

The Amazon's silent crisis

Illegal timber for export – with official documentation



Daniela Montalto - Greenpeace International

For 'Forest Product Legal Trade Legislation: Substantiated Concerns and Producer Country Cooperation' mtg

FAO, Rome, 29th October 2014

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A re-cap on due diligence and risk mitigation

Article 4 (2) EUTR – Operators’ obligations

“Operators shall exercise due diligence when placing timber or timber products on the market.”

No due diligence = breach of legal obligation. Timber might be “legally harvested” but it is still traded in violation of the law, i.e. illegally.

Risk mitigation procedures consist of a **set of measures and procedures** that are **adequate and proportionate** to **minimise effectively risk – following risk analysis** - and which **may include** requiring additional information.

Official documents being currently issued in Brazil to certify the legality of timber from the Amazon/Para State, where illegal logging and timber laundering is a systemic problem, cannot alone be considered as evidence of legality. Operators should act on this information, incorporating it into their risk assessments and implementing effective mitigation measures.

AMAZON BIOME
BRASIL



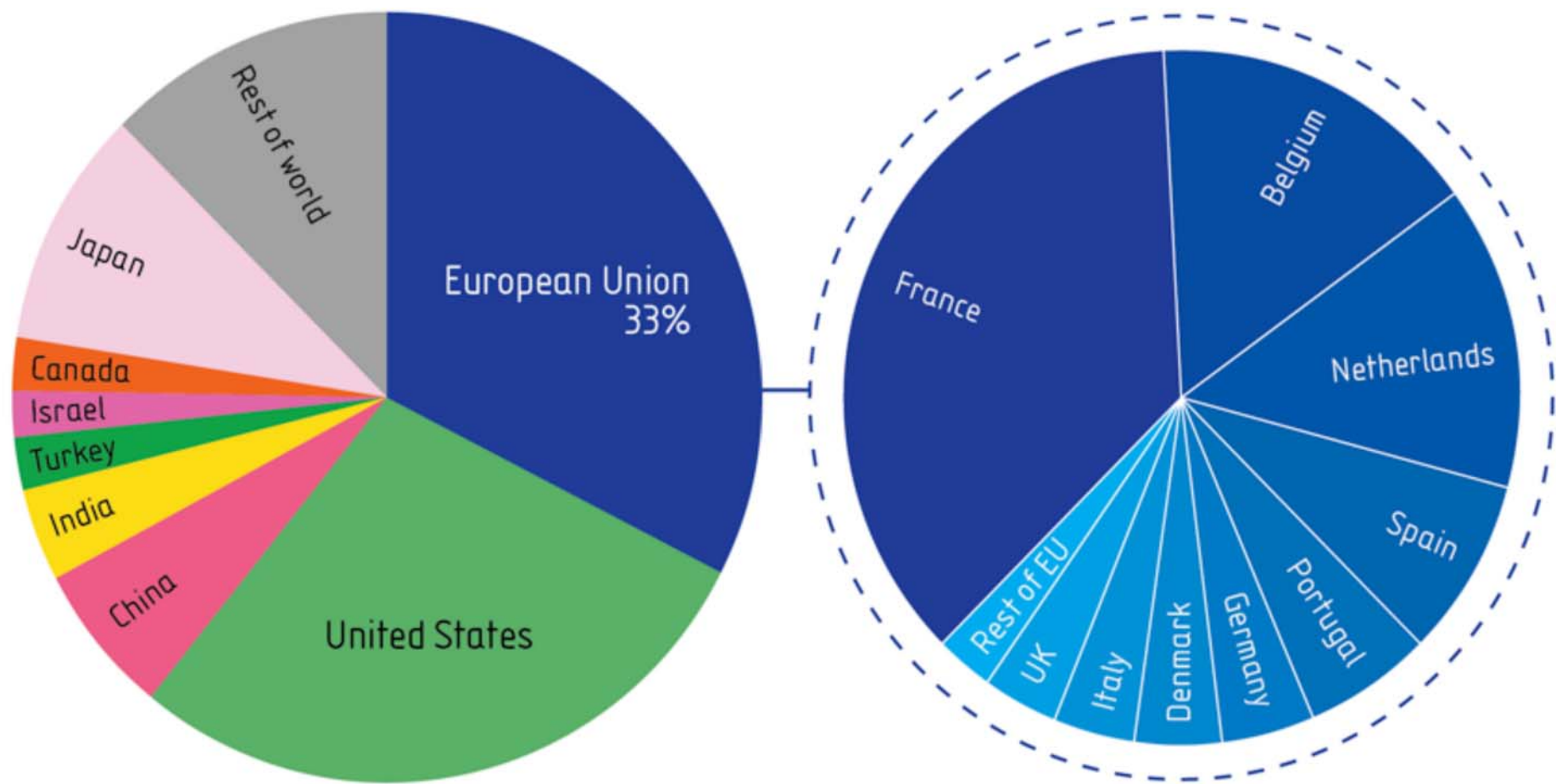
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- **One third of timber exported from the Brazilian Amazon is destined to the EU**
- **Pará state, twice the size of France, is the biggest producer & exporter of timber in the Br Amazon.**
- **78% of the area logged in Pará state between August 2011 & July 2012 (157,239ha) was harvested illegally.**
- **50% of Para's timber exports are destined to the EU.**

Brazilian Amazon timber exports by value (2013)



Source: Brazilian Ministry of Development, Industry and Trade
www.aliceweb.desenvolvimento.gov.br

The five ways to launder (illegal) timber -through the use of official systems-

- 1** Logging authorised in area already harvested or deforested
- 2** Overstating of the total volume of trees belonging to valuable species within a PMFS
- 3** Authorised area with no signs of timber extraction
- 4** Credits issued for more timber than the AUTEF authorises to be harvested
- 5** Credits issued without an AUTEF of PMFS

Example of fraud at earliest stage in the logging process – forest inventory

OTE	FAIXA	PLACA	NOME POPULAR	ESPÉCIE	FAMÍLIA	CAP (cm)	DAP (cm)	g (m ²)	H (m)	VOLUME (m ³)	QF	X	Y	faixa	Y_1	X_1	DMC	DESTINAÇÃO
9	1	2	ANDIROBA	<i>Carapa guianensis</i> Aubl.	Carapa guianensis	260	83	0,5379	19	7,154651	1	12	11	0	-11	12	≥50	Explorar
9	1	2	ANGELIM AMARGOSO	<i>Vatairea paraensis</i> Ducke	Vatairea paraensis	310	99	0,7647	25	13,382941	1	30	13	0	-13	30	≥50	Remanescente
9	1	3	GOIABÃO	<i>Pouteria pachycarpa</i> Pires	Pouteria pachycarpa	230	73	0,4210	23	6,777534	1	33	17	0	-17	33	≥50	Remanescente
9	1	4	IPÊ	<i>Tabebuia serratifolia</i> (Vahl) Nichols	Tabebuia serratifolia	310	99	0,7647	24	12,847624	1	40	60	0	-60	40	≥50	Explorar
9	1	5	TIMBORANA	<i>Cassia fastuosa</i> Willd.	Cassia fastuosa	270	86	0,5801	21	8,527761	1	49	77	0	-77	49	≥50	Remanescente
9	1	6	ITAUBA	<i>Mezilaurus itauba</i> (Meisn.) Taub.	Mezilaurus itauba	210	67	0,3509	20	4,913113	1	2	115	0	-115	2	≥50	Remanescente
9	1	7	JATOBÁ	<i>Hymenaea courbaril</i> L.	Hymenaea courbaril	280	89	0,6239	23	10,044587	1	15	120	0	-120	15	≥50	Explorar
9	1	8	MARUPÁ	<i>Simarouba amara</i> Aubl.	Simarouba amara	150	48	0,1790	17	2,130687	2	45	130	0	-130	45	<50	Remanescente
9	1	9	FAVEIRA	<i>Parkia pendula</i> (Willd.) Benth.	Parkia pendula	320	102	0,8149	21	11,978638	1	48	141	0	-141	48	≥50	Remanescente
9	1	10	FAVEIRA	<i>Parkia pendula</i> (Willd.) Benth.	Parkia pendula	260	83	0,5379	20	7,531212	1	44	155	0	-155	44	≥50	Remanescente
9	1	11	MAÇARANDUBA	<i>Manilkara huberi</i> (Ducke) Chevalier	Manilkara huberi	340	108	0,9199	22	14,166700	1	35	165	0	-165	35	≥50	Explorar
9	1	12	GARAPEIRA	<i>Apuleia leiocarpa</i> (Vogel) J.F.Macbr.	Apuleia leiocarpa	290	92	0,6692	24	11,243342	1	39	245	0	-245	39	≥50	Explorar
9	1	13	GARAPEIRA	<i>Apuleia leiocarpa</i> (Vogel) J.F.Macbr.	Apuleia leiocarpa	250	80	0,4974	22	7,659332	1	27	391	0	-391	27	≥50	Explorar
9	2	14	JATOBÁ	<i>Hymenaea courbaril</i> L.	Hymenaea courbaril	310	99	0,7647	21	11,241671	1	60	390	50	-390	110	≥50	Explorar
9	2	15	GARAPEIRA	<i>Apuleia leiocarpa</i> (Vogel) J.F.Macbr.	Apuleia leiocarpa	280	89	0,6239	23	10,044587	1	97	350	50	-350	147	≥50	Explorar
9	2	16	ANDIROBA	<i>Carapa guianensis</i> Aubl.	Carapa guianensis	160	51	0,2037	17	2,424248	1	80	310	50	-310	130	≥50	Remanescente
9	2	17	GARAPEIRA	<i>Apuleia leiocarpa</i> (Vogel) J.F.Macbr.	Apuleia leiocarpa	250	80	0,4974	23	8,007483	1	65	220	50	-220	115	≥50	Explorar
9	2	18	IPÊ	<i>Tabebuia serratifolia</i> (Vahl) Nichols	Tabebuia serratifolia	290	92	0,6692	22	10,306397	1	90	210	50	-210	140	≥50	Explorar
9	2	19	ANDIROBA	<i>Carapa guianensis</i> Aubl.	Carapa guianensis	150	48	0,1790	16	2,005352	1	52	180	50	-180	102	<50	Remanescente
9	2	20	GUARIUBA	<i>Clarisia racemosa</i> Ruiz & Pav.	Clarisia racemosa	180	57	0,2578	17	3,068189	1	92	171	50	-171	142	≥50	Remanescente
9	2	21	JATOBÁ	<i>Hymenaea courbaril</i> L.	Hymenaea courbaril	270	86	0,5801	23	9,339928	1	88	145	50	-145	138	≥50	Explorar
9	2	22	FAVEIRA	<i>Parkia pendula</i> (Willd.) Benth.	Parkia pendula	260	83	0,5379	21	7,907773	1	67	90	50	-90	117	≥50	Remanescente
9	2	23	ANDIROBA	<i>Carapa guianensis</i> Aubl.	Carapa guianensis	230	73	0,4210	18	5,304157	1	77	85	50	-85	127	≥50	Explorar
9	2	24	MAÇARANDUBA	<i>Manilkara huberi</i> (Ducke) Chevalier	Manilkara huberi	280	89	0,6239	22	9,607866	1	99	80	50	-80	149	≥50	Explorar
9	2	25	ITAUBA	<i>Mezilaurus itauba</i> (Meisn.) Taub.	Mezilaurus itauba	210	67	0,3509	18	4,421802	2	97	71	50	-71	147	≥50	Remanescente
9	2	26	FAVEIRA	<i>Parkia pendula</i> (Willd.) Benth.	Parkia pendula	280	89	0,6239	21	9,171144	1	25	65	50	-65	75	≥50	Remanescente
9	2	27	ANDIROBA	<i>Carapa guianensis</i> Aubl.	Carapa guianensis	160	51	0,2037	17	2,424248	2	60	51	50	-51	110	≥50	Remanescente
9	3	28	JARANA	<i>Lecythis lurida</i> (Miers) S.A.Mori	Lecythis lurida	185	59	0,2724	20	3,812955	1	115	2	100	-2	215	≥50	Explorar
9	3	29	GOIABÃO	<i>Pouteria pachycarpa</i> Pires	Pouteria pachycarpa	220	70	0,3852	23	6,200995	1	110	10	100	-10	210	≥50	Remanescente
9	3	30	ANDIROBA	<i>Carapa guianensis</i> Aubl.	Carapa guianensis	230	73	0,4210	18	5,304157	1	131	15	100	-15	231	≥50	Explorar
9	3	31	MAÇARANDUBA	<i>Manilkara huberi</i> (Ducke) Chevalier	Manilkara huberi	310	99	0,7647	22	11,776988	1	148	25	100	-25	248	≥50	Explorar
9	3	32	BREU	<i>Protium spruceanum</i> Engl.	Protium spruceanum	280	89	0,6239	21	9,171144	1	149	31	100	-31	249	≥50	Remanescente
9	3	33	ANDIROBA	<i>Carapa guianensis</i> Aubl.	Carapa guianensis	170	54	0,2300	17	2,736749	1	120	35	100	-35	220	≥50	Explorar
9	3	34	ANDIROBA	<i>Carapa guianensis</i> Aubl.	Carapa guianensis	170	54	0,2300	18	2,897734	1	121	50	100	-50	221	≥50	Explorar
9	3	35	JARANA	<i>Lecythis lurida</i> (Miers) S.A.Mori	Lecythis lurida	200	64	0,3183	21	4,679155	1	105	60	100	-60	205	≥50	Explorar
9	3	36	ANGELIM PEDRA	<i>Hymenolobium elatum</i> Ducke	Hymenolobium elatum	200	64	0,3183	18	4,010705	1	115	180	100	-180	215	≥50	Remanescente
9	3	37	IPÊ	<i>Tabebuia serratifolia</i> (Vahl) Nichols	Tabebuia serratifolia	300	95	0,7162	22	11,029438	1	125	200	100	-200	225	≥50	Explorar
9	3	38	FAVEIRA	<i>Parkia pendula</i> (Willd.) Benth.	Parkia pendula	225	72	0,4029	19	5,358051	1	143	210	100	-210	243	≥50	Remanescente
9	3	39	FAVEIRA	<i>Parkia pendula</i> (Willd.) Benth.	Parkia pendula	220	70	0,3852	20	5,392169	1	103	215	100	-215	203	≥50	Remanescente
9	3	40	ANDIROBA	<i>Carapa guianensis</i> Aubl.	Carapa guianensis	150	48	0,1790	17	2,130687	1	101	220	100	-220	201	<50	Remanescente
9	3	41	GARAPEIRA	<i>Apuleia leiocarpa</i> (Vogel) J.F.Macbr.	Apuleia leiocarpa	320	102	0,8149	23	13,119460	1	138	230	100	-230	238	≥50	Explorar
9	3	42	TIMBORANA	<i>Cassia fastuosa</i> Willd.	Cassia fastuosa	270	86	0,5801	22	8,933844	1	130	275	100	-275	230	≥50	Remanescente
9	3	43	IPÊ	<i>Tabebuia serratifolia</i> (Vahl) Nichols	Tabebuia serratifolia	290	92	0,6692	23	10,774869	1	135	290	100	-290	235	≥50	Explorar
9	3	44	ANGELIM PEDRA	<i>Hymenolobium elatum</i> Ducke	Hymenolobium elatum	250	80	0,4974	22	7,659332	1	150	300	100	-300	250	≥50	Explorar
9	3	45	MAÇARANDUBA	<i>Manilkara huberi</i> (Ducke) Chevalier	Manilkara huberi	210	67	0,3509	21	5,158769	1	141	320	100	-320	241	≥50	Explorar
9	3	46	GUARIUBA	<i>Clarisia racemosa</i> Ruiz & Pav.	Clarisia racemosa	170	54	0,2300	18	2,897734	1	135	323	100	-323	235	≥50	Remanescente
9	3	47	ANDIROBA	<i>Carapa guianensis</i> Aubl.	Carapa guianensis	160	51	0,2037	17	2,424248	1	149	325	100	-325	249	≥50	Explorar
9	3	48	FAVEIRA	<i>Parkia pendula</i> (Willd.) Benth.	Parkia pendula	250	80	0,4974	21	7,311180	1	118	331	100	-331	218	≥50	Remanescente
9	3	49	JATOBÁ	<i>Hymenaea courbaril</i> L.	Hymenaea courbaril	320	102	0,8149	25	14,260283	1	125	350	100	-350	225	≥50	Explorar
9	3	50	JATOBÁ	<i>Hymenaea courbaril</i> L.	Hymenaea courbaril	350	111	0,9748	25	17,059420	1	147	380	100	-380	247	≥50	Explorar
9	3	51	GUARIUBA	<i>Clarisia racemosa</i> Ruiz & Pav.	Clarisia racemosa	260	83	0,5379	22	8,284333	1	112	385	100	-385	212	≥50	Remanescente
9	3	52	JATOBÁ	<i>Hymenaea courbaril</i> L.	Hymenaea courbaril	150	48	0,1790	19	2,381356	1	105	397	100	-397	205	<50	Remanescente
9	3	53	MARUPÁ	<i>Simarouba amara</i> Aubl.	Simarouba amara	180	57	0,2578	18	3,248671	1	149	398	100	-398	249	≥50	Remanescente
9	4	54	FAVEIRA	<i>Parkia pendula</i> (Willd.) Benth.	Parkia pendula	260	83	0,5379	21	7,907773	1	170	398	150	-398	320	≥50	Remanescente
9	4	55	GARAPEIRA	<i>Apuleia leiocarpa</i> (Vogel) J.F.Macbr.	Apuleia leiocarpa	270	86	0,5801	20	8,121677	1	198	390	150	-390	348	≥50	Explorar
9	4	56	MAÇARANDUBA	<i>Manilkara huberi</i> (Ducke) Chevalier	Manilkara huberi	220	70	0,3852	21	5,661778	1	151	385	150	-385	301	≥50	Explorar
9	4	57	FAVEIRA	<i>Parkia pendula</i> (Willd.) Benth.	Parkia pendula	270	86	0,5801	22	8,933844	1	197	370	150	-370	347	≥50	Remanescente
9	4	58	TAXI	<i>Tachigali alba</i> Ducke	Tachigali alba	360	115	1,0313	19	13,716610	1	171	330	150	-330	321	≥50	Remanescente
9	4	59	JATOBÁ	<i>Hymenaea courbaril</i> L.	Hymenaea courbaril	200	64	0,3183	22	4,901972	2	156	310	150	-310	306	≥50	Remanescente
9	4	60	TAXI	<i>Tachigali alba</i> Ducke	Tachigali alba	240	78	0,4584	18	6,738418	1	178	300	150	-300	238	≥50	Remanescente

Manipulation of species name, diameter and high estimation

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Correct calculation



$V = 0,775 + (0,5179 * DAP^2 * H)$	$V = 0,775 + (0,5179 * DAP * H)$
42.200,36 m ³	47.971,1 m ³
Overestimation = 5.771,63 m³	



3 / 5



75%



Tools

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GOVERNO DO ESTADO DO PARÁ
SECRETARIA DE ESTADO DE MEIO AMBIENTE - SEMA/PA

Anexo I - Autorização para Exploração Florestal

AUTEF Nº [REDACTED]

VALIDADE ATÉ: [REDACTED]

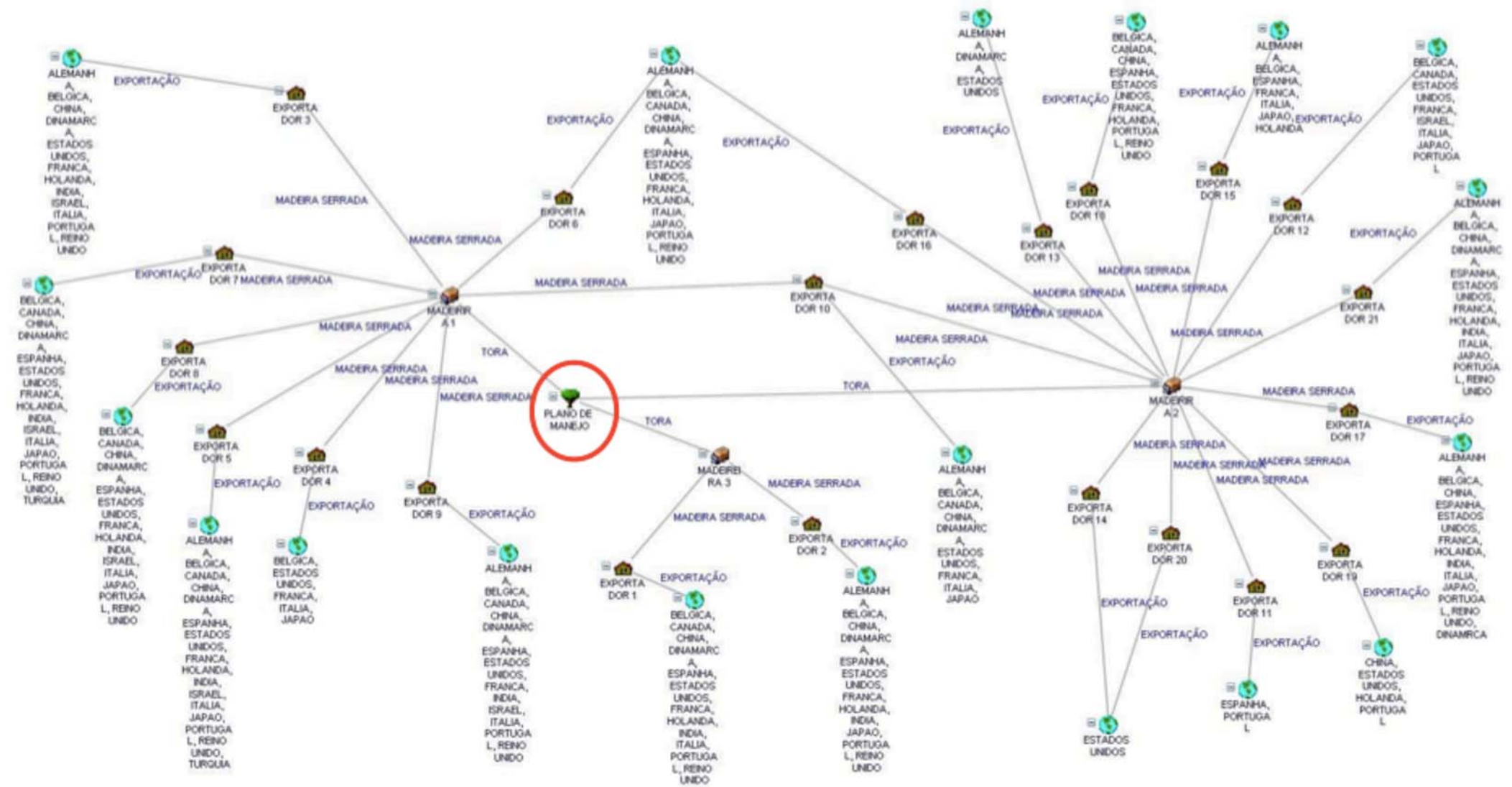
Protocolo Nº: 20 [REDACTED]
Data do protocolo [REDACTED]Cadastro Ambiental Rural Nº [REDACTED]
Licença Atividade Rural Nº: [REDACTED]

QUANTIFICAÇÃO DE TORAS DE MADEIRA NATIVA - Autorizado no Plano Operacional Anual

ESPÉCIES FLORESTAIS DO POA		QUANTIDADE (m3)	
NOME CIENTÍFICO	NOME POPULAR	por ha	TOTAL
<i>Apuleia sp.</i>	Garapa	1,5288	2.516,8204
<i>Astronium lecointei</i> Ducke	Muiracatiara	1,6135	2.670,2313
<i>Bagassa guianensis</i> Aubl.	Tatajuba-de-belém	0,2713	1.359,1103
<i>Bowdichia nitida</i> Spruce	Sucupira	0,2853	220,6655
<i>Carapa guianensis</i> Aubl.	Andiroba	0,1558	257,8795
<i>Caryocar villosum</i> (Aubl.) Pers.	Pequiá	0,4384	725,4938
<i>Cedrela odorata</i> L.	Cedro	0,2951	488,3549
<i>Chrysophyllum prieurii</i> A.DC.	Abiurana	1,2143	2.009,5079
<i>Cordia goeldiana</i> Huber	Freijó	0,6784	1.122,7447
<i>Couratari guianensis</i> Aubl.	Tauari	2,1947	3.632,0003
<i>Dipteryx odorata</i> (Aubl.) Willd.	Cumarú	0,0217	35,9643
<i>Goupia glabra</i> Aubl.	Cupiúba	0,7232	1.196,7988
<i>Hymenaea courbaril</i> L.	Jatobá	3,6829	6.094,8986
<i>Hymenaea sp.</i>	Jutaí	0,1095	181,2607
<i>Hymenolobium sp.</i>	Angelim	0,2379	393,7245
<i>Manilkara huberi</i> (Ducke) Chevalier	Maçaranduba	3,6171	5.986,1123
<i>Mezilaurus itauba</i> (Meisn.) Taub. ex Mez	Itaúba	0,2584	427,5538
<i>Micropholis sp.</i>	Curupixá	0,4045	669,4970
<i>Parkia sp.</i>	Faveira	5,6824	9.403,9401
<i>Simarouba amara</i> Aubl.	Marupá	0,3626	599,6524
<i>Tabebuia serratifolia</i> (Vahl) Nichols.	Ipê	4,2577	7.046,1630
<i>Virola surinamensis</i> (Rol.) Warb.	Virola	0,4838	800,3036
<i>Vochysia maxima</i> Ducke	Cedrorana	0,0803	132,0296
TOTAL DE VOLUME AUTORIZADO		29,139	47.971,1073

APENAS VISUALIZAÇÃO

Supply Chain – an example



Greenpeace investigation - May 2014

Greenpeace visited 18 AUTEFs (i.e. authorized logging areas) – uncovered fraudulent activities suggesting documentation related to them was misused to launder illegal timber.

Then mapped supply chains of sawmills trading with documents from these areas, and which were exporting

Last, Greenpeace produced a list of international buyers that had bought, between March 2013 and Feb 2014, timber from exporting sawmills whose supply chains had been contaminated by illegal timber laundered by means of fraudulent use of official documentation.

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Greenpeace's investigation in May 2014



Already the ‘Country Guide to Timber Legality: Brazil’ funded by the EU’s TTAP highlights, prior to Greenpeace’s May 2014 report, a number of widely used illegal timber laundering tricks.

ABOUT TTAP

The Timber Trade Action Plan (TTAP) is a private sector initiative of the EU’s Forest Law Enforcement Governance and Trade (FLEGT) Action Plan, managed by TFT and its partner Timber Trade Federations of Europe (ETTF), the UK (TTF), Netherlands (VVNH), Belgium (FBCIB) and France (LCB). The project delivers a practical approach by supporting European buyers and their suppliers in producer countries towards legality verification as a means to promote responsible management of tropical forests.

www.tft-forests.org/ttap

The TTAP project receives funding from the European Union. This publication has been produced with the financial assistance of the European Union. The contents of this publication are the sole responsibility of TFT and can in no way be taken to reflect the views of the European Union.

“DOF and/or SISFLORA timber harvesting credits have been known to be sold on the black market, for many product types e.g. logs, sawn timber or final products. This means that trucks could be carrying timber covered by an official DOF/GF but in reality do not originate from the authorised area.”

“Manipulation and misrepresentation of species data at the inventory phase can be deliberate to overstate the stock of certain tree species as a means to gaining additional harvesting credits for that particular species.”

“Forest Management Plans submitted to IBAMA/ SEMA for harvest authorisation (AUTEF) have been known to have been submitted for a completely different area.”

“Evidence shows that timber has been laundered to and from neighboring countries such as Peru.”

Freely available on the internet at http://clients.squareeye.net/uploads/ttap/TFT_Guide_to_Legality_Brazil_1.pdf

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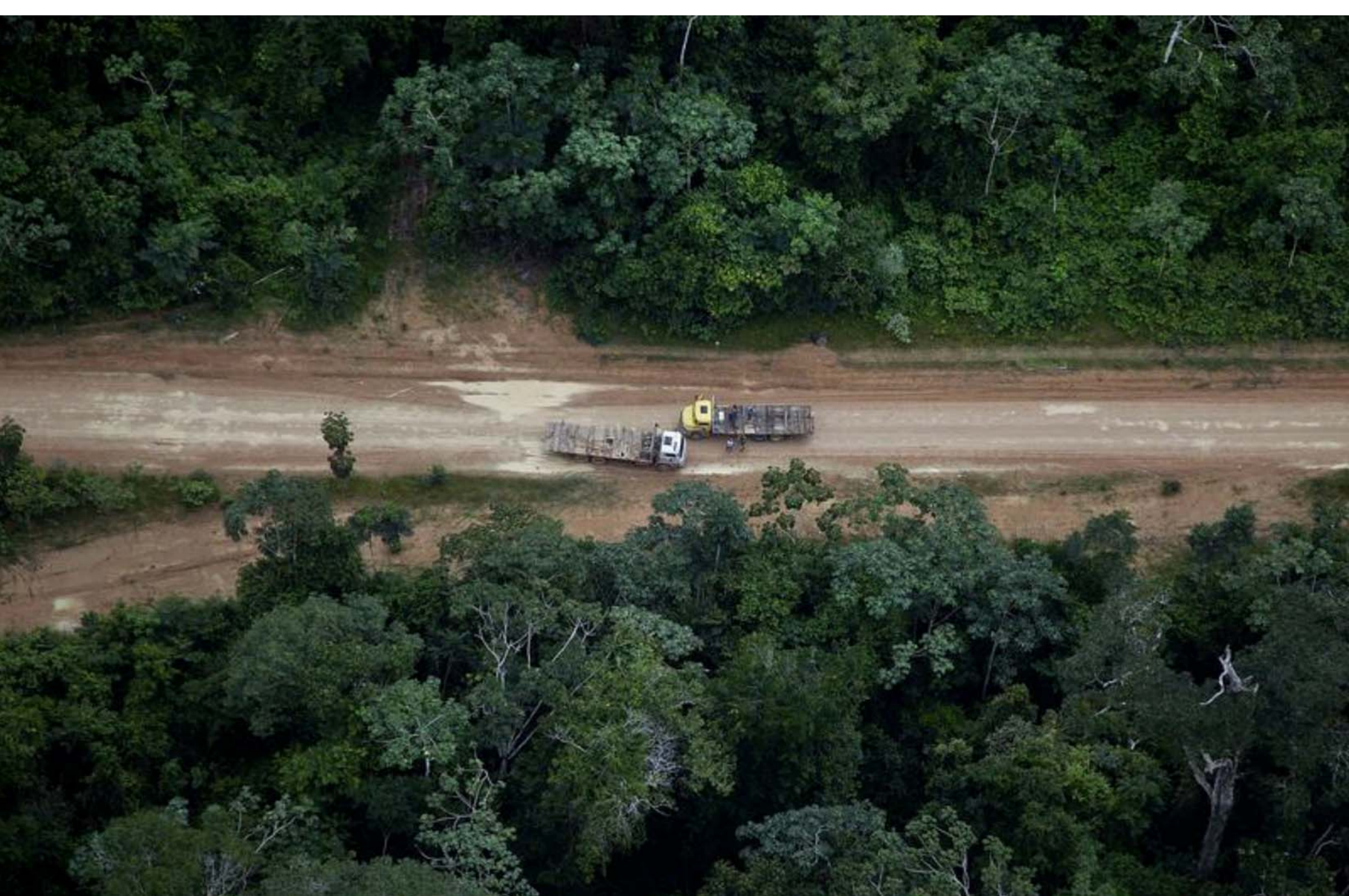
Risks confirmed by Para's Federal Prosecutor

On May 9th 2014, Para's Federal Public Prosecutor launched a legal case against the State of Para and the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA).

The case indicated a general failure of the systems intended to monitor compliance, and included an assessment that the Forest Management Plans exposed by Greenpeace investigation as examples case studies on the laundering of illegal timber, should be subject to immediate suspension.

The Federal Prosecutor demanded inspections in all existing PMFS's in the state of Para, during their execution as well as post-exploitation, and no further approval of new PMFS's without qualified and independent inspections in advance.

The case was later on dismissed at court, arguing the Federal Prosecutor had no jurisdiction - the State Prosecutor would. Evidence in the case was not challenged.

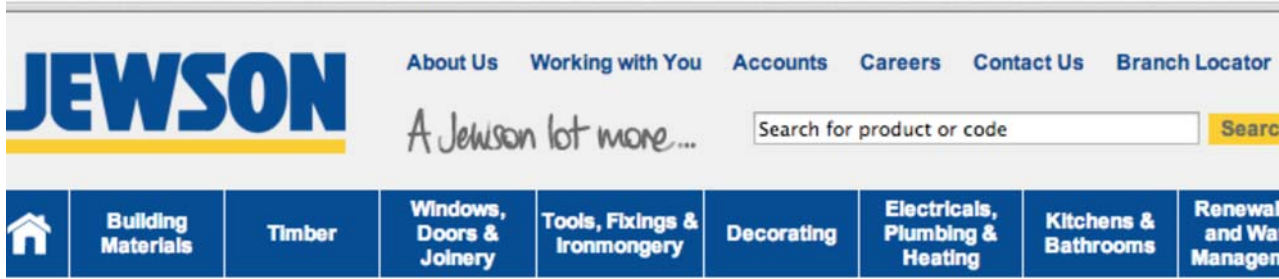


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Corporate reactions to our investigation from May 2014

wson.co.uk/about-us/sustainability/sustainable-products-overview/statement-on-the-sale-of-timber-de



Home > About Us > Sustainability > Sustainable Products Overview > Statement on the Sale of Timber Decking

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Jewson & International Timber: statement on the sale of timber decking made from Ipe (Brazilian Walnut)

Jewson, and associated brand International Timber, have issued the following joint statement refuting recent allegations of selling illegal Brazilian Timber:

"In common with many UK builders and timber merchants, a number of Jewson branches offer timber decking manufactured from Ipe, a species of timber from Brazil also known as Brazilian Walnut.

Ipe is a popular choice with UK specifiers for decking, as it does not require any weatherproofing or pesticidal treatment to withstand external weather conditions. This has led to architects and other specifiers choosing the timber for many prestigious projects worldwide including the Brooklyn Bridge in New York, the National Library in Paris and even the Presidential Palace in Brazil itself.

Jewson sources all tropical hardwood species through International Timber, an associated brand with expertise in timber importing and distribution. As such, International Timber has expertise and professionals committed to sourcing timber legally and responsibly and ensuring full and absolute compliance with the legal requirements.

Ipe currently stocked by Jewson, and purchased during 2013 and 2014, is sourced from two companies, Robinson Lumber, based in New Orleans USA, who have been dealing in lumber since 1983 and Vogel Import Export based in Antwerp, who specialise in the import of South American timbers..

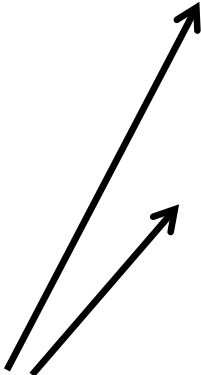
International Timber demands that these suppliers provide the necessary documentation to ensure the legality and traceability of the timber. This includes the names of the original exporters in Brazil, in this case Solimad Madeiras and Condor Florestas Industrial Madeiras Ltda, who have to obtain the export licence (DOF-GF3) from IBAMA, the Brazilian environmental ministry.

In addition the supplier is also expected to provide details of the specific concession and region in Brazil for each shipment. This level of detailed information ensures that International Timber and Jewson comply with UK and EU legislation for the import of timber, the **Timber and Timber Products (Placing on the Market) Regulations 2013**.

The Regulations are the UK's implementation of the **EU Timber Regulation** (EU NO 995/2010, known as the EUTR) which came into force on 3 March 2013.

Robinson Lumber and Vogel were exposed by Greenpeace's investigation due to their ties with suppliers that handled laundered timber.

Solimad Madeiras and Condor Florestas have been fined over £2 million in the last ten years for illegal logging and timber laundering.



Operators and traders exposed by Greenpeace – or anyone - could check the track records of their suppliers in Brazil – by accessing information made freely available by IBAMA's (Brazil's environmental enforcement agency).

IBAMA holds a database with track records of fines and processes on environmental law infractions in Brazil:

Link 1

<https://servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php>

- for background checks on fines and embargoed areas for Brazilian timber trading companies.

Link 2

<https://ibamanet.ibama.gov.br/docibama/publico/>

- for further details on the reason why the fines were granted.

I also wanted to confirm with you the actions I outlined on Monday that we have also taken as a business:

- That we have, as of last week, implemented a suspension of the sale of Ipe from Jewson. Current stock, which is extremely limited, has been withdrawn and returned to an International Timber Depot
- We have also implemented a suspension of the sale of existing stock, and further purchases by International Timber. This material is being quarantined and a decision about what we do with this material will be taken following the conclusion of our audit and the NMO investigation
- Finally, that we plan to undertake an audit, utilising both audit and legal resources from our Brazilian Delegation, together with external support and legal counsel. This audit, will inform future trading decisions we will take.

From Letter to Greenpeace from Mark Rayfield, Chief executive at Saint Gobain UK & Ireland, June 5th 2014

Substantiated complaints were filed in Belgium, Denmark, France, Germany, The Netherlands, Italy, Spain and the UK – based on our May investigation.

In Greenpeace's report in May, a number of EU importers were flagged, including:

French companies:

Ets Peltier

Guillemette & Cie

Rougier Sylvaco

Belgium companies:

Vogel Import Export NV

Vandecasteele Houtimport

Leary Forest Products

Spanish companies:

Lopez Pigueiras

IN ADDITION, Greenpeace's substantiated complaints then listed further market links, including:

To CAs in France, on:

Etablissements Peltier

Bois Tropicaux du Midi

A/S Global Timber (based in DK) shipping to France

Getez Miauton AS (based in Switzerland) shipping to France

To CAs in Holland, info on:

Rodenhuis Holding

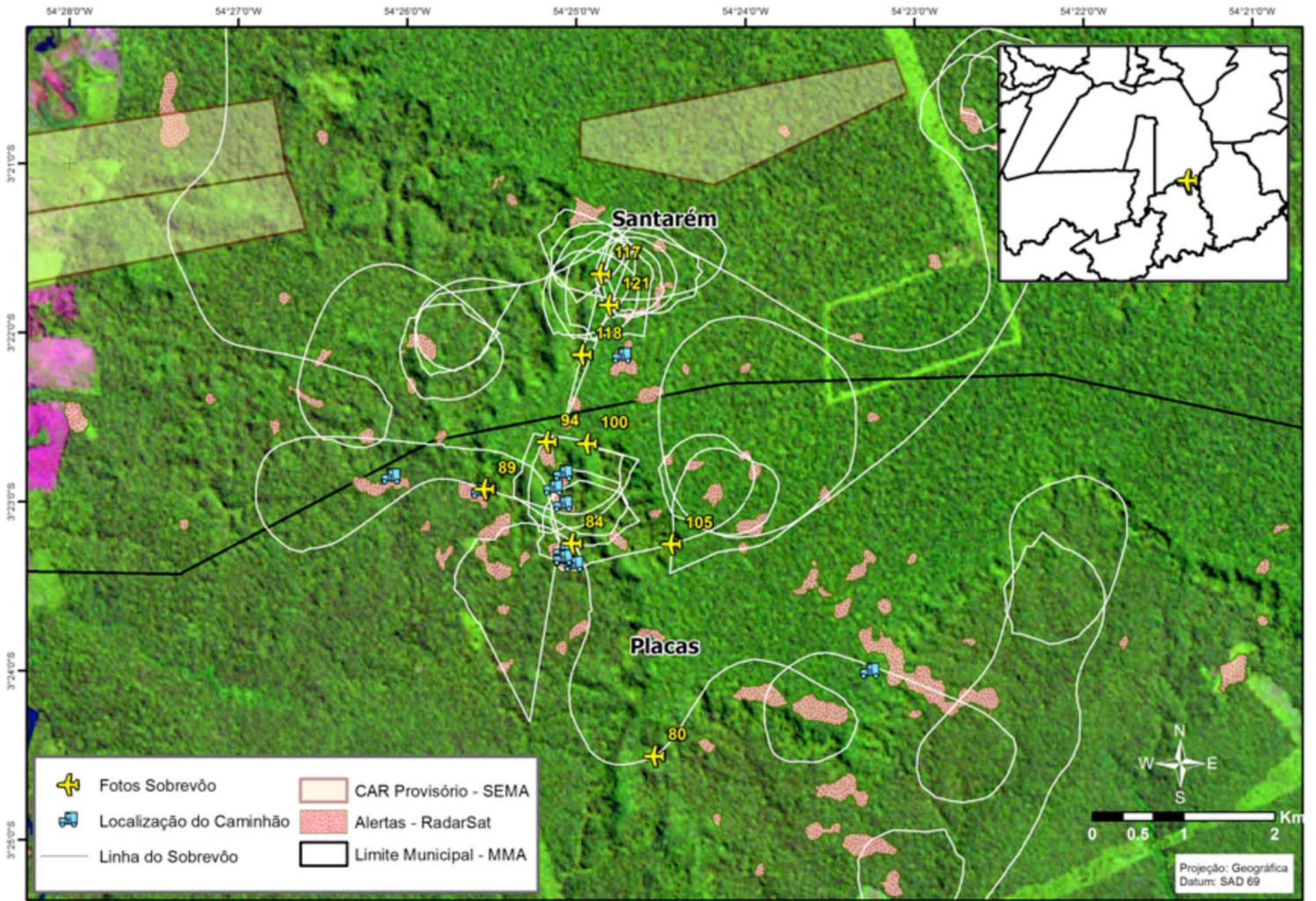
Details on supplying sawmills were included.

Night Terrors – Greenpeace's investigation 15th Oct 2014



GREENPEACE

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Truck 1

29-30 August 2014

Make: Mercedes Benz
 Model: Axor 2831 6x4
 Colour: White
 Registered: 2011/12
 Licence plate: OCA 4058
 Chassis: ...27972

Scale 1:500,000
 0 5 10 15 20 Kilometers

SANTARÉM



Rainbow Trading Importação e Exportação Ltda
 CTF: Active
 Operating licence: 8884/2014 valid until 09/09/2016
 Ceprof: Active

Rainbow Trading is a medium-sized sawmill and a timber wholesaler and exporter based in Santarém. Its sawmill has an annual production capacity of 32,850 m³. It has been fined twelve times in the past seven years by IBAMA for operating illegally. These fines total R\$476,941 (€156,006).

Rainbow Trading sells sawn wood throughout Brazil. It also frequently exports timber to international markets. Official export data shows that between 2008 and 2013, Rainbow Trading exported Amazon timber to companies in Belgium, China, Denmark, France, Germany, India, Italy, Japan, The Netherlands, Spain, the United Kingdom and the United States. In 2014, between January and August, Rainbow Trading sold timber to companies based in Portugal, Belgium, Sweden, France and The Netherlands (see p 11).

According to the SISFLORA control system, Rainbow Trading supplied the market with 8,000m³ of timber between January and August 2014. Over 90% of this timber was accompanied by credits from five private logging estates.

ACORQE (Traditional Quilombolas Association, AUTEF 2124/2012): 3,463.3 m³

Reijane Celeste Moura Rebelo (AUTEF 2218/2012): 3,207.9 m³

João De Silva Campos (AUTEF 1836/2013): 969.9 m³

Elisário Moraes De Lima (AUTEF 1868/2014): 570.2 m³

Gilson De Oliveira Brandão (AUTEF 2198/2014): 76.9 m³

Geo-referenced satellite analysis of the estates supplying Rainbow Trading detected logging at the Reijane Celeste Moura Rebelo estate. A field visit would be needed to identify whether the amount of logging was commensurate with the significant volume of timber (over 28,000m³) from this estate that has been placed on the market since December 2012. The same applies to ACORQE, which is supposed to have provided

almost 3,500m³ of timber in 2014 to Rainbow Trading and a total of 40,000m³ to the market since 2012. A reconnaissance overflight of the ACORQE estate on 14 October 2014 uncovered active movements of timber – logging – even though the logging permit for this estate expired in August 2014.

In addition to these suspicious results, no logging was detected of the three other estates up to August 2014. This suggests that paperwork from these estates is being used to launder timber logged illegally elsewhere.

Rainbow Trading bought logs from two sawmills in 2014:

Schmitt e Schnorr Ltda, Santarém (CTF #587069, CEPROF #542)

Comercial De Madeiras Odani Ltda, Píaccas (CTF #33066, CEPROF #651)



00:40
 Arrives at Rainbow Trading sawmill

00:02
 Entering Santarém

09:27
 Leaving Santarém on highway PA-370

22:05
 Approaching Curuá-Una ferry crossing

19:41
 Driving back to Santarém

13:20
 Arrives at an illegal logging camp



2° 48' 18.534" S 54° 18' 26.976" W
 28 August 2014
 A logging truck on the PA-370 highway waits to take the ferry across the Curuá-Una river.



Map showing that the logging camps uncovered by this investigation are in public forests. Land bordered in orange has been recorded in the government's rural land use registry.



3°25'16.87"S 54°14'10.64"W
 01 September 2014
 Illegal logging camp in the rainforest. A truck monitored by Greenpeace made two trips between this camp and the Rainbow Trading sawmill in Santarém.



GREENPEACE

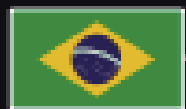
www.greenpeace.org



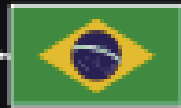
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www.greenpeace.org

Sabugy
Madeiras
LTDA



Rainbow Trading
Importação e
Exportação Ltda



Etablissements
Peltier



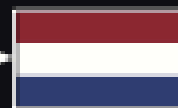
Rougier Sylvaco
Panneaux



Trasam - Trading
Saman LDA



Interwood



Rodenhuis
Holding



Leary Forest
Products



(Puerto Rico)

Castell Export Corp.



A/S Global Timber



Vandecasteele
Houtimport



Lemahieu



Lagoe



Debeuckelaere



De Groote



Omniplex



Stiho



LTL Wood
Products

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Truck 2

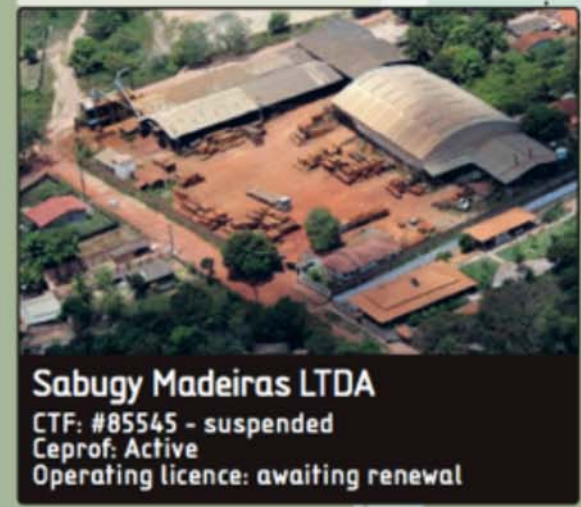
10 September 2014

Make: Mercedes Benz
Model: Axor 2631 6x4
Colour: White
Registered: 2011/12
Licence plate: NTC 2321
Chassis: ...71723

Scale 1:500,000

0 5 10 15 20 Kilometers

Sabagy is a sawmill in Santarém. It ceased exporting timber in 2012. However, it still supplies three export companies with sawn wood, including Rainbow Trading. Since 2008, Sabagy has accumulated fines from IBAMA totalling R\$460,000 (€148,500).



Sabagy Madeiras LTDA

CTF: #85545 - suspended
Ceprof: Active
Operating licence: awaiting renewal



Comercial de Madeiras Odani LTDA

CTF: #33006 - suspended
Ceprof: Active
Operating licence: 8825/2014
valid until 20/07/2016

SANTARÉM

00:50
Arriving at the Sabagy sawmill

Odani is a sawmill in the municipality of Placas. In June 2013, Odani was fined R\$500,000 (€160,000) by the federal environment agency (IBAMA) for breaching the conditions of its licence. Since then it has been under an embargo from IBAMA that should prevent it from trading timber.

Odani claims its logs come from three logging estates:

Edinaldo Ferreira Da Conceicao,
 Fazenda Conceicao, Lote 21 (AUTEF 1810/2013)

Agropecuaria Santa Efigenia Ltda
 (AUTEF 20143/2014)

Elisario Moraes De Lima,
 Uruarú, (CEPROF 5350 - AUTEF 1868/2014)

Greenpeace analysed satellite images of these estates. No logging was detected at the Elisario Moraes De Lima estate, although official records show that it claimed to have sent 800m³ of timber to market.

Agropecuaria Santa Efigenia Ltda also appears suspicious and warrants an audit in the field. Although only trace amounts of logging were observable via satellite, the forest management plans claim to have sent an astounding 20,600 m³ of timber to market. Official documents show that the estate claims that the rare and valuable species ipê represented 22% of the total volume of timber on the estate – five times the average rate normally found growing in this area.

23:03
Turning onto the BR-163, heading to Santarém

Photographic evidence of illegal logging and timed movements of truck 2

3°21'42.76"S 54°25'18.85"W
28 September 2014

3°21'42.76"S 54°25'18.85"W
28 September 2014

3°21'42.76"S 54°25'18.85"W
28 September 2014

14:24
Driving to an illegal logging camp

17:03
Returning to the Odani sawmill

12:16
Parked in the Odani sawmill

19:04
Driving from Odani sawmill to the BR-163

17:42
Parked in the Odani sawmill



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Sabugy Madeiras LTDA



Rainbow Trading Importação e Exportação Ltda



Ipezal Comércio De Madeiras Ltda



Comercial De Madeiras Odani Ltda



J & J Comércio e Exportação De Madeira Ltda



Industrial Madeireira Santa Catarina Ltda



Madeiraireira Madevi Ltda



Etablissements Peltier



Rougier Sylvaco Panneaux



Trasam - Trading Saman LDA



Interwood



Rodenhuis Holding



Leary Forest Products



Castell Export Corp.



A/S Global Timber



López Pigueiras S/A



López Pigueiras S/A



Wellness Italia S.R.L



Arnosti Alessandro



Guillemette e Cie



Getaz Miauton AS



Nakayama Gentaro Shoufen



Maruwa Sangyo Co.,Ltd



East Teak Fine Hardwoods, Inc.



Sabra International Inc



Thompson Mahogany Company



Wood Brokerage International



BAO International Co. Ltd.



Zhejiang Fudeli Timber Industry Co.,Ltd



Vandecasteele Houfimport



Lemahieu



Lagae



Debeuckelaere



De Groote



Omniplex



Stiho



LTL Wood Products



Vogel Import Export NV



Leary Forest Products BVBA



Wellness Italia S.R.L



Arnosti Alessandro



Guillemette e Cie



Getaz Miauton AS



Nakayama Gentaro Shoufen



Maruwa Sangyo Co.,Ltd



East Teak Fine Hardwoods, Inc.



Sabra International Inc



Thompson Mahogany Company



Wood Brokerage International



BAO International Co. Ltd.



Zhejiang Fudeli Timber Industry Co.,Ltd

Transactions between Jan and August 2014, as recorded in Sisflora control system in Para State. Further transactions in EU, between agents and buyers until September – based on Greenpeace’s investigation.

Several buyers buying from Rainbow Trading and other sawmills that trade in laundered illegal timber, had already been exposed in Greenpeace’s earlier investigation in May.

Bedrijf staakt handel in illegaal gekapt hout

⌚ Gepubliceerd: 16 okt 2014 16:25 ⌚ Laatste update: 16 okt 2014 17:54 📌 Algemeen

Een van de drie Nederlandse bedrijven die hout in zouden voeren dat illegaal is gekapt in Brazilië legt de handel hierin stil. Dat heeft Stiho donderdag in een brief aan Greenpeace laten weten. Greenpeace riep woensdag de Nederlandse Voedsel- en Warenautoriteit (NVWA) opriep te handhaven.

Het bedrijf zegt in de brief onlangs nog goed door een controle van de NVWA te zijn gekomen. De onderneming, die stelt duurzame producten hoog in het vaandel te hebben staan, betreurt het dat het blijkbaar nog steeds mogelijk is om illegaal hout 'in de keten te mengen' en te verhandelen. "Hier nemen wij volledig afstand van."

Stiho stelt een onderzoek in. Mochten zagerijen of leveranciers zich niet aan de regels houden dan is 'afscheid onvermijdelijk', geeft de onderneming verder aan.

Greenpeace laat donderdag in een reactie weten dat het onderzoek maanden in beslag kan nemen. De milieuorganisatie vindt het verder bizar dat de NVWA 'voortdurend in papieren fraude tuint'. "Stiho had de indruk dat alles op orde was op basis van administratieve inspecties van de NVWA. Zoals het onderzoek van Greenpeace heeft uitgewezen, gaat achter die papieren werkelijkheid een schimmige werkelijkheid schuil die ten koste gaat van de Amazone."

De milieuorganisatie meldde woensdag op basis van eigen onderzoek dat drie Nederlandse bedrijven hout hebben ingekocht van een zagerij die betrokken zou zijn bij het witwassen van illegaal gekapt hout en het sjoemelen met papieren. Greenpeace onderzocht de zagerij door met zenders de routes van houttransporten in het regenwoud van de deelstaat Para te volgen. Daaruit bleek dat de wagens rechtstreeks naar locaties reden waar geen vergunning voor houtkap bestond. Het hout werd vervolgens verkocht met documenten met kapvergunningen van andere gebieden.

Some companies react and drop Rainbow Trading's timber – such as Stiho in Holland (Oct 16th).

Question remains on how their DDs systems would be fixed.

Reaction from Belgium company **Omniplex** however:

“That's non sense. We have never been controlled so strictly as the last months, and the European rules are more strict than ever. Moreover we support these rules, because we don't have interest in illegal logging. Greenpeace only wants to counter the timber import. **Omniplex** gets less than five percent from Brazil. If it's illegal, the lot will be confiscated and I risk to be thrown out of the federation. That's something I don't want to risk.”

(translation from quote in the newspaper Het Nieuwsblad, October 15th)

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Or company Leary, in Belgium



Gat in het systeem dichten
Volgens de Europese houtverordening is het verboden om illegaal hout op de markt te plaatsen. De bedrijven moeten zelf de herkomst van het hout controleren en de kans dat het om illegale kap gaat uitsluiten. Dat hout van schimmige bedrijven, zoals Rainbow Trading, nog steeds de weg vindt naar de Belgische markt, toont aan dat ze die verplichting naast zich neerleggen.

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Een van de bedrijfsleiders (die anoniem wil blijven) en de agent van Leary Forest Products, reageren dat ze ter goeder trouw handelen en afgaan op de echtheid van de Braziliaanse documenten. "Wij zijn er niet bij wanneer ze de bomen kappen. Als blijkt dat wij de overheidspapieren, die ook in de haven worden gecontroleerd, niet mogen vertrouwen, dan moet in Brazilië het gat in het systeem gedicht worden", reageert Mark Van Avermaet van Leary.

"We act in good faith and trust the veracity of the Brazilian documents... We are not there when they cut the trees." – **Leary Forest Products** as quoted in De Morgen newspaper, BE, Oct 15th

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La Belgique est une plaque tournante

Il y a de grandes chances que le bois illégal coupé au fin fond du Brésil se retrouve en Belgique, si l'on en croit le rapport de Greenpeace. Selon l'organisation, en effet, des entreprises belges achètent du bois à Rainbow Trading. Au moins indirectement. "Nous sommes sûrs à 100% que le bois illégal est arrivé dans les scieries brésiliennes de la société Rainbow Trading, chez qui une société belge (Leary Forest Products, basée à Anvers) se fournit, dit Jonas Hulsens. Nous ne sommes pas sûrs à 100% que le bois acheté par Leary soit illégal. Mais les risques qu'il le soit sont extrêmement élevés."

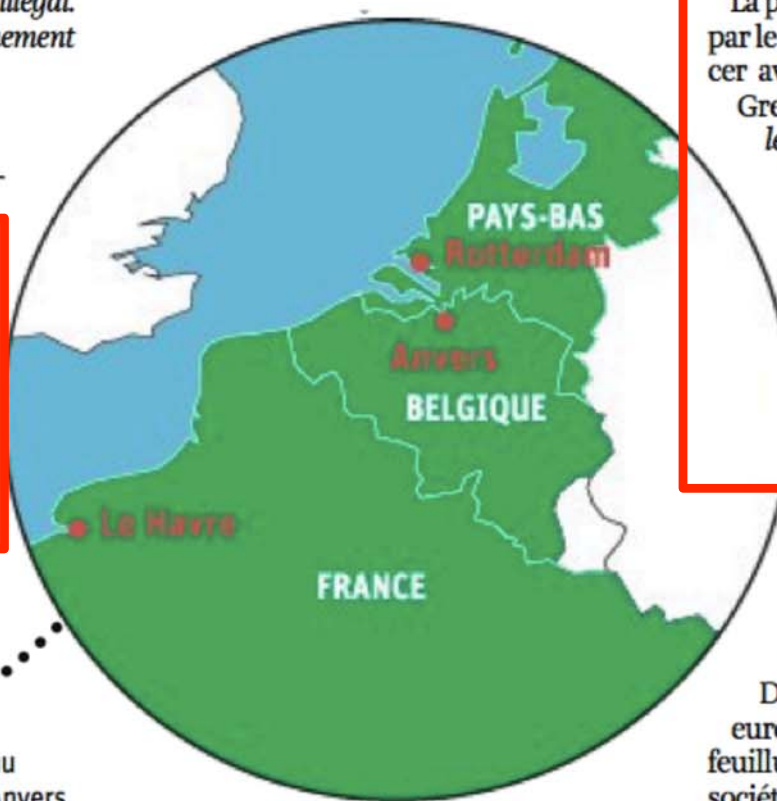
Des entreprises belges concernées

Selon l'étude de Greenpeace, il apparaît que l'entreprise anversoise Leary a fourni du bois, entre janvier et août 2014, aux compagnies belges (basées en Flandre) Vandecasteele Houtimport, Lemahieu, Omniplex, Lagae, Debeuckelaere et De Groote. En outre, Vandecasteele et De Groote auraient reçu du bois de Rainbow via un bateau arrivé le 10 octobre à Rotterdam. Particularité de la Belgique : c'est une plaque tournante en matière de commerce de bois exotique. Selon les chiffres of-

Du Brésil, les containers de Leary arrivent par bateau à Rotterdam, Le Havre ou Anvers.

ficiels brésiliens, la Belgique est le cinquième importateur mondial de bois amazonien. "Une partie de ce bois importé est vendue chez nous, par exemple pour la construction de terrasses. Mais une grande partie du bois importé est également réexportée vers d'autres pays. Il est donc important les entreprises belges suivent les règles, car la Belgique est un "nœud". En effet, selon la législation européenne,

c'est l'entreprise acheteuse qui doit vérifier elle-même la légalité du bois, et doit mener une analyse de risque, ainsi que prendre des mesures d'atténuation de ce risque. "Oui, bien sûr, c'est compliqué de faire cela pour les entreprises belges, admet Jonas Hulsens. Alors, le mieux pour elles, c'est tout simplement de ne pas acheter ce bois dans ces régions, car le risque est trop élevé."



Leary: "Nos papiers sont corrects"

La principale entreprise belge mise en cause par le rapport, Leary, nous confirme commercer avec Rainbow, mais rétorque aussi que Greenpeace "induit les gens en erreur". "Tous les documents légaux que nous avons de Rainbow montrent que le bois est légalement récolté. Ils sont aussi approuvés par les autorités brésiliennes. Si on doit commencer à douter des papiers officiels et de l'organisation d'un pays... De toute façon, des organismes externes, aux Pays-Bas, vérifient aussi que ces chargements sont légaux.. Et c'est OK! Arrêter de commercer avec certaines régions du Brésil? Ces problèmes arrivent partout dans le monde. Il faut surtout travailler avec les bonnes personnes. Par exemple, on embarque beaucoup de bois avec le label FSC (bois durable), depuis l'Etat du Pará." De son côté, le président de la fédération européenne de commerce de bois, section feuillu, le Belge Armand Stockmans, avec sa société Somex, évite de commercer avec cer-

Meanwhile, authorities in the state of Para acknowledged Greenpeace's investigation (quotes on UK paper, The Guardian, Oct 15th)

www.theguardian.com/environment/2014/oct/15/activists-use-gps-to-track-illegal-loggers-in-brazils-amazon-rainforest

but the leader of the Greenpeace operation told the Guardian he had been determined to succeed.

"Everyone is afraid of something sometimes. But, even with fear, we wanted to expose that official papers are worth nothing in proving the legality of Amazon timber," said the leader, who is Brazilian but requested anonymity. "We were convinced the operation would bring strong evidence of this silent crisis affecting the Amazon and its people."

The Pará state Environment department (Sema) said in a statement: "Greenpeace's research into timber companies transporting and receiving illegal timber demonstrates the necessity to improve the control and monitoring mechanisms to prevent illegal logging." Sema said it had made major advances in recent years but still lacked the modern technology and resources it needed.

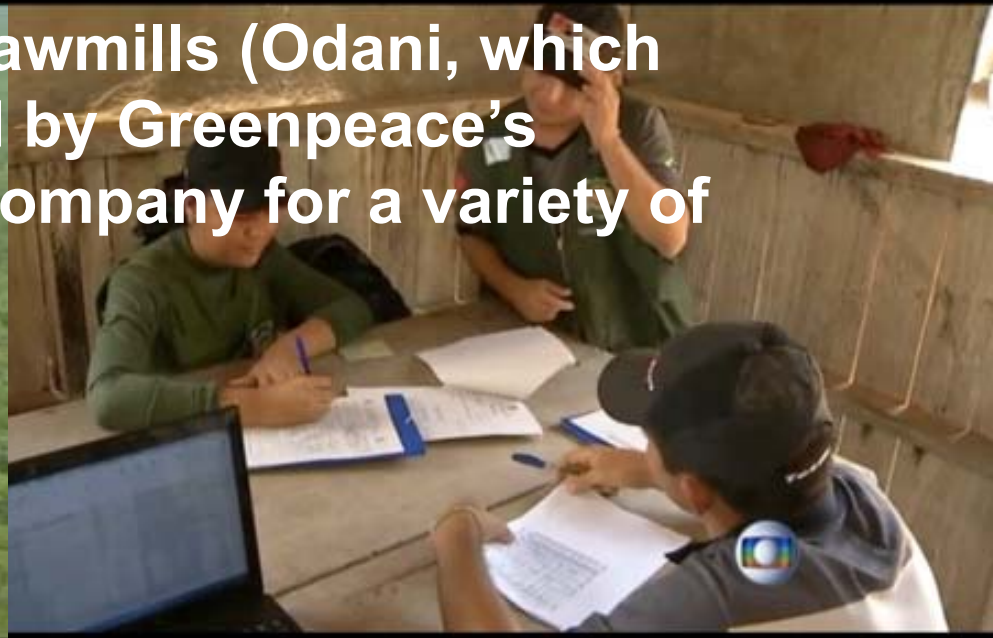
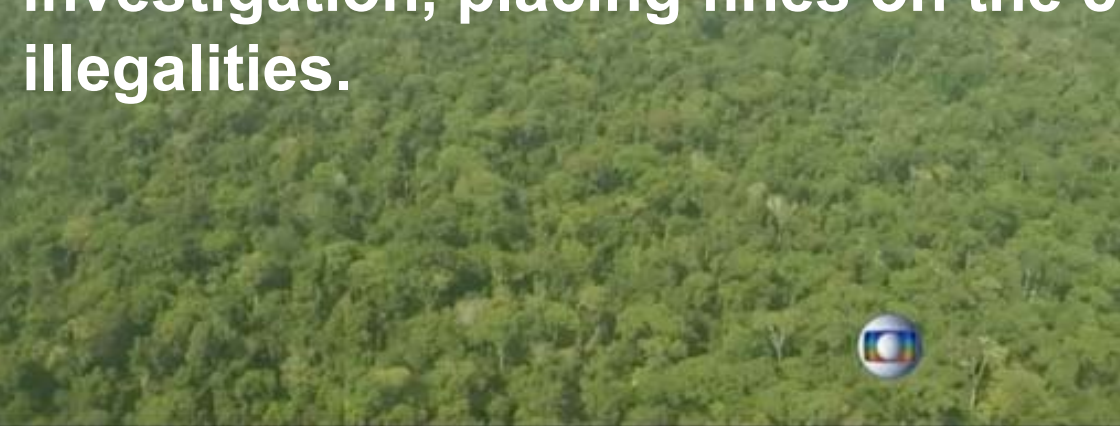
A fifth of the vast Amazon rainforest has been destroyed in the last decades, leading to the murder of environmentalists and massive carbon emissions that are a significant part of the world's climate problem. Brazil's government had spent billions of dollars on logging concessions in the state.

Pará state produces and exports more timber than any other in Brazil and data from figures from Imazon, a Brazilian NGO, suggests three-quarters of the wood shipped is illegally felled. "The current efforts to prevent illegal logging in the state forests are aimed at modernising licensing, control and supervision," said Sema in its statement. It added that a new system using GPS "chips" to control, trace and confirm the origin of wood would be in place in the second half of 2015.

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... and seized timber at one of the sawmills (Odani, which supplies Rainbow Trading) exposed by Greenpeace's investigation, placing fines on the company for a variety of illegalities.

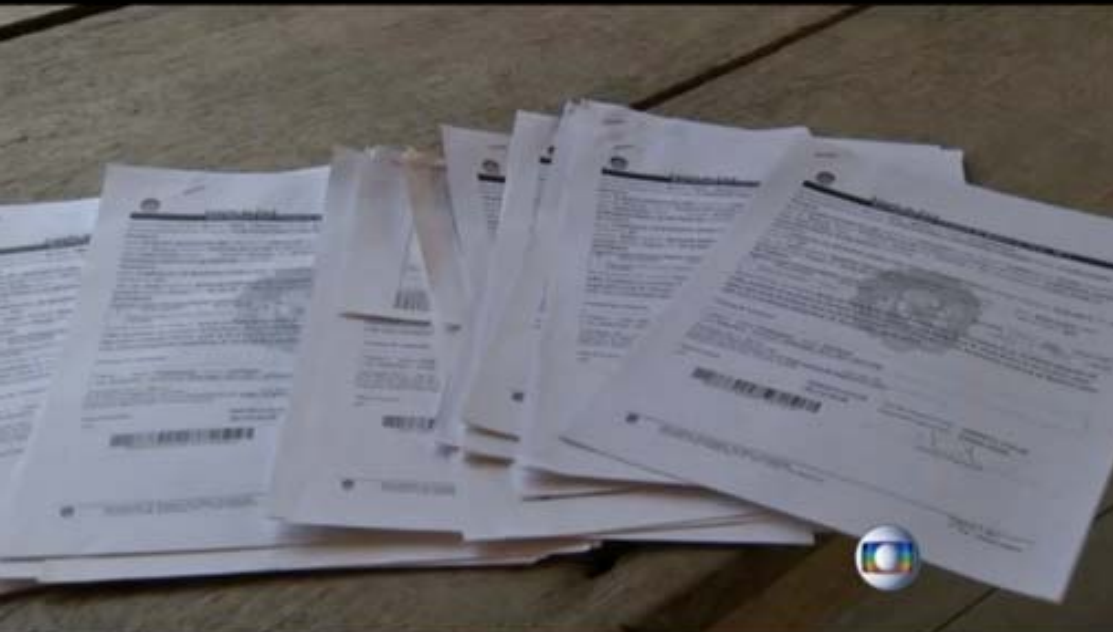


g1.globo.com/bom-dia-brasil/noticia/2014/10/tecnologia-revela-rota-de-exploracao-ilegal-na-floresta-amazonica.html

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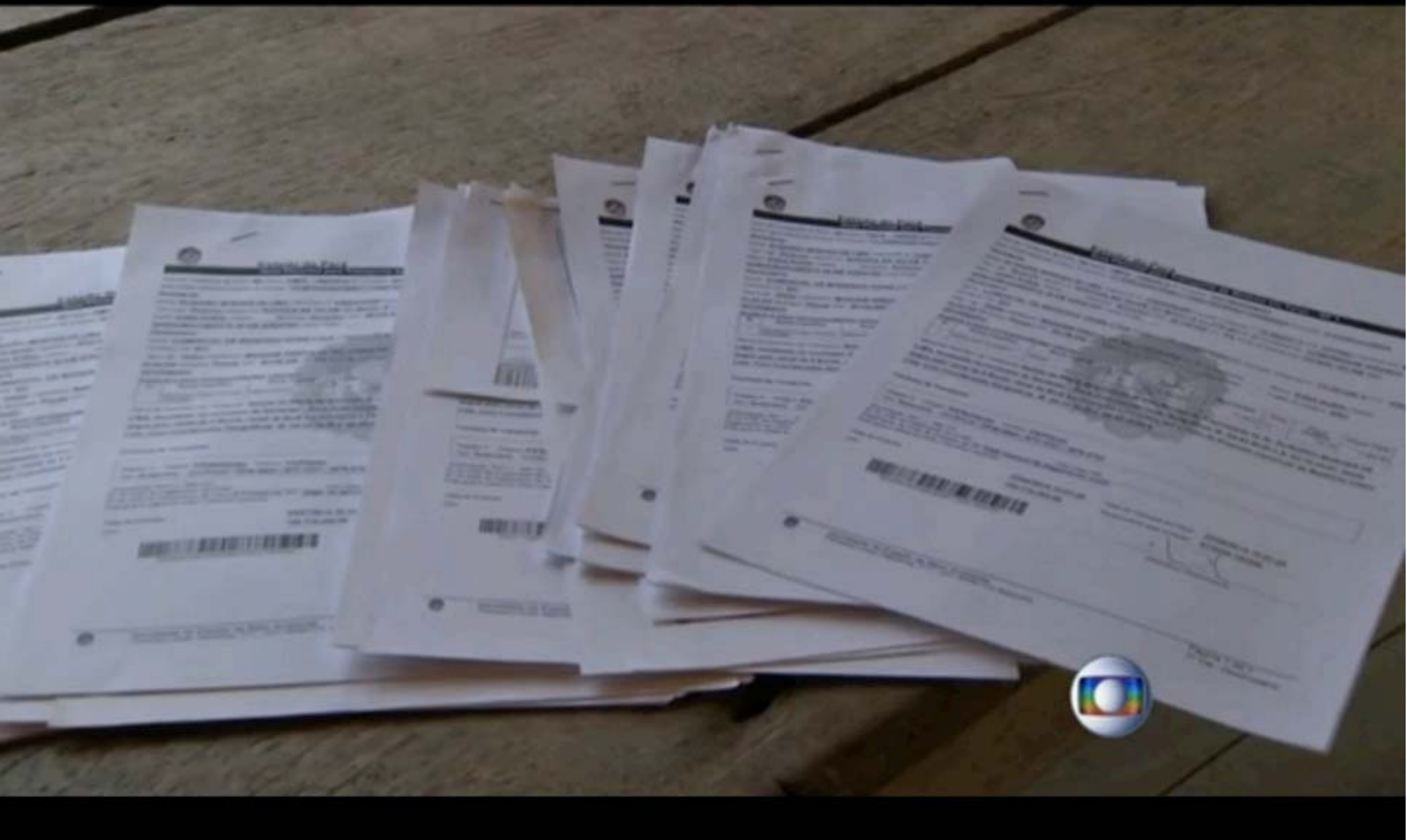
“The timber we receive, we don’t know if they log it from the [authorised] forest management plan or if they log somewhere else, we do not go there to check.” said Odani sawmill’s manager on camera the day after our investigation was launched – as reported on Globo, Brazil’s biggest TV channel, which joined the raid.



g1.globo.com/bom-dia-brasil/noticia/2014/10/tecnologia-revela-rota-de-exploracao-ilegal-na-floresta-amazonica.html

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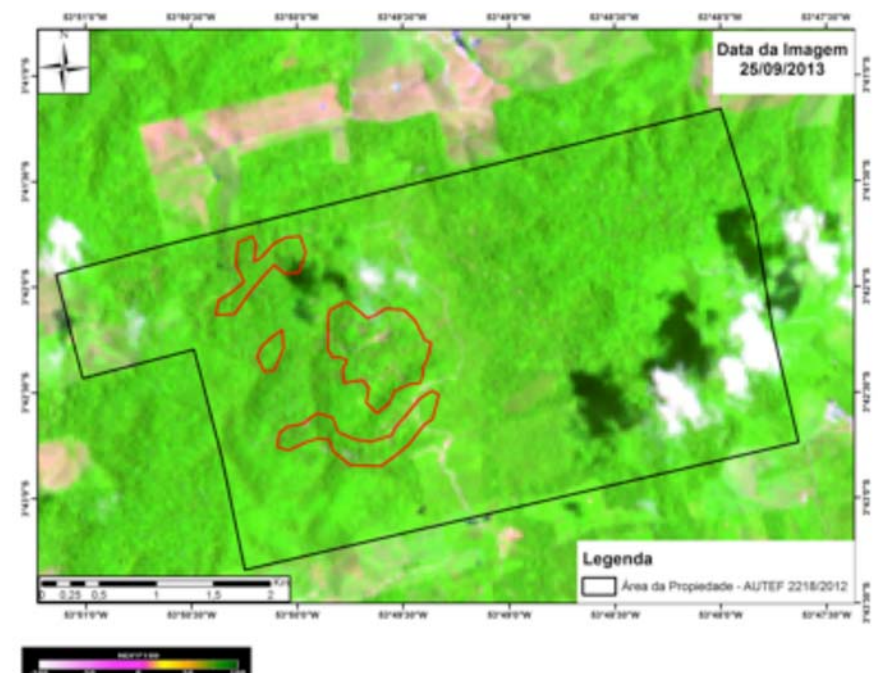
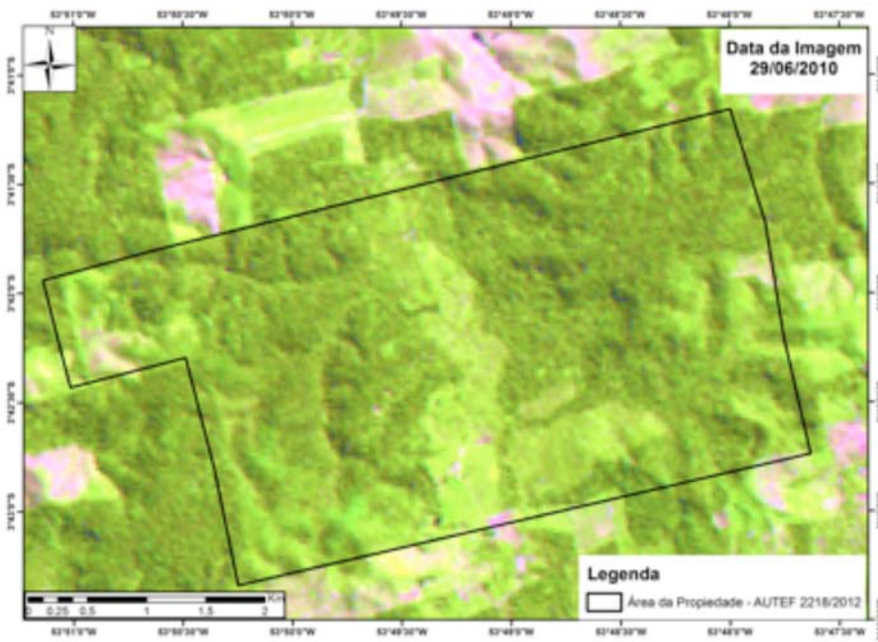
www.greenpeace.org

Where else Rainbow Trading's timber paperwork comes from.

Example AUTEF 2218: One of the two forest managements plans recorded to supply Rainbow Trading – shows trace of logging. Credits equivalent to 93% of the harvestable timber until end of 2013 in this estate have already been traded (over 28 thousands m³). Field auditing is needed to verify if such amount of timber was extracted.

In similar fashion, AUTEF 2214, provided paperwork for 40 thousands m³.

Land sat analysis on other three estates 'supplying' Rainbow, show no trace of logging until July 30th 2014.



Due diligence? Rainbow Trading's timber latest supplies to EU

Rainbow Trading's shipment Oct 10th 2014

Tatajuba, Ipe Decking and Massaranduba shipped on CMA-CGM Platon to Rotterdam and sold by **Leary Forest Products (BE)** on behalf of Rainbow Trading to respectively **Stiho (NL)**, **Vandecasteele Houtimport (BE)** and **Hout De Groote (BE)**.

Leary Forest Products was highlighted to Belgium and other EU authorities back in May 2014 for buying timber from Brazilian sawmills trading laundered timber with paperwork produced as a result of fraudulent forest management plans in the Brazilian Amazon, including **Rainbow Trading** in particular (Greenpeace May's report can be accessed at http://www.amazoncrisis.org/doc/EN-INT/amazon_silent_crisis_all.pdf).

Vandecasteele Houtimport was also highlighted publicly and to authorities as result of the same investigation in May, for buying timber from a variety of exporters that were trading laundered timber with paperwork produced by fraudulent forest management plans.

Greenpeace informed authorities in Holland and Belgium that Rainbow Trading's timber had been delivered in Rotterdam on Oct 10th, at around 1am on 15th Oct.

Shipment Oct 17th 2014

Four containers of Rainbow Trading arrived in Rotterdam on Oct 17th around 1 am (according to ship monitoring site) onboard UK flagged ship CMA CGM Homere.

Content: approximately 40 m³ of Ipe decking and approximately 40 m³ of Massaranduba decking sold by **Leary Forest Products** (BE) on behalf of Rainbow Trading to respectively **Vandecasteele Houtimport** (BE) & **W. Houthoff & Zoon** (BE).

Leary Forest Products, Stiho, Vandecasteele Houtimport and Hout De Groote had been publicly challenged on Greenpeace reports and communication materials on October 15th for buying timber from Rainbow Trading. **Leary Forest Products and Vandecasteele Houtimport** had also been publicly challenged on risks in their supply chain back in May 2014.

Greenpeace informed relevant authorities of Rainbow Trading's containers estimated to arrive in Rotterdam in the morning of on Oct 17th on the evening of October 16th (9pm) in Holland, and early hours (3am) of Oct 17th in Belgium.

It's likely there were more shipments Greenpeace have not uncovered.

How many more shipments with Rainbow Trading's timber will be allowed into the EU market?

The vessel's latest position and movement history combining AIS and Lloyd's Agency Network data, with all movements back to 1997



▶ **Last Position:**  Brava, Cape Verde
28-Oct-2014 22:19:40
 Location

▶ **Position:** 8° 32' 32.4" N – 26° 52' 26.4" W

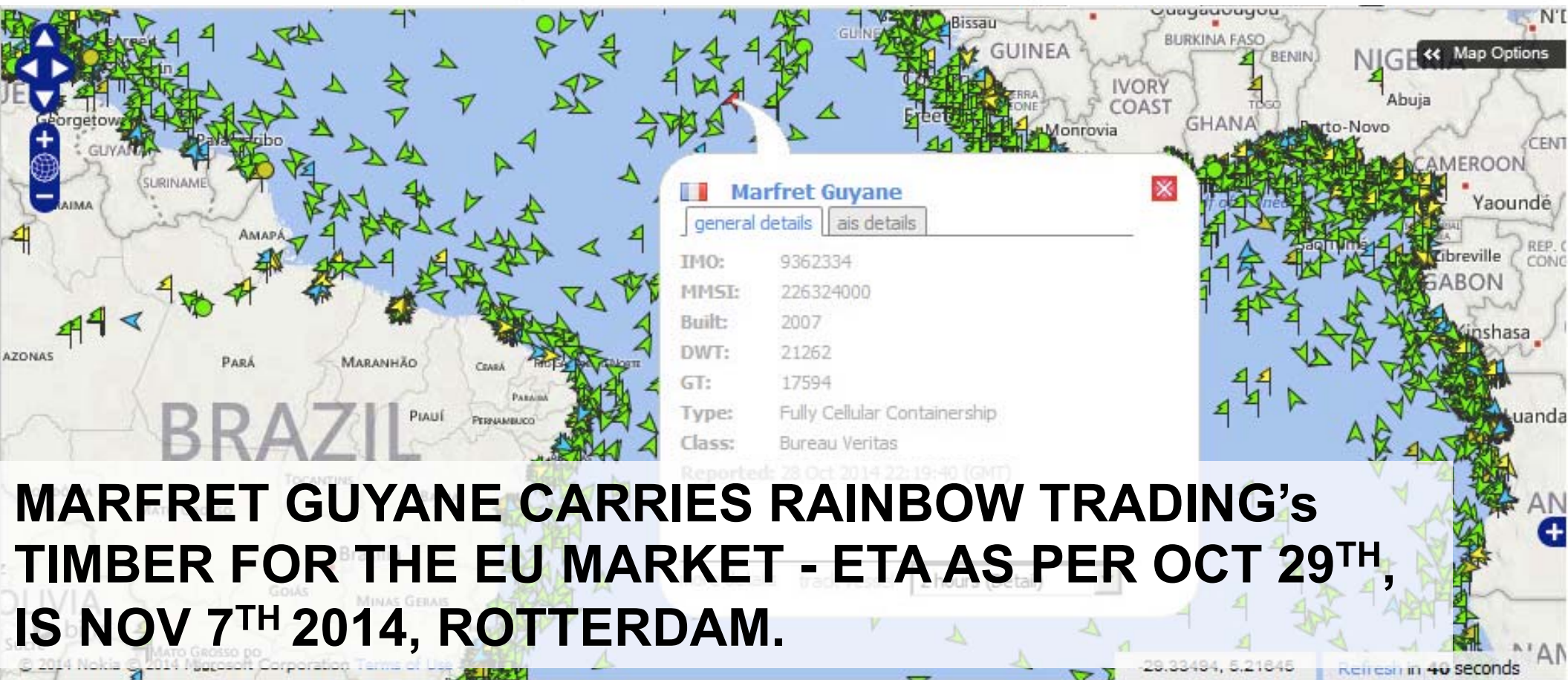
▶ **Distance:** 397.8724nm

▶ **Speed (SOG):** 19.2 knots

▶ **Course (COG):** 31°

▶ **Voyage origin:**  Fortaleza, Brazil

▶ **Voyage destination:** n/a
[View Last AIS Report](#)



Marfret Guyane

[general details](#) [ais details](#)

IMO: 9362334
MMSI: 226324000
Built: 2007
DWT: 21262
GT: 17594
Type: Fully Cellular Containership
Class: Bureau Veritas

Reported: 28 Oct 2014 22:19:40 (GMT)

**MARFRET GUYANE CARRIES RAINBOW TRADING'S
TIMBER FOR THE EU MARKET - ETA AS PER OCT 29TH,
IS NOV 7TH 2014, ROTTERDAM.**

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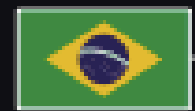
How could the DD system of companies still importing Rainbow Trading's timber be fit for purpose – given the context.

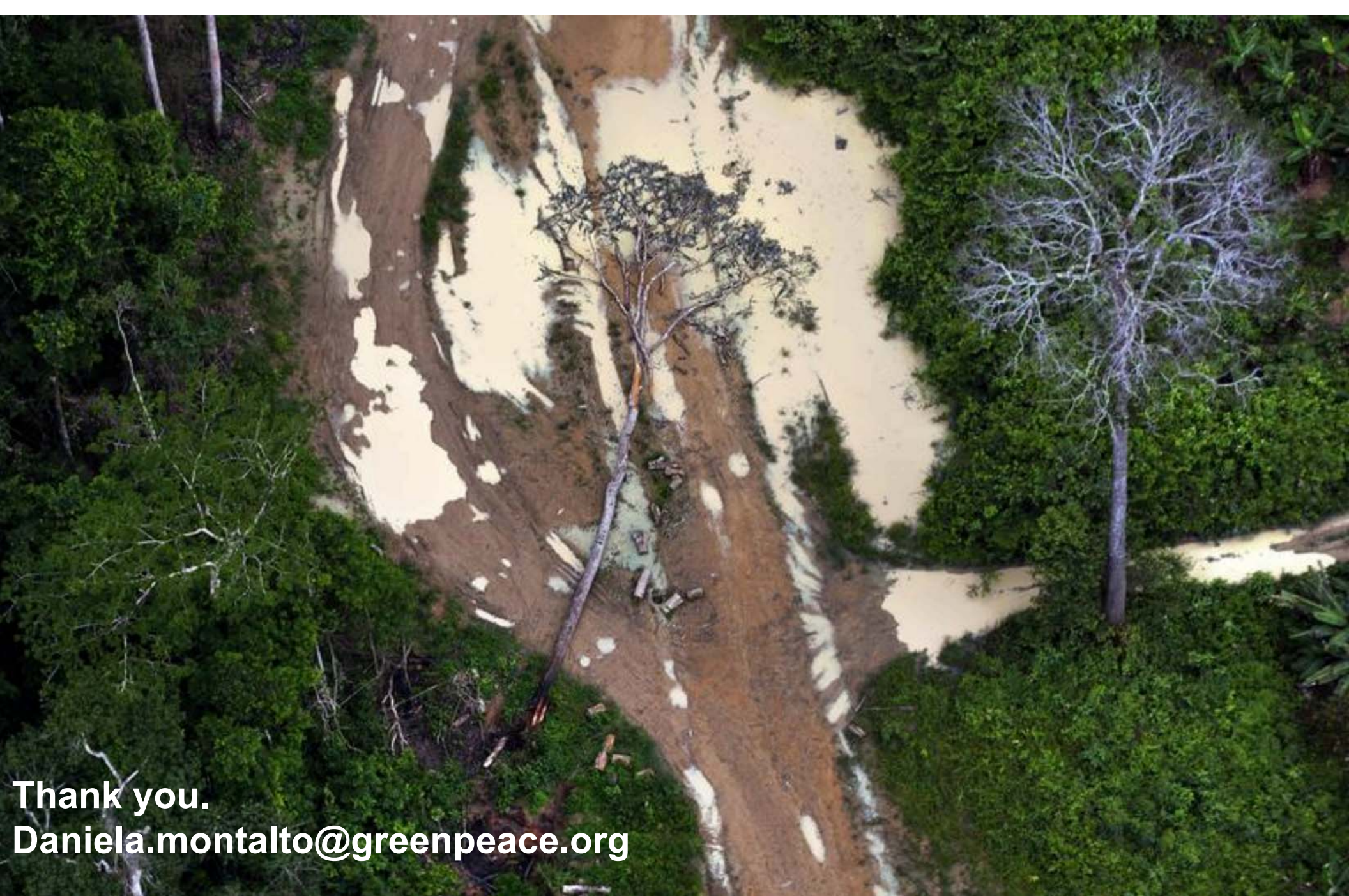
Companies buying next Rainbow Trading's shipment, ETA Rotterdam Nov 7th (ETA) – already exposed by Greenpeace on May and back on October 15th.

Timber for additional buyers could be onboard.



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Thank you.
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