

Danzer Group involved in bribery,  
illegal logging, dealings with  
blacklisted arms trafficker and  
suspected of forgery

**GREENPEACE**2nd Edition  
updated

Western lowland gorillas occur in Danzer's IFO concession in Congo-Brazzaville. Industrial logging increases the illegal bush meat trade which is driving the Great Apes such as the gorilla towards extinction. © Daniel Beltra / Greenpeace

### Danzer Group still under investigation

In 2004, Swiss Attorney General began a formal investigation into companies of the Danzer Group, as well as individuals, based on two complaints filed by Greenpeace Switzerland. The cases were previously documented in earlier versions of this report: 1) bribery of foreign public officials, and; 2) suspected forgery.

On 21 December 2004, the Attorney General ordered the closure of the preliminary investigation into the alleged bribery of foreign public officials. All official documents, including the aforementioned decision, were handed over to the public prosecutor's office in the Canton District of Zug, Switzerland. The suspected forgery complaint still remains to be investigated by the competent authorities in the Canton of Zug. The documents submitted support the suspicion that employees of a Danzer Group company were involved in the forgery of official government certificates.

Greenpeace has not yet been given the grounds upon which the Attorney General closed the preliminary investigation into the alleged bribery of foreign public officials. Greenpeace only filed the complaint and therefore does not enjoy the rights of a party in the legal proceedings. Danzer Group has so far refused to provide Greenpeace with a copy of the Attorney General's decision. Furthermore, the Danzer Group has not given a satisfactory explanation of the evidence put forward by Greenpeace in its reports. The complaints to the Attorney General by Greenpeace, in particular with regards to the activities as described in the travel report written by one of the directors of the Danzer Group, remains unexplained.

*"If there is any threat  
of a fine, so-called  
conditioned cases, he is  
prepared to take care of  
this by giving a gift."*

*R. Giger, one of the two  
executive directors of  
Interholco AG, on bribery in  
relation to IFO, Republic of  
Congo, April 2003*

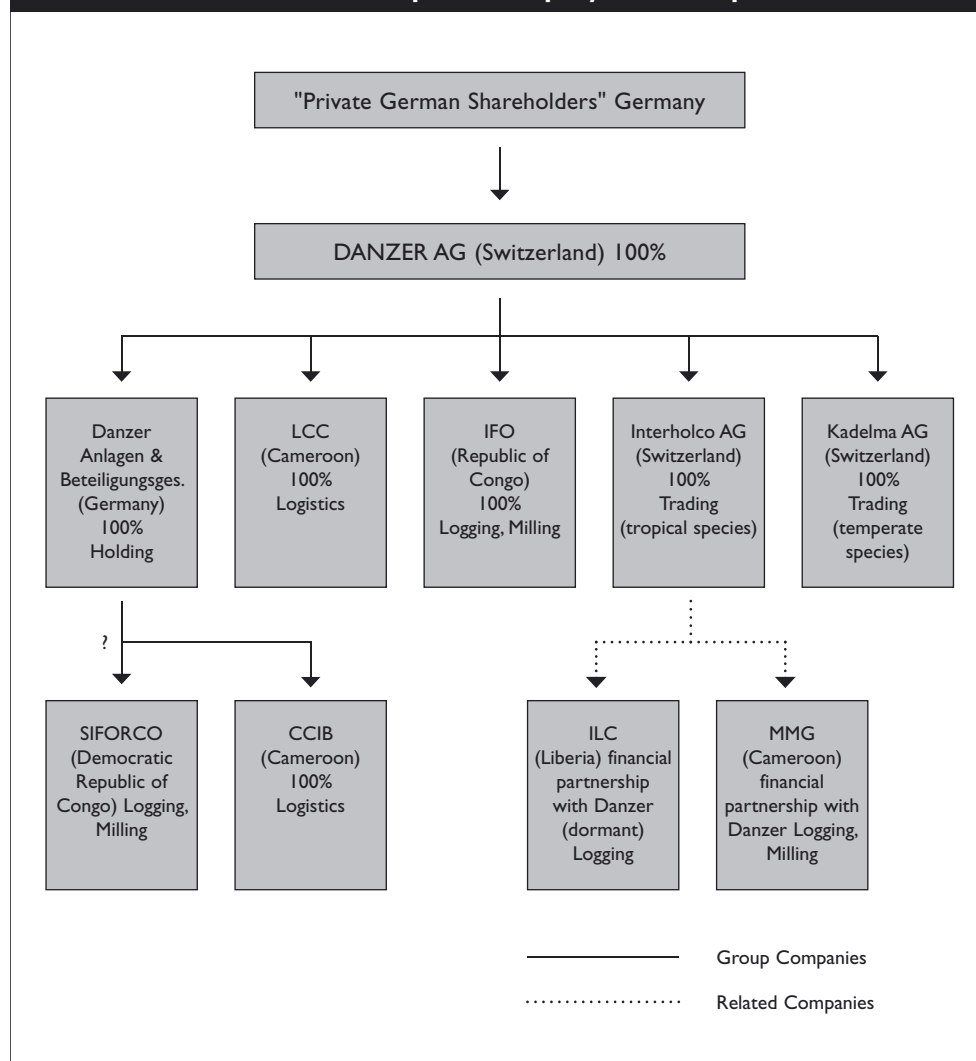
Greenpeace will continue to closely scrutinise the activities of the Danzer Group. As a leading timber company Danzer Group should only be involved in the supply of legal and sustainable timber, as it claims to be in its reports.<sup>1</sup>

### What is the Danzer Group?

The Danzer Group has its origins in 1932, when Karl Danzer founded his first veneer trading company in Paris. After the Second World War, Danzer started to build an industrial veneer empire, opening his own veneer mill in Reutlingen, Germany in 1947.<sup>2</sup> From these early years, Danzer combined the production of tropical veneers with the operation of his own logging concessions in Africa.

The Group has since developed into one of the world's biggest producers of hardwood veneers, with annual sales of over € 500 million,<sup>3</sup> as well as one of the biggest international traders in tropical roundwood, sliced wood and veneers. Today the Danzer Group operates thirteen veneer mills and five sawmills around the world and a number of large timber concessions. In the Democratic Republic of Congo (DRC) and neighbouring Republic of Congo (RC), Danzer Group's concessions cover more than 4 million hectares of rainforest, an area larger than Switzerland.

#### Partial overview on Danzer Group inter-company relationships



*"There are huge rents to be earned from activities such as logging in tropical rain forests, where permits can be obtained corruptly or where inspectors can be bribed."*

World Bank 1997

<sup>1</sup> <http://www.danzer.de/en/02/02.html>

<sup>2</sup> <http://www.danzer.de>

<sup>3</sup> <http://www.danzer.de>

<sup>4</sup> <http://www.danzer.de/en/02/02.html>

Since its foundation, the Danzer Group has always been led by a member of the German Danzer family. From 2002 the Chief Executive Officer has been Hans-Joachim Danzer, a third generation Danzer.<sup>4</sup> Up until July 2004 the Group's management holding was however, ANBE AG,<sup>5</sup> headquartered in Switzerland, which described its owners as "private German shareholders."<sup>6</sup> The company has since been renamed to Danzer AG to associate itself with the Danzer Group at large.

Since 1962, Danzer Group's international trade in tropical timber has also been based in Switzerland, through Interholco AG. From there, Danzer Group's global trading in tropical roundwood, lumber and veneer is organised.

Interholco's main procurement area is Africa, and it buys from other group companies SIFORCO (in DRC) and IFO (in RC), as well as from numerous third party suppliers. Interholco procures wood not only from the last rainforests being destroyed in West and Central Africa, but in many cases from companies that have been documented to be involved in illegal logging or, until very recently, associated with arms trafficking activities.<sup>7</sup> Moreover, as this case study demonstrates, Danzer Group companies do not hesitate to bribe officials in Africa, thus violating national as well as international laws and regulations.

### Africa's remaining rainforests

The remaining rainforests in Central and West Africa are the last refuge for threatened species such as lowland gorillas, chimpanzees, forest elephants and also bonobos, man's closest relative. These rainforests safeguard the survival of thousands of species of animals and plants and are home to many millions of indigenous people. According to the most recent calculations, only one-third of the original forests in Africa still remain, and less than one-tenth are still big enough to permanently maintain the biodiversity of a large intact rainforest.<sup>8</sup>

Destructive logging nonetheless continues largely unabated in Africa. Experts consider over three-quarters of all remaining frontier forests in Africa are threatened, mostly by the timber industry.<sup>9</sup> These forests have been at the epicentre of violent conflicts for the past decades in several African countries, from Sierra Leone to the Democratic Republic of Congo, from Liberia and the Ivory Coast to Central Africa Republic. Local populations have been held hostage, either to militias and armies, or to all-powerful industrial groups seeking profits at any cost.

### The problem of corruption

The World Bank has identified corruption as "the single greatest obstacle to economic and social development" and regards its harmful effects to be especially severe on the poor. Particularly concerned about timber exploitation, the Bank states: "There are huge rents to be earned from activities such as logging in tropical rain forests, where permits can be obtained corruptly or where inspectors can be bribed."<sup>10</sup> In recent years, therefore, the Bank has supported over 600 anti-corruption programmes.

Also aiming to combat corruption, the member states of the Organisation for Economic Co-operation and Development (OECD) agreed to a *Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*, which went into effect on 15 February, 1999. This Convention makes it a crime "to offer, promise or give a bribe to a foreign public official in order to obtain or retain international business deals."<sup>11</sup> The signatory states agreed to apply "effective, proportionate and dissuasive criminal penalties" to those who bribe foreign public officials. The Convention further requires that countries are able to seize or confiscate the bribe and the profits gained thereof.<sup>12</sup> All OECD members have ratified this convention, including Switzerland (in 2000) and Germany (1999), and are thus obliged to take action against companies within their jurisdiction that are known to be involved in corruption.

*"The tax office is demanding a "fiscal control" and is making a link to LCC ..... Mr F... is trying to resolve the matter with FRF 20-30,000. Although we actually have nothing to fear at CCIB, there is always the question of the then undeclared exports of IHC via Alima F., which we want to avoid under any circumstances."*

*R. Giger, one of the two executive directors of Interholco AG, April 2003*

5 ANBE Aktiengesellschaft (shareholder company)

6 Schweiz. Verband Creditreform, April 2004

7 UNSC (2000), Global Witness (2001), Greenpeace investigations

8 World Resources Institute 1997

9 World Resources Institute 1997

10 World Bank (1997)

11 OECD, web-page

12 U.S. Department of Commerce (<http://www.osec.doc.gov/ogc/occic/oecdsum.html>)

### Danzer Group dealing in baksheesh and gifts

Some of the African countries in which the Danzer Group operates are considered to be among the most corrupt and violent in the world. The international NGO Transparency International places the Republic of Congo, Ivory Coast and Cameroon among the 30 worst out of 130 countries surveyed.<sup>13</sup> Instead of complying with national laws and the OECD Convention, and setting standards for sustainable development it purports to uphold,<sup>14</sup> The Danzer Group continues to support a logging sector that is fuelling rampant corruption in the region.

In a confidential report about Danzer Group's business activities in Africa, written by René Giger, one of the two executive directors of Interholco AG, in April 2003 and obtained by Greenpeace, Giger summarises:

*"With regards to gifts/frais de mission (baksheesh), three philosophies occur to me in Africa. In Douala<sup>15</sup> one is blackmailed into having to pay baksheesh amounting to hundreds of thousands of FF<sup>16</sup>, and this is also paid out liberally. In Congo (Kinshasa),<sup>17</sup> Mr. H... tries to be more restrained but nevertheless is prepared to pay where necessary. At IFO both Mr S... and Mr D..., are absolutely against such gifts and are also about to rigorously eliminate the old sinecures. Mr S...'s philosophy is not to give any gifts in advance in order to avoid any possible difficulties. If there is any threat of a fine, so-called conditioned cases, he is, however prepared to take care of this by giving a gift."*

The scale of bribery practices by Danzer Group's employees in Africa is not fully known and requires further investigation. However, for IFO (RC) - the subsidiary with seemingly the most stringent approach to bribery – an attachment to the travel report by Mr. Giger estimates possible annual savings of around €50,000 from cutting back on "frais de mission which up to now have been mostly paid from force of habit."

The way "gifts" are used is explained by Giger's report in a reference to one of Danzer Group's Cameroon subsidiaries, CCIB. According to Giger, the tax authority in Cameroon insists on a "fiscal control", which he urgently tries to avoid, as there apparently have been "undeclared exports of IHC [Interholco] via Alima F."<sup>18</sup> Giger casually notes: "Mr. F... is trying to resolve this matter with FRF 20-30,000 [around €3000-4500]."

74 Bei Geschenken/Frais de Mission (Bakschisch) fallen mir in Afrika drei Philosophien auf: In Douala wird man erpresserisch genötigt, Bakschisch in Hunderttausenden von FF zu gewähren und zahlt diese auch grosszügig. In Kongo (Kinshasa) versucht Herr [REDACTED] zurückhaltend zu sein, ist aber trotzdem, wo notwendig bereit zu bezahlen. Bei der IFO sind sowohl Hr. [REDACTED] als auch Herr [REDACTED] absolut gegen solche Geschenke und sind auch daran die alten Pfründen rigoros auszuschalten. Hr. [REDACTED] Philosophie ist keine Geschenke in voraus zu machen um allfälligen Schwierigkeiten auszuweichen. Bei einer allfälligen Bussandrohung, sog. konditionierte Fälle ist er aber schon bereit, diese mit einem Cadeaux zu erledigen.

Extract from "Travel report of 03.04.-14.04.03 to Cotraco, Siforco, IFO, LCC", by René Giger, one of the executive directors of the Danzer Group subsidiary Interholco AG, Switzerland.

***"In Douala, one is blackmailed into having to pay baksheesh amounting to hundreds of thousands of FF, and this is also paid out liberally."***

*R. Giger, one of the two executive directors of Interholco AG, April 2003*

<sup>13</sup> Transparency International, Corruption Perceptions Index 2003  
<sup>14</sup> eg [www.danzer.com/en/03/03.html](http://www.danzer.com/en/03/03.html)  
<sup>15</sup> Cameroon  
<sup>16</sup> likely to mean French Francs  
<sup>17</sup> Democratic Republic of Congo  
<sup>18</sup> Exploitation Forestière Alima Ferdinand (A.F.) is a Cameroonian logging company, based in Yaoundé.

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MMG logs marked "ARB-288" imported into Germany by Interholco, Nordenham, 2000  
© Greenpeace

In another section, Giger discusses a tax demand, including fines, for €360 million against SIFORCO in DRC. Whilst the Danzer Group declared timber deliveries from IFO, in neighbouring Republic of Congo, to SIFORCO as tax-free transit business, the state of DRC now claims this to be a taxable import/export activity. On the advice of a local tax advisor, Giger suggests that the demand is due to "rivalry between the authorities" and claims that the "whole matter was instigated by a dismissed employee". To solve this problem Giger states "It is calculated that a maximum of US\$ 50,000 will be needed to get this whole thing off the table".

SIFORCO was founded in 1976 as a joint venture between the Danzer Group and the German governmental development agency DEG (Deutsche Investitions- und Entwicklungsgesellschaft). Although today it is fully owned by the Danzer Group, it is still financially supported by DEG.<sup>19</sup>

In its July 2004 public response to the Greenpeace report,<sup>20</sup> the Danzer Group tried to explain that their "gift" and "baksheesh" payments to officials in Africa are necessary as a legal requirement under a "Frais de Mission (daily allowance)." However, they do not explain, for example, how being "blackmailed [in the port of Douala] into having to pay baksheesh amounting to hundreds of thousands of FF" (as stated in Giger's travel report) is required by law.

In the attachment to Giger's travel report (under Section 10) the full text sheds some further light on what the Danzer Group really mean by "Gifts and Frais de Mission". It states, referring to the Republic of Congo: "On account of the increase in taxes IFO can not afford giving any gratuities which do not bring in services directly in return. Frais de mission which up to now have been mostly paid from force of habit will from now on be paid only in accordance with the current legislation." This is revealing. Danzer Group has confirmed that to pay Frais de Mission only as required by law, not as conditioned by habit, represents a change of practice, in the Republic of Congo at least. Giger estimated that savings for the company, as detailed in the same attachment, would amount to €50,000.

Furthermore, in a recent letter to a customer they make the remarkable claim that so-called "gifts" are something that the Danzer Group gives to "support various charitable organisations" and they reject what they consider to be "allegations of bribery and corruption". Whilst the Danzer Group does undoubtedly give money to charitable organisations, Giger's travel report highlights that they also make payments for other purposes (ie "If there is any threat of a fine, so-called conditioned cases, he [Mr S... at IFO] is, however prepared to take care of this by giving a gift."

### Danzer Group finances illegal loggers

In Cameroon, Interholco purchases logs and timber from the logging company Mba Mba Georges (MMG), with which it has a close financial partnership. Through loans to MMG, Interholco seems to have secured exclusive marketing rights for all MMG products. MMG has only recently become active in Cameroon, and has a sawmill in the south west of the country, near the port of Kribi. In 2000, MMG was involved in illegal logging on a massive scale. It was documented as being active outside the limits of one of its authorised logging areas. Indeed, MMG logged 1,000 hectares of an area planned for a community forest, with the local population incurring enormous damage. It used the marking "ARB-288", assigned for another logging permit, on the trees felled, and in the same year, Greenpeace detected these very same logs at the German port of Nordenham – imported by Interholco.

While this case of illegal logging by MMG has been well documented in several reports,<sup>21</sup> the company has never been fined for these infractions. On the contrary, despite the Cameroonian Ministry of Environment and Forestry (MINEF) 2000 criteria for new concession awards, which define such infractions as "grounds for disqualification"<sup>22</sup>

<sup>19</sup> Forests Monitor 2001; DEG 2003  
<sup>20</sup> <http://www.danzer.de/en/04/04.html>  
<sup>21</sup> Auzel et al. (2002a); MINEF (2000a); MINEF (2000c); Global Witness (2001b)  
<sup>22</sup> MINEF (2000a)



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[from auctions], MMG won the 125,568 hectare concession UFA 00-003 in July 2000, only a month after its illegal logging was documented by officials of MINEF. The value of the timber stolen by MMG is estimated to be almost FCFA 700 million (over €1 million).<sup>23</sup>

In a letter dated 29 September, 2003 to Greenpeace, Switzerland, IHC (part of Danzer Group) stated: "Interholco of course rejects any business with companies involved in illegal logging. Such activities, however, have to be proven or there must at least be clear indications. To our knowledge, this is not the case for MMG."



Illegally logged timber from MMG, traded by Interholco (IHC) with marking "ARB-288" partially erased to hide true origin, Port of Kribi, 2000. From Auzel et al (2002a).

 <p><b>IHC</b> A Danzer Group Company</p> <p>Schulzengraben 30 CH-5342 Baar/Schweizland Telefon +41 41 7 67 03 03 Telefax +41 41 7 67 03 00 www.interholco.com info@interholco.ch</p>		<p><b>FAX</b></p> <p>Ak/To: GREENPEACE Schweiz Hr. Christoph Wiedmer</p> <p>Fax Nr: 01 4474141</p> <p>Von/Frau: Ulrich Grauert</p> <p>Seiten/Pg.: 3</p> <p>Datum/Dat.: 29.09.2003</p> <p>Betr./Bis: Die Schreiben vom 01.09.2003</p>
<p>Bei Übertragungsproblemen kontaktieren Sie uns bitte telefonisch: +41 41 7 67 03 03 In case of queries regarding this fax please call the above number</p>		
<p>Sehr geehrter Herr Wiedmer,</p> <p>zu Ihrem Schreiben an die Interholco vom 01.09.2003 nehmen wie folgt Stellung:</p> <p><b>zu 1.) Konfliktholz</b></p> <p>Die Interholco legt größten Wert darauf, nicht in interninkonsistente Baumgestänge verwickelt zu werden. Ob jedoch einzelne Länder oder Regionen mit Exportbeschränkungen belegt werden, kann u. E. nur vom UN-Sicherheitsrat entschieden werden, der von der internationalen Staatengemeinschaft hierzu auch das entsprechende Mandat hat. Bei unseren Aktivitäten in der RDC handelt es sich in keinem Fall um Aktivitäten im Konfliktgebiet, da unsere Konzessionen sich auf dem Gebiet der Präfecturen befinden, die jetzt in der neuen Gesamtregierung vertreten sind und damit wirtschaftliche Aktivitäten die Konsolidierung und Friedensbildung unterstützen.</p> <p><b>Zu 2.)</b></p> <p>Interholco lehnt es selbstverständlich ab, von Gesellschaften Holz zu kaufen, die illegalen Holzeinschlag betreiben. Solche illegalen Aktivitäten müssen jedoch nachweisbar sein, bzw. es müssen klare Verdachtsmomente vorliegen. Dies ist nach unserer Kenntnis bei der MMG nicht der Fall.</p> <p><b>Zu 3.)</b></p> <p>Solange die Sanktionen des UN-Sicherheitsrates nicht aufgehoben sind, werden von der Interholco keine Geschäfte mit libanesischen Gesellschaften getätigt. Über eine FSC-Zertifizierung müssen die libanesischen Gesellschaften selbst entscheiden. Jedoch stellen wir fest, dass bislang noch keinerlei Naturwaldbewirtschaftung im gesamten tropischen West- und Zentralafrika von FSC zertifiziert worden ist. Dies dürfte u. a. auch darin begründet sein, dass noch kein spezifischer FSC-Standard für afrikanische Naturwälder vorliegt.</p>		

The letter is signed by Ulrich Grauert, one of the two executive directors of Interholco AG. Grauert seems to have a poor memory as in April 2003 he was directly informed by René Giger (his co-director at Interholco) about MMG's ongoing illegal logging in the newly obtained concession UFA 00-003. In his confidential travel report, referring to MMG, Giger states: "Logging volumes are not being achieved. Yield is not being achieved because the diameters are too small. MMG is already felling illegally in the next coupe [cut block];<sup>24</sup> as a result, next year the same coupe will be worthless again."

Just as Giger's remark indicates ongoing illegal logging activities by MMG beyond the 2000 incident, the company also continues to evade its financial obligations. The concession gained in 2000 came with a management plan financed with over FCFA 200 million (about €300,000) from the "Canadian Co-operation", to be paid back by whoever obtained the concession. MMG, four years later, has still to pay more than FCFA 170 million (about €255,000). It was recently formally notified of its failure to pay back the management plan in a public communiqué by the Ministry of Forestry.<sup>25</sup>

<sup>23</sup> Auzel et al. (2002a)

<sup>24</sup> Assiette de coupe

<sup>25</sup> MINEF (2004)

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In its July 2004 public response to the Greenpeace report, the Danzer Group<sup>26</sup> claimed that it is “absurd” to link them with illegal logging, saying that they agree with Greenpeace, that “view ecologically non-compliant forest usage and trade in wood from illegal sources as a danger to large-scale ecosystems”. Yet they never refuted this financial link with MMG, nor the illegal logging documented by MINEF officials in 2000 (which estimated the stolen timber to be worth over €1 million). They also did not comment on the evidence of illegal logging inside MMG’s concession UFA 00-003, as highlighted in Giger’s travel report.

In a recent letter to a customer Danzer Group concluded, following what is described as an internal assessment, that the “concerns expressed by Mr Giger [in his travel report] were unjustified and that MMG had all the necessary permits for the felling.” The letter does not explain how Giger could have been so wrong on this issue given that he did not reach his views in isolation; his report of the current activities of MMG was based on face-to-face discussions with Mr Tillmann, the Danzer Group’s contact and representative at the company, during a visit on 14<sup>th</sup> April 2003.

MMG’s history of illegal logging means an independent investigations of their logging activities is long overdue.

### Danzer Group, war and arms trafficking

Following years of debate, on 7 July 2003, the UN Security Council (UNSC) imposed sanctions on the import of Liberian timbers. The UNSC was forced to take this drastic, unprecedented measure because international dealers such as Interholco had been unwilling to voluntarily stop trading with an industry that financed Liberian president and warlord Charles Taylor.

The UNSC regarded Taylor as a major destabilizing factor in the region, for instance through his orchestration of the activities of the RUF rebels in neighbouring Sierra Leone. The RUF controlled Sierra Leone’s<sup>27</sup> diamond fields and moved diamonds illegally out of the country via Liberia. For this reason, in March 2001<sup>28</sup> the UNSC had imposed sanctions on trade in diamonds from Liberia, as well as banning 130 members of Taylor’s entourage from travelling. These included Maurice Cooper, co-owner of the Inland Logging Company (ILC).<sup>29</sup>

Danzer Group’s Interholco AG had a very close partnership with ILC. It was the company’s exclusive agent for the export of timber.<sup>30</sup> The company reported that it had officially exported 19,815 m<sup>3</sup> of logs in 2000, but the UNSC Panel Experts estimated that this figure was closer to 50,000 m<sup>3</sup>. The ILC also maintained a private militia in Sinoe County and managed the port of Greenville.<sup>31</sup> The militia have been reported as harassing local people.<sup>32</sup>

Besides exporting Liberian wood supplied by the ILC, Interholco also procured from the Oriental Timber Company (OTC) and the Maryland Wood Processing Industry (MWPI). The OTC’s manager, Dutchman Gus van Kouwenhoven, was regarded by the UNSC as a key figure in the logistics of illegal arms movements to Liberia.<sup>33</sup> The MWPI controlled Port Harper in the south of the country and has also been accused of involvement in illegal arms shipments entering Liberia through this port.<sup>34</sup> Only increased rebel activities and finally the UNSC sanctions stopped Interholco trading with OTC, MWPI and other Liberian suppliers.

Trading in Liberian logs and with the OTC in particular did not, however, prevent the Danzer Group stating, in a letter (10 January, 2002) sent to a German citizen: “The Danzer Group and all its subsidiary companies will do absolutely no business with companies which trade arms ... In our business-to-business relations we make decisions solely in accordance with our standards and in no event do we wish our business relationships to be misused for financing weapons or civil wars.”



MMG timber sold by Interholco to the largest wooden flooring manufacturer in Switzerland, Bauwerk Parkett. January 2002  
© Greenpeace



OTC logs traded by Interholco (IHC), Greece, December, 2001  
© Greenpeace

26 <http://www.danzer.de/en/04/04.html>  
27 UNSC (2001)  
28 UNSC (2001)  
29 UNSC (2001)  
30 UNSC (2001b); Greenpeace investigations  
31 UNSC (2001b)  
32 Global Witness (2001)  
33 UNSC (2000); Global Witness (2001)  
34 Global Witness (2003)

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The Danzer Group has remarkably claimed, in its July 2004 public response to the Greenpeace report,<sup>35</sup> that it “*provided clarification on this [issue] long ago. Litigious questions and accusations were pursued and have been dispelled as unsubstantiated.*” Yet, despite their continual denials, new evidence has been made available to Greenpeace that further document the Group’s trade activities with companies and individuals linked to arms trafficking.

Recent investigations carried out by the Concession Review Commission, established by the National Transitional Government of Liberia (NTGL), uncovered a close business link between OTC and the Danzer Group’s partner ILC.<sup>36</sup> The Commission was set up to determine the legitimacy of existing logging concessions and provide recommendations to the NTGL. They requested that every logging company with concession agreements file all relevant documentation, complete questionnaires, and appear before the Commission to provide further information. Many complied with one or all of these requests and the Commission immediately cleared 24 companies. ILC was amongst those that failed to conform and hence were not cleared by the Commission, along with LFDC/OTC, Royal Timber Company (RTC), LEC/Natura, MWPI and BIN.

In their report dated May 13<sup>th</sup> 2004,<sup>37</sup> the Commission highlighted that ILC was operating as a contracting company to OTC, amongst other companies. Additionally, it accused ILC of engaging in practices that “*occasioned economic sabotage*” and for “*not paying taxes to [the] government directly but were seemingly doing so directly to the President or his authorized accounts.*”

OTC was the largest timber company operating in Liberia in part due to a special relationship between Kouwenhoven and Taylor.<sup>38</sup> Upon obtaining presidency, Taylor rewarded Kouwenhoven by assigning him the largest timber concession agreement in Liberian history, totalling 1.24 million hectares.<sup>39</sup> In return for these concessions OTC promised jobs and other social benefits. The NGO Global Witness reported that Taylor personally received between US\$3-5 million for these massive concession allocations.<sup>40</sup> However, this only helped Taylor finance his war and continue subjecting the people of Liberia to further social conflict and human rights abuses.

Between 2000 and 2003, Liberia accounted for up to one-third of Interholco’s total tropical timber supplies, with ILC and OTC being their largest Liberian suppliers. During this period these companies plundered, abused and devastated the forest and the forest resources of Liberia at the expense of it’s people. The Commission recommended that the individuals behind these companies should be “*investigated and punished where appropriate.*”

One of these individuals is Kouwenhoven, who acted as the manager of both OTC and RTC. Since 2000, Kouwenhoven has been listed on a UNSC travel ban for his role in arms and diamond dealing on behalf of former President Taylor. These funds supported Taylor’s efforts to destabilize Sierra Leone.<sup>41</sup> The UNSC also listed Kouwenhoven as an individual whose financial assets should be frozen to prohibit him from “*using misappropriated funds and property to interfere in the restoration of peace and stability in Liberia.*”<sup>42</sup>

Although Kouwenhoven’s involvement with OTC seemed to have come to an end when the UNSC placed sanctions on Liberian timber, Greenpeace has obtained clear evidence that he is still active in the African timber business. Despite the travel ban on Kouwenhoven, during 2004 he has been working in the Republic of Congo, directly involved with the logistical and financial operations of a logging company based in Pointe Noire, Afribois SA. Based on documents obtained by Greenpeace, it is clear that Kouwenhoven has been shipping logs from Afribois to Interholco (Danzer Group) during 2004; this is despite the UNSC travel ban and asset sanctions on Kouwenhoven still being in place. However, the Danzer Group once again does not seem to have any moral problems with maintaining a business relationship with this sanctioned arms trafficker.



Gus Kouwenhoven



ILC logs imported into Germany by Interholco (IHC), Nordenham, June 2002. © Greenpeace

35 <http://www.danzer.de/en/04/04.html>

36 Concession Review Committee (2004)

37 Concession Review Committee (2004)

38 Kouwenhoven ran TIMCO logging company during Taylor’s days with the National Patriotic Front of Liberia (NPFL). Global Witness (2001b)

39 UNSC (2001b).

40 Global Witness (2002)

41 Global Witness (2002)

42 UNSC (2004)



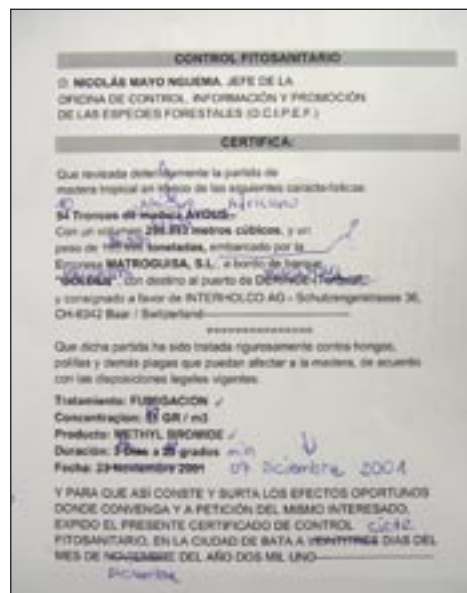
### Danzer Group employees and suspected forgery

Greenpeace has obtained several Phytosanitary Certificates and Certificates of Origin that are suspected of been forged by Danzer Group staff. A Phytosanitary Certificate is an official document issued by an exporting country, which certifies that the phytosanitary status of a shipment meets the phytosanitary regulations of the importing country.<sup>43</sup>

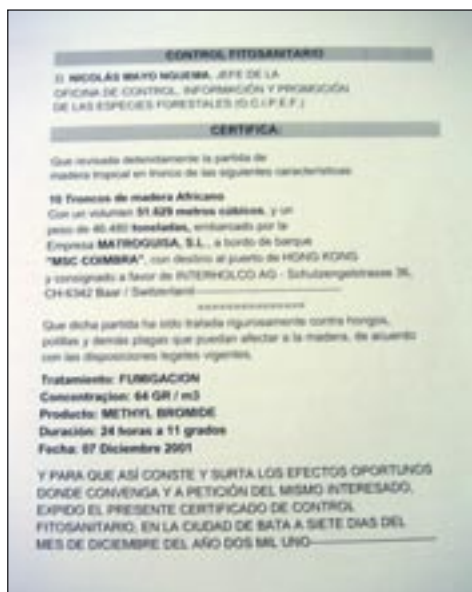
Phytosanitary (anti-pest) treatment of timber is required in order to protect importing countries from the introduction of harmful pests. Copies of Phytosanitary Certificates appear to have been forged with the help of a pair of scissors, white tape and a colour photocopier, enabling official stamps and signatures to be cut and pasted on certificates for timber exports from a number of African countries, including Liberia, Cameroon and Equatorial Guinea. These certificates are hard to distinguish from the official ones, normally issued by the federal authorities or Chamber of Commerce of the respective export countries.



Blank phytosanitary document without original text (stamps and signature only).



Written corrections to an original phytosanitary document (without stamps and signature), with proposed new wording and new date.



Corrected phytosanitary template: This new document appears to include the proposed changes in document 2.



Finished phytosanitary certificate: This new certificate appears to be the integration of the corrected template (document 3) with the blank certificate (document 1).

*"Copies of Phytosanitary Certificates appear to have been forged with the help of a pair of scissors, white tape and a colour photocopier, enabling official stamps and signatures to be cut and pasted on certificates for timber exports..."*

<sup>43</sup> [http://www.aphis.usda.gov/lpa/pubs/fsheet\\_faq\\_notice/faq\\_phphto.html](http://www.aphis.usda.gov/lpa/pubs/fsheet_faq_notice/faq_phphto.html)

In the case of Certificates of Origin,<sup>44</sup> required to attest the country of origin of the timber, Greenpeace has obtained blank copies already complete with the necessary official stamps and, in some cases, signatures. These blank copies would facilitate the forging of certificates of origin, making them appear to be genuine.

Shipping documents obtained by Greenpeace provide further evidence on how these prepared certificates have been used. In August 2000, Interholco couriered copies of Phytosanitary Certificates and Certificates of Origin to their agent in Turkey, Aziz Atasoy.



*Habitat loss or degradation are major threats to gorilla populations in West and Central Africa. Where new areas of forest are opened up for logging, the bushmeat trade often rises in order to support the incoming labour force and to export bushmeat to urban markets. © Greenpeace*

[illegible][illegible][illegible][illegible]

The above four Phytosanitary Certificates all bear identical stamps and signatures, even though they have supposedly been issued months apart by the Head of the Phytosanitary Police Post in Douala port, Cameroon.<sup>45</sup>

**44** A Certificate of Origin is a document attesting that goods in a particular shipment are of a certain origin.

45 "Le chef de Poste de Police  
Phytosanitaire de Douala-port"



The illegal ivory trade is now mainly targeting elephants populations in forest areas of Southeast Cameroon, Southwest Central Africa Republic, North Congo and North Gabon. These areas have been opened up to industrial logging companies, which includes the Danzer Group.<sup>46</sup>  
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## Call to action

This report represents nothing more than one case study. The practices and behaviour outlined here, though illegal and unethical, are very widespread among companies operating in the international timber trade.

Bribery and other illegal activities continue unmonitored and in almost all cases with complete impunity. Without decisive and credible action by governments, international agencies and consumers to control the practices of the international timber trade, the world's remaining ancient forests will continue to be a natural "resource", nonchalantly, yet ruthlessly and unethically, exploited and destroyed. The local communities dependent upon them will continue to suffer directly and indirectly from the fierce battles to control, extract and appropriate these resources.

Yet there is hope for Africa's rainforests, if key players commit to taking action. Specifically:

- African countries where Danzer Group timber originates must open an inquiry into the evidence uncovered in this investigation, and prosecute companies and individuals found to be involved in bribery, corruption and illegal logging. Initiatives such as the Cameroonian Anti-Corruption Commission should be utilised in these inquiries.
- European countries, including Switzerland, must amend their legislation on bribery and money laundering to include illegal logging and associated trade. EU companies found guilty overseas should be prosecuted under EU legislation. Swiss companies found guilty overseas should be prosecuted under Swiss legislation.
- European countries must act swiftly to adopt new legislation through the FLEGT (Forest Law Enforcement, Governance and Trade) process aimed at halting the import and trade of illegally sourced timber and timber products in Europe. Switzerland should also adopt similar legislation. Such legislation should impose penalties against companies found guilty and give the relevant authorities the legal means to prosecute and dismantle the organized criminal networks.
- Companies must immediately stop buying timber products derived from companies involved in illegal activities (such as illegal logging, bribery, forced labour, arms trafficking, etc.) until the producers can demonstrate, through independent third-party verification, that they comply with all legislation.

<sup>46</sup> Nigel Hunter, Director of MIKE (Monitoring the Illegal Killing of Elephants). Presentation given at CITES COP13, Thailand. October 20.04

**Abbreviations**

<b>DEG</b>	Deutsche Investitions- und Entwicklungs-gesellschaft
<b>DRC</b>	Democratic Republic of Congo (DRC)
<b>€</b>	Euros
<b>FCFA</b>	Franc de la Communauté Financière d'Afrique
<b>IHC</b>	Interholco (part of the Danzer Group)
<b>ILC</b>	Inland Logging Company (Liberia)
<b>MINEF</b>	Ministère de l'Environnement et des Forêts
<b>MMG</b>	Mba Mba Georges (Cameroon)
<b>MWPI</b>	Maryland Wood Processing Industry (Liberia)
<b>NGO</b>	Non Governmental Organisation
<b>RC</b>	Republic of Congo
<b>RTC</b>	Republic of Congo
<b>RUF</b>	Royal Timber Company (Liberia)
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OTC</b>	Oriental Timber Company (Liberia)
<b>UFA</b>	Unites Forestière d'Aménagement
<b>UNSC</b>	United Nations Security Council



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