

VENEZUELA

Grievance 2020-3

The following is an excerpt of an August 2020 investigative dossier on Venezuela's gold sector, intended to serve as a public example of the Minerals Grievance Platform's analytical products for illustrative purposes only. Several sections of the dossier, along with sensitive identifying information of companies and individuals, have been redacted. The full dossier can be accessed through the Minerals Grievance Platform.

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Grievance 2020-3: Venezuelan Gold Exports

- Conclusion date: 18 AUGUST 2020

SUMMARY

The lack of transparency around gold supply chains originating in Venezuela has led to concerns that major refineries may import gold produced in violation of OECD standards. Reports from media organizations, NGOs, and international institutions document high levels of labor exploitation, violence, and illicit financial flows in Venezuela's gold sector (**SEE PAGE 6**). These reports indicate that gold originating in Venezuela is exposed to a number of OECD Annex II Risks, including the following: Cruel, Inhuman, and Degrading Treatment; Support to Non-State Armed Groups; Support to Public or Private Security Forces; Bribery; and Fraudulent Misrepresentation of the Origin of Minerals.

Allegations of gold smuggling contained within this dossier (**SEE PAGES 25 – 37**) suggest that downstream users should exercise due diligence not only regarding gold sourced directly from Venezuela, but also from countries that may serve as transit points for Venezuelan gold.

Steps Taken:

1. Review of open source reporting on the grievance and relevant entities
2. Review of corporate registry documentation to identify linked individuals and entities
3. Analysis of trade data to determine historical mineral flows from Venezuela and alleged transit countries

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KEY COMPANIES AND INDIVIDUALS

REDACTED

Page 5 is available in the full dossier.

BACKGROUND

Illegal mining in Venezuela is not a new phenomenon. A 2018 report by Venezuelan consulting firm Ecoanalítica estimated that over US\$ 3 billion dollars of gold was smuggled out of the country between 1998 and 2016.¹ The scope of Venezuela's illicit gold trade, however, has grown. According to the same study, US\$ 1.8 billion dollars of gold—60% of the total between 1998 and 2016—was smuggled out of the country in 2016 alone.²

Since 2018, members of Nicolás Maduro's inner circle appear to have waged a major operation involving military and police forces aimed at sidelining competitors in Venezuela's gold sector (**SEE PAGES 8 – 9**). While it is not entirely clear whether the campaign has succeeded in achieving these aims, government authorities both inside and outside of Venezuela have disrupted several major gold smuggling networks. These networks span across jurisdictions such as Florida, Curaçao, the Cayman Islands, Colombia, and Brazil (**SEE PAGES 31 – 37**). Media reports indicate that these disruptions may have helped Maduro's inner circle consolidate economic power in Venezuela's gold sector.

Function Fusion in Venezuela's Gold Sector

Venezuela's gold mining sector has been reshaped in recent years by "function fusion"—when existing institutions are granted the power to perform functions typically reserved for other institutions. As Javier Corrales notes in a July 2020 article, "the military is acquiring civilian and business functions... and the state is sharing sovereignty with foreign armed forces and criminal gangs."³

A July 2020 report by the United Nations Office of the High Commissioner for Human Rights (OHCHR) found that "most mines" in Venezuela's Arco Minero del Orinoco area—the country's main source of gold (**SEE PAGE 11**)—are controlled by organized criminal groups, referred to locally as *sindicatos* or *pranatos*.⁴ Dissident factions of the FARC and the ELN, Colombian non-state armed groups, have also extended control

¹ <https://transparencia.org.ve/wp-content/uploads/2019/11/Impactos-de-los-incentivos-de-la-corrupcio%CC%81n-TV.pdf>

² <http://transparencia.org.ve/oromortal/>

³ <https://muse.jhu.edu/article/760086/pdf>

⁴ https://www.ohchr.org/EN/HRBodies/HRC/RegularSessions/Session44/Documents/A_HRC_44_54.pdf

over mines in the region.⁵ Accounts collected by the OHCHR describe high levels of labor exploitation, trafficking, and violence due to a “corruption and bribery scheme by groups controlling the mines whereby they pay off military commanders to maintain their presence and illegal activities.”⁶

In addition to extracting bribes, members of the military actively oversee elements of the mining economy, according to multiple sources. A 2019 report by International Crisis Group found that active or retired military officers were “present on all boards of directors of state firms dedicated to mining” and that the military has set up “Military Economic Zones” that allow officers to engage directly in business activity.⁷ According to a 2020 Human Rights Watch (HRW) report, state company MINERVEN “receives its gold from non-state affiliated mine operations and the military transports it to the Central Bank in Caracas, which in turn sells the gold to businesses in countries such as Turkey and the U.A.E.”⁸ Local government officials help oversee Venezuela’s gold sector as well. In October 2019, Maduro announced a plan to assign control over gold mines to party-affiliated state governors.⁹

Although government officials control a portion of Venezuela’s gold exports, HRW and Transparencia Venezuela report that a larger share of the gold is smuggled out of the country by non-state criminal organizations and eventually exported to destinations such as Turkey, the U.A.E., Switzerland, and the U.S.^{10 11} According to the latter organization, up to 80% of the country’s output leaves the country this way.¹²

The degree to which smuggling networks act independently of or in collusion with public officials is not clear. Some reports document public-private collusion, while others document criminal networks entirely independent of government institutions. As this dossier demonstrates, Venezuela’s gold exports can be traced to many different

⁵ <https://www.crisisgroup.org/latin-america-caribbean/andes/venezuela/073-gold-and-grief-venezuelas-violent-south>

⁶ https://www.ohchr.org/EN/HRBodies/HRC/RegularSessions/Session44/Documents/A_HRC_44_54.pdf

⁷ <https://www.crisisgroup.org/latin-america-caribbean/andes/venezuela/073-gold-and-grief-venezuelas-violent-south>

⁸ <https://www.hrw.org/news/2020/02/04/venezuela-violent-abuses-illegal-gold-mines#>

⁹ <https://www.youtube.com/watch?v=cqgshDMaShk>

¹⁰ <https://www.hrw.org/news/2020/02/04/venezuela-violent-abuses-illegal-gold-mines#>

¹¹ <http://transparencia.org.ve/oromortal/>

¹² <http://transparencia.org.ve/oromortal/>

commercial networks, some directly linked to state officials and others composed entirely of non-state actors (**SEE PAGES 31 – 37**).

Law Enforcement Actions and International Sanctions

Since 2018, two major interventions have targeted distinct sets of actors in Venezuela's gold mining economy. The first, Operation Metal Hands, is an operation initiated in June 2018 by Venezuelan federal authorities against criminal organizations active in the country's gold sector.¹³ The second is the March 2019 decision by the U.S. Treasury Department to place sanctions on two entities active in Venezuelan gold mining.¹⁴

Operation Metal Hands

On 8 June 2018, Venezuelan Vice President Tarek El Aissami announced **Operation Metal Hands**, a state intervention that aimed to dismantle criminal organizations smuggling gold from Venezuela.¹⁵ In August 2019, Venezuelan Attorney General Tarek William Saab announced that Operation Metal Hands had resulted in 426 bank accounts blocked, 45 vehicles seized, 32 warrants to be executed, 12 charges filed, and nine people detained.¹⁶

Two media reports have provided names of those allegedly investigated or detained as a result of the operation. The first, from 14 June 2018, named four suspects: **[REDACTED]**.¹⁷ The second, from 6 November 2018, named seven detainees: **[REDACTED]**.¹⁸

In a July 2020 interview with Venezuelan investigative outlet Armando.Info, former top Venezuelan military intelligence official Manuel Figuera¹⁹ claimed that Operation Metal Hands was overseen by **[REDACTED]**.²⁰ **[REDACTED]** purportedly directed

¹³ <http://www.bcv.org.ve/notas-de-prensa/vicepresidente-anuncio-puesta-en-marcha-de-la-operacion-manos-de-metal>

¹⁴ <https://home.treasury.gov/news/press-releases/sm631>

¹⁵

http://www.presidencia.gob.ve/Site/Web/Principal/paginas/classMostrarEvento3.php?id_evento=10467

¹⁶ <https://twitter.com/MinpublicoVE/status/1162382120234487813>

¹⁷ <https://www.eluniversal.com/sucesos/12300/siete-personas-son-buscadas-en-los-operativos-manos-de-papel-y-manos-de-metal-en-bolivar>

¹⁸ <https://www.eluniversal.com/sucesos/11926/mas-de-10-personas-han-sido-detenidas-por-la-dgcim-en-bolivar>

¹⁹ https://www.washingtonpost.com/world/the_americas/maduros-ex-spy-chief-lands-in-us-armed-with-allegations-against-venezuelan-government/2019/06/24/b20ad508-9477-11e9-956a-88c291ab5c38_story.html

²⁰ <https://armando.info/Reportajes/Details/5647>

forces from the General Directorate of Military Counterintelligence against targets provided by a confidant based in the mining region, [REDACTED].²¹

Figuera alleged that the real motive behind Operation Metal Hands was to “establish a monopoly on the gold trade, in which [REDACTED], with the support of the president, established an ‘industrial and artisanal *pranato* [“mafia” or “gang”].”²² The interview partially corroborates a separate account provided to the Miami Herald in 2019 by an anonymous former government official:

“The official, who said he could not be identified speaking about the regime, said Maduro’s inner circle took over Venezuela’s wildcat gold industry — previously dominated by criminal gangs — about three years ago. He said the group, known as the Team, is led by [REDACTED], and the head of the Directorate General of Military Counterintelligence (DGCIM), [REDACTED].”²³

According to multiple sources, [REDACTED], the [REDACTED] confidant, controls the [REDACTED], a cyanidation facility in Bolívar state.^{24 25} The Miami Herald claims that the complex is owned by a consortium of six companies controlled by regime insiders.²⁶ Trade data from Panjiva, a commercial provider, shows that one of these companies, [REDACTED], has imported large quantities of cyanide from Mexico, the most recent shipment arriving in May 2020.²⁷

International Sanctions

In March 2019, the U.S. Treasury’s Office of Foreign Assets Control sanctioned Venezuela’s state-owned gold mining company [REDACTED] and its president, [REDACTED].²⁸ Canada also sanctioned [REDACTED] in April 2019.²⁹ The Treasury Department cited rampant corruption, violence, and environmental destruction among its reasons for the sanctions.³⁰

While international sanctions have largely succeeded in shutting Venezuela out of formal markets, they have also further empowered illicit actors in Venezuela’s gold

²¹ <https://armando.info/Reportajes/Details/5647>

²² <https://armando.info/Reportajes/Details/5647>

²³ <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article230669164.html>

²⁴ <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article236664243.html>

²⁵ <https://armando.info/Reportajes/Details/5647>

²⁶ <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article236664243.html>

²⁷ [REDACTED]

²⁸ <https://home.treasury.gov/news/press-releases/sm631>

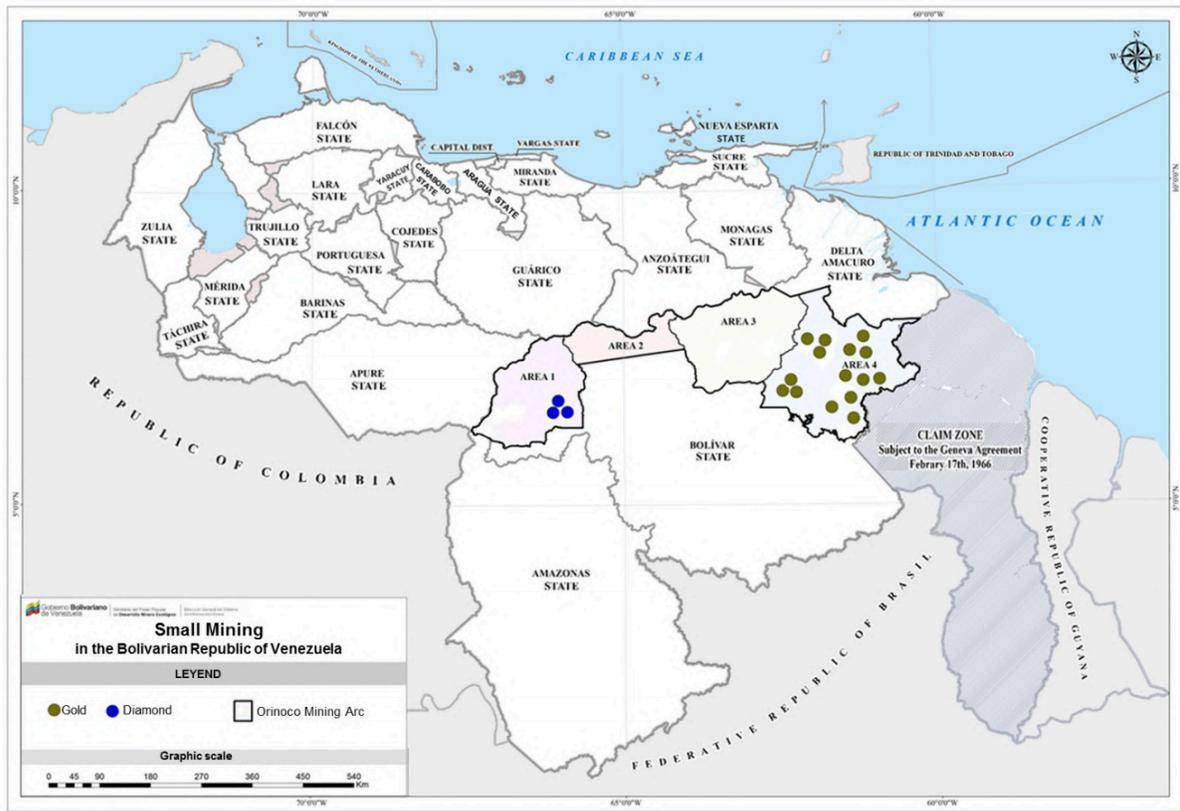
²⁹ <https://www.cbc.ca/news/politics/venezuela-sanctions-canada-1.5098288>

³⁰ <https://home.treasury.gov/news/press-releases/sm631>

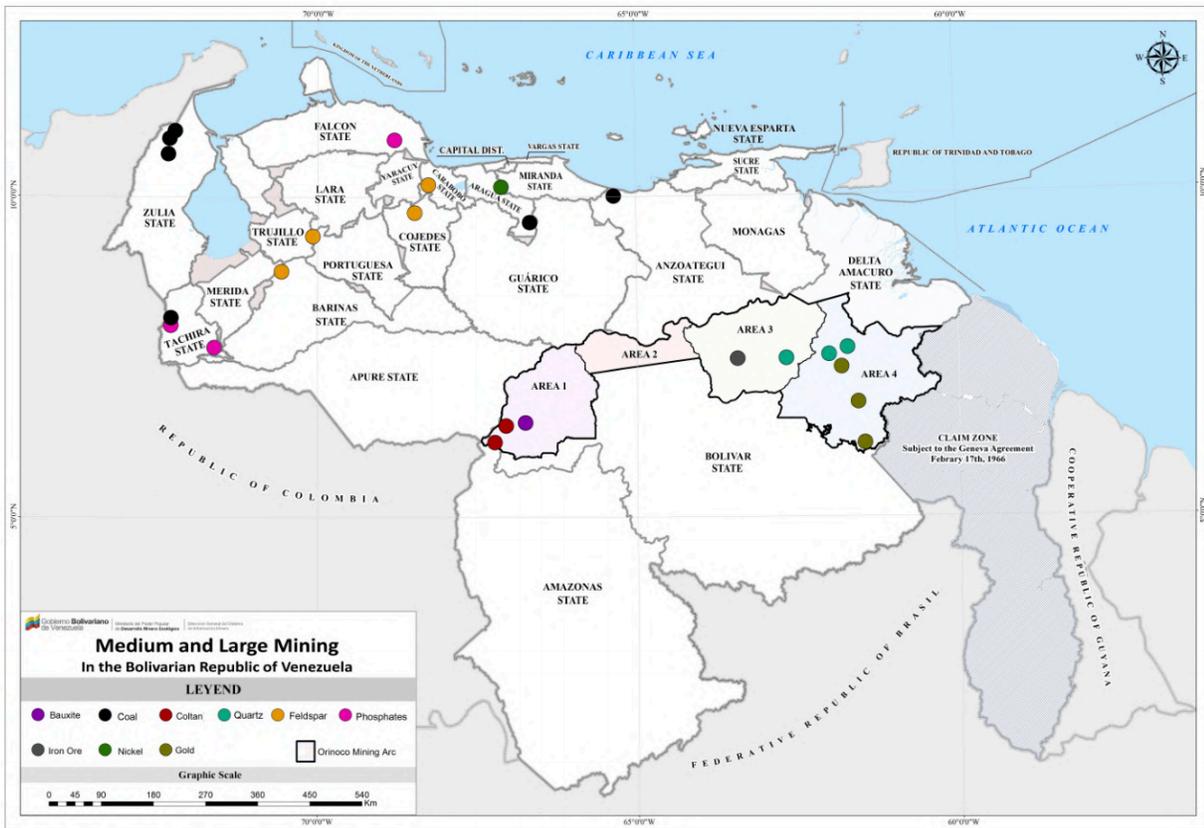
sector.³¹ Combined with sanctions on Venezuela's oil sector, the gold sanctions have also pushed the Venezuelan government to seek out trade partnerships with entities in Turkey, the U.A.E., and Iran (**SEE PAGE 31**).

³¹ <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article232452267.html>

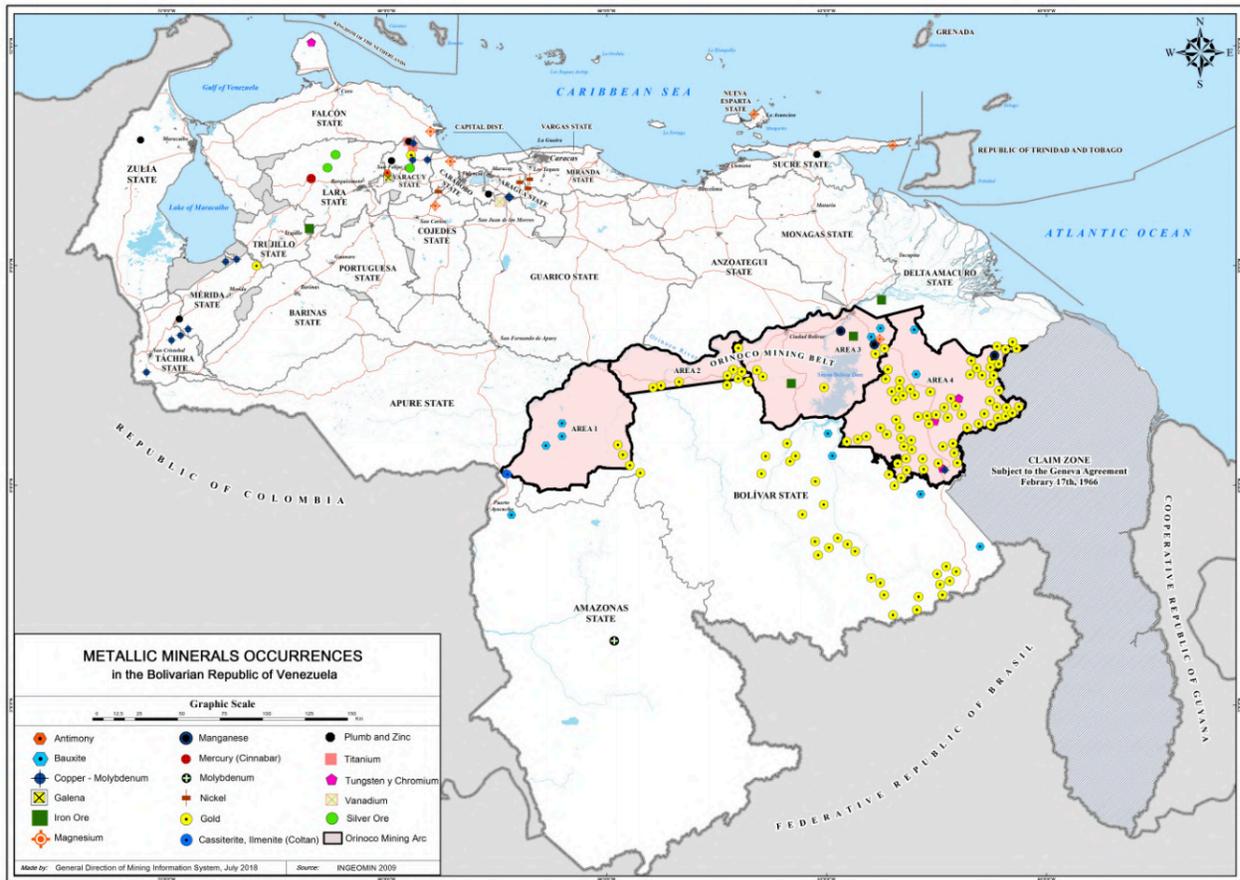
MAPS



Map 1. Screenshot from the 2019-2025 Mining Sectoral Plan, published in 2018, showing small-scale gold and diamond mines in Venezuela. Source: Venezuelan Ministry of Ecological Mining Development



Map 2. Screenshot from the 2019-2025 Mining Sectoral Plan, published in 2018, showing medium- and large-scale mines in Venezuela. Source: Venezuelan Ministry of Ecological Mining Development



Map 3. Screenshot from the 2019-2025 Mining Sectoral Plan, published in 2018, showing metallic mineral deposits in Venezuela. Source: Venezuelan Ministry of Ecological Mining Development

DESTINATION COUNTRIES³²

According to UN Comtrade data, countries that have imported gold from Venezuela since 2015 include the U.S., Switzerland, Turkey, and the U.A.E. These countries have also imported gold from countries that may serve as transit points for Venezuelan gold exports (**SEE PAGE 25**).

This section describes imports of gold from Venezuela and alleged transit countries reported by the U.S., Switzerland, Turkey, and the U.A.E. The transit countries included in this section are Curaçao, Brazil, Colombia, the Cayman Islands, the Dominican Republic, Guyana, and Suriname. Although Aruba also allegedly serves as a transit country for Venezuelan gold, only the U.S. reported imports from Aruba between 2015 and 2019, which amounted to the relatively low sum of US\$ 3.4 million.

Because Brazil, Colombia, Guyana, and the Dominican Republic all produce significant quantities of gold, Comtrade data **should not be interpreted as proof that any gold exported from those countries is ultimately sourced from Venezuela**. Rather, these statistics are meant to capture the volume of trade flows between alleged transit and destination countries, which may thereby indicate the proportion of Venezuelan gold smuggled through different transit countries.

The lack of domestic gold mining industries in Curaçao and the Cayman Islands, however, means that gold refined in and exported from those countries must first be imported from elsewhere. Media reports indicate that most of Curaçao's gold is sourced from Venezuela,³³ while the OECD reports that Colombian traders also ship gold to Curaçao (**SEE PAGES 26 – 27**). All four destination countries (the U.S., Switzerland, Turkey and the U.A.E.) reported gold imports from Curaçao between 2015 and 2019.

³² Unless otherwise cited, the data in this section is derived from the UN Comtrade Database.

³³ <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article232461642.html#storylink=series>

Gold Exports from Venezuela to Selected Destination Countries, 2015-2019

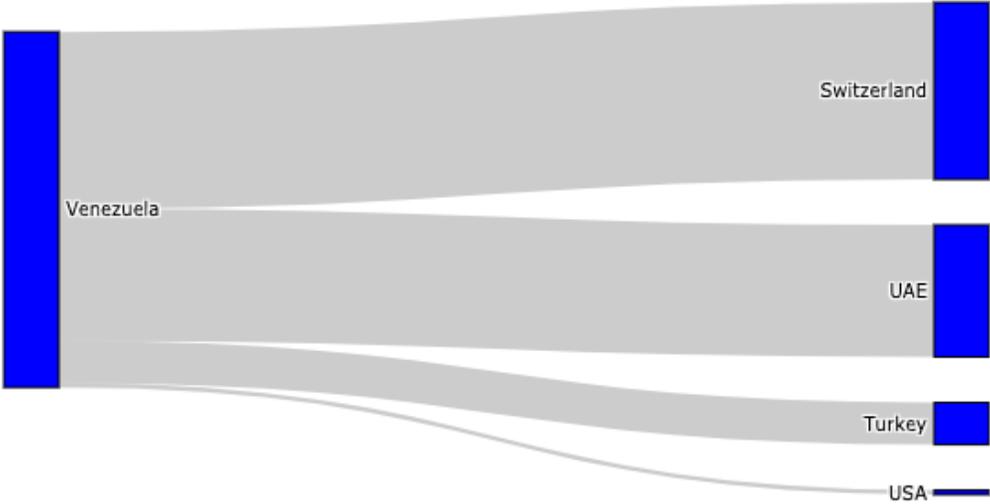


Figure 1. Total value of exports between 2015 and 2019 from Venezuela to destination countries for commodity code 7108: "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form." Source: UN Comtrade

Gold Exports from Venezuela and Alleged Transit Countries to Selected Destination Countries, 2015-2019

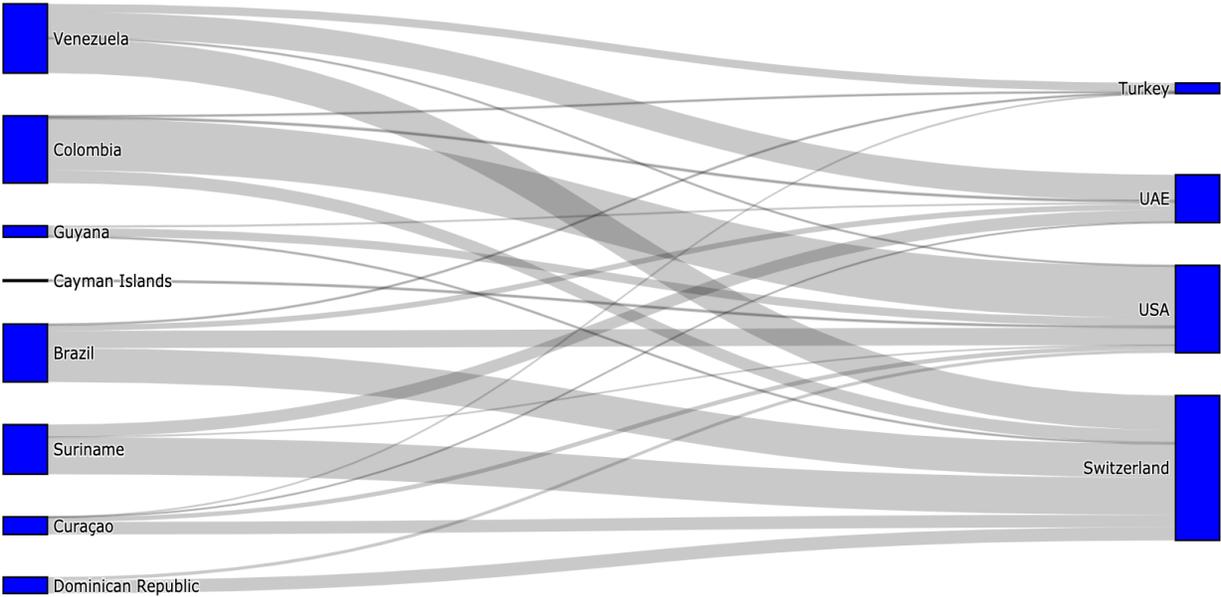


Figure 2. Total value of exports between 2015 and 2019 from source countries (left) to destination countries (right) for commodity code 7108: "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form." Source: UN Comtrade

United States***Imports from Venezuela***

The U.S. reported US\$ 94.7 million in gold imports from Venezuela between 2015 and 2019.

Year	Trade Flow	Reporter	Partner	Commodity Code	Net Weight (kg)	Trade Value (US\$)
2015	Import	USA	Venezuela	7108	922	\$ 35,461,162
2016	Import	USA	Venezuela	7108	134	\$ 5,232,372
2017	Import	USA	Venezuela	7108	341	\$ 13,659,422
2018	Import	USA	Venezuela	7108	318	\$ 12,661,368
2019	Import	USA	Venezuela	7108	658	\$ 27,654,547

U.S. imports from Venezuela for commodity code 7108: "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form."

Imports from Curaçao

The U.S. reported US\$ 483 million in gold imports from the Curaçao between 2015 and 2019.

Year	Trade Flow	Reporter	Partner	Commodity Code	Net Weight (kg)	Trade Value (US\$)
2015	Import	USA	Curaçao	7108	4,748	\$ 176,227,744
2016	Import	USA	Curaçao	7108	3,798	\$ 150,823,122
2017	Import	USA	Curaçao	7108	2,211	\$ 87,435,453
2018	Import	USA	Curaçao	7108	576	\$ 25,117,536
2019	Import	USA	Curaçao	7108	952	\$ 43,457,035

U.S. imports from Curaçao for commodity code 7108: "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form."

Imports from the Cayman Islands

The U.S. reported US\$ 163 million in gold imports from the Cayman Islands between 2015 and 2019.

Year	Trade Flow	Reporter	Partner	Commodity Code	Net Weight (kg)	Trade Value (US\$)
2015	Import	USA	Cayman Isds	7108	2,133	\$ 78,623,176
2016	Import	USA	Cayman Isds	7108	1,735	\$ 69,792,422
2018	Import	USA	Cayman Isds	7108	10	\$ 398,397
2019	Import	USA	Cayman Isds	7108	302	\$ 14,218,050

DESTINATION COUNTRIES

U.S. imports from the Cayman Islands for commodity code 7108: "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form."

Imports from Colombia

The U.S. reported US\$ 5.7 billion in gold imports from Colombia between 2015 and 2019.

Year	Trade Flow	Reporter	Partner	Commodity Code	Net Weight (kg)	Trade Value (US\$)
2015	Import	USA	Colombia	7108	40,672	\$ 1,447,164,341
2016	Import	USA	Colombia	7108	47,828	\$ 1,880,035,233
2017	Import	USA	Colombia	7108	30,858	\$ 1,211,637,796
2018	Import	USA	Colombia	7108	15,685	\$ 616,181,032
2019	Import	USA	Colombia	7108	12,207	\$ 534,384,422

U.S. imports from Colombia for commodity code 7108: "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form."

Imports from Brazil

The U.S. reported US\$ 1.9 billion in gold imports from Brazil between 2015 and 2019.

Year	Trade Flow	Reporter	Partner	Commodity Code	Net Weight (kg)	Trade Value (US\$)
2015	Import	USA	Brazil	7108	4,313	\$ 168,338,902
2016	Import	USA	Brazil	7108	15,287	\$ 654,166,302
2017	Import	USA	Brazil	7108	15,801	\$ 659,879,426
2018	Import	USA	Brazil	7108	9,183	\$ 373,423,833
2019	Import	USA	Brazil	7108	1,083	\$ 52,482,869

U.S. imports from Brazil for commodity code 7108: "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form."

Imports from Guyana

The U.S. reported US\$ 916 million in gold imports from Guyana between 2015 and 2019.

Year	Trade Flow	Reporter	Partner	Commodity Code	Net Weight (kg)	Trade Value (US\$)
2015	Import	USA	Guyana	7108	8,260	\$ 308,826,294
2016	Import	USA	Guyana	7108	7,421	\$ 297,416,285
2017	Import	USA	Guyana	7108	4,397	\$ 177,638,810
2018	Import	USA	Guyana	7108	2,862	\$ 116,104,630
2019	Import	USA	Guyana	7108	353	\$ 15,687,721

U.S. imports from Guyana for commodity code 7108: "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form."

Imports from Dominican Republic

The U.S. reported US\$ 352 million in gold imports from the Dominican Republic between 2015 and 2019. Annual imports increased by 145% between 2018 and 2019.

Year	Trade Flow	Reporter	Partner	Commodity Code	Net Weight (kg)	Trade Value (US\$)
2015	Import	USA	Dominican Rep.	7108	1,460	\$ 53,585,096
2016	Import	USA	Dominican Rep.	7108	1,219	\$ 48,070,401
2017	Import	USA	Dominican Rep.	7108	1,253	\$ 49,307,215
2018	Import	USA	Dominican Rep.	7108	1,482	\$ 58,369,018
2019	Import	USA	Dominican Rep.	7108	3,137	\$ 143,139,666

U.S. imports from the Dominican Republic for commodity code 7108: "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form."

Imports from Suriname

The U.S. reported US\$ 11.6 million in gold imports from Suriname in 2015 and 2019, but did not report gold imports from Suriname in 2016, 2017, or 2018.

Year	Trade Flow	Reporter	Partner	Commodity Code	Net Weight (kg)	Trade Value (US\$)
2015	Import	USA	Suriname	7108	274	\$ 10,435,418
2019	Import	USA	Suriname	7108	28	\$ 1,167,300

U.S. imports from Suriname for commodity code 7108: "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form."

REDACTED

Pages 18-22 are available in the full dossier

REDACTED

Pages 18-22 are available in the full dossier

REDACTED

Pages 18-22 are available in the full dossier

REDACTED

Pages 18-22 are available in the full dossier

REDACTED

Pages 18-22 are available in the full dossier

United Arab Emirates

Imports from Venezuela

The United Arab Emirates reported US\$ 2.8 billion in gold imports from Venezuela in 2017 and 2018, but did not report gold imports from Venezuela in 2015, 2016, or 2019. Customs documents reportedly viewed by RunRun.es indicate that U.A.E.-registered firm [REDACTED] (SEE PAGE 31) purchased 27.4 tons, and that U.A.E.-registered firm [REDACTED] (SEE PAGE 26) purchased 21.9 tons, from the Central Bank of Venezuela in 2018.³⁴

Year	Trade Flow	Reporter	Partner	Commodity Code	Net Weight (kg)	Trade Value (US\$)
2017	Import	United Arab Emirates	Venezuela	7108	25,276	\$ 1,031,435,017
2018	Import	United Arab Emirates	Venezuela	7108	44,660	\$ 1,797,294,978

Emirati imports from Venezuela for commodity code 7108: "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form."

Imports from Curaçao

The U.A.E. reported US\$ 58 million in gold imports from Curaçao between 2015 and 2018, but did not report gold imports from Curaçao in 2019.

Year	Trade Flow	Reporter	Partner	Commodity Code	Net Weight (kg)	Trade Value (US\$)
2015	Import	United Arab Emirates	Curaçao	7108	59	\$ 2,024,322
2016	Import	United Arab Emirates	Curaçao	7108	133	\$ 4,625,394
2017	Import	United Arab Emirates	Curaçao	7108	696	\$ 24,585,126
2018	Import	United Arab Emirates	Curaçao	7108	582	\$ 18,751,096

³⁴ <https://www.insightcrime.org/news/analysis/venezuelas-stolen-gold-ended-turkey-uganda-beyond/>

DESTINATION COUNTRIES

Emirati imports from Curaçao for commodity code 7108: "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form."

Imports from Suriname

The U.A.E. reported US\$ 1.4 billion in gold imports from Suriname between 2015 and 2018, but did not report gold imports from Suriname in 2019. In 2015, Dubai refinery [REDACTED] established an affiliated refinery in Suriname, which has been alleged to process Venezuelan gold (SEE PAGE 29).

Year	Trade Flow	Reporter	Partner	Commodity Code	Net Weight (kg)	Trade Value (US\$)
2015	Import	United Arab Emirates	Suriname	7108	12,529	\$ 412,526,502
2016	Import	United Arab Emirates	Suriname	7108	12,395	\$ 437,221,930
2017	Import	United Arab Emirates	Suriname	7108	3,088	\$ 108,236,445
2018	Import	United Arab Emirates	Suriname	7108	11,210	\$ 398,768,673

Emirati imports from Suriname for commodity code 7108: "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form."

Imports from Brazil

The U.A.E. reported US\$ 620 million in gold imports from Brazil between 2015 and 2018, but did not report gold imports from Brazil in 2019.

Year	Trade Flow	Reporter	Partner	Commodity Code	Net Weight (kg)	Trade Value (US\$)
2015	Import	United Arab Emirates	Brazil	7108	8,258	\$ 282,179,568
2016	Import	United Arab Emirates	Brazil	7108	2,662	\$ 96,431,602
2017	Import	United Arab Emirates	Brazil	7108	2,895	\$ 106,672,103
2018	Import	United Arab Emirates	Brazil	7108	3,531	\$ 135,132,737

Emirati imports from Brazil for commodity code 7108: "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form."

Imports from Guyana

The U.A.E. reported US\$ 222 million in gold imports from Guyana between 2016 and 2018, but did not report gold imports from Guyana in 2019.

Year	Trade Flow	Reporter	Partner	Commodity Code	Net Weight (kg)	Trade Value (US\$)
2016	Import	United Arab Emirates	Guyana	7108	30	\$ 878,991
2017	Import	United Arab Emirates	Guyana	7108	1396	\$ 49,258,397
2018	Import	United Arab Emirates	Guyana	7108	5321	\$ 171,800,086

Emirati imports from Guyana for commodity code 7108: "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form."

Imports from Colombia

The U.A.E. reported US\$ 177 million in gold imports from Colombia between 2015 and 2018, but did not report gold imports from Colombia in 2019.

Year	Trade Flow	Reporter	Partner	Commodity Code	Net Weight (kg)	Trade Value (US\$)
2015	Import	United Arab Emirates	Colombia	7108	16	\$ 516,837
2016	Import	United Arab Emirates	Colombia	7108	2,270	\$ 71,951,997
2017	Import	United Arab Emirates	Colombia	7108	1,673	\$ 53,083,008
2018	Import	United Arab Emirates	Colombia	7108	1,539	\$ 51,198,926

Emirati imports from Colombia for commodity code 7108: "Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form."

TRANSIT COUNTRIES

Reports from media outlets³⁵ and other sources indicate that Venezuelan gold has been smuggled through the following jurisdictions: Colombia, Aruba, Curaçao, the Cayman Islands, Brazil, Guyana, Suriname, and Uganda.

Aruba and Curaçao

Citing testimony from airport operators, customs officials, and government sources, a July 2019 article from the Miami Herald series “Smugglers’ Paradise: How Blood Gold Keeps Maduro in Power” claimed that private and commercial aircraft have flown “thousands of pounds of Venezuelan gold” to Aruba and Curaçao.³⁶ The article indicates that Venezuela has accounted for the vast majority of gold exported from Aruba and Curaçao in recent years: “Government representatives from Aruba and Curaçao confirmed that at least 90 percent of the gold that leaves the islands originally came from Venezuela.”³⁷

The article points to the role of free trade zones in Curaçao, which facilitate trade flows subject to no tax and little oversight, in obscuring the origin of the gold. One gold-trading company based in the Curaçao Airport Free Economic Zone, [REDACTED], operates a fully equipped refinery and has allegedly shipped Venezuelan gold to the U.S., the Netherlands, the U.A.E., and Switzerland.³⁸ [REDACTED] is another Curaçao-registered company that has exported Venezuelan gold through the Curaçao Harbor Free Economic Zone, according to a separate media report.³⁹

The Miami Herald article adds, “A 2012 report by the Caribbean Financial Action Task Force warned that Curaçao had ‘no process in place to identify the source, destination,

³⁵ For detailed English-language reporting, see “Smugglers’ Paradise: How Blood Gold Keeps Maduro in Power,” a series of articles published by the Miami Herald in July 2019. Several articles from the series are cited in this dossier. Other media outlets and NGOs that have provided coverage include Armando.Info, RunRun.es, Transparencia Venezuela, and InfoAmazonia.

³⁶ <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article232461642.html#storylink=series>

³⁷ <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article232461642.html#storylink=series>

³⁸ <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article232461642.html#storylink=series>

³⁹ <https://runrun.es/especiales/fuga-del-oro-venezolano/pista-de-aterizaje-4.html>

and purpose of movement of gold or other precious metals and stones.’ Follow-up reports by the task force say nothing has changed since then.”⁴⁰

In another Miami Herald article, the authors claimed to have viewed Aruban customs records that identify two gold traders in Antwerp, Belgium and one in Dubai among the importers of gold from Aruba.⁴¹ One of the Belgian companies identified by the authors is [REDACTED] which allegedly imported 21 kilograms of gold in December 2016.⁴² The other Belgian company is [REDACTED], which allegedly imported \$6 million in Aruban gold between January 2016 and December 2017.⁴³ The Dubai-registered company is [REDACTED], which allegedly purchased 24 tons of gold from the Venezuelan Central Bank between October 2017 and October 2018 (SEE PAGE 22).^{44 45}

[REDACTED] and [REDACTED], as well as [REDACTED] (SEE PAGE 30), were all controlled by Belgian citizen [REDACTED] and family as recently as 2018.⁴⁶ A June 2019 Wall Street Journal article reported that [REDACTED] sold his shares of [REDACTED] in February 2018 to Seychelles-based [REDACTED], but retained control of [REDACTED].⁴⁷ In February 2020, [REDACTED] and brother [REDACTED] were found guilty by a court in Antwerp of money laundering and fraud.⁴⁸ In a public statement, [REDACTED] claimed that [REDACTED] had divested from the company in 2014.⁴⁹

Although Venezuela appears to be a significant source of gold shipped through the Caribbean, it is not the only alleged source. Hundreds of kilograms of gold sourced from unauthorized producers in Colombia are sent to Curaçao, Aruba, and Barbados via human couriers and parcel services, according to the OECD.⁵⁰ Intermediaries “then sell

⁴⁰ <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article232461642.html#storylink=series>

⁴¹ <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article232452267.html>

⁴² <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article232452267.html>

⁴³ <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article232452267.html>

⁴⁴ <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article232452267.html>

⁴⁵ <https://www.insightcrime.org/news/analysis/venezuelas-stolen-gold-ended-turkey-uganda-beyond/>

⁴⁶ https://cdn.thesentry.org/wp-content/uploads/2018/10/GoldenLaundromat_Sentry_Oct2018-final.pdf

⁴⁷ <https://www.wsj.com/articles/how-7-4-tons-of-venezuelas-gold-landed-in-africa-and-vanished-11560867792>

⁴⁸ <https://www.reuters.com/article/us-gold-refining-tony-goetz/court-convicts-belgian-gold-refinery-tony-goetz-of-money-laundering-idUSKBN1ZZ2JW>

⁴⁹ <https://www.reuters.com/article/us-gold-refining-tony-goetz/court-convicts-belgian-gold-refinery-tony-goetz-of-money-laundering-idUSKBN1ZZ2JW>

⁵⁰ <https://www.oecd.org/corporate/Where-does-Colombian-Gold-Go-EN.pdf>

the gold to traders in Miami, sometimes via their subsidiaries in the British Virgin Islands, or directly to Europe (mainly to the Netherlands), further diluting the potential for Traceability.”⁵¹ The OECD claims that these Caribbean countries are becoming “important hubs to smelt and resell significant quantities of gold,” pointing to a “proliferation of gold smelters and subsidiary offices of gold refiners in the region.”⁵²

REDACTED

Pages 27-30 are available in the full dossier

⁵¹ <https://www.oecd.org/corporate/Where-does-Colombian-Gold-Go-EN.pdf>

⁵² <https://www.oecd.org/corporate/Where-does-Colombian-Gold-Go-EN.pdf>

REDACTED

Pages 27-30 are available in the full dossier

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TRANSNATIONAL NETWORKS

Transnational smuggling networks facilitate the export of illegally mined gold from Venezuela to several destination countries. While international media attention has focused on gold shipments to Turkey, the U.A.E., and Iran, regional news reporting suggests that smuggling networks are active across several countries in Latin America and the Caribbean, and appear to facilitate gold exports to the U.S. and Switzerland. This section covers transnational networks that may facilitate the export of Venezuelan to Turkey, Iran, the U.A.E., the U.S., and Switzerland.

Venezuela – Turkey – Iran

Case 1: [REDACTED]

In January 2019, Bloomberg reported that the Venezuelan government had exported US\$ 1.1 billion in gold to the U.A.E. in December 2017, and a total of US\$ 901 million in gold to Turkey in the first ten months of 2018.⁵³ U.S. officials told Bloomberg that they believed at least part of the gold brought to Turkey was ultimately shipped to Iran.⁵⁴

Venezuela reportedly relied on Colombian businessman [REDACTED] to facilitate trade to both Turkey and the U.A.E., Bloomberg later reported.⁵⁵ In Turkey, [REDACTED] incorporated [REDACTED], which formed a joint gold mining venture with U.S.-sanctioned Venezuelan state mining company [REDACTED]. Several other [REDACTED]-linked Turkish companies also allegedly received payments from an Emirati investment firm called [REDACTED], which reportedly imported gold from Venezuela.^{56 57}

⁵³ <https://www.bloomberg.com/news/articles/2019-01-30/in-maduro-s-venezuela-even-counting-gold-bars-is-a-challenge?sref=OrVjKRhh>

⁵⁴ <https://www.bbc.com/news/world-europe-47092784>

⁵⁵ <https://www.bloomberg.com/news/features/2019-04-25/venezuela-turkey-trading-scheme-enriches-mysterious-maduro-crony?sref=OrVjKRhh>

⁵⁶ <https://www.bloomberg.com/news/features/2019-04-25/venezuela-turkey-trading-scheme-enriches-mysterious-maduro-crony?sref=OrVjKRhh>

⁵⁷ <https://www.reuters.com/article/us-venezuela-politics-gold/venezuela-sold-73-tonnes-of-gold-to-turkey-uae-last-year-legislator-idUSKCN1PV1XE>

A May 2020 Bloomberg article provided additional evidence on [REDACTED]'s ongoing role in Venezuelan gold exports based on interviews with "seven people familiar with the matter."⁵⁸ According to the article, [REDACTED] arranged a deal with Iran to exchange gasoline additives for gold via jets owned by Iranian airline [REDACTED]. Between April and May 2020, Venezuelan officials reportedly shipped at least nine tons of gold on [REDACTED] flights to Iran.⁵⁹

In June 2020, [REDACTED] was arrested in Cape Verde pursuant to an Interpol Red Notice issued several weeks prior, after his jet made a refueling stop en route from Tehran to Caracas.⁶⁰ As of August 2020, [REDACTED] was awaiting extradition to the U.S.⁶¹

The arrest of [REDACTED] represents a major setback for Maduro, who has been fighting the Colombian businessman's extradition to the U.S.⁶² This disruption may lead the Venezuelan government to seek out new intermediaries to facilitate the smuggling of its gold to refineries abroad.

REDACTED

Pages 32-38 are available in the full dossier

⁵⁸ <https://www.bloomberg.com/news/articles/2020-05-08/maduro-said-to-tap-sanctioned-dealmaker-to-ship-gold-to-iran?sref=OrVjKRhh>

⁵⁹ <https://www.bloomberg.com/news/articles/2020-07-31/world-s-no-3-gold-miner-asked-ceo-to-leave-after-fund-pressure?sref=OrVjKRhh>

⁶⁰ <https://www.ft.com/content/c8584806-a6a4-4339-9f0c-033385e244c7>

⁶¹ <https://apnews.com/1a5d2aadf895690e8a31b6c409b5d033>

⁶² <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article244212727.html>

REDACTED

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POTENTIAL OECD ANNEX II RISKS

The potential OECD Annex II risks most relevant to this case include the following:

- Cruel, Inhuman, and Degrading Treatment
- Support to Non-State Armed Groups
- Support to Public or Private Security Forces
- Fraudulent Misrepresentation of the Origin of Minerals

Additional risks relevant to this case include the following:

- 3TG from Illegitimate Sources
- Compromised Transport
- Conflict-affected
- Corruption
- Environmental Violations
- Extortion
- Illegal Control of Mine Sites
- Smuggling 3TG

The allegations of gold smuggling contained within this dossier suggest that downstream users should exercise due diligence not only regarding gold sourced directly from Venezuela, but also from countries that may serve as transit points for Venezuelan gold.