BULLETIN

ILLEGAL MINING/ NATURAL RESOURCE EXTRACTION

Egmont Group

Information Exchange Working Group

The purpose of this bulletin is to support Financial Intelligence Units (FIUs) in recognizing financial transactions suspected of being related to illegal mining/natural resource extraction and the laundering of the associated funds. The red flag indicators and case example can help to identify financial transactions and high-risk factors related to illegal mining/natural resource extraction and in turn to better detect, disrupt and prevent these activities.

Egmont Group Information Exchange Working Group

Environmental Crimes Bulletin: Illegal Mining/Natural Resource Extraction

INTRODUCTION

FIUs can support global efforts to combat human-caused climate change by generating actionable financial intelligence for law enforcement authorities on environmental crimes. The Egmont Group is issuing this bulletin to inform FIUs and their jurisdictions of financial transactions specifically related to illegal mining and natural resource extraction.

Global gold supply reached 4,453 tonnes in 2012. Approximately two-thirds of annual new gold supply comes from mining, with the remaining one-third originating from gold recycling[1]. Thus, while mining and natural resource extraction encompass a broad spectrum of minerals, the focus of this bulletin is on the mining of precious metals, particularly gold.

Gold is an asset considered difficult to control (production and trade) in artisan and surface mining because of its small volume and added value. In addition, gold is a stable, anonymous, transformable and easily exchangeable asset, which facilitates its ensuing legalization.

The COVID-19 pandemic in 2020 generated a global supply shock in the gold market. The decrease in production, coupled with increased investor risk aversion, caused demand for gold to skyrocket, pushing the price of the troy ounce above USD 2,000 in August 2020. Subsequent global economic and geopolitical developments led to further price spikes, with the gold troy ounce currently exceeding USD 4,000:

USD/oz (right) and USD/kg (left). *Source: https://goldprice.org/gold-price-chart.html (access in nov/2025)*

The significance of gold mining to national economies varies considerably. It is estimated to be highest in Papua New Guinea (15% of GDP), followed by Ghana (8% of GDP) and Tanzania (6% of

[1] PricewaterhouseCoopers - PwC (2013), 'The Direct Economic Impact of Gold'. Available at <https://www.gold.org/sites/default/files/documents/PWC_direct_economic_impact_of_gold.pdf>

GDP). For these countries, gold mining is one of the most important sources of wealth creation within the economy (PwC, 2013).

The mining industry is notoriously characterized by high planning and development costs, which in themselves constitute a substantial entry barrier that limits the rapid expansion of production capacity. Unfortunately, this natural difficulty in scaling up legally controlled, state-regulated gold-mining operations – particularly in periods of sudden increases in demand, as observed over the past six years—creates a highly favourable environment for the interests of criminals engaged in illegal gold extraction and other natural resources.

This concern regarding the current conditions conducive to the expansion of illegal mining was highlighted by the Financial Action Task Force (FATF) in its report "Money Laundering from Environmental Crime" [2], which underscores the industry's increasing attractiveness and its capacity to be used both to generate illicit proceeds and to launder proceeds derived from other predicate offenses.

This capacity to generate illicit revenues has also been documented by the United Nations Environment Programme (UNEP) in its publication "The Rise of Environmental Crime: A Growing Threat to Natural Resources, Peace, Development and Security", which estimates that the global illegal extraction and trade of minerals moves between USD 12 billion and USD 48 billion annually, with its principal sources located in South America and Africa[3]. In Peru and Colombia – which currently have the largest cocaine production in the world – illegal gold mining is becoming a profitable alternative to drugs (UNEP, 2016).

What is illegal mining/natural resource extraction?

As described by Interpol, although "illegal mining" has no universal definition, it can be defined as an umbrella term covering both illegal extraction and trade of minerals, including the illegal use of toxic chemicals (such as cyanide and mercury) in mining activities[4]. From small to large-sized operations, illegal mining is associated with mineral extraction in forbidden areas – not just gold, but other abundant minerals in the region.

Crime Convergence and illegal mining/natural resource extraction

Illegal mining/resource extraction exploits loopholes in regulatory frameworks and a lack of oversight and is closely linked to economic crimes and corruption.

FATF, in a report on the ML/FT vulnerabilities associated with gold, emphasized two broad characteristics of gold and the gold market which make it enticing to criminal groups. The first is the nature and size of the market itself, which is highly reliant on cash as a method of exchange and, therefore, hampers transactions tracking. The second is the anonymity generated from the

[2] GAFI, Money Laundering from Environmental Crimes, (2021). Available at <https://www.fatf-gafi.org/media/fatf/documents/reports/Money-Laundering-from-Environmental-Crime.pdf>

[3] UNEP - UN Environment Programme (2016), "The rise of environmental crime: A growing threat to natural resources peace, development and security". Available at <https://wedocs.unep.org/20.500.11822/7662>

[4] INTERPOL (2022), "Illegal Mining and Associated Crimes: A Law Enforcement Perspective On One of The Most Lucrative Crimes". Available at <https://www.interpol.int/en/content/download/17495/file/ILM%20-%20Illegal%20mining%20-%20Report.pdf>.

properties of gold which make tracking its origins very difficult to do[5]. These factors make gold highly attractive to criminal syndicates wishing to hide, move or invest their illicit proceeds.

The 2022 OAS report points that illegal mining cases investigated in Latin America demonstrate the active involvement of organized groups dedicated to illicit drug trafficking and illegal armed groups. This convergence is essential to understanding the mechanics of Illicit Financial Flows stemming from Illegal Mining, as gold has become a preferred asset for money-laundering operations due to its relatively low risk, high profitability, and fungible nature, which allows it to substitute cash in many financial transactions.

According to the United Nations Office on Drugs and Crime (UNODC) "Resumen ejecutivo del Informe Mundial sobre las Drogas" report, extraction of natural resources in Latin America is related to drug trafficking, since it can have a direct impact on deforestation through the construction of infrastructure such as landing strips and illegal roads or routes[6]. Other publications corroborate that Illegal mining and natural resource extraction boosts deforestation[7] and is often associated with other crimes such as human trafficking, slave labor and corruption[8].

In South America, many illegal mining areas are controlled by small and medium sized organizations, which focus on this type of extraction and its subsidiary activities, such as extorsion and prostitution. The venture includes artisanal miners who undertake the activity of mining without machinery, using low technology, and who are not subject to State supervision, in informal situation[9].

Compared to other illicit activities, such as illegal manufacturing and smuggling of drugs, illicit exploitation and smuggling of gold are easier to integrate into the legal economy. This is an enticing feature for criminal networks and groups which tend to illegally exploit mineral resources[10].

It is important to highlight that this illegal activity is usually associated with others besides money laundering, such as corruption, capital flight, tax evasion, public land squatting, and association for crime. Several additional crimes are identified when examining the full chain of activities required to carry out illegal mining.

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[5] ATF, Money laundering and terrorist financing and vulnerabilities associated with gold, (2015), p.6.
[6] UNODC, "Resumen ejecutivo del Informe Mundial sobre las Drogas" *(2016),* p.22.
[7] Siqueira-Gay, J., Sánchez, L.E. The outbreak of illegal gold mining in the Brazilian Amazon boosts deforestation. Reg Environ Change 21, 28 (2021). Avaliable at <https://doi.org/10.1007/s10113-021-01761-7>
[8] Source: Observatório da Erradicação do Trabalho Escravo e do Tráfico de Pessoas, joint Iniciative of the Brazilian Public Prosecutor's Office on Labor and the International Labor Organization (ILO). Avaliable at <https://smartlabbr.org/trabalhoescravo>
[9] UNEP, INTERPOL. Report prepared by the United Nations Environment Programme. 2016, p.17.
[10] Global Financial Integrity, Siguiendo el dinero, flujos financieros vinculados a minería de oro artesanal en pequeña escala, (2017), p. 31.

TRENDS AND TYPOLOGIES

Areas prone to illegal mining/natural resource extraction

Illegal mining is a significant challenge, particularly in Brazil, the African continent, and various parts of Southeast Asia[11]. In all these jurisdictions, illegal mining and natural resource extraction rely heavily on Artisanal and Small-Scale Mining (ASM), a labor-intensive, low-tech, and environmentally harmful form of extraction.

In Africa, illegal small-scale gold and diamond miners, or "*zama zamas*", frequently occupy both closed and active mines in South Africa, with an estimated 70 billion rand (USD 4,3 billion, €3.6 billion) in gold alone been lost annually, resulting in huge revenue losses for both the government and the mining sector[12].

An Interpol report on illegal gold mining in Central Africa[13] says the miners themselves are at the bottom of the chain, while at the top are big dealers, organized crime groups, high-ranking political and economic actors and non-state armed groups in conflict zones in countries like Democratic Republic of Congo. Women make up half of Africa's artisanal miners and children another 10%, according to the report.

In another study, SwissAid[14] revealed that billions of dollars' worth of gold are smuggled out of Africa each year, much of it channeled worldwide through international hubs for trade of African gold like Dubai in the United Arab Emirates (UAE). The report also states that 321-474 tons of African gold produced through artisanal and small-scale mining and valued at CHF 24-35 billion (USD 30-44 billion) goes undeclared each year.

According to the Organization of the American States (OAS, 2022), the National Risk Assessment of South American countries like Colombia, Guyana, Peru and Suriname, illegal mining generates more illicit funds than drug trafficking, extorsion and other illegal activities[15].

- **Amazon Basin:** Brazil, Peru, Bolivia, Venezuela, Colombia, Guyana, Suriname
- **Africa:** Ghana, South Africa, Tanzania, Zimbabwe, Central-African countries
- **Southeast Asia:** Malaysia, Myanmar, Vietnam, Indonesia, Philippines

Industries involved in environmental crime topic

Key Sectors Involved in Illegal Gold Mining and Related Money Laundering

Illegal mining/resource extraction relies not only on the extractive mineral industry itself, but also on a broad network of sectors that sustain extraction, facilitate the movement of gold, and enable the laundering of proceeds.

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[11] "Investigating Illegal Mining: Tips on Angles, Sourcing, and Post-Publication", nov/2025. Available at https://gijn.org/stories/gijc25-tips-investigating-illegal-mining/.

[12] South African Government website. Available at <https://www.gov.za/blog/illegal-mining>

[13] INTERPOL, "Analytical Report: Illegal Gold Mining in Central Africa" (2021).

[14] SWISSAID, "On the Trail of African Gold" (2024). Available at <https://www.swissaid.ch/en/articles/on-the-trail-of-african-gold/>

[15] Organization of American States. Secretariat for Multidimensional Security. Department against Transnational Organized Crime. "Tipologías y Señales de Alerta Relacionadas con el Lavado de Activos Provenientes de la Minería Ilegal en América Latina y el Caribe" (2022).

Extraction and Production

The extractive mineral industry – especially Artisanal and Small-Scale Mining – is central to the illicit gold trade. Criminal groups exploit regulatory gaps in licensing and production records to introduce illegally mined gold into formal supply chains.

Another key element is the trafficking of tailings: companies, often fronts, steal, transport, and process mining residues to recover remaining gold, later presenting it as legally sourced.

Money Laundering Channels

Illegal gold requires laundering of both the metal and the proceeds generated from its sale. To do so, criminal organizations rely heavily on cash-intensive sectors where illicit funds can be easily commingled with legitimate revenues. Commonly misused businesses include fuel distributors, agricultural and food suppliers, pharmacies, pawn shops, supermarkets, and motels – many of which serve as front companies.

In the financial sphere, specialized channels such as gold trading and export firms, refineries in high-risk jurisdictions, and scrap-gold dealers are used to formalize and move the metal across borders. Currency-exchange bureaus facilitate the conversion of large amounts of illicit cash, while informal credit systems help finance small-scale illegal mining operations.

Logistics and Supply Chains

The illegal gold economy depends on a steady flow of essential inputs. Chemical precursors such as mercury and cyanide are frequently smuggled into mining regions. The trade in heavy machinery (backhoes, dredges, pressure pumps, etc), as well as logistical support materials (including spare parts and construction supplies), supports extraction operations, often through Trade-Based Money Laundering schemes designed to conceal the final destination.

Transport companies also play a critical role, not only in moving equipment and tailings but also in circulating large sums of cash. Cash-in-transit (CIT) companies are sometimes contracted to move money safely into mining areas, giving logistical support to the criminal economy.

1. Key Sectors for Extraction and Production

The primary activity is illegal gold mining, which generates more illicit money in Colombia, Guyana, Peru, and Suriname than drug trafficking or extortion[16].

• Extractive Mineral Industry: Includes large- and small-scale gold mining. Artisanal and Small-Scale Mining (ASM) is often used as a crucial channel for the flow of illicit gold, exploiting loopholes in registries and licensing systems.

• Trafficking in Processing Residues (Tailings): Illegal mining companies or legally registered front companies engage in the theft, transport, and sale of mineral processing residues to extract remaining material, falsely claiming that this gold was legally mined.

[16] UNEP - UN Environment Programme, 2016, id.

2. Sectors Used for Money Laundering (The Money Circuit)

Criminal organizations exploit economic sectors that are highly cash-intensive to commingle illicit proceeds (from mining or other activities such as drug trafficking) with legitimate cash flows.

2.1. Cash-Intensive Businesses Used as Fronts

• Fuel Trade: gas stations are frequently cited as a common sector for falsifying transactions. Service stations receive high cash flows that are not related to the invoices or supporting documents they submit to regulated entities.

• Food and Supply Trade: companies that trade agricultural products, food, basic goods, medicines, and agricultural or industrial supplies are used to channel funds destined for or derived from illegal mining.

• Pawn Services (Pawn Shops): pawn shops are highly cash-intensive and allow easy falsification of small-value transactions, and are used within the supply chain of illicit gold.

• Other Retail Businesses: supermarkets and motels are cited as cash-intensive sectors used to register front companies.

2.2. Specialized Financial and Commercial Services

• Gold Trading and Export: gold-exporting companies—often fronts or recently created entities—are used to register illegally mined gold as local production and export it. Although they are registered for foreign trade operations, these do not correspond to the funds transferred.

• Gold Refineries: refineries, frequently located in high-risk jurisdictions with weak controls, are essential for giving an appearance of legality to the metal.

• Scrap Gold Trade: the trade in scrap gold is exploited because it is less regulated and taxed at lower rates than refined gold. Companies use altered declarations in scrap gold imports or exports to launder gold.

• Currency Exchange: foreign-exchange bureaus are used to convert large amounts of illicit money (local currency or foreign currencies).

• Informal Credit Systems: informal and illegal loan systems are used by criminal organizations to finance the initial phase of small-scale illegal mining.

3. Logistics and Supply Sectors (The Gold Circuit)

• Chemical and Precursor Industry: the smuggling of chemical inputs for illegal gold production—such as mercury and sodium/potassium cyanide—is essential to operations.

• Machinery and Equipment Trade: the importation and sale of heavy machinery (such as backhoes, dredges, and pressure pumps) and logistical support materials (spare parts and construction supplies) is necessary for illegal extraction.

• Transport and Logistics: transport companies are used in illicit trafficking, such as the movement of tailings. Additionally, cash-in-transit (CIT) companies are contracted to move large volumes of cash to illegal production zones.

Flow of Funds

Due to its transnational nature and the ability of gold to substitute cash in a wide range of transactions (combined with the difficulty of tracing its illicit origin once it enters the global market), the illegal gold economy requires two parallel laundering processes or circuits to legitimize the assets (OAS, 2022): the **Gold Circuit** and the **Money Circuit**.

The main purpose of both circuits is to conceal the illicit origin of the gold and provide an appearance of legitimacy to the proceeds generated. In addition, the related financial flows aim to ensure that the criminal organization receives the necessary funds at the time and place of its choosing.

The **Gold Circuit** (Laundering the Origin of Gold) focuses on giving the precious metal an appearance of legal origin. The initial financial operations are mostly conducted in cash, which is introduced into the mining areas by members of criminal organizations. These funds may come from the previous sale of illegally sourced gold or from other criminal activities, such as drug trafficking, smuggling, or corruption. The cash is used to finance illegal production by purchasing chemical precursors, materials, replacement parts, and paying workers, who often receive subsistence-level wages.

The criminal organization accumulates the gold extracted (directly or through intermediaries) and prepares it to appear legitimate. To do so, it employs specific schemes designed to simulate that the metal was mined in fully legal concessions.

The **Money Circuit** (Laundering the Proceeds) refers to the laundering of assets derived from the sale of gold. Illegally sourced gold is accumulated, transported, and sold to intermediaries operating under a veneer of legality, primarily shell or paper companies. These companies obtain certificates—often fraudulently—that enable the export of gold to consumer markets.

After export, financial circuits are created through shell companies, bank accounts in offshore jurisdictions, and other locations with lax regulatory controls. Part of the funds is used to support the organization's operations and lifestyle (purchase of goods, payments to members, bribery), while another part is reinvested in the illegal production areas, restarting the cycle.

The traceability of financial transactions is frequently hindered by the widespread use of shell companies to disguise the movement of gold and its proceeds. These companies are commonly registered in sectors with high cash turnover, such as fuel stations, supermarkets, and pawn shops.

Money Laundering Methods

Since gold has become the preferred commodity for money-laundering operations (due to its fungible nature, its ability to substitute cash, and the near impossibility of detecting its illicit origin once it enters the global market) money-laundering methods have grown increasingly sophisticated and exploit vulnerabilities in both international and domestic regulatory frameworks.

The typologies can be grouped according to the stage of the illicit supply chain they seek to disguise:

I. Typologies Involving Cash-Intensive Activity and Shell Companies

These methods exploit the widespread use of cash in the illegal mining economy and the challenges of supervising high-volume business sectors.

- Use of Cash-Intensive Businesses: Legitimate companies (e.g., fuel stations, supermarkets, agricultural commodity traders, pawn shops) are used to simulate transactions and commingle illicit proceeds with legitimate revenues. Some of these companies even hire armored-car services to move large amounts of cash to illegal mining areas.
- Use of Pawn Shops Within the Illicit Gold Supply Chain: Pawn shops, which operate predominantly in cash, facilitate transactions that are difficult to trace. The typology involves overstating the quantity of gold received and sold, thereby justifying the entry of illegal gold—often in the form of scrap—into the formal system.
- Provision of Loans Using Illicit Funds to Finance Illegal Mining: Illicit proceeds from illegal mining or other crimes (such as drug trafficking) are used to finance small-scale illegal miners through usury schemes. Repayments are made in cash or in kind (gold), reinserting illegal assets into the production cycle.
- Use of Alternative Remittance and Informal Value-Transfer Systems: Criminal organizations establish informal mechanisms to allow workers —often migrants— to send remittances to their families without using the formal financial system. This reduces the risks associated with transporting large quantities of cash in the mining areas.
- Use of multiple financial instruments, such as loans, financial leases, and bonds, for the acquisition of luxury vehicles.

II. Typologies Linked to Trade, Borders, and Smuggling

The transnational nature of illicit gold trade drives methods that exploit weak border controls and regulatory arbitrage between countries.

- Payment for Smuggled Goods Using Proceeds from Illegal Mining: Smuggling networks ("fixers") provide essential supplies (mercury, heavy machinery, fuel, food) to illegal mining sites and are paid in cash or in illegally extracted gold.
- Cross-Border Trafficking and Smuggling of Illegally Sourced Gold: Illicit gold is smuggled into neighboring countries with weaker controls, lower taxes, or laxer regulatory systems. Smuggling is facilitated by porous borders and corruption.
- Overvaluation of Gold Exports to Disguise Illicit Transactions (via Trade-Based Money Laundering - TBML): Shell companies inflate the value of gold shipments on customs declarations in order to justify the repatriation of large volumes of illicit funds, mixing them with legitimate trade flows.
- Import or Export of Scrap Gold With tampered declarations of quantity or purity: high-purity gold is declared as "scrap gold," which is subject to less scrutiny and lower taxation. This discrepancy facilitates tax evasion and obscures the illicit origin of the gold.
- Receipt of cash funds in border areas, where controls are highly vulnerable.

III. Typologies Involving Abuse of Legal Systems and Corruption

These methods aim to provide full legitimacy to illicit gold or secure impunity through the co-optation of public officials.

- Simulation of Production by Small and Medium-Scale Mining Companies: Networks of fictitious producers and shell companies are created to record false transactions and justify large volumes of illicitly sourced gold.
- Exploitation of Artisanal and Small-Scale Mining (ASM) Permits and Registration Systems: ASM formalization mechanisms — typically subject to less stringent oversight — are exploited by criminal groups and unscrupulous traders to disguise illicit gold as informal artisanal production.
- Simulation of Production Through Inactive Legal Mines: Companies holding valid mining titles for concessions that are depleted or inactive use their documentation to legitimize gold purchased at discounted prices from informal miners in nearby illegal areas.
- Corruption of Public Officials Using Proceeds from Illegal Mining: Corruption is a pervasive element, facilitating every stage of the illicit supply chain. Bribes enable the smuggling of mercury and machinery, the disregard of labor and environmental violations, and the authorization of illegal exports, turning illegal mining into a low-risk, high-profit activity.
- Use of High-Risk Jurisdictions and High-Risk Intermediaries: Gold is routed through jurisdictions that offer anonymity, weak KYC standards, and limited access to information for law-enforcement and FIUs. Economically irrational routing patterns are strong indicators of illicit activity.

IV. Typologies Involving Logistics and Movement of Assets

- Illicit Trafficking of Mining Residues (Tailings): Mining residues that still contain gold are stolen or illicitly acquired and transported to illegal processing sites, where they are treated using techniques such as cyanide-based hydrometallurgy. Such chemical precursors are often obtained through the same networks that supply drug-production laboratories.
- Use of Human Couriers (“Mules”) to Transport Illicit Gold: In response to heightened enforcement, criminal organizations recruit vulnerable individuals to transport illicit gold out of the country—via commercial flights or land borders—concealed as personal items or low-value jewelry, or to bring cash or high-value goods back into the country.

CASE STUDY 1 – FIU BRAZIL

Companies belonging to the same economic group ("F" Group) – active in supporting mineral extraction, transportation, storage, and export activities – were identified as major exporters of gold to various countries. Within this structure, "F" DTVM (a broker-dealer institution) appeared to function as the group's primary supplier. From jan/2018 to jun/2023, "F" Metais Ltda exported a total of USD 1,608 billion in gold. According to the Brazilian National Mining Agency (ANM), "F" DTVM is among the three largest collectors of CFEM (Financial Compensation for the Exploitation of Mineral Resources) in Brazil and is responsible for the sale of approximately 48% of all gold originating from Mining Permit Areas ("Permissões de Lavra Garimpeira", or "PLGs").

Investigative findings indicated suspicious involvement by the group in the sale and export of gold sourced from illegal mining areas, potentially using "ghost" PLGs. Geolocation data from mining samples purportedly associated with these areas were compared with satellite imagery, which showed no evidence of mineral extraction at the declared coordinates.

Information also suggests that the gold acquired by "F" Metais Ltda was exported as golden bullion (doré bars). Export receipts were obtained through foreign exchange transactions involving substantial payments to accounts held by "F" Metais. Particular attention was drawn to advance-payment transactions totaling USD 119 million, as well as export-related operations where no documentation was submitted for customs clearance. These indicators point to the possible use of fictitious export schemes, commonly associated with money laundering. Additionally, foreign exchange transactions totaling USD 6,1 million were carried out by an alleged intermediary – a German national – acting at the request of a German precious metals and gemstones retailer.

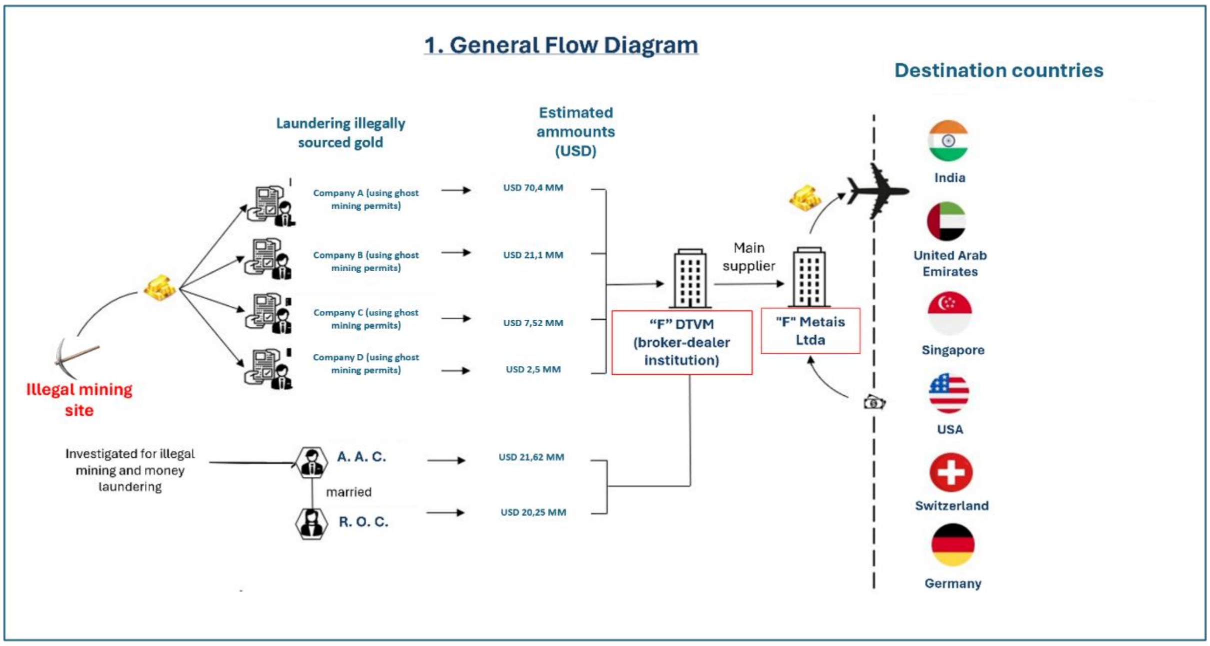
Further analysis showed that "F" Metais Ltda purchased gold from several suppliers under investigation for illegal-mining activities, including S. Gold, Mineração "A," and Ferro e Aço "P." It was also noted that "F" acquired batches of pledged jewelry, with payment slips primarily settled in cash (aprox. USD 9,7 million), making it impossible to determine the origin of the funds used in these purchases.

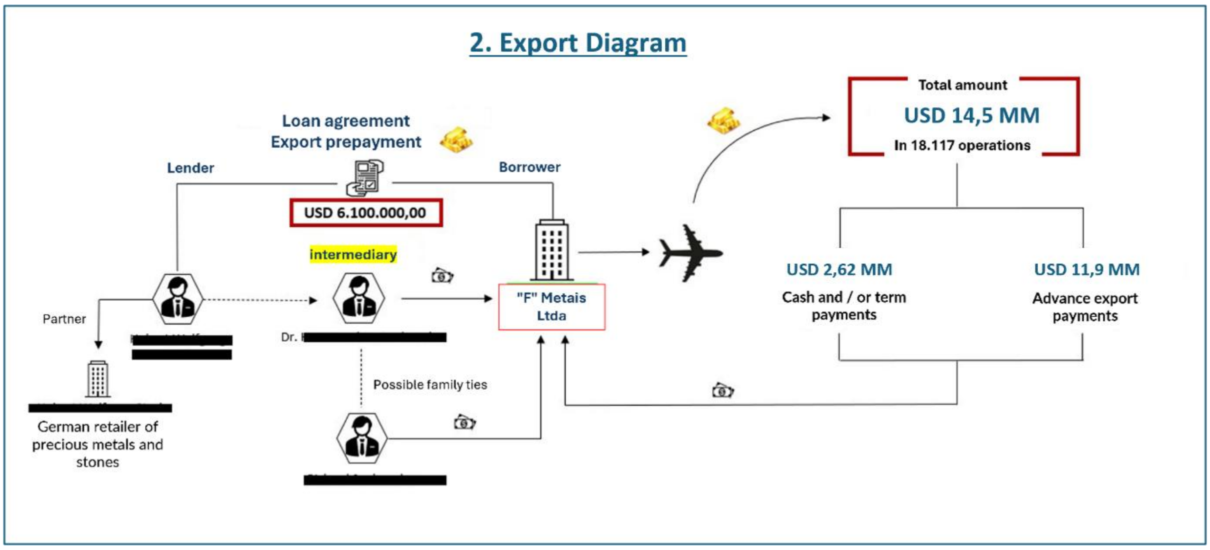
An examination of the gold-transport and storage processes revealed a constant flow of precious metals and cash. Gold was reportedly transported daily by helicopter from mining sites. Several companies participated in this logistical chain, most notably "D" Surveillance and Private Security, which is controlled by the Group and maintains a contract with "F" Metais Ltda for the transportation and custody of valuables and precious metals.

Investigators also identified the intermediary company "F.E." Logística e Transporte do Brasil Ltda as playing a significant role in transportation and export operations. This São Paulo-based company is reportedly controlled by a foreign entity, "F.E." INC, whose Brazilian tax identification number has been suspended by the Federal Revenue Office since October 9, 2021, due to registration irregularities. The other partners – D.F., an Italian national, and "F.E." Limited – are domiciled abroad in Miami Beach (USA) and London (UK), respectively.

The corporate structure of Group "F" is notably complex, consisting of companies that hold shares in other non-financial entities whose activities span the entire gold-production chain up to export. The legal entities within the group conduct rapid financial movements among themselves and frequently modify their corporate structures. There are also companies registered at the same address but located in different suites on the same floor of a commercial building.

It is important to note that "F" Metais Ltda has previously been investigated by the Brazilian Securities and Exchange Commission (CVM) on suspicion of involvement in the purchase of illegally sourced gold. Partner P.E.G.P.S. was named in a Federal Police investigation under Operation Desolate Earth, which targets a criminal organization engaged in illegal gold extraction in the state of Pará, as well as smuggling and money laundering activities.


1. General Flow Diagram
Destination countries
Laundering illegally sourced gold
Estimated ammounts (USD)
Company A (using ghost mining permits)
USD 70,4 MM
Company B (using ghost mining permits)
USD 21,1 MM
Company C (using ghost mining permits)
USD 7,52 MM
Company D (using ghost mining permits)
USD 2,5 MM
Illegal mining site
Investigated for illegal mining and money laundering
A. A. C.
USD 21,62 MM
married
R. O. C.
USD 20,25 MM
"F" DTVM (broker-dealer institution)
Main supplier
"F" Metais Ltda
India
United Arab Emirates
Singapore
USA
Switzerland
Germany


2. Export Diagram
Loan agreement
Export prepayment
Lender
Borrower
USD 6.100.000,00
intermediary
Partner
[redacted]
Dr. [redacted]
Possible family ties
[redacted]
German retailer of precious metals and stones
"F" Metais Ltda
Total amount
USD 14,5 MM
In 18.117 operations
USD 2,62 MM
Cash and / or term payments
USD 11,9 MM
Advance export payments

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