and operational techniques, specifically with the available open source tools that could be used in future mobile and computer forensics for investigations into corruption and forestry crimes cases.

Participants

In total, twenty-seven (27) officials from eight countries attended the training: Cambodia (2 representatives), Indonesia (3), Malaysia (13), Myanmar (2), Papua New Guinea (2), Philippines (2), Thailand (2), Vietnam (1). The module on computer and mobile forensics was provided by an expert from India's Directorate of Forensic Science Services. United Nations Office on Drugs and Crime (UNODC) also attended and presented on the legal framework around wildlife and forest crime in ASEAN member states. The President of Transparency International's Malaysia chapter presented on their work in supporting good governance in the forestry sector.

“All countries must be united in combating all forms of crimes, including corruption and crimes against the environment. We share a collective responsibility to prevent these crimes from threatening the security of our citizens. When it comes to fighting corruption, prevention is always better than cure.”

Tan Sri Dr. Abu Kassim bin Mohamed
Chief Commissioner
Malaysian Anti-Corruption Commission

“Corruption in the forestry sector undermines not only the profitability and sustainability of the world’s forest resources, but also weakens countries’ broader forest governance systems.”

Stanley Ude
Criminal Intelligence Officer
Anti-Corruption and Financial Crimes Sub-Directorate
INTERPOL

Extracts from opening day ceremony

1 OVERVIEW OF THE TRAINING

1.1 Opening and closing ceremonies

On the first day, an opening ceremony was organized. Mr. Stanley Ude from INTERPOL’s Anti-Corruption and Financial Crimes Sub-Directorate gave the opening remarks and an overview of the training programme. Mr. Abdul Razak bin Hamzah, the Head of the International Studies Centre of MACA, also provided welcome remarks and highlighted the importance of the subject being addressed at the training for both Malaysia and the region.

On the last day, a large closing ceremony was organized where participants received certificates for their completion of the training. Deputy Chief Commissioner of MACC delivered a closing speech on behalf of Chief Commissioner Mr. Tan Sri Dr. Abu Kassim bin Mohamed, where he stressed the importance of tackling corruption in the region, especially corruption related to environmental degradation. The Second Secretary of Papua New Guinea’s High Commission in Kuala Lumpur, Mr. Stanley Arua, was in attendance as well as Directors and senior officials from MACC.

1.2 Training Sessions

The training was divided into various sessions over the five day period. A mix of group discussions, lectures and breakout sessions were designed to enable countries to share and compare experiences on the subject and to work together with colleagues from other agencies that they may not traditionally work with.



Group photo after the closing ceremony on 5 June 2015

1.2.1 Country experiences

Over the course of the training, each country presented their experiences in combatting corruption in the forestry sector, including lessons learned, challenges, good practices, and specific relevant cases or operations.

Countries with extensive experience in investigating and tackling corruption in the forestry sector, particularly Malaysia and Indonesia, were given more time to present their experiences and best practices for the benefit of the other countries.

1.2.1.1 Malaysia

Two presentations were given by MACC regarding the role of intelligence in developing corruption cases in forestry with a case study on '**Operation Tukul**' and measures taken to reduce corruption in contracting and licensing procedures. Here countries learned how MACC collaborated with a number of law enforcement agencies (Police, Forestry Department, Customs, Tax Department, Maritime Enforcement, General Operation Forces) to conduct law enforcement operations that gathered intelligence on where illegal logging is happening, the different modus operandi used by criminals, and why. It was found that bribery of local law enforcement agencies and forest departments was allowing the illegal loggers to log without permits, outside permit areas and also to transport undeclared logs.

Operation Tukul resulted in:

- The arrest of 14 people (including police officers)
- Seven of the arrested charged
- Total of RM (Malaysian Ringgit) 50,100 in bribes
- Total of RM 160,000 in fines
- Three ongoing cases
- MACC also froze 30 bank accounts belonging to 10 logging companies totaling RM 18 million [USD 5.7 million]

The importance of a multi-agency task force was stressed for the success of this operation and efforts to combat illegal logging and other related crimes. The taskforce includes MACC, Inland Revenue Department, Customs, Police, Forestry Department and the Financial Intelligence Unit. The high level of political will from the Prime Minister and the current Sarawak Chief Minister also contributed to the success of this Operation and other anti-corruption activities in Malaysia's forestry sector.

Malaysia's Peninsular Forestry Department also gave a presentation and described the main factors for corruption as being:

- Lack of political will
- Individual weaknesses
- Unscrupulous loggers/foresters/rangers/officers who help each other
- Lack of supervision
- Conflict of interest over department or area where logging is happening

The highest risk for corruption in forestry are the following stages:

1. The **application stage** is seen to have systemic corruption throughout, particularly with front desk staff requesting payments to process applications
2. The **approval of the application** is when officers and staff process applications by visiting and confirming the area in consideration. Abuse of power and conflict of interest occur here. Locals may be asked to pay for their applications to be processed sooner
3. **Logging operations** are riddled with bribery, illegal gratuities and forgery

MACC works with police and the forestry department in order to take on cases together and address the risks outlined above.

1.2.1.2 Indonesia

An anti-corruption and forestry expert from Indonesia, Mr. Mas Santosa, was invited to present the country's extensive experience in combatting corruption in the forest sector. Mr. Santosa described the work of Indonesia's Anti-Corruption Commission (KPK) to reduce corruption in the Ministry of Fisheries and Ministry of Forests, among others. Through this work, KPK has found that most logging licensing processes in Indonesia are riddled with corruption, mostly in the form of bribery, state capture and/or trade in influence.

Indonesia's experience with the multi-door approach to tackle corruption in forestry was presented by Mr. Santosa in order for other countries to understand Indonesia's successes and challenges. The multi-door approach is the use of numerous laws or a multi-regime law to tackle forest crimes, since crimes in forestry often come hand-in-hand with corporate criminal liability, money laundering, tax avoidance and corruption. When applying all applicable laws to cases of illegal logging, the sanctions are much higher for the criminals.

Indonesia has a Memorandum Of Understanding (MoU) signed between the heads of six different law enforcement agencies to implement the multi-door approach and strengthen coordination among the six agencies. The challenges of this approach stemmed from the low level commitment or motivation of investigators. This therefore called for a certain level of coordination and facilitation among agencies to avoid the silo mentality and encourage active application of the multi-door approach by investigators and prosecutors.

1.2.2 Expert presentations

To compliment country presentations and INTERPOL’s modules, a few presentations were given by experts in the field of anti-corruption and forestry. Transparency International’s President of Malaysia’s national chapter presented a session on *“Forestry Governance and Integrity: Good Governance in the Forestry Sector”* where he discussed the importance of corruption prevention and awareness raising. Particularly, he discussed Transparency International’s Forest Watch Project, which entails the public becoming the eyes and ears of corruption in forests.



Transparency International presentation

UNODC presented their rapid assessment of the *“Legal Framework around Wildlife and Forest Crime in ASEAN Countries”*. This assessment identified similarities and differences in national legal frameworks and how ASEAN countries criminalize wildlife and timber trafficking. It was found that all 10 ASEAN Member States frame offences against wildlife and forests as ‘serious’ crimes. Further, all ASEAN Member States

criminalize wildlife and timber trafficking and include in their domestic legal frameworks certain provisions that punish these wildlife and forest crimes. A priority highlighted from the study was the need to harmonize regional standards for criminal penalties, due to the significant variation from country to country in the level of penalties.

The importance of investigating wildlife and forestry crimes under anti-corruption and anti-money laundering laws was recognized because in nearly all ASEAN Member States, wildlife and timber trafficking are considered predicate crimes under the anti-money laundering laws.

1.2.3 INTERPOL modules

INTERPOL experts presented a number of different topics tailored to the region and training. Issues around the prevention, detection, investigation and prosecution of corruption in the exploitation of natural resources was discussed. INTERPOL encouraged anti-corruption practitioners to investigate both past and present cases, without fear or favor. Participants raised the challenge of getting these cases to court, and once in the court, to receiving adequate sentencing.

INTERPOL insisted on the proactive approach to combatting corruption, and for forest law enforcement and anti-corruption agencies to be proactive in their actions to investigate cases of corruption and forestry crimes. To do this, dedicated anti-corruption agencies must be independent and given the opportunity and encouragement to conduct pre-emptive investigations.

The importance of awareness and protection for whistleblowers was discussed. It is crucial to raise awareness and encourage more whistleblowers to come forward and provide information which could assist countries' fight against corruption and illegal logging.

INTERPOL also held a session on asset recovery and why going after criminal's money is the best deterrence to future crimes. INTERPOL's role with the Stolen Asset Recovery Initiative "StAR", in partnership with the World Bank and UNODC, was described so that countries could join and count on INTERPOL's assistance when tracing and locating criminal assets in international cases, such as those related to corruption and illegal logging.

INTERPOL held another session on financial investigations for public officials in possession of unexplained assets. Such investigations aim to identify public servants in possession of assets disproportionate to their known sources of income and where they are not able to account for the disproportion. INTERPOL discussed the basics to conducting these kinds of investigations and the challenges that come along with successful investigations and prosecutions.

1.2.4 Anti-corruption investigations using digital and mobile forensics

A full day was dedicated to the module on digital and mobile forensics, run by Mr. Krishna Pendyala, a Digital Crime and Forensic Evidence expert from India. This session, overwhelmingly the most popular of the entire training as indicated by participants in their post-workshop questionnaire, allowed participants to understand how to use simple computer and mobile forensics to assist investigators in corruption related investigations.

The session included a number of practical exercises for participants to learn how to handle computers seized from criminals, the characteristics of digital evidence and how to preserve this kind of evidence. Participants also learned the various ways in which data can be hidden and how to recover deleted files and enter encrypted files with specific cases and examples related to anti-corruption investigations of public officials.

2 GROUP DISCUSSIONS

Participants were broken out into groups of four throughout the training and asked to answer a number of questions related to corruption in forestry in their countries. A summary of these group discussions are below.

2.1 Priorities, challenges and risks and related to fighting corruption in the forestry sector



Group Work

special investigations group, and/or taskforce related to combatting timber crimes and associated corruption.

Countries overwhelmingly identified information sharing and awareness raising as priorities in combatting corruption in the forestry sector. Public awareness raising programmes for stakeholders, including the private sector was raised as a priority so stakeholders and companies are aware of relevant laws and can be pressured to conduct their due diligence. Likewise, information sharing amongst countries in the South East Asian region was highlighted as a priority, with suggestions ranging from the creation of a regional information network,

Weak enforcement of forest laws and/or weak existing laws, policies and regulations are challenges in the eight countries that were present. Countries mentioned different obstacles that they face, especially at the judicial level with corruption and illegal logging cases that are brought to court receiving very low sentences and punishments. These low sentences do not effectively deter criminals from engaging in illegal logging and corrupt acts and likewise diminish the spirit of law enforcement who work hard to bring the cases to justice.

All countries stated they faced the following challenges in combatting corruption and illegal logging:

- Inadequate budgets for law enforcement agencies
- High living costs and low salaries of law enforcement officers
- Limited access to technology and the equipment needed to conduct investigations
- Lack of sufficient enforcement officers and staff resources
- The remoteness of forested lands and difficulty of reaching these lands
- Environmental factors such as heavy rains or poor roads, which hamper effective enforcement and investigation efforts
- Lack of interagency cooperation between forest agencies and other law enforcement agencies
- Lenient sentences or very light punishment for offenders
- Lack of information sharing
- Limited knowledge of INTERPOL tools and services

In terms of coordinating cross-border law enforcement operations and information sharing, the challenges identified were:

- Difficulty in information sharing, due to confidentiality of information i.e. classified documents, security concerns, diplomatic implications, and/or language differences
- Limited and lack of cross border collaboration between governments

- Differences among countries and within countries in terms of laws and customary beliefs
- Geographic landscape and unclear and/or porous borders between countries

The main risks in combatting corruption in the forestry sector:

- Security and safety of law enforcement personnel
- Information leakage from law enforcement agency and loss of intelligence

2.2 Opportunities and priorities for the region

It was agreed amongst participants that opportunities should be sought to strengthen the cooperation between forest agencies and other law enforcement agencies. Additionally, the lack of political influence and distance between law enforcement and law makers is a challenge which could be alleviated by raising awareness among politicians and law makers and strengthening cooperation between different agencies.

Another main challenge is the high costs of living and low salaries for law enforcement officers, which makes officers more susceptible to accept bribes and engage in corruption. Countries highlighted that an increase in forest law enforcement officers' salaries could reduce the likelihood of corruption.



Group meeting with Director General of Peninsular Malaysia Forest Department

Other opportunities were agreed as follows:

- Information can be shared with INTERPOL through countries' NCBs
- An MoU between INTERPOL and countries could be established for timely information sharing related to cases of corruption and forestry crimes
- Committees, taskforces and special investigative groups on specific timber species, for example Rosewood, can be created resulting in joint operations in the region
- Capacity building and training needs of law enforcement can be met with international cooperation
- Increase use of INTERPOL's international databases through entering and retrieving information in a quick and efficient manner

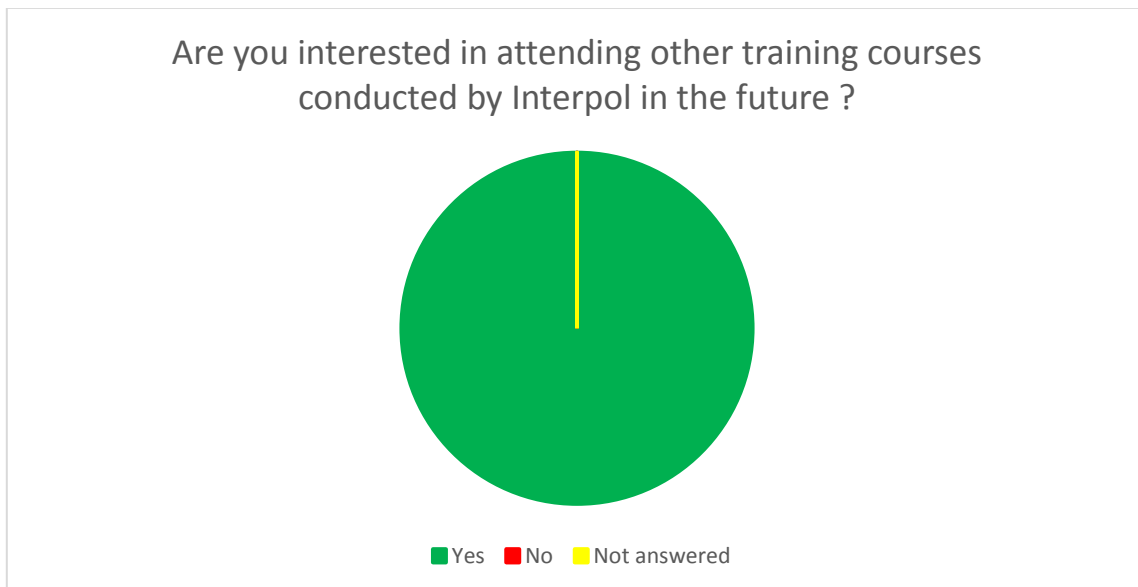
The main priorities of participants were:

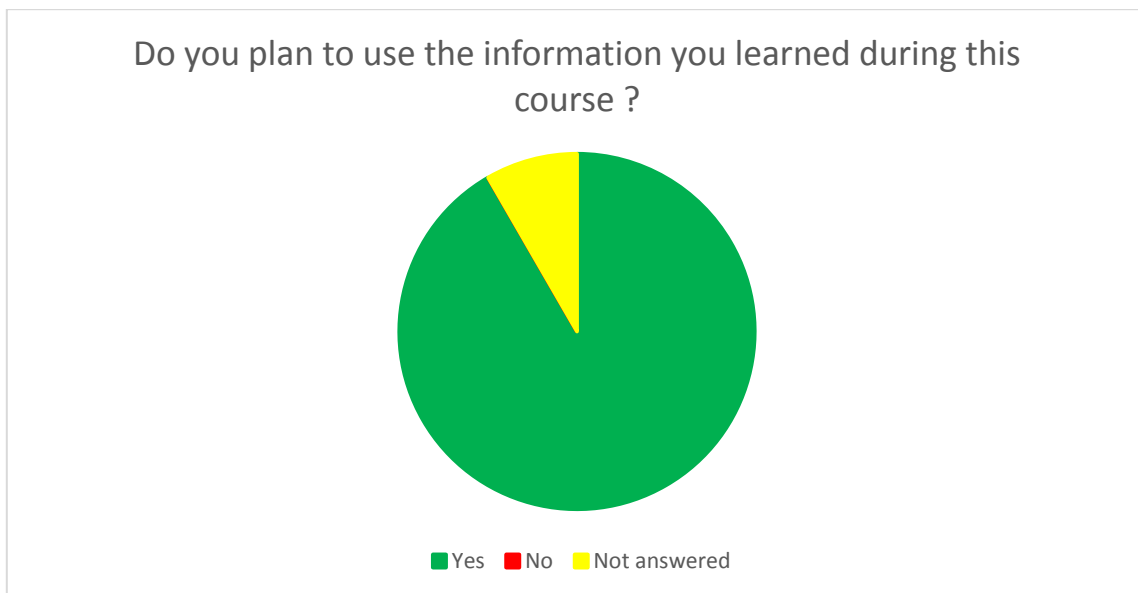
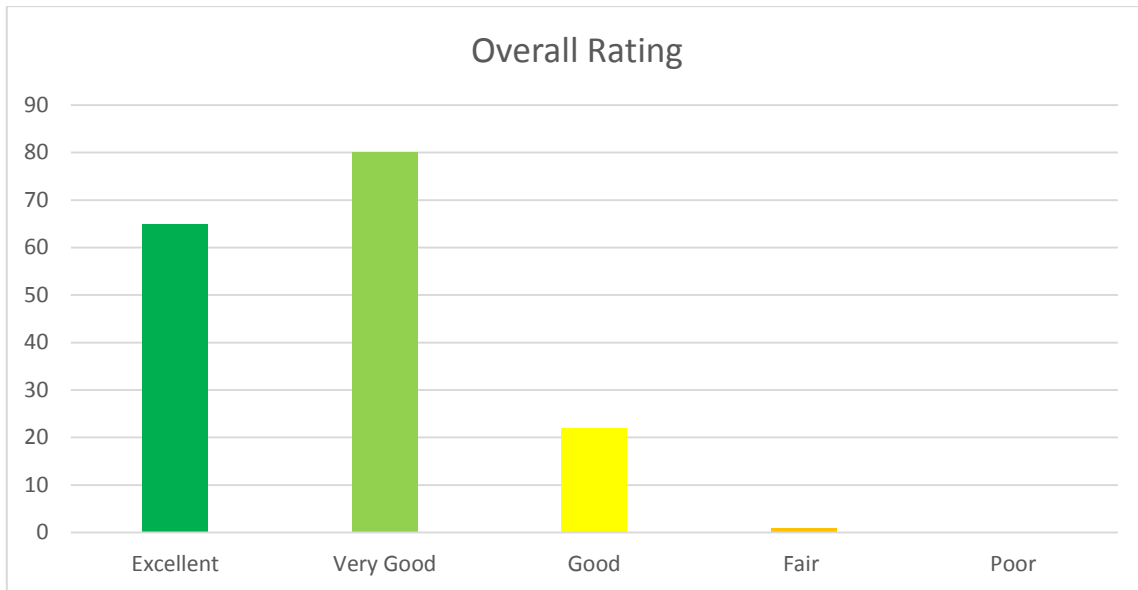
- Targeting corruption during the timber licensing and concessions processes
- Strengthening forest law enforcement and cooperation; increasing law enforcement staff
- Understanding customary practices in harvesting timber trees in the forest owned by local communities

- Strengthening or reviewing penalties and charges of existing laws, policies and regulations

3 PARTICIPANT FEEDBACK

At the conclusion of the training, participants provided feedback through standardized questionnaires. Responses are compiled below.





How do you intend to use the information and knowledge received from this training in the future?

- Share it with colleagues and/or other agencies in my country/abroad
- By applying it in my current job
- To train/instruct other people, in train-the-trainers workshops
- Conduct digital forensic investigations
- For networking opportunities during cross border investigation
- Cooperate and coordinate with relevant law enforcement agencies nationally and internationally
- Draft a proposal to the Commissioner of Police to set up a separate investigation branch related to forestry crime
- Include elements in law enforcement strategies

Recommendations

- Longer sessions and more time for sessions and the concluding plenary
- Include sessions on how to formulate an anti-corruption task force

- Invite Ministry level officials
- Invite/contact more agencies from countries in the Pacific
- Conduct a similar training but for a more advanced level
- Include topics on criminal psychology, behavior and intention

► **ABOUT INTERPOL**

INTERPOL is the world's largest international police organization. Our role is to assist law enforcement agencies in our 190 member countries to combat all forms of transnational crime. We work to help police across the world meet the growing challenges of crime in the 21st century by providing a high-tech infrastructure of technical and operational support. Our services include targeted training, expert investigative support, specialized databases and secure police communications channels.

► **OUR VISION: "CONNECTING POLICE FOR A SAFER WORLD"**

Our vision is that of a world where each and every law enforcement professional will be able through INTERPOL to securely communicate, share and access vital police information whenever and wherever needed, ensuring the safety of the world's citizens. We constantly provide and promote innovative and cutting-edge solutions to global challenges in policing and security.



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