AUTHORIZED TO STEAL

ORGANIZED CRIME NETWORKS LAUNDER ILLEGAL TIMBER FROM THE PERUVIAN AMAZON
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JULY 2019

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CENTER for INTERNATIONAL ENVIRONMENTAL LAW
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<th>Description</th>
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<tr>
<td>ANP</td>
<td>National Protected Area</td>
</tr>
<tr>
<td>ARFFS</td>
<td>Regional Forestry and Wildlife Authority</td>
</tr>
<tr>
<td>ATFFS</td>
<td>Technical Forestry and Wildlife Administration</td>
</tr>
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<td>CIEL</td>
<td>Center for International Environmental Law</td>
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<td>CIP</td>
<td>Peru’s Registry of Engineers</td>
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<td>CITES</td>
<td>Convention on International Trade in Endangered Species of Wild Fauna and Flora</td>
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<td>DAM</td>
<td>Customs Merchandise Declaration</td>
</tr>
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<td>DGFFS</td>
<td>Forestry and Wildlife Administration Office</td>
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<td>FEMA</td>
<td>Specialized Prosecuting Units in Environmental Matters</td>
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<td>GORES</td>
<td>Regional Governments</td>
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<td>GTF</td>
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</tr>
<tr>
<td>MEF</td>
<td>Ministry of Economy and Finance</td>
</tr>
<tr>
<td>MINAGRI</td>
<td>Ministry of Agriculture and Irrigation</td>
</tr>
<tr>
<td>MINJUS</td>
<td>Ministry of Justice</td>
</tr>
<tr>
<td>OSCE</td>
<td>Supervisory Body of State Contacts</td>
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<td>OSINFOR</td>
<td>Resources and Wildlife Monitoring Agency</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Description</td>
</tr>
<tr>
<td>--------------</td>
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</tr>
<tr>
<td>PAS</td>
<td>Administrative Sanctions Procedure</td>
</tr>
<tr>
<td>PAU</td>
<td>Uniform Administrative Procedure</td>
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<tr>
<td>PCM</td>
<td>Presidential Council of Ministers</td>
</tr>
<tr>
<td>PMF</td>
<td>Forest Management Plan</td>
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<tr>
<td>POA</td>
<td>Annual Operative Plan</td>
</tr>
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<td>RUC</td>
<td>Taxpayer Registry Number</td>
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<td>SERFOR</td>
<td>National Forestry and Wildlife Service</td>
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<td>SERNANP</td>
<td>National Service for Natural Areas Protected by the State</td>
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<td>SIGO</td>
<td>Information Management System (See also: SIGO(SFC))</td>
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<td>SIGO(SFC)</td>
<td>Information Management System (See also: SIGO)</td>
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<td>SISFOR</td>
<td>National Superintendent of Customs and Tax Administration</td>
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<td>SNIFSS</td>
<td>National Forestry and Wildlife Information System</td>
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<td>SUNAT</td>
<td>Geographic Information System for Forest and Wildlife Supervisions</td>
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<td>UIF</td>
<td>Financial Investigation Unit</td>
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<td>WCO</td>
<td>World Customs Organization</td>
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Executive Summary

Illegal logging and its related international trade are currently considered the third largest crime in the world.\(^1\) In Peru, illegal logging and timber commerce have a long history. In "Continuous Improvement" in Illegal Practices in the Peruvian Forest Sector, the Center for International Environmental Law (CIEL) identified timber exports at high risk of being illegal in 2015 and the practices used by exporters to avoid transparency and continue their trade in high-risk timber. With a new Forestry and Wildlife Law having taken effect in October 2015, CIEL has continued its investigation into Peru’s illegal logging and timber exports to evaluate whether the new legislation has led to a significant decrease in rates of high-risk wood harvests and sales.

This document analyzes domestic trade as well as the export sector, based on information contained in 1,024 Forest Transport Permits (GTFs) issued in June, July, and August of 2017. It examines results and files prepared by the Forest Resources and Wildlife Monitoring Agency (OSINFOR), the entity in charge of supervising and auditing logging areas. The findings reveal that illegal logging continues at an alarmingly high rate. Moreover, high-risk authorizations continue to be concentrated in local forests, private lands, and indigenous communities.

In contrast to Continuous Improvement, which examined the private sector’s actions, this document focuses on the public sector’s role in the proliferation of illegal logging and its related trade in Peru. This analysis assumes that human error does not account for cases in which over 40 percent of the trees approved for harvest never existed in the authorized areas. The individuals involved in these cases are therefore identified by name for their role in facilitating the trade of illegal timber in Peru. These people are the specific forestry regents who wrote and filed the Forest Management Plans, the professionals who conducted on-site visual inspections in order to verify the accuracy of the Forest Management Plans, the professionals who wrote favorable reports and recommended that the plans be approved, and public officials who signed approval resolution forms and forestry contracts that authorized particular volumes and species of wood to be harvested and transported.

In Peru, a series of laws regulate forest resources and wildlife management, and they stipulate administrative and criminal sanctions for those involved in trafficking and selling illegally felled wood. Nevertheless, so few cases and sanctions have been applied that there is little disincentive for Forestry and Wildlife Authorities to grant and verify official documents that are used to launder timber illegally extracted from the Peruvian Amazon.

The report concludes with a series of concrete recommendations for Peruvian State entities, forestry companies, and financial institutions, that aim to generate meaningful changes that reduce illegal logging and promote legally extracted wood in Peru.

Key Findings

- 91% of the examined Forest Transport Permits include Forest Management Plans approved by the Forestry and Wildlife Authorities in the regions of Loreto and Ucayali.
- 44% of the Forest Transport Permits are backed by Forest Management Plans supervised by OSINFOR.
- 58% of the Forest Transport Permits with Forest Management Plans supervised by OSINFOR appear on the “red list” of OSINFOR’s Information Management System (SIGOFSCC, or SIGO) because they are at high risk of involving the illegal timber trade.
- 75% of the permits with supervised Forest Management Plans from the Loreto region are on SIGO’s red list.
- 26% of the permits with supervised Forest Management Plans from the Ucayali region are on SIGO’s red list.
- 98% of contracts in local forests, 94% of permits on private lands, and 76% of permits in indigenous communities appear on the SIGO red list.
- 62% of the timber transported to Lima is on the red list, and 68% transported to the Port of Callao is on the green list, which suggests that products selected for export (and subject to higher scrutiny) have a lower risk level than those sold in the domestic market.
Chapter 1

Introduction

Environmental crimes in Peru are a serious and rapidly growing problem. Illegal logging, for instance, causes deforestation, illegal collection and sales of wild fauna and flora, and loss of biodiversity; it leads to the eradication of indigenous populations, violence, crime, and corruption. Illegal logging in Peru also has a serious impact on climate change.

In 2017, 155,914 hectares of forest in Peru were deforested, with one third occurring in the regions of Loreto and Ucayali, some of the most biodiverse forests on the planet. That year, 66 percent of domestic roundwood and 49 percent of domestic sawn wood reportedly originated from those two regions. Meanwhile, OSINFOR reports that 67 percent of wood felled in 2017 was logged illegally, because their supervisions could not identify the legal sources of the timber.

Some of the violations related to deforestation and illegal logging are committed by organized crime networks comprised of forestry regents, public officials, and private businesspeople who collude to extract and sell illegally sourced wood. These networks have operated a massive fraud for many years with impunity, their crimes generating environmental, social, and economic instability for people affected by their illegal activities.

This research analyzes information in Forest Transport Permits issued in June, July, and August of 2017 in the regions with the highest logging rates in Peru: Loreto and Ucayali. It reveals, identifies, and analyzes activities by forestry regents and officials who were involved in each stage of that timber supply chain. The research details the route of the wood from the forest (by following the creation, filing, and approval of Forest Management Plans) to its final destination (through the timber exports as declared in Forest Transport Permits). The legality of the forest products was determined using the administrative files developed by OSINFOR’s supervision of Forest Management Plans.

Peru has an extensive set of regulations to address environmental crimes and their sanctions. However, the relevant administrative and criminal procedures are weak and slow; thus, the application of penalties does not accurately reflect the magnitude of the crimes’ impact on ecosystems, biodiversity, and the environment as a whole. Sufficient regulatory tools exist to administratively and criminally sanction the people who commit the crimes stipulated in the Forestry and Wildlife Law as established in Legislative Decrees Nos. 1319, 1237, 1244, and 1249. However, to date the responsible institutions have neither established nor broadly enforced the appropriate penalties. For the criminal
networks that commit environmental violations, the profits generated seem to outweigh possible sanctions.

Forestry Officials Who Oversee Legal Sourcing for Forest Products and Wildlife in Peru

What follows is a description of the forestry institutions in Peru responsible for guaranteeing that forest products and wildlife have been legally sourced throughout the supply chain (harvest, transportation, processing, sale, and exportation).

National Forestry and Wildlife Service (SERFOR)

SERFOR is the governing body in charge of determining policies and promoting regulatory initiatives in the forest sector. It is charged with guaranteeing that forest products and wildlife have been legally sourced for both national and international sales. Moreover, it approves and issues forestry contracts and Forest Management Plans within the jurisdiction of the Technical Forestry and Wildlife Administration (ATFFS) prior to the products’ transfer. This agency verifies species’ existence at the source site, issues export authorizations, and monitors species according to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Regional Forestry and Wildlife Authority (ARFFS)

ARFFS’s main tasks are issuing forestry contracts and Forest Management Plans in forests with continuous production (timber and non-timber forest concessions), in indigenous and campesino communities’ territories, and on private land (forestry permits and authorizations). ARFFS is also responsible for guaranteeing that wood has been legally sourced by conducting inspection checks, monitoring, and issuing GTFs, and implementing an operations book in every wood processing center, sawmill, and stockyard. Due to the decentralization process underway in Peru since 2007, some regional governments have started to transfer agrarian duties and responsibilities to their own territorial jurisdiction. To date, nine regional governments have taken on duties and responsibilities related to forestry.

Forest Resources and Wildlife Monitoring Agency (OSINFOR)

OSINFOR is the nationwide entity that supervises and monitors forestry and wildlife contracts and Forest Management Plans that are issued by forestry and wildlife officials (ARFFS and SERFOR) according to different forest harvest modalities (timber and non-timber forest concessions, permits, and forestry authorizations). OSINFOR is in charge of guaranteeing the provenance of forest products and wildlife through on-site visual verification. These are intended to enable implementation and compliance with obligations vested in forestry contracts and forest administration tools.

OSINFOR administers SIGO. This online transparency platform designates forest products as belonging to the “green list” (with tolerable or no risk of illegality) or the “red list” (at high risk of being illegal).

Other Institutions with Support Roles

Office of Public Prosecution

The Public Prosecutor’s Office participates in preventative interventions and in cases of crimes committed nationwide through intermediary Specialized Prosecuting Units in Environmental Matters (FEMA). It participates through its own initiative as required, in response to claims filed by citizens, or by request of Forestry and Wildlife Administration officials.

National Police Force of Peru

Peru’s National Police Force collaborates in preventative interventions and in cases of crimes committed nationwide through its Specialized Division. It participates by request of FEMA, in response to citizen complaints, or by the request of Forestry and Wildlife Administration officials.

National Superintendent of Customs and Tax Administration (SUNAT)

SUNAT audits exports linked to forest resources and wildlife through the customs system and infrastructure. It participates on its own initiative as required or by request of Forestry and Wildlife Administration officials.

Figure 1 illustrates that nine regional governments currently manage agrarian issues in their territories (San Martín, Ucayali, Madre de Dios, Loreto, Amazonas, La Libertad, Ayacucho, Tumbes, and Huánuco), and thirteen ATFFS still depend on SERFOR, including its forest checkpoints strategically located in zones with high rates of timber transport.

Accreditation of the Legal Origin of Forest Products and Wildlife

The process of accrediting legal origin entails on-site visual inspections to determine the source of forest products and wildlife. It also involves verifying appropriate documentation throughout the supply chain. To reliably ensure that forestry products and wildlife are legally sourced, the process must comply with the conditions stipulated in the applicable legislation. These include the backing of a GTF; authorizations for scientific purposes, waivers, and/or import or re-export documents that coincide with the incomplete National Forestry and Wildlife Information System (SNIFFS); and other management or marketing documents.
On-site verification for harvesting forest resources is conducted in two stages:17

1. Prior to the harvest of forest products

In this stage, according to the current legislation, the Regional Forestry and Wildlife Administration Authorities or the Forestry and Wildlife Administration is in charge. Approval of a harvest under a Forest Management Plan (PMF) can be granted under two conditions:

a. Visual on-site inspection prior to approval of the Forest Management Plan

Prior to approving the plan, forestry and wildlife officials must verify the existence of specific individual species included in CITES that have been declared in the PMF statement.

b. Monitoring following approval of the Forest Management Plan

Forestry officials are allowed to conduct a verification process after the Forest Management Plan has been approved.

2. During and following the harvest of forest products

OSINFOR has the authority to verify the origin of forest products through supervising the Forest Management Plan and verifying alignment between the Forest Management Plan, the Forest Transport Permit, the harvest balance, the operations book, and the activities completion report. The Regional Forestry and Wildlife Authority or the Forestry and Wildlife Administration approves the documents and is also responsible for forwarding to OSINFOR notarized copies of the logging titles bestowing harvesting rights and the respective management plans within 15 days of issuing the relevant authorization or approval.18
Chapter 2

The Illegal Timber Trade: How to Launder Illegally Logged Wood

Illegally sourced timber is sold in a variety of continually updated, modernized, and increasingly sophisticated ways to avoid being detected by national and foreign institutions. As described in this report, Forest Management Plans and Forest Transport Permits are used to bestow the appearance of legality to illegally harvested forest products. In this way, illegally sourced wood is transported and marketed with official documentation issued by officials in the Regional Forestry and Wildlife Authorities in Loreto and Ucayali.

This report analyzes 1,024 Forest Transport Permits issued by different forestry and wildlife officials in June, July, and August 2017. The information in these documents, which represent a portion of all such permits, is referred to throughout this report as the “2017 Database.”

Forestry Contracts Used Most Frequently to Transport Timber

Of the Forest Transport Permits, there were 250 forestry contracts (forestry permits in indigenous communities, forest timber concessions, local forests, forestry permits on private lands, and forest plantations) and 196 Forest Management Plans that authorized the transportation and sale of declared forest products.

For years, institutions like OSINFOR and SUNAT, as well as media outlets and civil society organizations, have conducted journalistic investigations and reports that reveal how Peruvian timber transported and sold on domestic and international markets is facilitated by documents primarily from Forest Management Plans in indigenous communities and forest timber concessions; this study confirms that finding.

The Status of Forestry Contracts

As Figure 2 indicates, the most commonly used forestry contracts are forest permits in indigenous communities and forest timber concessions. Figure 3 illustrates that between 35 percent and percent of Forest Management Plans from these contracts were not supervised by OSINFOR and that a large percentage of the Forest Transport Permits did not declare the number of the resolution approving the relevant Forest Management Plans.

<table>
<thead>
<tr>
<th>Harvest Modality</th>
<th>Number of GTFs</th>
<th>Forestry Contracts</th>
<th>Forest Management Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest permits in indigenous communities</td>
<td>340</td>
<td>57</td>
<td>56*</td>
</tr>
<tr>
<td>Forest timber concessions</td>
<td>328</td>
<td>41</td>
<td>58</td>
</tr>
<tr>
<td>Forest permits on private lands</td>
<td>166</td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td>Local forests</td>
<td>104</td>
<td>19</td>
<td>23</td>
</tr>
<tr>
<td>Forest plantations**</td>
<td>84</td>
<td>86</td>
<td>12</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1024</strong></td>
<td><strong>250</strong></td>
<td><strong>196</strong></td>
</tr>
</tbody>
</table>

Source: Prepared by the authors based on the 1,024 Forest Transport Permits analyzed

* There are fewer plans than forestry contracts because some Forest Transport Permits do not indicate the number of the related resolution approving the Forest Management Plan.

** The present analysis discovered that these are used to transport significant volumes of wood.
over, 51 percent of Forest Management Plans on private lands and percent of those on local forests were not reported to OSINFOR.

Importantly, Peru’s regulatory framework requires forestry and wildlife officials who issue harvesting rights for forest products to send the approved contracts and Forest Management Plans to OSINFOR. In 2017, Legislative Decree 1319 passed, bestowing legal status on the previously enacted Supreme Decrees regulating such forestry matters since 2010.

Meanwhile, Executive Directive Resolution Nº 122-2015-SERFOR-DE, dated October 6, 2015, provides instructions on correctly filling out the GTF forms. However, many of the GTFs evaluated in this study disregarded these instructions. In the 2017 Continuous Improvement report, CIEL observed that 18 percent of Forest Management Plans reported in the Forest Transport Permits do not indicate the section or area to be harvested according to the Forest Management Plan.

Logging Locations According to Forest Transport Permit Declarations

All of the timber examined in this investigation was purportedly harvested at a geographic location within the Peruvian Amazon. According to this analysis, 91 percent of the timber transported and sold with the backing of the evaluated GTFs was concentrated in Loreto and Ucayali. Prior research into logging locations in Peru determined that 68.5 percent and 30.9 percent of timber was felled in Loreto and Ucayali, respectively.

Therefore, these two regions serve as a focal point for identifying how organized crime rings launder illegally sourced timber. Subsequently, this document will more specifically pinpoint logging locations relative to the legal status of forest products.
The Legal Status of Forest Management Plans

A forest product’s legal status is guaranteed only if it has been supervised by OSINFOR. Of the GTFs analyzed, only 44 percent of those backed by Forest Management Plans had been supervised. In fact, the legality of 48 percent of the GTFs backed by Forest Management Plans cannot be ascertained primarily because: 1) the forest management tool was not reported to OSINFOR; 2) the GTF did not include the number of the resolution approving the Forest Management Plan, making it impossible to determine whether the Forest Management Plan had been supervised; and 3) the Forest Management Plan was not supervised. Moreover, 8 percent of the GTFs referenced forest plantations, which OSINFOR does not have the jurisdiction to supervise and monitor.

FIGURE 4
Geographic Distribution of Forest Management Plans Identified in the GTFs

As of 2019, 17% of the GTFs were identified in the region of Loreto, 22% in Ucayali, 17% in Huánuco, 7% in Piura, 17% in Maynas, 9% in Amazonas, 12% in Requena, 5% in Calle, and 1% in Porlón. The rest of the GTFs were scattered across different regions.
Disregard for Implementing Regulatory Measures

Since 2010, regulations require forestry and wildlife officials to forward Forest Management Plans to OSINFOR within 15 days of issuing and approving them. Nevertheless, this investigation demonstrates an ongoing failure to comply with this timeframe.

The information reported by the SIGO platform for 2017 and 2018 reveals whether the Regional Forestry and Wildlife Authorities sent the Forest Management Plans to OSINFOR in a timely manner. While Loreto and Ucayali account for 91 percent of logging sites in this study, the two regions met the deadline established for 2017 and 2018 for sending their Forest Management Plans to OSINFOR in less than 10 percent of cases, as evidenced in Figure 6.

Statistics Speak

According to the 2017 Database, 44 percent of the GTFs that include Forest

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**Figure 5**
Status of the Forest Management Plans Reported in the Forest Transport Permits

- **PMF Supervised**: 44%
- **Outside OSINFOR’s Jurisdiction**: 8%
- **TH-Not Registered in SIGO**: 8%
- **PMF Resolution No. Not Included**: 15%
- **PMF Not Supervised**: 24%
- **Total GTFs**: 1024

---

**Figure 6**
Percentage of Forest Management Plans Forwarded to OSINFOR by the Regional Forestry and Wildlife Authorities by the Deadline

---

**Table: N° de Planes de manejo forestal maderable remitidos al OSINFOR por la Autoridad Regional Forestal y de Fauna Silvestre.**

<table>
<thead>
<tr>
<th>Periodo: Ene-Dic 2017</th>
<th>GORES/ATIS</th>
<th>Fuera del plazo</th>
<th>Total de planes entregados</th>
<th>% Dentro del plazo</th>
</tr>
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<tbody>
<tr>
<td>GOREC San Martín</td>
<td>5</td>
<td>2</td>
<td>7</td>
<td>11%</td>
</tr>
<tr>
<td>GOREC Madre de Díza</td>
<td>109</td>
<td>15</td>
<td>150</td>
<td>100%</td>
</tr>
<tr>
<td>GOREC Lurin</td>
<td>7</td>
<td>83</td>
<td>90</td>
<td>8%</td>
</tr>
<tr>
<td>GOREC Loreto</td>
<td>13</td>
<td>165</td>
<td>206</td>
<td>8%</td>
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<tr>
<td>GOREC Huancayo</td>
<td>5</td>
<td>25</td>
<td>30</td>
<td>4%</td>
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<td>GOREC Amazonas</td>
<td>0</td>
<td>20</td>
<td>20</td>
<td>0%</td>
</tr>
<tr>
<td>GOREC Tumbes</td>
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<td>2</td>
<td>2</td>
<td>0%</td>
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<td>ATISSS Cusco</td>
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<td>12</td>
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<td>0</td>
<td>3</td>
<td>3</td>
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<td>ATISSS Lomabamba</td>
<td>1</td>
<td>3</td>
<td>4</td>
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<td>ATISSS Selva Central</td>
<td>0</td>
<td>32</td>
<td>37</td>
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<td>ATISSS Cajasner</td>
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<th>Total de planes entregados</th>
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<td>GOREC San Martín</td>
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<td>23</td>
<td>25</td>
<td>8%</td>
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<tr>
<td>GOREC Madre de Díza</td>
<td>17</td>
<td>134</td>
<td>151</td>
<td>11%</td>
</tr>
<tr>
<td>GOREC Lurin</td>
<td>13</td>
<td>137</td>
<td>150</td>
<td>3%</td>
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<td>GOREC Loreto</td>
<td>18</td>
<td>203</td>
<td>221</td>
<td>8%</td>
</tr>
<tr>
<td>GOREC Huancayo</td>
<td>9</td>
<td>32</td>
<td>41</td>
<td>22%</td>
</tr>
<tr>
<td>GOREC Amazonas</td>
<td>2</td>
<td>28</td>
<td>28</td>
<td>0%</td>
</tr>
<tr>
<td>GOREC Tumbes</td>
<td>3</td>
<td>7</td>
<td>10</td>
<td>30%</td>
</tr>
<tr>
<td>ATISSS Cusco</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>ATISSS Sierra Central</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>ATISSS Pura</td>
<td>1</td>
<td>16</td>
<td>17</td>
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<tr>
<td>ATISSS Lomabamba</td>
<td>2</td>
<td>2</td>
<td>4</td>
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</tr>
<tr>
<td>ATISSS Selva Central</td>
<td>40</td>
<td>15</td>
<td>55</td>
<td>73%</td>
</tr>
<tr>
<td>ATISSS Cajasner</td>
<td>0</td>
<td>4</td>
<td>4</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Notes:**
- (% Dentro del plazo) (% of plans within the deadline)
- (% Fuera del plazo) (% of plans outside the deadline)
- (% Total de planes entregados) (% of total plans submitted)

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**References:**
- Article 3º de Decreto Legislativo N° 1095 (Ley de creación del OSINFOR)
- Artículo 5º del Decreto Supremo N° 017-2015-MINAM (Reglamento para la Gestión de la Deforestación)
- Artículo 17º del Decreto Supremo N° 071-2015-MINAM (Reglamento para la Gestión de las Plantaciones Forestales y los Sistemas Agroforestales)
- Artículo 17º del Decreto Supremo N° 071-2015-MINAM (Reglamento para la Gestión de las Plantaciones Forestales y los Sistemas Agroforestales)
- Artículo 3º del Decreto Supremo N° 017-2015-MINAM (Reglamento para la Gestión de la Deforestación y de la Fauna Silvestre en Comunidades Nativas y Comunidades Campesinas)
- Artículo 17º del Decreto Supremo N° 071-2015-MINAM (Decreto supuesto que aprobó medidas para promover el comercio de productos forestales y de fauna silvestre de origen legal)
Management Plans were supervised by OSINFOR. Of those, 58 percent are included on the “red list” reported by SIGO. Their inclusion on the red list means that during the on-site visual inspection serious irregularities were detected, including falsified information and logging in unauthorized areas. These Forest Management Plans were presumably used to launder illegal timber. Plans on the “green list” are considered to have tolerable or no risk of illegality.

As reported in CIEL’s 2017 Continuous Improvement, 51 percent of Forest Management Plans in the Callao Data in 2015 appeared on the red list because they committed infractions of the Forestry and Wildlife Law and/or environmental crimes. The present investigation found that 58 percent of the supervised Forest Management Plans are on the red list, which represents a 7 percent increase from the 2015 data, despite the new Forestry and Wildlife law and its respective regulations having been in effect for two years.

In September 2018, Peru’s daily newspaper El Comercio published that “illegally sourced and transported timber across the country accounts for 67 percent [of total logged timber], equivalent to 374,018 cubic meters, according to a report by OSINFOR, the sole institution responsible for verifying in the field whether Peruvian timber is being harvested from authorized zones.”

**High Risk Zones of Harboring Illegal Timber Transformed and Sold with Official Documents**

Based on the GTF statements in the 2017 Database, 75 percent of timber from the Loreto region and 26 percent from Ucayali are on the high-risk red list. Though Ucayali exhibits a lower red-list rate than Loreto, reports from recent years note that forest loss in Ucayali is accelerating due to changes in land use.

Considering these numbers, illegally sourced timber from these areas is presumably being laundered primarily...
through contracts and Forest Management Plans from the Loreto region. This theory gains added traction when considering the GTF transfers discussed later in the report.

The results of the international initiative “Operation Amazon 2015” demonstrated that the trees declared in the Forest Management Plans supervised by OSINFOR in the departments of Loreto and Ucayali were proven not to exist at rates of 90 percent and 10 percent, respectively. The statistics show a clear connection between timber’s logging location and likelihood of illegality. A review of the statistics from the Loreto province in the Loreto department shows that the status of 33 percent of its Forest Management Plans is impossible to determine. Of the 67 percent that were supervised by OSINFOR, 100 percent are on the high-risk red list; none are on the green list.

Meanwhile, the forest products from “forest plantations” earmarked in the GTFs were identified as originating in the provinces of Puerto Inca (87 percent) in the Huánuco department and Coronel Portillo (18 percent) in the Ucayali department. This forest harvest modality is not included within OSINFOR’s supervisory and monitoring jurisdiction. Since 2012, OSINFOR has proposed different policy initiatives in order to broaden its scope and enable it to supervise additional administrative matters such as forest plantations, authorizations of changes in land use, the harvest of timber swept by rivers, and others. As of the printing of this publication, none of these legislative initiatives have been passed by the Peruvian State.

**Official Forest Contracts Used to Launder Illegal Timber**

This investigation found that the forestry contracts with the highest risk level—that were declared in the GTFs and appeared most frequently on OSINFOR’s SIGO red list—are forestry permits in local forests (98 percent of which are on the red list), on private lands (94 percent red-listed), and in indigenous communities (76 percent red-listed).

When OSINFOR (within the Ministers’ Council Presidency) began to supervise and monitor different forestry contracts ten years ago, it discovered that forestry concessions and permits on private lands constituted the most at-risk documents. Since then, this has shifted to other types of forestry contracts. Forestry permits in indigenous communities began to be used most intensely, and most recently, local forests have been incorporated as a supply source for illegal timber laundering documents.

In November 2015, OSINFOR reported that the greatest portion of timber intercepted on the Yacu Kallpa vessel in the Iquitos port originated from local forests. Local forests were supervised by OSINFOR to the greatest extent from 2015-2017.
Before Congress in July 2015, and in the presence of Congressperson Mesías Guevara and SERFOR officials in charge of creating the Forestry and Wildlife Regulations, OSINFOR used statistical analysis to show the results of its supervisions of local forests and demonstrate how the use of this forest harvest modality facilitated the laundering of illegal timber for domestic and international trade.\textsuperscript{39}

The present investigation identified 80 forest species reported on the GTFs in the forestry contracts that are on SIGO’s red list. Of these, 24 forest species account for 86 percent of the total number of species that were harvested from unauthorized zones and that were supported by official documentation (Forest Transport Permits) granted by the Regional Forestry and Wildlife Authorities.

As noted in Figure 11, seven forest species account for 60 percent of the species declared in GTFs and backed by Forest Management Plans supervised by OSINFOR. Four of these species belong to the *Virola* genus, known as “cumalas”: *Virola sebifera* (20.05 percent), *Virola sp.* (9.82 percent), *Virola calophylla* (5.53 percent), and *Virola albidiflora* (2.28 percent). It is worth noting that these species have acquired enhanced importance in recent years according to OSINFOR’s statistical reports in SIGO; this may be directly related to domestic and international market demand for these species.

A detailed review based on Figure 11 and SIGO\textsubscript{GTF}\textsuperscript{40} statistical reports from 2009 through November 2018 revealed that the genus *Virola*, including *Virola sp.* and *Virola sebifera*, accounted for the greatest percentage, 22 percent, of logged forest species. Similarly, the international Operation Amazon 2015 determined that 25 percent of the wood volume transported belonged to forest species of the *Virola* “cumala” genus.\textsuperscript{41}
Chapter 3

Administrative, Criminal, and Civil Responsibilities for Illegal Logging and its Related Trade

In October 2015, Forestry and Wildlife Law No. 29763 took effect in Peru. At that time a number of high-level public officials within the Peruvian government issued statements indicating that the new regulations and their implementation would ensure greater control over the illegal trade in forestry products and forest-based wildlife.

The conclusion of a joint four-year process to create, design, and promote this law by the Peruvian State, international donors, indigenous organizations, civil society, the timber industry, and other forest users raised high expectations for the proper management of the forest sector. This law, which included contributions from different sectors at different levels, was made possible by a common understanding of the problems in the timber sector due to exposés by journalistic investigations, and criticism from SUNAT, OSINFOR, FEMA, civil society organizations, and others, as well as reports on the results of international operatives headed by the World Customs Organization (WCO) and Interpol.

Professionals who write and file falsified forest inventories and/or approve management plans with false information face administrative, criminal, and civil liabilities, according to relevant legislation. The following examination and analysis of the various acts, activities, and transactions that incur legal ramifications within the Peruvian legal context highlights both the widespread and specific responsibility for illegal logging and its associated trade.

**Administrative Liability**

Forestry and Wildlife Law Number 29763 stipulates that any natural or legal person who administers or has in their possession products from the Nation’s forest heritage has the burden of proving that such products have been legally harvested (Article II.10).

The Forestry and Wildlife Law also stipulates the criteria to be considered in determining whether a given action constitutes an infraction to forestry regulations. Such criteria aims to discourage conduct that allows or facilitates the harvest, processing, and sale of forest resources and wildlife. It considers the level of severity of the conduct; whether the action entails depredation or endangers and exposes forest resources and wildlife to risk, even if done with a logging title; and finally, whether the conduct hinders, inhibits, or obstructs the tasks of management, administration, monitoring, supervision, and auditing of forest resources and wildlife (Article 146).

Infractions to this Law and its regulations generate provisional and corrective measures as well as sanctions. The administrative sanctions, applied according to the severity of the infraction, involve: warnings, fines, temporary or permanent confiscation, moratorium and closure, and temporary or permanent disqualification (Articles 151 and 152). Administrative sanctions are applied without prejudice to the validity of use rights or any civil and criminal actions that might result.

In fact, the primary reasons for invalidating a logging title are observed to directly relate to the obligations and tasks entrusted to professionals. The rights and logging titles to harvest forest resources and wildlife are rendered null and void (a) when falsified information is presented in the management plans for the logging title or (b) when unauthorized forest resources and/or wildlife are removed or transported (Article 153 clauses (a) and (b)).

The Forestry Administration Regulations (Supreme Decree 018-2015-MINAGRI) define and list the natural and legal persons to be held liable for infractions and administrative sanctions, including:

- Logging title holders
- Holders of authorizations, contracts, and licenses
- Regents and specialists
- Third parties in joint and several liability with title holders
- Persons who are not in any of the above categories but who conduct illegal forestry activities outside of campesino or indigenous communities’ lands (Article 206)

Infractions to the administration of national patrimony that are considered severe accord-
The Regulations also stipulate that the issuance of fines or warnings does not impede other intended sanctions or correctional measures in relevant cases. Administrative sanctions are to be levied independently of any civil or criminal liabilities. ARFFS, OSINFOR, and the National Service for Natural Areas Protected by the State (SERNANP), because they have the power to impose sanctions, should maintain records of offenders in their given jurisdictional areas and should continuously forward this information to SERFOR to be consolidated in the National Offenders’ Registry and to be published on its institutional webpage (Article 215).

Meanwhile, Articles 210.5 and 201.6 of the Supreme Decree Nº 018-2015-MINAGRI stipulate the temporary or permanent disqualification of any official who repeatedly commits severe infractions or who files Forest Management Plans that record nonexistent trees more than once.

"Professionals who write and file falsified forest inventories and/or approve management plans with false information face administrative, criminal, and civil liabilities."

Criminal Liability

Officials entrusted with adequately managing and administering Peru’s forest sector can incur criminal liabilities stipulated in the Criminal Code—Legislative Decree Nº 635 and its related modifications in Legislative Decree Nº 1237. Anyone who, lacking the proper permission, license, authorization, or concession issued by the proper authorities, destroys, burns, damages, or fells in whole or in part woods or forest formations, whether natural or planted, will be penalized with imprisonment for no less than four years and no more than seven years and by a 100- to 600-day fine (Article 310-A).

In addition, the crime of procedural obstruction is committed by anyone who obstructs, hinders, or blocks an investigation, verification, supervision, or auditing related to the harvest, transport, processing, sale, export, re-export, or import of flora and/or fauna wildlife; it bears a prison sentence of no less than four years and no more than seven years.

The sentence is lengthened (to no less than five years and no more than eight years) if intimidation or violence is committed against a public official or against a person who provides assistance in the course of their duties (Article 310-B).

Illegal trafficking of timber forest products and procedural obstruction (Article 310-C) are categorized separately when committed by public officials. These and other aggravated offenses against forests are penalized by prison sentences of no less than eight years and no more than ten years. A crime is considered aggravated when:

• The crime is committed within lands that are owned or held by Native communities, campesino communities, indigenous peoples, or indigenous reserves; on territorial reserves or indigenous reserves set aside for indigenous peoples at initial contact or in voluntary isolation; or in protected nature areas, off-limits zones, forestry concessions, or private conservation areas duly recognized by the appropriate authorities.

• The conduct consequently affects watersheds that provide water to populated areas or irrigation systems or it erodes the soil, endangering economic activity in the area.

• The perpetrator or participant is a public or elected official.

• The crime involves specimens that have been selected for research or reserved as seedbeds.

• The crime is committed with weapons, explosives, or the like.
• The crime is committed with the assistance of two or more people.
• The crime is committed by holders of forestry concessions.
• The crime entails timber forest species protected in national legislation.

The crimes that are classified as most severe are to be penalized with imprisonment of no less than ten years and no more than twelve years. Such crimes are committed when:
• The agent acts as a member of a criminal organization.
• The perpetrator causes serious injuries or death while committing the crime or as a consequence of the act.
• The criminal offense is done in order to commit tax or customs crimes or asset laundering.
• The offender finances or facilitates the commission of these crimes.

Additionally, Chapter II of the Criminal Code regarding functional responsibility and false information contains a specialized classification of crimes within the framework of public officials’ liability for the illegal issuance of rights (Article 314).

First, a public official who disregards laws, regulations, and existing environmental standards; who seriously fails their functional obligations; and who authorizes the issuance, renewal, or cancellation of an authorization, license, concession, permit, or other enabling right in support of a project or activity referred to in the abovementioned chapter will be penalized by imprisonment (for no less than four years and no more than eight years) and disqualification (for one to seven years). In order to combat such crimes, the same penalty will be applied to the relevant public official who, out of inexcusable negligence or by seriously failing in their functional obligations, facilitates the commission of these crimes. The chapter even assigns liability to the legal representative of a legal entity if the crimes stipulated therein are committed during the course of the entity’s activities.

"The Criminal Code stipulates that anyone who knows or could assume a contained falsehood or inaccuracy and writes it in forest administration documents will be penalized by imprisonment and disqualification."

The Criminal Code concretely designates liability for falsified information in documents (Article 314-B). The Criminal Code stipulates that anyone who knows or could assume a contained falsehood or inaccuracy and writes, files, inserts, or causes to insert into an administrative proceeding, studies, evaluations, environmental audits, Forest Management Plans, requests, or other forest administration documents required by law in which false or inaccurate information is included or endorsed, will be penalized by imprisonment (no less than four years and no more than six years) and disqualification (for one to six years). The same penalty will apply to anyone who uses a false or falsified private document or a document that contains false information as if it were legitimate in order to evade oversight and monitoring procedures for forestry and wildlife matters, including tax and customs inspections.

Civil Liability

Civil liability is principally understood as independent from administrative liability. However, it directly relates to environmental damage and therefore to liability for environmental damage.

Delving first into environmental matters, Peruvian legislation defines environmental damage as any detriment occurring to the environment and/or any of its components that generates actual or potential negative effects, whether or not it is caused by infringing legal provisions (Article 142 of the General Environmental Law—Law No 28611). Moreover, anyone who damages the environment, people’s quality of life, human health, or the nation’s heritage through using or harvesting goods or carrying out activities is deemed liable for environmental damages and is even required to assume the costs involved in preventative measures and harm mitigation. An analysis of the activities involving illegal logging and its related trade clearly demonstrates that they are directly related to elements that legally constitute environmental damage.

Finally, civil liability for environmental damage arises from damage caused to the environment due to willful intent or fault, and the person who causes the damage is required to provide compensation (Article 1969 of Civil Code Legislative Decree 295). The Civil Code also stipulates liability for harm caused by a subordinate while exercising their position or fulfilling a respective service: the person in charge must answer for the damages caused. Such a case results in the joint and several liability of both the direct and indirect perpetrators. When damage is caused by several people, the Civil Code stipulates that all are jointly liable (Article 1983).
Chapter 4

Identifying Responsible Actors throughout the Supply Chain of Illegal Timber

Scenario 1: The Creation, Filing, and Implementation of Forest Management Plans

The first step in obtaining a forestry contract is a forestry regent conducting a forest inventory of the trees in the area to be logged. This information is used to create the Forest Management Plan, which is then filed and presented to the Regional Forestry and Wildlife Authority to be evaluated and subsequently approved if the application is deemed warranted.

Forestry and Wildlife Law Nº 29763, in effect since October 2015, states, “Forestry regents who develop and file Forest Management Plans are responsible for guaranteeing forest resources’ sustainability. They are also jointly responsible for the accuracy of the Forest Management Plan’s content and its implementation as well as the correct issuance of GTFs.”

Title VIII of the Forest Administration Regulations clearly explains regents’ scope of activities and their obligations within the forest management sphere.

Regency (Article 47)

Regency is a license issued by SERFOR to professionals who write, file, and implement management plans for logging titles to guarantee resource management sustainability. All logging titles are required to have a regent, except for holdings implemented through Management Declarations.

The regent is personally and jointly responsible together with the logging title holder for the accuracy of the content of the management plan and the actions for implementing it.

When a regent is hired through a legal entity, both parties are responsible for correctly conducting their duties, and both incur administrative, civil, and criminal liability. The legal entity is the third party civilly liable for any damages and injuries that are caused.

SERFOR approves the guidelines for implementing the National Registry of Forestry and Wildlife Regents, the issuance of the corresponding licenses, and other matters related to the regency’s development.

Regents’ duties and responsibilities (Article 52)

The regents’ duties and responsibilities are as follows:
a. Develop, file, and implement management plans, performance reports, and transport permits according to the stipulations in the Regulations.

b. Jointly with the holder, attest to the accuracy of the technical data and missing information in the filed documents.

c. Maintain and update the National Registry of Regency Acts and supporting documentation, which should be shared with the logging title holder for the duration of the regency and retained for a minimum of four years after the regency period has ended.

d. Inform SERFOR and ARFFS when regency activities are terminated, indicating the activities conducted and the reason for the termination.

e. Participate in the inspection, monitoring, supervision, and audits of areas within the regency, as notified by relevant authorities.

f. Safeguard the equipment and materials issued by SERFOR during the training sessions that they attend.

g. Ensure steadfast compliance with the ethical, technical, and administrative guidelines related to administering the regency.

h. Promote efficiency and best practices in forest resource and wildlife management.

i. Contribute to conducting inventory under the auspices of forestry and wildlife officials and to implementing SNIFFS.

Since 2012, when these professionals were still known as forestry consultants, a series of documents, journalistic investigations, and communications have revealed the use of false information in the creation and filing of Forest Management Plans, which has enabled the laundering of illegal timber. The findings from these reports were conveyed to different officials in the forest sector so that they would take action based on their sphere of influence. To this day, however, many of the implicated professionals continue to be registered as forestry regents with SERFOR under the new legal framework that took effect in 2015.

The previous Forestry and Wildlife Law and its regulations, Law 27308, precisely describes the actions and omissions that are considered crimes and that signify infractions and elicit sanctions for forestry consultants (now forestry regents). Each Regional Forestry and Wildlife Authority was required to develop an Administrative Sanctions Procedure (PAS) within the framework of Law 27444; however, this obligation was not fulfilled in its entirety. In order to remedy this problem, in 2017, the Peruvian State promoted the enactment of Legislative Decree Nº 1319, granting SERFOR the power to sanction forestry consultants and regents who filed Forest Management Plans with false information on the basis of Law 27308. According to information accessed by the present investigation, in the course of implementing Legislative Decree 1319 in 2017, OSINFOR sent SERFOR all of the results of supervisions carried out since 2009. A review of the registry of consultants on the SERFOR webpage found eight suspended licenses of a total 163 registered forestry regents.

A review of administrative files generated by OSINFOR throughout the course of this investigation identified 13 forestry regents who wrote and filed Forest Management Plans with false information—specifically, with rates of nonexistent trees surpassing 40 percent. This report does not consider 40 percent an inadvertent mistake or caused by human error. Forest Management Plans in which over 40 percent of the trees do not exist facilitate the issuance of Forest Transport Permits for the purpose of laundering illegal timber.

Despite the fact that Forestry and Wildlife Law 29763 categorically stipulates the forestry regent’s liability in such cases, there is no evidence that there is systematic monitoring these professionals. In addition, the sections from the Criminal Code on crimes against forests or forest formations (modified by Legislative Decree Nº 1237) include illegal trafficking in forest timber products and procedural obstruction. The results and files from OSINFOR’s sanctioning administrative processes provide evidence of acts and conduct in building a liability case for environmental crimes.

Email correspondence was sent to each of the implicated regents in order to solicit their
Forestry Regents Who Created and Filed Forest Management Plans Reported in GTFs and Supervised by OSINFOR with Rates of Nonexistent Trees over 40% identified by Name and Enrollment Number in Peru’s Registry of Engineers

Official report in 2014 from OSINFOR to SERFOR regarding forestry consultants who signed Forest Management Plans containing false information.

Official report in 2017 from OSINFOR to SERFOR regarding forestry consultants who signed Forest Management Plans containing false information.
comments and perceptions regarding this investigation’s findings, giving them the opportunity to respond. They were asked about the issuance of GTFs and the implementation of Forest Management Plans, and a list was attached matching each regent’s Forest Management Plans with those red-listed by SIGO. As of the time of publishing, more than six months after initial requests were sent in December 2018, none of the forestry regents had responded.

Information was simultaneously requested through SERFOR’s transparency website regarding rulings issued to forestry regents by the Instructive Authority under the auspices of the PAS.

Only eight forestry regents have been suspended in the entire country. Using the 2017 Database, this investigation found that forestry regent Hugo Paima Ríos filed some of the most Forest Management Plans that appear on the red list and face administrative sanctions by SERFOR. It is important to clarify that PAS issued by SERFOR only affect the management plan subject to sanctions, not the other plans developed by the same forestry regent. That is, if a forestry regent prepared 100 Forest Management Plans and all of them generated OSINFOR inspections and were red-listed due to the declared trees’ non-existence, SERFOR would have to initiate 100 PAS.

The following is a timeline of one of the suspension orders issued against forestry regent Paima Ríos:

- October 14, 2014: The Forestry and Wildlife Regional Authority from Loreto approves the Forest Management Plan.
- May 19, 2015: OSINFOR conducts a supervision of the Forest Management Plan and issues the related report to the Supervisory Authority, which conveys that the PMF written by Engineer Hugo Paima Ríos “lacks veracity and thus undermines development in the region and the State.”
- May 29, 2015: OSINFOR resolves to initiate the Uniform Administrative Procedure (PAU) against the holder of the forest harvest contract, in accordance with the findings of the supervision of the Forest Management Plan, “due to the nonexistence of 148 usable trees (25 of the Cedrela odorata species and 123 of Virola sp.) and 4 Cedrela odorata seed trees.”
- August 27, 2015: OSINFOR sanctions the forest contract holder and declares the management plan null and void, which means that the contract holder does not have permission to fell trees in the entire area due to severe violations of the forestry law. OSINFOR also notifies all relevant authorities.
- May 28, 2018: Through Resolution Nº 002-2018-MINAGRI-SERFOR-DGGSPFSS-AL, SERFOR’s PAS Instructive Authority rules to launch administrative proceedings against forestry regent Hugo Paima Ríos for presumed infractions to forest legislation and as a protective measure orders that his license be suspended.
“The site visit made by OSINFOR to the Annual Operative Plan (POA) Number VIII annual logging plot clearly found reasonable evidence to assume that the information contained in the foregoing document is not true, and therefore liability is presumed on behalf of the forestry consultant who participated in writing and filing the POA VIII. Relevant actions must be initiated to determine the extent of his participation and, if warranted, to impose administrative sanctions as stipulated in the legislation.”

The timeline indicates that it took three years for SERFOR to initiate sanction proceedings against the forestry regent. It also reveals:

- A three-year lapse between the time that OSINFOR raised the alert—through the supervision report and the resolutions that were forwarded to different officials in the forest and environmental sector—and the ordering of protective measures does not effectively safeguard the public good and the nation’s heritage.

- In accordance with their duties and jurisdiction, SERFOR and the other forestry and environmental officials who were notified in a timely manner could have conducted further investigations into the Forest Management Plan, which was later approved in the indigenous community Nuevo San Antonio de Lancha Poza. This PMF approved the felling of Cedrela odorata, a forest species included in CITES and the seed tree whose protection provided justification for the PAU sanctions. CIEL also included the San Antonio de Lancha Poza example in the case studies denounced in the 2017 report Continuous Improvement.

- Finally, since the Instructive Authority for SERFOR’s Administrative Sanctions Procedures has been ruling on these cases, it would be logical and fitting to promote and establish protective measures for all of the Forest Management Plans written and filed by forestry regents presumed to be involved in illicit activities, until OSINFOR supervises and monitors the relevant forestry contracts and PMFs. Legal basis for this measure is developed in the regulatory provisions for Legislative Decrees 1220,62, 1237,63 and 1319,64 and the National Pact for Legal Wood. Currently, protective measures are only being levied on Forest Management Plans linked to PAS investigations.

Scenario 2: Fabricating Trees’ Existence to Obtain Forest Management Approval

Site Visits: Turning a Blind Eye

In order to guarantee forest products’ legal sourcing, trees must be verified on-site and cross-checked with the statements made by the contract holder and the forestry regent. The Forestry and Wildlife Authority is required to carry out visual inspections of the proposed logging area prior to approval, present a report, and recommend approval if warranted. This point in the supply chain is crucial, since it is the moment that determines the existence of the trees declared in the Forest Management Plans that are presented to the Regional Forestry and Wildlife Authority. Verifying the existence of the declared trees in the forest would contribute to a significant decrease in the rate of illegal timber laundering in Peru.

This investigation reviewed the files from administrative sanctions proceedings spearheaded by OSINFOR based on supervisions that appear in the 2017 Database. In particular, it examines Forest Management Plans in which over 40 percent of the listed trees did not exist in the field and finds eight professionals were responsible for issuing reports about conducting on-site inspections of forest inventories prior to the approval of Forest Management Plans. That is, the eight professionals who participated at this stage presented reports indicating that they went into the forest and visually inspected the PMF sites to verify forest inventories. However, results from the OSINFOR supervisions and audits reveal that over 40 percent of the trees declared in these PMFs did not exist.

In demonstrating the trees’ nonexistence, OSINFOR provided evidence that the Regional Forestry and Wildlife Authorities approved management plans for nonexistent trees, which facilitated the future laundering of illegal timber in unauthorized zones. Given OSINFOR’s findings and subsequent alerts in the administrative proceedings, these eight individuals presumably bear liability for environmental crimes—in particular, liability for false information, in the form of public officials’ liability for the illegal issuance of rights, an offense against the State.

Of note, not all of the individuals in charge of cross-checking information presented in the Forest Management Plans written and filed by forestry regents are members of Peru’s Registry of Engineers: only four of the eight abovementioned professionals in the 2017 Database are enrolled. Logically, forestry regents should fulfill a minimal set of criteria regarding education, training, and


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FIGURE 13
Regional Forest Authority Professionals Who Visually Inspected Sites Prior to Official Approval of Forest Management Plans with Nonexistence Rates of Over 40% for Declared Trees

Professionals not registered in Peru’s Registry of Engineers

Lion Max Armas Vela
Juan Ariarana Ijuma
Percy Paull Ruiz Manuyama
Luis Gustavo García Tina
FIGURE 14
Regional Forest Authority Professionals Who Recommended Approving Forest Management Plans with Rates of Nonexistent Trees over 40%

Marcos Patricio Soares Torres  
CIP - 174323

Carlos Roni Saldaña Shapiama  
CIP - 141327

Alberto Edison Arevalo Lopez  
CIP - 89198

Rosula Corina Torres Vargas  
CIP - 207499

Manuel Angel Fasabi Paima  
CIP - 162813

Jorge Del Aguela Bocanegra  
CIP - 154321

Nicky Sandoval Macedo  
CIP - 169557

Professional not registered in Peru’s Registry of Engineers
Erika Rossana Arce Nuñez

FIGURE 15
Regional Forest Authority Officials Who Approved Forest Management Plans with Rates of Nonexistent Trees over 40%

Jhon Lao Chung  
Amasfuen  
CIP - 196331

Kathia Janeth García Atachi  
CIP - 196331

Winder Loja Yhuaraqui  
CIP - 138764

Erik Manuel Ramírez Rodríguez  
CIP - 156239

Ricardo Segundo Muyngasque Hernández  
CIP - 114291

Ernesto Gonzales Davila  
CIP - 75680

Robert Nolombe Tenazda  
CIP - 110418

Denison Marcel Del Castillo Mozambique  
CIP - 172011

Carlos Augusto Roman Vela  
CIP - 173714

Maurice Manual Perreira Fachin  
CIP - 179244
It is crucial to strengthen the leadership role that Regional Forestry and Wildlife Authorities fill in conducting visual inspections and in issuing reports on their findings. As decentralization and transfer of duties shifts responsibilities to regional governments, these governments must request proper conditions and implement budgets effectively in order to bolster their technical capacities to carry out these inspections. It is not the role of OSINFOR; if OSINFOR were to provide accompaniment prior to the approval of PMFs, over time this would hinder the Regional Forestry and Wildlife Authorities from developing confidence in their own abilities in forestry matters as bestowed on them by the transfer of responsibilities and jurisdiction. Moreover, considering its limited budget to supervise and audit Forest Management Plans, OSINFOR would have to divert funds from its supervision of high-risk situations such as those included in this study to expand its capacity elsewhere.

**Scenario 3: Approval of Forest Management Plans with Nonexistent Trees**

The 2017 Database results and administrative files generated by OSINFOR reveal that ten officials from different Regional Forestry Authority sections promoted the execution and approval of contracts and Forest Management Plans with inventories in which over 40 percent of the trees did not exist. Two years after the enactment of Forestry and Wildlife Law 29763, Forest Management Plans with nonexistent trees were being approved for different harvest modalities (forest timber concessions and forest permits in indigenous communities, on private lands, and in local forests). Contracts and Forest Management Plans, generated and signed by professionals, evidence the transport and sale of illegally sourced wood that was primarily logged in unauthorized areas (territories of National Protected Areas (ANPs), indigenous and campesino communities, and others). A large amount of the timber possibly originated in areas of the Loreto and Ucayali regions that have lost forest cover in recent years due to deforestation.

Professionals have various tools at their disposal to ensure accurate information at site visits, including checking GPS coordinates during the forestry inventory evaluation, measuring trees’ diameter and height to verify that the linear data correlates, perusing bibliographic information regarding the presence of forest species in the region, and viewing satellite images.

Favorable Reports for Approving Forest Management Plans

The government’s main link in the wood supply chain is a two-step process involving first the visual inspection at the site visit, discussed above, and second, the official approval of the management plan. These two steps are key in guaranteeing timber’s legal origin.

Prior to approving Forest Management Plans, several professionals with the Forestry and Wildlife Authority visit the field site to inventory the logging area and verify the existence of the trees declared in the documents filed by the holder and the forestry regent. The 2017 Database revealed a separate group of eight professionals who recommended approving Forest Management Plans in which over 40 percent of the trees did not exist. Seven of these eight professionals are enrolled in Peru’s Registry of Engineers according to the Registry platform.

Professionals have various tools at their disposal to ensure accurate information at site visits, including checking GPS coordinates.
These facts were communicated to different institutions in the forestry and environmental sector through official documents forwarded by OSINFOR since 2013. This can be corroborated by each Directorial Resolution issued through management lines. Furthermore, the international “Operation Amazon” initiatives in 2014 and 2015 note the involvement of professionals and officials who participated in approving Forest Management Plans that presented false information and claimed nonexistent trees.

In another example from the 2017 Database, official Ernesto Gonzales Dávila was found to have signed the resolution to approve three forest plans in which 63, 72, and 100 percent of the claimed trees did not exist in the inventories. OSINFOR supervision results revealed that the statements in these Forest Management Plan were false.

Gonzales Dávila, a key official within the Regional Forestry and Wildlife Authority of Loreto, also played a role in the 2015 case in which a load of timber on the Yacu Kallpa vessel was seized at the Port of Houston, Texas, in the United States. In addition to approving Forest Management Plans containing false information, Gonzales Dávila issued an official document in support of the manager of the forestry company Corporación Industrial Forestal SAC. The timber importer used this document in its defense in an attempt to recover the impounded wood.

All three abovementioned scenarios involve reliable and compelling evidence of facts verified by OSINFOR in supervising the Forest Management Plans. Public officials should have full knowledge of their functional responsibility when writing reports during their time in office. Peru’s Criminal Code specifically stipulates the administrative, civil, and criminal liability incurred for supplying false information during the forest management process, as follows:

“Anyone who, knowing of or able to assume falsehood or inaccuracy, files, writes, inserts, or registers into administrative proceedings, studies, evaluations, environmental audits, Forest Management Plans, requests, or other forest management documents required by law that include or endorse false or inaccurate information will be penalized with imprisonment of no less than four years nor more than six years and disqualification for one to six years” (Legislative Decree No 1237).

Therefore, it can be assumed that sufficient evidence exists regarding the administrative, civil, and criminal liabilities of public officials for illegally granting rights and for including false information in reports. The Forestry and Wildlife Law and its Regulations in the Criminal and Civil Codes specify the liability of public officials for illegally granting resource use rights or incorporating or endorsing false information, among other acts.

**TABLE 2**

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<td>HUMBERTO QUIÑONEZ ALVARADO</td>
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<td>18</td>
<td>GEYBI CESAR ROJAS RENGIFO</td>
<td>38</td>
<td>LIDIA CONSUELO GARCIA SALAS DE DADIC</td>
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<td>19</td>
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<td>FOX &amp; DAVID E.I.R.L.</td>
</tr>
<tr>
<td>20</td>
<td>MADERAS VALERA E.I.R.L.</td>
<td>40</td>
<td>JHONATAN VASQUES FUNES</td>
</tr>
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</table>
Timber Owners Reported in Forest Transport Permits

Out of the 447 Forest Transport Permits in this study whose Forest Management Plans were supervised by OSINFOR, 117 timber owners were identified, 80 of whom have PMFs on the SIGO report’s red list. Meanwhile, 40 of the timber owners were found to have used 86 percent of the GTFs to transport timber harvested in unauthorized zones according to the SIGO red list. Table 2 lists the owners in descending order based on how many GTFs they used to transport timber.

Most of the timber appearing in the 2017 Database and analyzed in this investigation was transported for domestic sale. Some of the timber owners noted in the GTFs were reported in other investigations as high-risk companies (Inversiones WCA, Chen Forestal Selva SAC, etc.).

Exporters Identified in the Forest Transport Permits

Eighty-four percent of the forest products in the 2017 Database were transported to Lima, Callao, Huánuco, Huancayo, Huarochirí, and Huaura. Sixty percent of the timber transported and marketed with the backing of GTFs arrived in Lima, and 14 percent arrived at the Port of Callao. The 86 percent of total forest products transported domestically was probably sold in the domestic market, although some of it might have been processed and subsequently exported.

Status of Timber Transported to Lima (60%)

According to the 2017 Database, 24 percent of the GTFs with timber transported to Lima are on the SIGO red list because they are considered at high risk of being illegal. The legality of 61 percent of the Lima-bound forest products is impossible to ascertain, in

FIGURE 17
Status of Timber Reported in GTFs Transported to Lima

Red List: 23.58%
Green List: 14.63%
Uncategorized-PAU in process: 0.65%
Outside OSINFOR’s jurisdiction: 9.92%
PMF Not Supervised: 24.07%
PMF Resolution no. not included: 19.51%
TH-Not Registered in SIGO: 7.64%

FIGURE 18
Status of Timber Reported in GTFs Transported to the Port of Callao

Green List: 43.36%
Red List: 20.28%
Outside OSINFOR’s jurisdiction: 3.50%
Contract no. does not correspond: 0.70%
PMF Not supervised: 26.57%
TH - Not registered in SIGO: 5.59%
most cases because the relevant Forest Management Plan was not supervised or was not forwarded to OSINFOR, its approval number was not included in the GTF, or it was not within OSINFOR’s jurisdiction.

Of the Forest Management Plans with LIma-bound wood reported in the GTFs and supervised by OSINFOR, 62 percent are on the red list. Significantly, before arriving in Lima, forest products must cross forest checkpoints managed by SERFOR in Oroya, Corcona, and other sites.

Status of Timber Transported to Callao (14%)

Interestingly, according to the 2017 Database, 43.36 percent of Forest Transport Permits bound for the Port of Callao are on the green list. However, it is impossible to determine the legality of 36 percent of the forest products transported to Callao because the relevant Forest Management Plan was not supervised or was not forwarded to OSINFOR, its approval number was not included in the GTF, or it was outside OSINFOR’s jurisdiction.

A comparison of Lima and Callao’s figures, considering that Callao is an export port, suggests that timber exporters were more careful than domestic buyers in selecting forest products. The 2017 Database indicates that 68 percent of the GTFs that noted Forest Management Plans supervised by OSINFOR for Callao-bound timber were on the green list. Tellingly, these results are similar to those identified in CIEL’s 2017 report, which suggests a practice of choosing green-listed documentation for exports.

Same Exporters, Same Practices

An analysis of the 2017 Database and consultations on the SERFOR platform identified eight forest companies linked to timber exports. A list of potential exporters was developed based on information from a collection center that is used as a dispatch station at the Port of Callao. Meanwhile, the 2017 Database reports indicated the legal status of forest products transported with GTFs from the Amazon to export ports.

An analysis of the GTFs indicates that 82 percent of forest products bound for Callao are concentrated in four forestry companies; the top two are Inversiones WCA E.I.R.L. (54 percent) and Chen Forestal Selva S.A.C. (25 percent). The four companies found to be transporting high-risk forest products to Callao, with the first two also detected exporting high-risk timber in 2015, are Inversiones WCA E.I.R.L. (with 60 percent of its exports appearing on the red list), Sutay Company S.R.L. (100 percent red-listed), Chen Forestal Selva S.A.C. (70 percent red-listed), and Aserradero Estrella Del Oriente S.A.C. (100 percent red-listed).

Inversiones WCA

The company Inversiones WCA appears in the 2017 Database and was previously identified as one of the main exporters of illegally sourced wood. Global Witness discovered certain practices in its undercover investigations into exporters in Iquitos. For example, William Castro of Inversiones WCA affirmed...
that regional governments often establish a type of harvest site within local forests to launder illegal timber, especially the cumala species. According to the Global Witness investigation, the majority of Castro's exports on the Yacu Kallpa in November 2015 were cumala and came from local forests as recorded on Forest Transport Permits.87

On April 9, 2015, at the Port of Callao, SUNAT intercepted a load of sawn lumber from the Virola sebifera (cumala) species belonging to the Inversiones WCA company and due to be exported to Chile. The wood was intercepted because it was backed by a Forest Transport Permit for a forestry contract that faced a protective measure by OSINFOR due to illegal logging.88

During the international “Operation Amazon 2015,” the company was once again found to be involved in exporting illegal timber. Peruvian authorities proved that 80 percent of the wood by volume exported on the Yacu Kallpa ship89 was not sourced legally since it was harvested from unauthorized trees, and official documents were used to legalize its transport and sale.90

In December 2015, OSINFOR urged Inversiones WCA, SUTAY Company S.R.L., and other companies to review the SIGO reports before purchasing timber to determine risk levels for legal trade and to avoid difficulties with the export process. OSINFOR also told the companies that if a given forestry contract were found to be unsupervised, the agency would commit to the effort of conducting the supervision in order to guarantee the forestry products’ legal sale.91

Nevertheless, as evidenced in this investigation, Inversiones WCA continues to market and export wood that is highly likely to be illegal.

In January 2019, Global Witness’s publication The Forest Avengers declared that Inversiones WCA continues to export timber from forestry contracts on the OSINFOR’s red list. According to Global Witness’s analysis, “SERFOR reportedly inspected timber exports by Inversiones WCA of cumala and marupa at the port of Callao in Lima in April and May 2017 that was reported to have come from three indigenous communities and was destined for Mexico and Puerto Rico. OSINFOR later discov-
Considered that the timber could not have come from those communities and therefore was illegal. In fact, the timber identified in the GTFs corresponds to red-listed Forest Management Plans according to OSINFOR’s supervision results.

**Transfer Sites of Original Forest Transport Permits**

Of utmost relevance is the fact that the majority of the GTFs originated in the region of Loreto and were transferred in the supply chain at different offices of the Regional Forestry and Wildlife Authority in the Ucayali region, as detailed below.

Analysis of the 2017 Database shows that 96 percent of the GTFs were transferred and issued by the Regional Forestry and Wildlife Authorities of the Ucayali region. Of those, 81 percent were transferred by the Forestry and Wildlife Administration Office (DGFFS) of Pucallpa and 15 percent by the DGFFS of Aguaytia.

Importantly, considering that 58 percent of the Forest Management Plans supervised by OSINFOR and analyzed in the 2017 Database are on the SIGO red list and that 96 percent of the GTFs were transferred via Ucayali, it can be asserted that most of the forestry products backed by GTFs and transferred in the Ucayali region were illegally sourced. If the professionals who participated in GTF transfers had screened the permits prior to granting the transfers, they could have prevented the transport and sale of high-risk, red-listed forest products. The procedure used in this investigation, which is thoroughly described in the methodology section, provides an example of an effective screening process.

This data regarding transfers contradicts statements made in January 2018 by then-governor of the Ucayali region Manuel Gambini. Gambini claimed that the enactment and enforcement of laws against illegal logging had reduced the illegal logging rate to 4 percent in Ucayali, compared to other Amazonian regions where the rate remained as high as 80 percent. Coinciding with Gambini, in July 2018, then-Minister of the Environment Fabiola Muñoz Dodero, currently the Minister of Agriculture and Irrigation, reiterated the same statistics for Ucayali during an interview on the news program Radio Programas del Perú.

**Professionals who Participated in Granting Forest Transport Permits**

A review of the 1,024 GTFs identified the names of professionals who transferred and signed Forest Transport Permits and their assigned offices. The professional who signed and issued the greatest number of GTFs was Leydi Noelia Campos Martín with 59 percent, followed by Víctor Javier Vidalón Ríos with 22 percent, and Francisco Da Silva Chosna with 15 percent.

**FIGURE 20**

Professionals who Transfered and Signed GTFs, by Percentage of Permits

<table>
<thead>
<tr>
<th>Professional</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leydi Noelia Campos Martín</td>
<td>59%</td>
</tr>
<tr>
<td>Víctor Javier Vidalón Ríos</td>
<td>22%</td>
</tr>
<tr>
<td>Francisco Da Silva Chosna</td>
<td>15%</td>
</tr>
<tr>
<td>Others</td>
<td>4%</td>
</tr>
</tbody>
</table>
The 2015 Callao Data identified Víctor Javier Vidalón Ríos and Francisco Da Silva Chosna as professionals who participated in granting GTFs that allowed the transport and sale of illegally harvested wood, as reported in 2017 in CIEL’s Continuous Improvement.

The three abovementioned professionals granted 96 percent of the 1,024 reviewed GTFs dating in June, July, and August 2017, almost three years after the high-impact media coverage of Operation Amazon 2014. These professionals had the capacity to issue alerts about GTF requests, thus preventing timber from red-listed forest contracts and Forest Management Plans from being transported. It is not difficult to consult the SIGO digital platform; even if the information about a particular Forest Management Plan is not found, the professional can alert the relevant authorities.

**Seeking Responses from Forestry and Wildlife Officials**

The findings in this report reveal the ease of transporting illegal timber from the Amazon to the Peruvian coast. As a national authority and governing entity for the forest sector, SERFOR is responsible for strategically distributing forest checkpoints along Peru’s economic routes in order to implement an efficient surveillance and monitoring system that prevents illegally sourced timber arriving at destination sites and major collection centers. Forest checkpoints from Oroya to Lima are under SERFOR management.

With OSINFOR’s research results and analysis, letters were sent to the Regional Forestry and Wildlife Authorities from the regional governments of Loreto and Ucayali and to SERFOR asking for their perspectives and comments. Forestry and Wildlife Law Nº 29763 states that these officials play a monitoring and surveillance role in guaranteeing that timber sold in the domestic and international market has been legally harvested.

As of the publication of this report, none of the forestry and wildlife officials had responded.

**The Undermining Effective Monitoring Agencies**

Over the past ten years, OSINFOR has made great progress in improving transparency and providing openly accessible information. These achievements are a direct result of the agency’s supervision and monitoring of forest contracts and management plans, which have allowed it to identify actors who participate in the timber supply chain. However, numerous motions have attempted to undermine the agency by eliminating its independence and autonomy. This process culminated on December 14, 2018 with the publication of Supreme Decree Nº 122-2018-PCM ordering OSINFOR to be incorporated into the Ministry of the Environment.

However, the Peruvian government reversed this decision through Supreme Decree Nº 066-2019-PCM in April 2019, undoing the merger with the Ministry of the Environment and returning OSINFOR to the Presidential Council of Ministers (PCM). The Peruvian government made this decision in response to major public and political pressure, stemming from numerous statements by environmental organizations and by the United States government indicating that it considered the December 2018 action to be a breach of the Peru Trade Promotion Agreement.

The Agreement annex related to the forest sector specifically stipulates that OSINFOR should be an independent agency in order to guarantee legal timber sales domestically and internationally. In recent years, OSINFOR has been key in verifying forestry products’ legal origins. In fact, one of the reasons that it was granted independence from other sectors of the Executive branch is because of its role in supervising and auditing PMFs issued by forestry and wildlife officials.

Attempts to undermine government agencies through deregulation and debilitation occur around the world. The effectiveness, independence, and power of monitoring agencies make them targets of multiple actors who operate through and benefit from corruption.

As of 2015, when Operation Amazon exposed the extent of illegal logging, certain elements within the public and private sectors began pressuring OSINFOR and SUNAT and undermining their efforts to curb illegal timber sales. This 2015 exposé, in turn, resulted from a joint effort begun in August 2012 with the aim of identifying the organized networks and actors involved in illegal timber sales throughout the supply chain.

Testimonies from industry leaders in the forest sector itself offer proof of OSINFOR’s efficacy. In its January 2019 report *The Forest Avengers* Global Witness obtained undercover testimonies from several representatives of forestry companies. The business leaders emphasize that the fact that OSINFOR is part of the Presidential Council of Ministers grants it support and status in its supervisory and auditing actions. Forestry businessman Roberto Cabrera stated that he had to adjust his practices to avoid problems with OSINFOR. A Forestal Merced company representative attested that with SERFOR it is possible to “make something legal that is illegal,” but with OSINFOR that is not possible.
Chapter 5

Key Findings

Key findings come from specific case studies within the 2017 Database and OSINFOR’s administrative files on Forest Management Plan supervision.

Forestry and Wildlife Officials Continue to Approve High-Risk Forest Management Plans

The present analysis suggests that prior to approving a Forest Management Plan, Regional Forestry and Wildlife Authorities do not conduct background checks to consider whether forestry contract holders and regents are implicated in prior irregularities. The officials could consult SIGO (SFC) online to ascertain the legality of the Forest Management Plan, and consequently the forest product, prior to registering and granting a GTF.

In fact, in several cases analyzed, the opposite appeared to occur. For example, on June 22, 2017, GTF N° 13-0248009 was granted through authorization by the professional Leydi Noelia Campos Martin in the office of the Pucallpa Bureau of Forestry and Wildlife Management. The GTF cited the indigenous community Sheyamashya. SIGO (SFC) shows that OSINFOR finished supervising the relevant Forest Management Plan on April 29, 2017, and the information appeared on SIGO’s red list as of May 31, 2017. Moreover, since 2013, OSINFOR had supervised PMFs numbered 05, 06, 07 located on the same piece of land in Sheyamashya; all were on the red list. Therefore, by the time GTF N°13-0248009 was issued, there was sufficient public information to assume that the timber mentioned in the GTF was illegally harvested.

The procedure for verifying the status of an operational plan in the SIGO system is so simple that it should take less than five minutes to determine a forest product’s legal status. Not only forest monitoring agents, but also buyers, exporters, importers, and others can readily access the data.

By Coincidence or Design: Organized Networks and Forest Management Tool Approval

The analysis evidences what amounts to something of an “open secret”: the possible synchronized work of an organized network for approving forestry paperwork. The 2017 Database uncovered four forestry contracts and Forest Management Plans that were processed at different times but that were...
all filed and approved by the same three individuals. The contracts and plans in question are detailed as follows:

- Autonomous Association for Local Forest Administration in the rural community of Tangarana-Marañón River (16-LOR/L-MAD-SD-003-10)
- Betania Indigenous Community (16-LOR-LOR/PER-FMC-2017-001)
- Local Forest in the San Gabriel Indigenous Community (16-LOR/L-MAD-SD-002-13)
- Santa Carmela Indigenous Community (16-LOR/P-MAD-SD-004-15)

The forestry regent who prepared and filed the Forest Management Plans was Engineer Hugo Paima Ríos. By 2016, he had signed dozens of Forest Management Plans with false information, as reported in various investigations and evidenced in the results of OSINFOR’s supervision and audits. Nevertheless, SERFOR, as the national institution in charge of the forestry regents’ registry, allowed this professional to continue to work in the forest sector.¹⁰⁷

In all four cases, the sole professional who carried out the visual inspection and recommended that the Forest Management Plans be approved was Carlos Eduardo Shapiama del Castillo.¹⁰⁸ The official who signed the approval motion for each Forest Management Plan was Kathia Janeth García Ayachi.¹⁰⁹

Of note, the GTFs for some of these forestry contracts were used on the Yacu Kallpa ship in 2015. To date, it is known that 96 percent of the timber on the vessel’s third shipment was illegally harvested, laundered, and whitewashed by official GTF documents granted by the Regional Forestry and Wildlife Authority. The Callao Data 2017, a source in the 2017 publication Continuous Improvement, notes that SERFOR visually inspected the Yacu Kallpa vessel at the export port; both of the forestry and wildlife agencies¹¹⁰ had been alerted to these scenarios since 2014 due to the outcomes of international operatives promoted by INTERPOL together with the World Customs Organization, SUNAT, OSINFOR, and FEMA.

Many timber owners clearly know the risks of transporting and selling illegally logged timber. In May 2017, Inversiones WCA possessed full knowledge of the matter and the risks involved in continuing to sell illegal timber.¹¹¹ However, this investigation discovered that the company was still exporting illegal timber at the Callao port, with involvement by the Forestry and Wildlife Administration in Lima, a dependency of SERFOR. As reported on SERFOR’s transparency webpage,¹¹² the timber bound for export was inspected at port; the agency had the power to generate an alert based on the timber’s potential illegal status when it inspected the illegal cargo.

### Tracking Timber from Forest to Port

The 2017 Database traces timber’s route from its harvest site (identified as authorized) in the forest to the Callao port. On June 26, 2017, in the Pucallpa Bureau of the Forestry and Wildlife Management Office, the professional Leydi Noelia Campos Martín issued Forest Transport Permit Nº. 13-0247127 in expedited fashion. On August 25, 2017, in the same forestry office, Forestry Transport Permit Nº 13-0252736 was issued, this time by professional Víctor Javier Vidalón Ríos, for the same forestry contract holder from the indigenous community of Santa Carmela. The forestry contract is Nº. 16LOR/P-MAD-SD-004-15 and relates to the Forest Management Plan approved by Resolution Nº. RJ Nº 012-2016-GRL-GGR-DEFFS-ARA-OD-L-N, one of the four...
documents described previously that were all processed by the same group of three individuals, according to the following details:

Forestry Regent who wrote and filed the Forest Management Plan:
- Hugo Paima Ríos

Professional who conducted the on-site visual inspection and recommended approving the Forest Management Plan:
- Carlos Eduardo Shapiama del Castillo

> Report N° 005-2016-GRL-GGR-ARADEFSS-OD-N/CESDC

Official who signed the resolution approving the Forest Management Plan:
- Kathia Janeth García Ayachi

> Resolution N° 012-2016-GRL-GGR-DEFFS-ARA-OD-L-N

By reviewing the administrative files for sanction procedures generated by OSINFOR and accessed through its public transparency webpage, the present investigation found that the supervision results warn that 100 percent of the timber backed by the abovementioned Forest Management Plan is illegal. It is noteworthy that the resulting sanctions proceedings ordered a fine equivalent to over 1.3 million dollars.

ARFFS could have applied the same investigative methodology used in this study before issuing or transferring the original GTF, in order to be able to make an informed decision about the need to generate an alert to all the players in the sector regarding the forest products’ status. The methodology used to construct this investigation is detailed in Annex 1.
FIGURE 21
Tracing Timber’s Route from Harvest Site to Export Port

SUSPECTED TIMBER ROUTE FROM SANTA CARMELA NATIVE COMMUNITY TO PORT OF CALLAO – PERU
ACCORDING TO SIGO_SFC REPORT (RED LIST)
TRANSPORTED AND MOVED FROM PUCALLPA TO CALLAO IN JUNE AND AUGUST 2017

- Forestry Regent who prepared the Forest Management Plan
  HUGO PAIMA RIOS
  LIC-RE-2017-015
  CIP - 85180

- Professional from ARB in Loreto who conducted Visual Inspection and recommended PMF approval
  CARLOS EDUARDO SHAPIRA DEL CASTILLO
  CIF - 247188
  Report which recommends approval of the PMF
  RES. Nº 2017-18-12617
  FILE: 015-2017-10-15

- Report from SIGO_SFC

- Public official from ARB in Loreto who approved the PMF
  KATHIA JANETH GARCIA AYACHO
  CIF - 282947
  Resolution for approval
  RES. Nº 013-2016-DEF.
  GUE-00279-AM-CD-IR

- Professionals from Pucallpa Bureau who signed the GTF
  VÍCTOR JAVER VIDALÓN RIOS
  CIF - 66603

- LEYDI NOELIA CAMPOS MARTÍN
  CIF - 296394

- TIMBER OWNERS
  INVERSIONES WCCA S.R.L.
  RUC: 26992356276
  GTF No. 13 - 0252739

  SUTAV COMPANY S.R.L.
  RUC: 20993844770
  GTF No. 13 - 0971227
Chapter 6
Conclusions

It is widely known that illegal logging and its related trade continue at high rates in Peru, with deforestation being of the most devastating direct impacts. In 2017, 155,914 hectares were deforested, one third of which occurred in the provinces of Loreto and Ucayali.

An in-depth and detailed analysis of the documentation and procedures entailed in guaranteeing the legal origin of forest products in Peru reveals that forestry officials have numerous opportunities to transform and improve this situation. Various stages in the supply chain involve verifying the accuracy and validity of Forest Management Plans to ensure that forest products are legally sourced. Nevertheless, all too frequently, these steps are used to legitimize illegal forest products rather than halt an illegal laundering process already underway.

In recent years, the legal and regulatory framework for the adequate management of the forest sector in Peru has been bolstered. Sufficient regulatory tools, such as Legislative Decrees 1319, 1237, 1244, and 1249, administratively and criminally sanction people who commit crimes stipulated in the Forestry and Wildlife Law.

Nevertheless, these laws are not adequately enforced. As procedures, registries, transactions, and practices evolve, the administrative and criminal processes to sanction illegal acts have not intensified accordingly. Environmental crimes and their sanctions are—on paper—extensively regulated in Peru. However, the administrative and criminal procedures are weak and slow; and the application of penalties has not meaningfully impacted the magnitude of the crime.

Apparently, therefore, the plans and programs to improve forest sector management in Peru have not managed to shift the practice of the public and private players involved in commercializing timber. This results from a lack of an effective program to monitor and prosecute perpetrators criminally responsible for illegal commerce.

Importers, exporters, traders, international donors, and the public and private sectors bear enormous responsibility for safeguarding the legal management of Peru’s forest sector. A series of operations and procedures exist to ensure that acquired forest products and wildlife do not originate in areas that have been destroyed by undue exploitation. Illegal logging and its related trade, abuses, displacement of populations, and even deaths could be avoided through a consciousness shift in which a generalized understanding of the irreversible damages to people and the environment fed into a culture of accountability.

The Peruvian State and the international community should reconsider actions and decisions that undermine public institutions that have demonstrated significant results over the past ten years in the on-the-ground fight against illegal timber laundering, organized crime, tax fraud, and other crimes. With institutional commitment, willingness, and support, substantial changes can be generated that promote legally sourced timber.

One example involves the work and commitment of a small group of prosecutors in Peru who investigated the massive bribery case known as Lava Jato or “Operation Car Wash.” Their results inspire further investigations into suspected corruption and organized crime embedded in the forestry and environmental sector, with the aim of eliminating impunity in all of links of the timber supply chain. The President of the Republic of Peru, Engineer Martín Vizcarra, appearing before Congress the day of his swearing-in, stated that he would fight against the corruption and impunity that cause such harm to society and the State, a discourse that he sustains to this day. However, numerous national and international commitments to forestry and environmental issues have yet to be fulfilled.

The Peruvian government’s decision to return OSINFOR to the Council of Ministers is an encouraging and positive step that empowers the agency to fulfill its essential task of combating illegal logging in Peru. However, the work done by OSINFOR and other key forestry and environmental agencies, such as SUNAT, specialized environmental prosecutors, and the Regional Forestry and Wildlife Authorities, must be supported and strengthened. Moreover, national and regional governments in Peru should take substantive measures to address the underlying causes of illegal logging and illegal timber commerce in the country.
Chapter 7

Recommendations

Based on the findings of this report and in-depth review, study, and analysis of the different processes and stages in the timber trade, this report offers a series of recommendations for each of the Peruvian governmental agencies in forest sector management, as well as for forestry companies and financial institutions.

**Recommendations for State Agencies:**

**Forest Resources and Wildlife Monitoring Agency (OSINFOR)**

Include the following data in SIGO:

- The taxpayer registry number (RUC) of the harvest contract holder.
- The name and registration number in Peru’s Registry of Engineers (CIP) of the professional who supervised the Forest Management Plan.
- The date on which the alert or report was entered into SIGO.
- The dates on which forest sector officials and administrators received notifications about the PAU reports and resolutions (start and finish).

Promote and bolster the following capacities:

1. Supervise and audit not only logging titles (concessions, permits, and forestry and wildlife authorizations) but also other administrative deeds for different harvest modalities of forest resources and forest-based wildlife that are not covered in Forest Management Plans.

2. Supervise, audit, and appropriately sanction the natural and legal persons who participated in the unlawful issuance of local forest permits according to Forestry and Wildlife Law N° 27308.

3. Use available resources to identify illegal activity. Access and enter all collection centers, lumber yards, and processing plants in order to conduct inventories of logs and processed timber and match them to descriptions in Forest Transport Permits; review lists of roundwood and operations books; and identify legal volumes of transported wood and volumes originating from illicit activities in order to pinpoint high-risk centers and prioritize supervision actions.


5. Implement and maintain an updated list of all of the forestry regents, professionals, and officials with the Forestry and Wildlife Authority who have participated in illicit activities designated in forestry and wildlife legislation and identified during supervision and auditing.

6. Use supervision reports as pre-established evidence in order to speed up administrative and criminal procedures pursued by different actors in the sector.

**National Forestry and Wildlife Service (SERFOR) and Regional Forestry Authorities (ARFFS)**

In practice, two of the forest sector agencies that require profound change are the National Forestry and Wildlife Service and the Regional Forestry and Wildlife Authorities. What follows is a list of actions that would significantly improve their work:

- Adjust the GTF format, including the tax identification number of the forest harvest contract holder and the signature and license number of the forestry regent who endorses the activities in the Forest Management Plan.

- Train, educate, and supervise professionals in charge of granting GTFs to ensure that the forms are correctly issued and registered.

- Implement on-line consult procedures on the OSINFOR and SUNAT platforms in order to generate alerts and prevent the issuance of GTFs for Forest Management Plans that have been sanctioned.

- Disseminate a roster of officials, professionals, forestry regents, and administrators who commit infractions to the Forestry and Wildlife Law, highlighting the cause for each incurred infraction.

- Register the scientific names of the forest species approved in Forest Management Plans.

- Submit the relevant documentation for incorporating the number of the resolution for the Forest Management Plan and the scientific names of marketed forest species into customs forms, including the Customs Merchandise Declaration (DAM).

- Implement online access to GTFs and export shipping requests filed with SUNAT.

- Promote the implementation of a National Forestry Information and Monitoring System, allowing access and interoperability for agencies that need it, in order to facilitate timely and efficient interventions.
• Adapt the relevant regulations such that a Forest Management Plan takes effect on the day that OSINFOR has been notified of it.

• Considering that SERFOR was created with an exceedingly broad and slow-paced organizational structure, promote an agency with a lighter and more agile structure that would allow it to act quickly, thus determining and guaranteeing the legal source of forest products and wildlife from the Peruvian forest in an efficient, effective, and transparent way. To this end, SERFOR’s duties should be reviewed in detail and modified substantially to match the actual situation; the warnings and concerns expressed by experts, academics, and civil society organizations that have studied the National Forestry and Wildlife Service can serve as an initial guide.

• Increase Regional Forestry Authorities’ budgetary allotment so that they can stop being the petty cash recipients of regional governments. This would considerably help the process of approving Forest Management Plans, since prior to approval the officials should check that the trees listed in the PMF actually exist at the site. Sufficient funding for field visits would ensure that Forest Management Plans are processed appropriately, with no justification for skipping the on-site visit backed by Law No. 27444.118 Moreover, incentive programs should be implemented for professionals who improve their performance. Simplified administrative procedures should be developed to enable administrative and criminal sanctions to be determined quickly for anyone suspected of involvement in illicit activities.

Ministry of Economy and Finance (MEF)

• Through the Supervisory Body of State Contracts (OSCE), require that wood used in State contracts be legally sourced, with prior field verification by OSINFOR.119

• Promote preferential rates for legal products.

• Secure a forest credit fund for small- and medium-scale forestry producers, granted upon receiving a favorable report of Forest Management Plan implementation.

• Provide suitable budgetary appropriations for supervisory and auditing agencies (OSINFOR and FEMA).

• Grant budgetary allocations for the Regional Forestry Authorities to conduct visual inspections before approving Forest Management Plans.

National Superintendent of Customs and Tax Administration (SUNAT)

• Promote the monitoring of domestic and international trade in forest products, jointly with different actors in the forest sector.

• Request from forestry officials the GTFs of forest products that are marketed and declared to SUNAT.

• Consult with SERFOR, ARFFS, and OSINFOR regarding the status of Forest Management Plans that generate marketed forest products.

• Include and declare in the DAM and the Transport Documents the number of the resolution approving the forest harvest and wildlife collection activities (concessions, permits, forest authorizations, and administrative deeds) and the scientific names of the included forest species.

Financial Investigation Unit (UIF)

• Intensify investigations into criminal networks linked to illicit environmental activities, especially illegal logging and its related trade.

Specialized Prosecuting Units in Environmental Matters (FEMA)

• Promote the implementation of a second entity with resolution capacity.

• Promote spaces for exchanging and standardizing criteria among different actors in the forestry and environmental sectors.

• Request from Regional Governments (GORES) and SERFOR improved and straightforward access to information documented in Forest Management Plans.

• Promote follow-through on pending landmark cases, such as the Yacu Kallpa cargo case and the increase in illegal forest roads that allow for illegal logging and the sale of timber from Natural Protected Areas, including the buffer zone of the Sierra del Divisor National Park in the Ucayali province and other areas of the Peruvian Amazon.

• Train staff in the usage of environmental and forest terminology in order to determine with greater accuracy the extent of environmental damage in a given case and request the applicable penalty based on the environmental impact’s true magnitude.

Ministry of Justice (MINJUS)

• Ensure the correct implementation of the new unit related to environmental crimes.

• Modify the legislation to reclassify environmental crimes, raising them to serious offenses, since by affecting the environment, they impact people and the quantity of flora and fauna species.

• Ensure that penalties for conduct constituting a crime be proportional to the deed committed and sufficiently dissuasive to prevent others from committing the same crime.
• Determine the level of penalty based on an assessment of the ecological and economic impact caused by the accused.

Ministry of Culture
• Guarantee that indigenous communities have sufficient knowledge to appropriately administer their forestry contracts with the State and with private companies.
• Support the forestry administration in monitoring and solving crimes that potentially impact or affect indigenous communities.

Natural Protected Areas (ANPs)
• Publish a list of forestry-related infractions committed within Natural Protected Areas and the offenders.
• In coordination with FEMA, contribute to monitoring the existence and construction of illegal forest roads that enable illegal logging and sales of wood from Natural Protected Areas.

Recommendations for Forestry Companies
• Promote and foster successful initiatives for forest management and chain of custody, and replicate them with providers.
• Create incentives for products that originate in responsibly managed forests.
• Promote the use of Volumetric Tables for different forest species among businesses that work with Certified Forests.
• Develop effective control mechanisms for monitoring the timber that enters processing plants with unauthorized administrative documents and sources directly related to illegal logging and deforestation.

Recommendations for Financial Institutions
• Meticulously evaluate companies and businesses that request financing for marketing forest products; restrict or reject those with a record of selling illegal timber.
• Take special care in financing high-risk activities related to the sale of forest products, considering the impacts on health and the environment.
• When considering financing forestry commerce operations, heed the policies and regulatory framework for compliance with national obligations to mitigate climate change.
Annex 1

Methodology

This investigation is based on official documentation obtained by a series of public information access requests directed to different institutions in the forest sector.

Stages in this investigation:

Request for Public Information

Information was requested from various ARFFS and from OSINFOR, as allowed by Article 142 of Forestry and Wildlife Law No 29763.120

Organization of Information Contained in Forest Transport Permits

Information requests from ARFFS yielded access to data contained in 1,024 GTFs issued by different ARFFS in the Peruvian Amazon and dating to the months of June, July, and August 2017. The information supplied in the GTFs was then organized by date to facilitate the process of digitizing the data.

Inquiries and Reports on the Information Management System (SIGO(SFC))

OSINFOR’s online platform SIGO(SFC)123 was one of the main sources of information for this investigation. Once the number of the forestry contract included in a GTF had been identified, this online consultation platform was accessed to learn the status of the forest harvest contract holder’s Forest Management Plan. Reports were thereby obtained regarding the “red list” (timber highly likely to be illegal) and the “green list” (timber not likely to be illegal). Each report helped identify the status of forest products backed by official documents (GTFs) issued by the Regional Forestry Authorities.

Generation of the Database

At this stage, the information from the 1,024 GTFs was digitized. Information was also incorporated gradually based on the abovementioned reports, since the need for information grew in line with the findings uncovered in the administrative files and as some initiatives were identified, for example: the names of the forestry regents and the professionals who conducted the visual inspections prior to the approval of Forest Management Plans, etc.

Consults on the SISFOR Platform

The online Geographic Information System for Forest and Wildlife Supervisions (SISFOR)124 allows access to the route taken by a supervisor in the forest before and during the supervision of a Forest Management Plan. It also displays the distribution and spread of supervised individuals, etc. Importantly, this open data transparency platform provides access to information to guide decision-making for different actors, for example: customs agents, workers who control and monitor legal timber sales, regional forestry officials, specialized prosecutors in environmental matters, exporters, importers, and different State institutions that consume large amounts of timber in the programs and projects that they administer.125
Organization of Information about Forestry Contract Holders

Based on OSINFOR’s publicly accessible information released in 2017 and 2018, files were organized by group according to forest harvest modality (local forests, forest permits in indigenous communities, private lands, and forest timber concessions), followed by the number of the forestry contract. The resulting folders incorporate supervision reports, legal reports, resolutions for the start and finish of PAU, etc.

Analysis and Results

Finally, the digitized information in the created database was analyzed, and charts and figures were generated that clearly illustrate the scenario in 2017, two years after Forestry and Wildlife Law N° 29763 took effect.

PHASES OF THE INVESTIGATION

Legend:


madera-movilizada-peru-2017-tuvo-origen-illegal-noticia-558040


11. SERFOR. Organización, Directorio, Organigrama, y SINAFO. https://www.serfor.gob.pe/organizacion/directorio-organigrama-y-sinafor


14. According to Ministerial Resolution Nº 0793-2009-AG, the process of transferring responsibility, as stipulated in article 51 of the Ley Orgánica de Gobiernos Regionales Nº 27867 published on November 18, 2002, is considered finalized.

15. Ministerio de Agricultura y Riego (MINAGRI) (October 29, 2018). Nota de Prensa. En el marco de la lucha contra la tala ilegal se inaugurarán 4 puestos de control. https://www.gob.pe/institucion/minagri/noticias/21781-en-el-marco-de-la-lucha-contra-la-tala-ilegal-se-inaugurar%C3%A1n-4-puestos-de-control

16. Decreto Supremo 018-2015-MINAGRI, artículo 168 establece que toda persona natural o jurídica, incluyendo entidades estatales de conformidad al principio 10 de la Ley, que adquiera, transporte, transforme, almacene o comercialice especímenes, productos o subproductos forestales en estado natural o con transformación primaria, está obligada a sustentar la procedencia legal de los mismos, según corresponda, a través de:
   a. Guías de transporte forestal
   b. Autorizaciones con fines científicos
   c. Guías de remisión
d. Documentos de importación o de reexportación

Se acredita el origen legal con la verificación de estos documentos y la información contenida en el SNIFFS, los registros relacionados a las actividades forestales, identificación y codificación de especies, el libro de operación y el informe de ejecución forestal, así como los resultados de las inspecciones en campo, centros de transformación primaria, lugares de acopio, depósitos y centros de comercialización.


THE ILLEGAL TIMBER TRADE IN PERU

21. Of note, there were several Supreme Decrees prior to approving Legislative Decree 1319:
   • Artículo 4° del Decreto Legislativo N°1085 (Ley de creación del OSINFOR)
   • La Segunda Disposición Complementaria Final del Decreto Supremo N° 024-2010-PCM (Reglamento del Decreto Legislativo N° 1085)
   • Artículo 54° del Decreto Supremo 018-2015-MINAGRI (Reglamento para la Gestión Forestal)
   • Artículo 37° del Decreto Supremo 020-2015-MINAGRI (Reglamento para la Gestión de las Plantaciones Forestales y los Sistemas Agroforestales)
   • Artículo 44° del Decreto Supremo 021-2015-MINAGRI (Reglamento para la Gestión Forestal y de Fauna Silvestre en Comunidades Nativas y Comunidades Campesinas)
   • Artículo 17° del Anexo del Decreto Supremo N° 016-2015-MINAGRI (Decreto supremo que aprueba disposiciones para promover la formalización y adecuación de las actividades del sector forestal y de fauna silvestre)
   • Artículo 4° del Decreto Legislativo N° 1319 (Decreto Legislativo que establece medidas para promover el comercio de productos forestales y de fauna silvestre de origen legal)


25. In this document, the term “forest management tools” refers to Forest Management Plans and forestry contracts.


28. Legal elements that regulate the forwarding of Forest Management Plans to OSINFOR upon approval:
   • Artículo 4° del Decreto Legislativo N° 1085 (Ley de creación del OSINFOR)
   • La Segunda Disposición Complementaria Final del Decreto Supremo N° 024-2010-PCM (Reglamento del Decreto Legislativo N° 1085)
   • Artículo 54° del Decreto Supremo 018-2015-MINAGRI (Reglamento para la Gestión Forestal)
   • Artículo 37° del Decreto Supremo 020-2015-MINAGRI (Reglamento para la Gestión de las Plantaciones Forestales y los Sistemas Agroforestales)
   • Artículo 44° del Decreto Supremo 021-2015-MINAGRI (Reglamento para la Gestión Forestal y de Fauna Silvestre en Comunidades Nativas y Comunidades Campesinas)


33. That is, the 67% colored in red in the Loreto province in the Loreto department refers to the percentage of the timber that was supervised. According to the supervision results of the Forest Management Plans reported in Forest Transport Permits, 100% of the supervised timber in this province is at high risk of being illegal and 0% of the supervised timber is on the green list. Oficio N°122-2012-OSINFOR-PE (May 17, 2012). Asunto: Remisión de Proyecto de Decreto Supremo. Oficio N° 113-2018-OSINFOR/01.2 (July 11, 2018). Asunto: Propuesta de Decreto Legislativo para el fortalecimiento de OSINFOR.

34. OSINFOR, Observatorio SIGO. https://observatorio.osinfor.gob.pe/Estadisticas/Home/Reportes/9

35. OFicio N° 118-2016-MINAGRI (Decreto supremo que aprueba disposiciones para promover la formalización y adecuación de las actividades del sector forestal y de fauna silvestre)


37. Congreso de la República del Perú (July 1, 2015). Mesa de trabajo organizado por el Congresista Mesías Guevara Amasifuén. “Evaluación de la Política Forestal implementada por el Estado”. https://www.youtube.com/watch?v=n7nZAUwur4


40. Ley Forestal y de Fauna Silvestre Nro. 29763. Decreto Supremo Nro. 018-2015-MINAGRI. Artículo 210.5 La inhabilitación temporal por un período de uno a cinco años por la comisión de infracciones muy graves. Asimismo, dicha sanción se aplica al recurso de apelación de infracciones graves. Para el caso del regente, la sanción de inhabilitación temporal será de tres años cuando elabore un plan de manejo forestal de acuerdo a dicho plan. 210.6 La inhabilitación definitiva por la reincidencia de infracciones sancionadas con inhabilitación temporal.

41. Reglamento para la Gestión Forestal, Decreto Supremo 018-2015-MINAGRI


45. This refers to Forestry and Wildlife Law 27/308 that was in effect from July 16, 2000 until September 31, 2015, during which time several consultants were denounced and currently are forestry regents. UTERO (December 12, 2014). Exclusivo. Paso a paso: Así se blanquea madera ilegal con el Aval del Estado. http://uteroderecho.com/nota.php?numero=14282


47. OSINFOR. The official documents listed below are among those sent to different forest sector officials over several years related to the signature, creation, and approval of Forest Management Plans.

(October 27, 2017). Oficio No. 201-2017-OSINFOR/01.1. Información y comunica respecto a la presentación de los documentos de gestión forestal.


(September 19, 2014). Oficio No. 2684-2014-OSINFOR/06.1. Situación en la cual se encuentran los consultores forestales.

(February 10, 2015). Oficio No. 303-2017-OSINFOR/01.2. Remite información y comunica respecto a la emisión de información falsa presentada en los documentos de gestión forestal.


49. OSINFOR’s administrative files are understood as: the collection of all the documents generated before, during, and after the supervision and monitoring of the forestry contract and the Forest Management Plan (Supervision Report, Legal Report, Resolution at Start and Finish of PAU, Visual Inspection Report, Resolution to Approve Management Plan, Harvest Balance, GTF, etc.).


51. On nonexistence rates starting at 40% were considered, using a wide margin based on the precedents developed by SERFOR:

1. When the Supervision Report, Legal Report, or Resolution of Denial, when the nonexistence is confirmed. The percentage must be between 40% and 60%.

2. When the Supervision Report, Legal Report, or Resolution of Denial, when the nonexistence is confirmed. The percentage must be between 40% and 60%.


El regente forestal y de fauna silvestre es la persona natural con formación y experiencia profesional en el área que requiere ser regentado e inscrita en el Registro Nacional de Regentes Forestales y de Fauna Silvestre, que formula y suscribe los planes de manejo forestal o de fauna silvestre.

Es responsable de dirigir las actividades en aplicación del plan de manejo aprobado, para garantizar la sostenibilidad del recurso forestal.

Es responsable solidario con el titular o poseedor del título habilitante de la veracidad de la información contenida en el plan de manejo de que de su implementación, así como de la correcta emisión de las guias de transporte forestal.

Artículo 310-C.- Formas agravadas En los casos previstos en los artículos. 310 [DELITOS CONTRA LOS BOSQUES O FORMACIONES BOSCOSAS], 310-A [TRAÍFICO ILEGAL DE PRODUCTOS FORESTALES MADERABLES] y 310-B [OBSTRUCCIÓN DE PROCEDIMIENTO, la pena privativa de libertad será no menor de ocho años ni mayor de diez años, bajo cualquiera de los siguientes supuestos:

1. Si se comete el delito al interior de tierras en propiedad o posesión de Comunidades Nativas, Comunidades Campesinas, pueblos indígenas, reservas indígenas; o en reservas territoriales o reservas indígenas a favor de pueblos indígenas en contacto inicial o aislamiento voluntario, áreas naturales protegidas, zonas vedadas, concesiones forestales o áreas de conservación privadas de indígenas, reservas indígenas, reservas indígenas; o en reservas territoriales o reservas indígenas a favor de pueblos indígenas en contacto inicial o aislamiento voluntario, áreas naturales protegidas, zonas vedadas, concesiones forestales.

8. Si se trata de productos o especímenes forestales maderables protegidos por la legislación nacional.

La pena privativa de libertad será no menor de diez años ni mayor de doce años cuando:

1. El agente actúa como integrante de una organización criminal.

Artículo 314-B.- Responsabilidad por información falsa contenida en informes El que, conociendo o pudiendo presumir la falsedad o la inexactitud, suscriba, realice, inserte o hace insertar al procedimiento administrativo, estudios, evaluaciones, auditorias ambientales, planes de manejo...
forestal, solicitudes u otro documento de gestión forestal, exigido conforme a ley, en los que se inscribieron o de la información falsa o inexacta, será reprimido con pena privativa de libertad no menor de cuatro años ni mayor de seis años, e inhabilitación de uno a seis años, conforme al inciso 2 y 4 del artículo 36. Será reprimido con la misma pena todo aquel que, hace uso de un documento privado falso o falsificado, o conteniendo información falsa, si fuere legítimo, con fines de evadir los procedimientos de control y fiscalización en materia forestal y de fauna silvestre relatados al presente Titulo, incluyendo los controles tributarios, aduaneros y otros.


55. Letters Nos. 001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 001-2018-CIEL-CGZ. Date sent (December 4, 2018). Lists of Management Plans that were signed by each forestry regent and SIGOred; red list reports were attached to the email messages.


57. Informe de Supervisión No. 029-2015-OSINFOR/06.21

58. Resolución Directoral No. 335-2015-OSINFOR-DSPAFFS: OSINFOR issues the Resolution to Initiate PAU. At this time all of the Forestry and Wildlife Authorities are notified about the risk status of the wood originating from the forestry contract’s Forest Management Plan.


63. Decreto Legislativo que modifica el Código Penal. Decreto Legislativo Nro. 1237. Artículo 314 B. Responsabilidad por información falsa contenida en informes El que, conociendo o pudiendo presumir la falsedad o la inexactitud, suscriba, realice, inserte o hace insertar al procedimiento administrativo, estudios, evaluaciones, auditorías ambientales, planes de manejo forestal, solicitudes u otro documento de gestión forestal, exigido conforme a ley, en los que se inscribieron o de la información falsa o inexacta, será reprimido con pena privativa de libertad no menor de cuatro años ni mayor de seis años, e inhabilitación de uno a seis años, conforme al inciso 2 y 4 del artículo 36. Será reprimido con la misma pena todo aquel que, hace uso de un documento privado falso o falsificado, o conteniendo información falsa, si se fuese legítimo, con fines de evadir los procedimientos de control y fiscalización en materia forestal y de fauna silvestre relativos al presente título, incluyendo los controles tributarios, aduaneros y otros. https://www.mef.gob.pe/contenidos/servicios_web/conectamef/pdf/normas_legales_2012/DE. Aprueba los “Lineamientos técnicos para la ejecución de inspecciones oficiales previas a la aprobación de planes de manejo forestal para el aprovechamiento con fines maderables”. Lineamientos (6.1, 6.2, 6.3) http://www.serfor.gob.pe/wp-content/uploads/2017/10/190-2016-SERFOR-DE


66. Ley 29763, Ley Forestal y de Fauna Silvestre. Mediante el Decreto Supremo N° 018-2015-MINAGRI aprobó el Reglamento para la Gestión Forestal y el artículo 65, Decreto Supremo N° 020-2015 aprobó el Reglamento para la Gestión de las Plantaciones Forestales y los Sistemas Agroforestales y el artículo 45 y Decreto Supremo N° 021-2015-MINAGRI que aprobó el Reglamento para la Gestión Forestal y de Fauna Silvestre en Comunidades Nativas y Campesinas y el artículo 34, “establecen que las inspecciones oficiales de los planes de manejo forestal se desarrollan conforme a los lineamientos que aprueba el SERFOR, que son elaborados con la participación de la ARFFS o la Autoridad Científica CITES, en los casos que corresponda, y otros actores relacionados con el tema.”


68. Ley 29763, Ley Forestal y de Fauna Silvestre y sus reglamentos, aprobados por Decretos Supremo N° 018-2015-MINAGRI (Reglamento para la Gestión Forestal) y el artículo 54, Decreto Supremo Nº 020-2015 (Reglamento para la Gestión de las Plantaciones Forestales y los Sistemas Agroforestales), artículo 57 y Decreto Supremo N° 021-2015-MINAGRI (Reglamento para la Gestión Forestal y de Fauna Silvestre en Comunidades Nativas y Campesinas) y el artículo 44, “establecen que el plan de manejo forestal es un instrumento de gestión forestal que constituye la herramienta dinámica y flexible para la implementación, seguimiento y control de las actividades de manejo forestal, orientado a lograr la sostenibilidad del ecosistema. Tiene carácter de declaración jurada, su veracidad es responsabilidad del titular del contrato y el regente forestal, según corresponda. (…) Para el inicio de operaciones de cualquier tipo de contrato forestal es indispensable contar con el plan de manejo forestal aprobado por la Autoridad Regional Forestal y de Fauna Silvestre (…).”

69. Ley Forestal y de Fauna Silvestre Nro. 29763. Título III, Regencia Forestal y de Fauna Silvestre. Artículo 23. Regente forestal y de fauna silvestre El regente forestal y de fauna silvestre es la persona natural con formación y experiencia profesional en el campo que regirá el territorio forestal o la comuna y que fue regentada e inscrita en el Registro Nacional de Regentes Forestales y de Fauna Silvestre, que formula y suscribe los planes de manejo forestal o de fauna silvestre. Es responsable de dirigir las actividades en aplicación del plan de manejo aprobado, para garantizar la sostenibilidad del recurso forestal. Es responsable solidario con el titular o
70. Broader development in Criminal Code

71. Identity


73. OSINFOR. The official documents cited below are among those forwarded to different forest sector officials in recent years regarding the signature, creation, and approval of Forest Management Plans. (July 23, 2013). Oficio No. 124-2013-OSINFOR/01.1. Remite información solicitada sobre consultores forestales y funcionarios vinculados a la emisión de información inconsistente en instrumentos de gestión forestal. (July 24, 2013). Oficio No. 125-2013-OSINFOR/01.1. Remisión de información complementaria. (September 19, 2014). Oficio No. 2684-2014-OSINFOR/06.1. Situación en la cual se encuentran los consultores forestales


75. Artículo 314-B del Código Penal tras la modificación a partir del Decreto Legislativo Nro. 1237.


77. Artículo 314.- Responsabilidad de funcionarios público por otorgamiento ilegal de derechos. El funcionario público que sin observar leyes, reglamentos, estándares ambientales vigentes, por haber faltado gravemente a sus obligaciones funcionales, facilite la comisión de los delitos previstos en el presente Título y que, por negligencia inexcusable o por haber faltado gravemente a sus obligaciones funcionales, facilite la comisión de los delitos previstos en el presente Título. Artículo 314-B.- Responsabilidad por información falsa contenida en informes. El que, conociendo que pudiendo presumir la falsedad o la inexactitud, suscriba, realice, inserte o hace insertar al procedimiento administrativo, estudios, evaluaciones, auditorías ambientales, planes de manejo forestal, solicitudes u otro documento de gestión forestal, exige conformo a ley, en los que se incorpore o avale información falsa o inexacta, será reprimido con pena privativa de libertad no menor de cuatro años ni mayor de seis años, e inhabilitación de uno a seis años, conforme al inciso 2 y 4 del artículo 36.


80. OSINFOR does not have the jurisdiction to supervise and monitor forest plantations. This percentage of the Forest Management Plans that were supervised and reported in the Forest Transport Guides was equated as follows: [red list + green list = X]; (23.58 + 14.63) = 38.21; this result becomes the 100%. Then (red list/X) = (23.58/38.21) = 62%.

81. 81. This percentage of the Forest Management Plans that were supervised and reported in the Forest Transport Guides was equated as follows: (green list + red list = X); (43.36 + 20.28 = 63.64; this result is the 100%. Then (green list/X) = (43.36/63.64) = 68%.


91. OSINFOR (May 6, 2016). Informa a la Coordinadora de la Fiscalía Especializada en Materia Ambiental los resultados finales de las supervisiones de los planes de manejo forestal y Contratos Forestales comprendidos en el caso de la embarcación Yacu Kallpa del 24 de noviembre del 2015. OSINFOR (December 22, 2015). Oficio Múltiple Nro. 004-2015-OSINFOR/01.2. Dirigido a diferentes exportadores respecto a información sobre títulos habilitantes supervisados por el OSINFOR. Referencia Oficio Múltiple N° 004-2015-OSINFOR/01.1


104. Additional details:  
Forestry regent who wrote and filed the Forest Management Plan:  
• Miguel Cachique Pérez  
> Informe No. 009-2016-GRU-GG-AGRAU-GRMAMA-SODA/MCP/LO  
Professional who recommended approving the Forest Management Plan:  
> Miguel Cachique Pérez  
> Informe No. 031-2016-GRU-GR-GG-AGRAU-GRMAMA-SODA/APF/MCP  
Official who signed the resolution approving the Forest Management Plan:  
• Roberto Nolorbe Tenaza  
> Res. Nro. 047-2016-GRU-GR-GG-AGRAU-GRMAMA-SODA  

105. Contrato Nro. 25-ATA/P-MAD-A-008-05 y Resolución de Aprobación del plan de manejo forestal 047-2016-GRU-GR-GG-AGRAU-GRMAMA-SODA  


108. Informe Nro. 015-2016-GRU-GG-AGRAU-DEFFS-OD/N/C.E.S.D.C  
Informe Nro. 006-2016-GRU-GG-AGRAU-DEFFS-OD/N/C.E.S.D.C  
Informe Nro. 005-2016-GRU-GG-AGRAU-DEFFS-OD/N/CESD  
Res. Nro. 021-2016-GRU-GGG-DEFFS-ARA-OD/L-N  
Res. Nro. 002-2016-GRU-GGG-DEFFS-ARA-OD/L-N  
Res. Nro. 012-2016-GRU-GGG-DEFFS-ARA-OD/L-N  

109. The Regional Forestry and Wildlife Authorities and SERFOR were notified of the resolutions of the administrative processes established and promoted by OSINFOR since 2014.  


114. “Un actor económico tractor importante es el propio Estado quien a través de sus diversos procesos de compras demanda importantes cantidades de productos maderables y desde el cual puede fomentar, en reciprocidad a sus normas, el origen legal de la madera. Como es el caso de Programa Compras MYPES en Carpetas ejecutado por FONCODES, que entre el 2014 y 2015, habría fomentado el uso de madera con certificación FSC, por un volumen cercano a los 9,264 m³ de madera rolliza para la producción de carpetas a través de más de 500 MYPES. Otro ejemplo lo presenta el MINEDU, quien orientado a reducir la brecha de infraestructura educativa, a través de la demanda también de mobiliario escolar, programa un presupuesto de 77 millones de soles (aprox. USD 24,1387) que es recurrente en el tiempo. Evaluaciones al programa indican que es posible realizar esquemas de trazabilidad del uso de madera legal,” http://www.fao.org/3/IJ3355ES/IJ3355es.pdf  


120. Ley Forestal y de Fauna Silvestre Nº 29763. TÍTULO PRELIMINAR. Artículo II. Principios generales. 13.- Transparencia y rendición de cuentas.- El Estado tiene el deber de poner a disposición toda información de carácter público relacionada a la gestión forestal y de fauna silvestre, respetando el derecho de toda persona de acceder adecuada y oportunamente a dicha información sin necesidad de invocar justificación o interés que motive tal requerimiento. El Estado rinde cuenta de su gestión con arreglo a las normas sobre la materia e investiga toda actividad ilegal, publicando sus resultados, salvo las excepciones que establece la ley de la materia. TÍTULO IV. Transparencia en la gestión forestal y de fauna silvestre. Artículo 142.- Acceso a la información Todas las entidades que forman parte del Sinafor ponen a disposición pública los planes de manejo operativos y planes generales de manejo forestales que hayan sido aprobados antes de la presente Ley y en el marco de esta, así como los informes de supervisión y verificación cuyos procedimientos administrativos hayan concluido. No se clasifica como confidencial la información sobre la relación de especies forestales sujetas a aprovechamiento, balance de extracción, deudas respecto a títulos habilitantes, impactos ambientales ocasionados por el desarrollo de la actividad y medidas silviculturales.

121. Superintendencia Nacional de Aduanas y Administración Tributaria - SUNAT. Online platform consulted throughout the course of the investigation to obtain information on the taxpayers identified in the GTFs. http://e-consultaruc.sunat.gob.pe/cl-ti-atncsruc/jcrS00Alias


123. OSINFOR. Sistema de Información Geográfica de Supervisiones Forestales y de Fauna Silvestre (SISFOR), a technological platform that administers georeferenced information for supervised logging titles, providing information about their potential and the special distribution of the trees supervised by OSINFOR. https://sisfor.osinfor.gob.pe/visor/

124. OSINFOR. Sistema de Información Geográfica de Supervisiones Forestales y de Fauna Silvestre (SISFOR), a technological platform that administers georeferenced information for supervised logging titles, providing information about their potential and the special distribution of the trees supervised by OSINFOR. https://sisfor.osinfor.gob.pe/visor/

125. Ley Forestal y de Fauna Silvestre Nro. 29763. Artículo 121. Transporte, transformación y comercialización de productos forestales y de fauna silvestre. Solo procede el transporte, transformación y comercialización de productos forestales y de fauna silvestre por cualquier persona, natural o jurídica, que provengan de cualquiera de las modalidades de aprovechamiento reguladas por la presente Ley y obtenidos en cumplimiento de los documentos de gestión forestal y de fauna silvestre previamente aprobados, así como los productos importados que acrediten su origen legal a través de las disposiciones que establece el reglamento de la presente Ley. En los procesos de adquisiciones del Estado, se toman las medidas necesarias para garantizar el origen legal de los productos forestales y de fauna silvestre, de acuerdo con lo establecido en la presente Ley y su reglamento, bajo responsabilidad.
Authorized to Steal: Organized Crime Networks Launder Illegal Timber from the Peruvian Amazon reveals the extent to which public officials systematically enable criminal networks to illegally harvest timber in Peru. It identifies by name 34 Peruvian government officials who have been complicit in laundering timber from harvest to sale. In addition, it elaborates the administrative, civil, and criminal penalties officials could face for their role in enabling illegal logging and explores how the failure to enforce these penalties allows the continued proliferation of illegal practices in Peru's logging sector.