Translation by the Environmental Investigation Agency

EXCLUSIVE:
STEP BY STEP: HOW TO LAUNDER ILLEGAL TIMBER…WITH THE STATE'S BACKING

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[Photo]

Huao Native Community. The OSINFOR supervisors should have found many trees, but a meadow is all they discovered. Photo: OSINFOR

At the height of the COP 20, where the protection of forests is a main concern, the Peruvian state revealed itself to be incapable of such protection. Since 2009 it has been found that forest consultants let the official number of species existing in each concession be manipulated by loggers, thereby encouraging illegal logging and laundering. Despite this trend, the Peruvian government continues to let the forestry engineers responsible for these activities continue to be in charge of these certification procedures.

Last Friday, the widows of Saweto overcome their fear, left their community, braved the dangers of crossing a territory with no police protection, and arrive in Lima to the COP 20. There, they demanded that the property titles to their lands be given to their community once and for all.

Julia Perez, widow of the Asháninka leader Edwin Chota, who was killed by timber traffickers, received us but is not eager to speak with us. She is carrying her three-month-old baby while she plays with her two-year-old. She does not want to repeat the same words about her husband. She is irritated, frustrated, and worried.

"What am I going to tell you? Nothing. No one has promised us anything, but what are they going to do now? It is already too late," Julia says reluctantly.

[Photo of Julia Perez with her child on her lap]

Julia Pérez, Edwin Chota's widow, does not want to speak with anyone. Her husband spoke until he could speak no more, and now is dead.

Hergilia Rengifo, widow of Edwin Chota's colleague Jorge Ríos, points her finger at the only person that she sees as responsible for this tragedy: the State of Peru. She blames the State for making Edwin Chota wait for two days outside of the Regional Government of Ucayali, only for them to tell him later to return because they were not going to see him. She blames the [government] for not having taken any action against the illegal logging business that ended her husband's life.

"One thing may be the hand that does the act, but there behind it is the person who allowed it to happen," she tells us.

Hergilia has a point. **Illegal logging and timber laundering originate from the same problem**: they need a key person who will write or sign a document containing fake information and thus keep the business in operation. **They need a forestry consultant.**

Forestry consultants are private individuals or companies contracted by concessionaires (*madereras*) in order to attest to which specimens of trees of which species exist within a forestry concession. In this way, they are like notaries of the Amazon. In order to perform this job, the consultants must be in the list of registered consultants published by the National Forestry and Wildlife Service (Servicio Nacional Forestal y de Fauna Silvestre, SERFOR). SERFOR operates with the support of Peru's Ministry of Agriculture.

This is where the problems start. SERFOR, the organism that supervises the activities of the consultants and all individuals related to exploitation of forest resources does not have the ability to interfere in the list of this sector's registered consultants. This registration is controlled by OSINFOR, an autonomous organism appointed by the Presidency of the Council of Ministers.

A gap exists between SERFOR and OSINFOR. Due to this gap, situations like the **presentation of false information in 1146 annual operation plans** (according to figures obtained by Utero.pe from OSINFOR this week) are generated. Upon cross-checking this data base with a SERFOR list of suitable consultants for continued making of maps, Utere.pe found that 72 forestry consultants who backed false information continue to be considered suitable and registered to make more documents.

Office consultants

[Infographic]

According to OSINFOR's research, each forestry consultant may make dozens of management plans containing false information. Such is the case for the person at the top of the list: Mario Pizarro Atausupa, consultant in Madre de Dios, signed off on none less than 103 "Annual Plans of Operation lacking in truthfulness," and is currently still on the list of active forest consultants. Our attempts to contact Pizarro were unsuccessful.

We were able to located Amós Armas Arche, a forestry consultant in Ucayali, where Edwin Chota was from. OSINFOR has found that he has signed off on and made documents containing false information between 2010 and now. In total, he has done this 88 times, thanks to which he wins second place in the national list of consultants who have provided or signed off on false information. Armas continues to be registered by SERFOR.

Let's explain: In order to extract trees from any forestry concession, private property or native community, a timber company must first present an Annual Plan of Operations (Plan Operativo Anual, POA) which states how many trees exist and which species are going to be exploited. This plan must be prepared and signed by a forestry consultant registered with SERFOR. This means that the consultant must go into the forest, do field work, and, only after that, prepare the POA and the tree inventory. The concession holder then presents this document to the regional authority, who approves the report based on trust in the good faith of the consultant. A document of this kind can cost up to 40 thousand soles, or US $ 13,463.49.

In practice, what actually happens is completely different. Many of the consultants do not go to the field, but rather do the job from their desks, estimating the numbers in favor of their client's interest. Upon first glance this may seem like a meaningless formality but when one looks at the statistics in their entirety the outlook is terrible.

In the last operation of SUNAT, Interpol and OSINFOR about laundering and export of timber, it was found that there were 36 million board feet of sawed timber that had been illegally removed from concessions. This is equivalent to approximately 163,636 cubic meters, which is more or less the entire volume of the Jorge Chavez Airport in Lima, including the command tower.

All of this wood came anywhere but from where the legal papers indicated. Thanks to these false documents, the illegal loggers can take trees out from anywhere (a national park, an "untouchable" reserve or zone) and put them into the stream of commerce or export them without them having been supervised or having come from a legal concession.

False reporting

Infographic

List of top 20 consultants who prepared false information and continue to be registered with SERFOR.

Dhayneé Orbegozo from the non-profit Environmental Investigation Agency (EIA) estimates that a forestry consultant can charge 5,000 soles (or about US $1,684) for doing one POA from his or her desk. For simply stamping a signature on a document

prepared by a third party, he or she can charge 500 soles (or about US $168).

However, reality always exceeds expectations. Amos Armas Arche, the forestry consultant who takes second place in signing the most false reports, confesses that he never corroborated the information that he signed, and that he did it in exchange for only 10 soles.

“I never prepared the POAs (…) I signed. It is not that I signed after knowing or presuming. I did not know whether this information was false or not.”

Armas seems not to realize the gravity of his words, and continues:

“They (the timber concession holders) asked for my help, they contracted other people, and they searched me out as an engineer, and I signed. Almost all of the specialists do this.”

“They tell me that, in order to go to the field and do a POA, you can charge up to 40 thousand soles. Is this true?”

“Yes, of course. It depends on the quantity of hectares, but they don’t want to spend that money, [so] they do it themselves and give 10 soles to the engineer.”

“How much did they pay you for signing?”

“As I said, 10 soles at least, 20 soles at most. And they tell you “if you want, eh,” as if they know that engineers are down on their luck, and will take advantage of them.”

This forestry consultant hides behind the shield of legal ignorance, accepting that maybe “if you want, eh” he should not have signed without going to the field. However, the gravity of his actions goes beyond simple ignorance.

We did a cross-check between the SERFOR database and OSINFOR’s monitoring, and this was what we found: the complete list of 72 forestry consultants who are still registered and who, according to OSINFOR’s monitoring, prepared false documents.

Infographic

Another terrible discovery is that the illegal business has been so lucrative that cedar and mahogany are not the only species under threat.

According to the Amazonas Operation executed by SUNAT, Interpol, and OSINFOR to measure the timber laundering and exportation, the new targets of the timber laundering industry are “hardwoods.” These are virola, tornillo, or shihuahuaco, which have become the new targets simply due to the scarce regulations on them. Respecting

these woods, regional authorities are not obligated to corroborate the veracity of the forestry consultant's assessments. They only do so when these assessments have to do with cedar and mahogany, which are almost out of existence due to illegal logging.

In 2012 the non-profit EIA published the report "The Laundering Machine," which exposes the cases in which illegal cedar and mahogany were exported to the United States. Two years later, this threat has expanded to more species. For the director of EIA's Peru Program, Julia Urrunaga, there has been no concrete State action against the forestry consultants.

"These trees are the first step, and until now we have not seen a concrete case against a consultant. They should be removed," urges Urrunaga. "We are talking about trees that appear in an inventory, but when you go into the field they do not exist. It is clear that there is fraud."

Forest Impunity

The most impressive thing about the case of the forestry consultants who have prepared false information is that there is no way to take them off of the SERFOR registry. **Lies Linares**, director of the Office of Legal Counsel of SERFOR, explains that they do not have sufficient resources.

"Currently, once the infraction is verified by the Regional Forestry and Wildlife Authority (Autoridad Regional Forestal y de Fauna Silvestre), the consultants are sanctioned with a fine," she explains, "but this does not stop them from continuing to lend their professional services to the making of other management plans."

Linares acknowledges the weaknesses of the sector and comments that they are working on a Supreme Decree so that SERFOR can take the consultants who have prepared or signed off on false documentation off of the registry. For now, a consultant who has lied can continue doing the same work without any problems. Even worse, he or she can continue in their career.

One of the most emblematic cases may be the case of Hugo Paima Rios, a private forestry consultant from Loreto who prepared eight documents containing false information during 2010. However, later he went to work as part of the Technical Forestry and Wildlife Authority **Autoridad Técnica Forestal y de Fauna Silvestre (ATFFS)** which was in charge of verifying the veracity of the forestry consultants' declarations. But that was not the worst of it all; during this same year, Hugo Paima even began to work in OSINFOR, the national entity which controls the registration of forestry consultants, as a supervisor of concessions.

The lack of communication and response between OSINFOR, SERFOR, and the regional government who should be supervising the consultants reaches unimaginable levels.

Regardless of the fact that OSINFOR sent documentation of the fraud to the competent authorities, these seem not have arrived at their final destination. When we contacted the other forestry consultants whose names are on the list of those who submitted false information, we found that many of them did now know about the accusations against them.

This is one of the documents that OSINFOR sent to SERFOR asking for the consultants to give them explanations. Meanwhile, the consultants continued to be registered.

[OSINFOR report]

Jorge Peinado Martínez, found with 32 falsified POAs, defends himself, affirming that the OSINFOR personnel are totally capable of recognizing the species in the field. However, he acknowledges that he could have made some errors.

“For example, if out of the 100 trees that you have inventoried they don’t find two, it could be due to typographic errors when inputting the information,” says Peinado. “Because they did not find a tree they say it is false information.”

The same happened with consultants Emer Rosales, Manuel Trelles and Segundo Reategu, who defended themselves by claiming that OSINFOR technicians are not completely qualified to do the monitoring.

In the middle of all this mess, the only certain thing is that those most affected are the forests and the native communities who live within them, and who, just like the Saweto widows, have to defend themselves from the pattern of illegal logging. It is continually surprising that the responsible government bodies have ignored this information even though it only involved a simple cross-checking between databases, and would have helped stop not only environmental crimes but also murders like those of Edwin Chota and the other ashaninka leaders.