

MONEY LAUNDERING AND TERRORISM FINANCING (ML/FT) RISK ASSESSMENT FOR ENVIRONMENTAL AND NATURAL RESOURCES CRIME





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FOREWORD

Ghana's natural environment is not only a source of national pride, it is a cornerstone of our economy and a foundation for the wellbeing of our people. Yet, environmental and natural resources crimes continue to erode these foundations, undermining governance, fueling corruption, and facilitating the laundering of criminal proceeds.

This national risk assessment provides a critical lens through which to understand the scale and impact of these crimes, and the systemic vulnerabilities that allow them to flourish. It offers a strong evidence base to inform policy, strengthen enforcement, and promote international cooperation in tackling these highly lucrative and damaging crimes.

As Chairman of the Inter-Ministerial Committee on AML/CFT, I commend the Financial Intelligence Centre and all stakeholders for this important achievement. The report is both a wake-up call and a roadmap. It calls on us to act decisively, coordinate effectively, and pursue justice with urgency and resolve.

Let us move forward together, determined to protect Ghana's environment and ensure that its resources benefit all and not the few who exploit them unlawfully.



DR. CASSIEL ATO FORSON, MP

Minister of Finance

Chairman, Inter-Ministerial Committee (IMC)

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER, FIC

Environmental and natural resources crimes have become increasingly sophisticated and deeply intertwined with transnational organized crime and illicit financial flows. From illegal mining and logging to wildlife trafficking and environmental degradation, these crimes pose a serious threat to Ghana's economic development, ecological sustainability, and national security.

This risk assessment marks a crucial step forward in Ghana's response to the growing menace of environmental and natural resources crimes. It provides a detailed understanding of the threats, vulnerabilities, and systemic gaps that criminals exploit to profit from the destruction of our natural wealth. The Financial Intelligence Centre is proud to have coordinated this collaborative and data-driven effort, which reflects our national commitment to combating crime in all its forms, including those that impact our environment. I extend sincere appreciation to all institutions such as public, private, and civil society, whose contributions shaped this important work.

As we publish this report, we are reminded that protecting our environment is not just a legal obligation, but a moral duty to future generations. The FIC stands ready to work with all partners to translate the findings of this report into concrete action.

Albert Kwadwo Twum Boafo
Chief Executive Officer
Financial Intelligence Centre, Ghana.

EXECUTIVE SUMMARY

Environmental and Natural Resource (E&NR) crimes refer to all illegal activities that harm the environment and human health¹. E&NR crimes are predicate offences of money laundering (ML) and account for about sixty-four percent (64%) percent² of illicit and organized crime proceeds posing a global security concern. For this reason, the Financial Action Task Force (FATF) has urged all countries to take the necessary measures to prevent and disrupt illicit financial flows originating from environmental crimes.

This maiden sector risk assessment examines the nature of E&NR crimes associated with Money Laundering, Terrorist Financing and Proliferation Financing (ML/TF) in Ghana. The assessment identifies potential threats, vulnerabilities and existing Anti-Money Laundering, Countering the Financing of Terrorism and Proliferation Financing (AML/CFT) controls within the E&NR sector and proffers recommendations to prevent and disrupt illicit financial activities within the sector.

The World Bank National Risk Assessment Tool was adopted for this sectoral risk assessment. The tool allowed inputting, analysis and interpretation of quantitative and qualitative data. A combination of thirteen (13) threat assessment indicators and twenty-three (23) vulnerability assessment variables were used to determine the ML/TF risk exposure within the E&NR sector of Ghana.

Primary data was gathered through the administration of questionnaires and interviews with AML/CFT stakeholder institutions and E&NR industry experts whereas the secondary data was obtained from databases of law enforcement agencies (LEAs), national regulations, typology reports and other open-source information on environmental crime.

Findings revealed an overall rating of medium high, identifying the broad categories as mining and extraction crimes, wildlife crimes, fisheries crimes, Forestry crimes, waste and pollution crimes and the proliferation of substandard goods. Prevalent E&NR crimes identified under these broad categories included illegal mining, illegal trade in wildlife, illegal logging and trade, illegal, unreported and unregulated (IUU) fishing, dumping and illegal transport of waste (waste and pollution) and the illegal manufacture and trade in substandard goods.

The assessment ranked the threats of mining and extraction crimes and proliferation of substandard goods as high due to their impact on the environment and human health; wildlife crimes, fisheries crimes and dumping and illegal transport of waste as medium; and forestry crimes as low.

Key ML/TF vulnerabilities observed as fostering E&NR crimes included unavailability of integrated data management systems on E&NR crimes, lack of public awareness on ML/TF risks linked to E&NR crimes, limited understanding and appreciation of ML/TF risks linked to E&NR crimes among competent authorities, weak whistleblower protection mechanisms, inadequate effective, proportionate and dissuasive

¹ Environmental Crime | Europol (europa.eu)

² Nellemann, C.; Henriksen, R.; Pravettoni, R.; Stewart, D.; Kotsoyova, M.; Schlingemann, M.A.J.; Shaw, M. and Reitano, T. (Eds). World Atlas of Illicit Financial Flows 2018. Available at <https://www.rhpto.org/publications>

administrative sanctions and penalties, low awareness of Mutual Legal Assistance (MLA) procedures and bureaucratic challenges of cross border information exchanges.

Recommendations proposed to prevent and mitigate the identified vulnerabilities included strengthening domestic and international collaboration, harmonizing data collection databases, providing adequate support to enforcement agencies and personnel as well as specialized training and capacity building for regulatory institutions and LEAs, enhancing public awareness of ML/TF risks associated with E&NR crimes and strengthening of regulations and penalties for E&NR crimes.



INTRODUCTION

Environmental and Natural Resource (E&NR) crimes generally refer to all illegal activities that harm the environment and human health³. These illegal activities comprise, but are not limited to illegal trade in wildlife, illicit trade in hazardous waste, illegal, unreported and unregulated (IUU) fishing, illegal logging and smuggling of ozone depleting substances (ODS). The impact of such crimes includes increased risk of diseases, loss of revenue, irreversible climate change which ultimately threaten human existence.

While the consequences of E&NR crimes are far-reaching, E&NR crimes are hard to detect. This makes the environmental and natural resource sector attractive for many organized crime groups. The annual value of proceeds of transnational environmental crime is estimated at between one hundred and ten and two hundred and eighty-one billion United States Dollars (USD 110 and 281 billion)⁴. This thus presents a global security concern for all.

This assessment is in response to the call by the Financial Action Task Force (FATF) for countries to take the necessary steps to fully understand the nature of ML offences associated with environmental crimes and effectively disrupt any linked financial flows and criminal network activities⁵.

Objectives of the assessment

The assessment aims to achieve the following specific objectives:

1. Identify the main E&NR crime threats related to ML/TF in Ghana
2. Assess the vulnerability of the E&NR sector to financial crimes
3. Propose recommendations to strengthen AML/CFT controls against E&NR crimes.

³ Environmental Crime | Europol (europa.eu)

⁴ <https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Money-Laundering-from-Environmental-Crime>

⁵ FATF High-Level Conference on Environmental Crime (fatf-gafi.org)

Scope

The scope of this assessment encompasses the following activities:

- Illegal mining and trading in precious metals and minerals
- Illegal wildlife trade
- Illegal logging and trading of timber
- Illegal, Unregulated and Unreported fishing
- Dumping and illegal transportation of waste
- Proliferation of substandard goods

Challenges and Limitations

This assessment faced challenges including, non-availability of data and the restricted time frame for the assessment. Nonetheless, the assessment successfully achieved its objectives without compromising assessment rigor and outcome.

METHODOLOGY

The World Bank National Risk Assessment Tool was used for this assessment to analyse and interpret data collected from the various stakeholders. Data was collected from both primary and secondary sources. Primary data was gathered through the administration of questionnaires and interviews with relevant industry experts whereas the secondary data was obtained from databases of LEAs, national legislation, typology reports and other open-source information on E&NR crimes. Qualitative and quantitative data were collected from relevant sectors including the Environmental Protection Agency (EPA), Ministry of National Security, Financial Intelligence Centre (FIC), Wildlife and Forestry Division of the Forestry Commission (FC), Ghana Standards Authority(GSA), Fisheries Commission, Ghana National Association of Small Scale Miners(GNASSM), Minerals Commission(MINCOM), Ghana Police Service (GPS), National Intelligence Bureau(NIB) and Ghana Revenue Authority (GRA).

OVERVIEW OF ENVIRONMENTAL AND NATURAL RESOURCES CRIMES IN GHANA

This section examines the current landscape of the E&NR crimes in Ghana. It discusses the broad types of E&NR crimes that exist, the current legal and institutional framework, mitigating initiatives and challenges that persist.

Mining and Extraction Crimes

The mining industry in Ghana holds significant reserves of gold and some deposits of bauxite, manganese and diamond. Major gold mines are located in the Ashanti, Western and Eastern regions⁶.

The mining sector in Ghana is governed by various laws and regulations aimed at ensuring responsible and sustainable mining practices. These include the Minerals and Mining Act, 2019 (Act 995)⁷, the Environmental Protection Agency Act, 1994 (Act 490), the Nuclear Regulatory Authority Act, 2015 (Act 895), the Minerals Commission Act, 1993 (Act 450) and the Minerals and Mining Act, 2006 (Act 703). These laws provide the legal framework for the exploration, exploitation and management of mineral resources in Ghana and ensure that mining activities comply with environmental regulations and standards to mitigate their impact on the environment.

These mineral resources attract foreign investment and contribute greatly to the country's industrial development⁸. While the mining industry has contributed significantly to Ghana's economic development, unregulated small-scale mining operations have destroyed significant forest cover, contaminated water bodies and the environment at large in most of the mining areas. To curb this menace, Ghana has stepped up enforcement action against illegal mining through military actions and legal prosecutions. There are also



environmental protection programmes in existence, such as breaking up illicit operations and supplying equipment free of mercury. Furthermore, the government is encouraging alternate forms of income in order to alleviate the socio-economic factors that contribute to illicit mining.

⁶ Minerals Commission. (2019). "Minerals Commission 2019 Annual Report."

⁷ Minerals Commission. Minerals and Mining Act, 2006 (Act 703)

⁸ ibid



Figure 3 Source: (Pexels, 2024)

Forestry Crimes

The forestry sector contributes approximately six percent (6%) to the Gross Domestic Product (GDP) of Ghana as such the government is committed to curbing all forms of forestry crime.

Forestry crime in Ghana involves a range of illicit activities that pose threats to the country's forest ecosystems, biodiversity and socio-economic stability. These activities include illegal logging and timber trade, illegal mining and other crude agricultural expansion practices targeted at converting tropical forests to farmlands. Forestry crime is often facilitated by illegal loggers engaged in illegal logging and harvesting of timber without permits and trade through fraudulent documentation⁹.

Wildlife Crimes

Wildlife is the fulcrum of the ecological balance of all ecosystems and Ghana is no exception. Rapid expansion of human settlements, agriculture and infrastructure development have resulted in the destruction and fragmentation of natural habitats, posing a severe threat to the survival of many wildlife species in Ghana¹³.

Despite enforcement measures, poaching and the illegal trade of wildlife products, such as bush meat, continue to pose significant challenges. Ghana has established a comprehensive legal and policy framework to support wildlife conservation efforts. The Wildlife Conservation Regulations, enacted in 1971, serve as guidelines for the protection and management of wildlife resources within the country.

Furthermore, Ghana is committed to several international agreements and conventions, including the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the

⁹ Hoare, A. (2014). Illegal Logging and Related Trade: The Response in Ghana.

Convention on Biological Diversity (CBD). These agreements outline global commitments to conserve biodiversity and regulate the trade of endangered species. CITES regulates international trade in endangered species of wild fauna and flora, while the CBD similarly governs international trade in endangered species of wild fauna and flora. A proposed Wildlife Resources Management Bill which is being drafted is targeted at addressing the inadequacies of existing legislation in Ghana and ensuring realignment with international conventions to conserve wildlife and promote sustainable development.



Figure 4 Source: (Charles Nierkerk)

Waste and pollution Crimes

Waste and Pollution crimes comprise illicit activities such as illegal dumping, improper waste management, and pollution of air and water sources¹⁰. A common method employed by criminals is to disregard environmental regulations and unlawfully dispose of hazardous waste at a cost to unsuspecting beneficiaries. These entities frequently use advanced laundering methods such as fake invoices, shell companies and fraudulent documentation to legalize their unlawfully acquired profits. Illegal waste exports to developing countries such as Ghana is a national concern.

In spite of the comprehensive waste management laws, effective implementation and enforcement remain hindered by funding constraints, institutional capacity and public awareness gaps.



Figure 5 Source: (Nkatha, 2023)

¹⁰ UNODC. Crimes that affect the environment. Available at: <https://www.unodc.org/unodc/fr/environment-climate/>

Fisheries Crimes

The Ghanaian fisheries sector is regulated by the Fisheries Act, 2002 (Act 625) and the Fisheries Regulations, 2010 (L.I. 1968), which establishes the framework for managing and developing the industry, including licensing, gear regulation and conservation enforcement. The Fisheries Commission Act, 1993 (PNDCL 256) establishes the Fisheries Commission which is responsible for policy formulation and sector coordination. The exploitation of fisheries crimes for ML purposes presents a complex challenge with significant repercussions for marine ecosystems, coastal communities and global financial integrity.

In Ghana, several efforts have been made in recent times to address or combat fisheries crime linked to ML through the levying of hefty fines, confiscation of equipment and arrests^{11,12}. The Ministry of Fisheries has recently intensified efforts to curb fisheries crimes and enforce compliance within the fishing communities by imposing punitive measures such as denying fishers access to premix fuel and other essential logistics for several violations of fishing directives and regulations¹³. The establishment of Ghana's first Marine Protected Areas and enhanced surveillance of fishing vessels, supports the safeguarding of marine resources and promotion of sustainable fishing practices in Ghana¹⁴. However, the country still faces challenges in enforcing regulations and tackling illegal fishing, especially with foreign-owned trawlers engaged in transnational fisheries crimes¹⁵. Despite fines imposed, illegal activities to persist due to the non-punitive nature of sanctions, emphasizing the need for stronger regulations and more robust enforcement mechanisms.

Proliferation of Substandard products

Studies revealed that terrorist organizations sometimes engage in the production or sale of substandard goods, to endanger consumers or harm the national economy. Modern terrorists have indeed shifted from using obvious violence to more sophisticated and unsuspecting methods including production, importation or exportation of substandard goods that can cause harm to large numbers of people without the targets ever knowing¹⁶. Additionally, terrorist activities could involve a gradual weakening of structures by producing and importing substandard building materials like cement, iron rods, wood and electrical cables that can lead to national disasters such as collapsing buildings, roads and bridges, power disruptions, fire outbreaks and hindered economic growth and development¹⁷.

The recent influx of substandard goods into Ghana ranging from pharmaceutical products, electricals and food to building materials are of concern. The Ghana Standards Authority (GSA) established by the Ghana Standards Authority Act, 2022 (Act 1078), is mandated to establish, promote and maintain standardisation of goods produced or procured in the country for local consumption or export and goods imported for local consumption. Similarly, the Food and Drugs Authority (FDA) established by the Public Health Act, 2013

11 The finder (2015). Tema Navy Arrest 15 Illegal Fishermen, January 27. Available at: <https://www.peacefonline.com/pages/local/social/201501/230313.php>.

12 <https://www.graphic.com.gh/news/general-news/ghana-news-illegal-practices-at-sea-fishermen-flee-from-patrol-team-30-generators-seized.html>

13 Hutniczak, B., Delpéuch, C., & Leroy, A. (2019). Intensifying the fight against IUU fishing at the regional level.

14 <https://www.myjoyonline.com/fisheries-ministry-announces-ghanas-first-marine-protected-areas/>

15 Samari, M. (2019). How Ghana's weak penalties are letting trawlers off the hook. Dialogue Earth

16 National Framework for the Prevention and Countering of Violent Extremism and Terrorism, Ghana-2020

17 <https://www.europol.europa.eu/crime-areas/intellectual-property-crime/counterfeiting-and-product-piracy>

(Act 851) mandates FDA to provide and enforce standards for the sale of food, herbal medicinal products, cosmetics, drugs, medical devices and household chemical substances. Over the years, GSA and FDA in collaboration with LEAs have embarked on several initiatives such strengthening regulations, intensifying market swoops, border controls and prosecuting offenders.

FINDINGS AND DISCUSSION

THREAT ASSESSMENT

This section presents details of assessment of ML/TF potential threat exposure of Ghana to E&NR crimes. In determining the extent of these threats in Ghana, a number of quantitative and qualitative threat indicators were analysed. These included;

1. Administrative Sanctions and Fines
2. Suspicious Transactions Reports
3. Enforcement Statistics
4. Asset Seizures and Confiscations
5. Mutual Legal Assistance and related international requests
6. Value of proceeds generated from E&NR Crimes
7. E&NR Crime Cases linked to ML/TF/P and Tax Evasion

1. Administrative Sanctions and Fines

E&NR crimes such as IUU fishing, illegal trade in wildlife, proliferation of substandard goods and waste and pollution result in economic losses and environmental degradation. Given these serious effects of such crimes, administrative sanctions and fines are considered essential tools for deterrence, however, their effectiveness depends on whether the weight of the sanctions and fines outweigh the economic benefits of non-compliance.

The E&NR sector is regulated by legal frameworks such as the Hazardous and Electronic Waste Control and Management Act, 2016 (Act 917), the Criminal Offences Act, 1960 (Act 29), as amended, by Act 880, Minerals and Mining (Health, Safety and Technical Regulations, 2012 (L.I. 2182), the Maritime Pollution Act, 2016 (Act 923), the Fees and Charges (Miscellaneous Provisions) Act, 2022 (Act 1080), Act 490, Act 1078 and Act 625. These laws provide for civil and administrative sanctions for violations of environmental crimes. The value of administrative sanctions that can be imposed from the laws of the various institutions ranges from five hundred (500) penalty units to seven thousand five hundred (7,500) penalty units for various infractions.

Over the past five (5) years, EPA has imposed fines against thirteen (13) defaulting companies, totalling approximately GH¢1,091,000 for waste and pollution violations in the manufacturing sector. GSA levied fines/penalties exceeding GH¢3,000,000.00 for the proliferation of substandard goods and fisheries crime in respect of the illegal export of fish. The Minerals Commission can impose fines up to USD 10,000.00, while the Fisheries Commission can impose fines up to USD 4,000,000.00. While these substantial penalties for environmental crimes may deter ML/TF activities in Ghana, a comparative analysis with the potential profits from ML/TF activities is necessary to assess their true deterrent effect. Below is a case study of illegal fishing practice reported.

Case Study 1: Illegal fishing practices

A Ghanaian-registered fishing vessel with twenty-seven (27) crew members onboard and operated by Chinese national, Lu Rong Yuan Yu 956, was apprehended off the coast of Cape-3-point in the Western Region and fined over USD1,000,000.00 and an additional GH¢124,000 for illegal fishing and possession of undeclared fish onboard.

2. Suspicious Transaction Reports (STRs)

FIC is the mandated institution for the receipt and analysis of STRs from the relevant stakeholders. For the period under review, FIC received 10 STRs related to E&NR crimes mostly focused on illegal mining. The low reporting of STRs is an indication of the need to deepen awareness on the mandate of FIC particularly among the relevant environmental agencies.

Case Study 2: Illegal Mining

Ray Baah, opened an account with Bank A indicating he is into mixed farming with a monthly salary of GH¢3,200. Within the same month of account opening, subject deposited GH¢300,000 into his account. During due diligence, staff with subject indicated that he was into mixed farming and galamsey and the GH¢300,000 was proceeds from his galamsey activities. The Bank filed an STR indicating that subject was involved in illegal mining and heightened his risk profile for effective monitoring.

Case Study 3: Illegal Mining

Mr. A, a foreign national and Mr. B, a Ghanaian approached Bank X to open a business account indicating the company was into mining. As part of the account opening process, the company was requested to submit the relevant mining and licensing documents to facilitate due diligence process. The company failed to provide the necessary documentation after several engagements with the bank. Subsequently, the bank proceeded to close the account due to the high risk nature of their activities and the failure of the company to submit the required documentation. The Bank filed an STR to FIC.

3. Enforcement Statistics (Investigations/Prosecutions/Convictions)

Many agencies in the E&NR sector are primarily mandated to ensure regulatory compliance which includes imposing administrative penalties however, some agencies are clothed with investigative and prosecutorial powers. Agencies without such powers collaborate with appropriate LEAs to investigate, prosecute and convict criminal activities in their respective sectors.

The Fisheries Commission for instance, actively investigates illegal fishing and takes legal actions against offenders. The Wildlife Division of the Forestry Commission stands out with 388 prosecutions, which resulted in 296 convictions, indicating a significant enforcement effort within the wildlife sector. However,

prosecutions recorded by GSA is generally low, with only five (5) prosecutions initiated over the study period. Additionally, over 76 individuals including 18 foreign nationals have been prosecuted and convicted for illegal mining activities while over 140 cases involving 850 individuals face various counts of illegal mining charges¹⁸.

Notwithstanding the above, the lack of comprehensive data on convictions among competent authorities portends challenges in data management among agencies. Limited resources for investigations and legal actions were also identified as challenges. To address the above, measures such as enhancing documentation, addressing legal challenges and ensuring adequate resources are recommended to improve prosecutions and convictions concerning environmental crimes.

4. Asset seizures and Confiscations

Asset seizures are critical enforcement actions that demonstrate the effectiveness of institutions to combat ML and reduce the volume of illicit business and financial support to terrorists¹⁹. The assessment revealed that notable efforts have been made in asset seizure and confiscations within the E&NR sector. GSA reported seizures amounting to approximately GH¢2,500,000.00, suggesting active enforcement and some level of disruption to ML activities. Similarly, a significant operation by the Fisheries Enforcement Unit (FEU) in Tema Newtown led to the arrest of 27 illegal fishermen and the seizure of 46 generators and 43 lights used for unsustainable fishing methods²⁰. The confiscated equipment and individuals were handed over to the Tema Regional Police Command. Additionally, the Eastern Naval Command of the Ghana Armed Forces arrested 15 fishermen for light fishing—a banned practice—during a routine patrol in the south of Ada²¹. This operation resulted in the seizure of 31 generators and 32 fishing lights, with the suspects handed over to the Tema Railways and Harbours Police for further investigation. An operation led by the Western Regional Minister seized 16 excavators, barrels of diesel and other mining accessories in districts such as Amenfi West, Tarkwa Nsuaem, Prestea Huni-Valley and Ellembele with 5 individuals arrested²².

These enforcement actions underscore the importance of seizures in disrupting environmental crime networks and highlight the ongoing efforts by Ghanaian authorities to safeguard the environment and local economies from the adverse effects of illegal activities.

5. Mutual Legal Assistance Requests and Other International Requests

Mutual Legal Assistance (MLA) requests are critical for cross-border cooperation. MLA requests play a vital

18 *MyJoyOnline*, '76 people have been convicted for illegal mining since 2021 – Godfred Dame' (4 December 2023) <https://www.myjoyonline.com/76-people-have-been-convicted-for-illegal-mining-since-2021-godfred-dame/>

19 UNODC (2008) *Chapter III the elements of an effective AML- ...*, *United Nations Office on Drugs and Crime*. Available at: https://www.unodc.org/roseap/uploads/archive/documents/2009/02/TOCAMLO/08-CHAPTER_III.pdf (Accessed: 05 June 2024).

20 Quashie, S. (2015) '27 Arrested for Illegal Fishing', *Ghana Web*, 8 January. Available at: <https://www.ghanaweb.com/GhanaHomePage/crime/Police-arrest-27-for-illegal-fishing-341659>

21 The finder (2015). Tema Navy Arrest 15 Illegal Fishermen, January 27. Available at: <https://www.peacefmonline.com/pages/local/social/201501/230313.php>

22 *Graphic Online*, 'Illegal Mining: 16 Excavators Seized in Western Region' (29 April 2021) <https://www.graphic.com.gh/news/general-news/illegal-mining-16-excavators-seized-in-western-region.html>

role in combating ML/TF activities by enabling institutions to gather evidence and prosecute offenders operating across multiple jurisdictions²³. Effective collaboration and information sharing with international counterparts are essential for addressing complex and transnational criminal activities.

The assessment indicated evidence of MLA requests in the E&NR sector, particularly, the Fisheries Commission, EPA, GRA, GSA, NIB and Interpol (GPS) demonstrated proactiveness towards international cooperation. These cooperations were facilitated through platforms such as the Interpol database system, which enabled the sharing of information with international counterparts. Notable examples of these cooperations include two cases of illegal trade in wildlife and authorized export in charcoal.

- In 2021, intelligence from Interpol Hague was relayed to Interpol Ghana, leading to an investigation into the possession and trading of wild animals without the required permits. This followed the arrest in the Netherlands of a Ghanaian national suspected of trading snakes.
- In May 2023, Interpol Doha and Dubai, in collaboration with Interpol Ghana and the Energy Commission of Ghana, investigated the unauthorized export of charcoal from Accra to Doha and Dubai.

Additionally, Interpol Ghana provides periodic reports on the state of Ghana's E&NR sector to relevant agencies. GSA also collaborates with the European Union and other international bodies with which the agency has agreements regarding fisheries exports.

Some potential challenges associated with MLA requests could include low awareness of MLA procedures amongst institutions, legal and bureaucratic challenges arising from different legal systems and resource constraints.

6. Total Value of proceeds generated from E&NR Crimes

The assessment revealed that the government generated various sums of moneys from fines, seizures and confiscations of assets related to E&NR crimes. A total estimated amount of GH¢1,091,000.00 million and USD300,000 was generated from Waste/Pollution crime, whereas GH¢5.5 million was obtained from Proliferation of Substandard products between 2019 and 2023.

7. E&NR Crime Cases linked to ML/TF and Tax Evasion

It was observed that, none of the cases indicated by responding agencies during the assessment was linked to ML/TF. This may be due to the regulatory posture of institutions prioritizing their specific mandates, suggesting a potential gap in addressing ML/TF activities linked to environmental crimes. Institutions such as EPA and GSA, not directly tasked with addressing financial crimes, may fail to recognize potential ML/TF cases within their regulatory scope due to limited understanding or awareness.

²³ UN (2012) *G20 step-by-step guides on international cooperation and asset recovery*, United Nations: Office on Drugs and Crime. Available at: <https://www.unodc.org/unodc/en/corruption/g20-anti-corruption-resources/g20-step-by-step-guides-on-international-cooperation-and-asset-recovery.html> (Accessed: 05 June 2024).

Although, the institutions involved in the assessment indicated no direct association between E&NR Crime cases and ML/TF and tax evasion, there has been a notable commitment to combating environmental crimes.

The high levies and significant value of seizures by GSA indicate an influx of both locally manufactured and imported substandard goods, making it a lucrative business for criminals and prompting numerous enforcement actions. Many defaulters typically operate without the necessary permits and product licences. The following cases highlight efforts by LEAs and regulatory bodies to deal with E&NR crimes in Ghana.

Case Study 4: Substandard Products

A recent market surveillance by the GSA on electrical cables and products sold in Accra revealed that up to 70% of sampled products in some markets were substandard. This led to increased enforcement actions by the Authority to clamp down on the illicit activities, leading to several fines, arrests and seizures of some substandard products.

Case Study 5: Substandard Products

In two separate recent cases, managers of a local cement manufacturing company and a local copper rod and electrical cable manufacturing company were arrested for producing substandard cement and electrical cables, respectively, using inferior materials despite having their production licenses revoked or lacking a valid permit from GSA. Additionally, the use of uncalibrated weighing/measuring instruments in trade has resulted in fraud and economic losses to the state due to undeclared weights or measures.

Illegal fishing practices are prevalent in Ghana, particularly among foreign nationals compared to local fishermen and has led to numerous arrests and seizures. Inappropriate fishing techniques such as light fishing, and illicit fishing activities including fishing without a license and possession of undeclared fish have resulted in the confiscation or seizures of fishing gear, equipment and vessels, as well as the arrest of illegal fishermen.

Illegal logging and other forestry crimes are also widespread, causing substantial revenue losses estimated at GH¢ 40.5 million annually, exceeding the revenue from licensed logging operations¹⁵. The demand for specific types of timber or other forest materials or wildlife for black market profits has fuelled the increase in these illicit activities such as fraud, illegal logging, illegal trade of forestry materials including timber. Profits from these activities are often laundered through shell companies, real estate investments and cross-border financial transactions, highlighting the complexity and scale of these illegal operations. The pervasive nature of forestry crime underscores the urgent need to address its root causes and mitigate its detrimental effects on forest ecosystems and communities.

VULNERABILITY ASSESSMENT

This section examines the strengths and weaknesses of ML/TF regulatory and enforcement mechanisms that exist within the E&NR sector to prevent and combat illicit activities effectively. A total of twenty-three (23) variables including the following were examined and assigned the following ratings.

Variable	Rating	Summary
Beneficial Ownership and Directorship of Legal Entities	Medium High	The introduction of the Companies Act, 2019 (Act 992), in accordance with international standards, now ensures that Beneficial Ownership information on all legal entities registered in Ghana is accessible to all competent authorities through the Office of the Registrar of Companies (ORC).
Environmental and Natural Resource Crimes Asset Recovery and Management	Medium	The legal framework in Ghana empowers bodies like EOCO ²⁴ , FIC ²⁵ , the Office of the Special Prosecutor (OSP) ²⁶ and GSA ²⁷ to seize, freeze and confiscate proceeds of E&NR crimes. Additionally, measures are underway to establish an Asset Management Office (AMO), led by EOCO and five other key agencies, to streamline asset recovery and management in Ghana ²⁸ . This function is currently fragmented across different authorities resulting in scattered statistics.
Risk Understanding, Coordination and Data Collection	Low	Understanding of ML/TF risks in E&NR sector is limited and availability of comprehensive statistics is a challenge. Players in the sector indicated a low understanding of ML/TF risks associated with E&NR crimes. Many regulatory agencies are mandated by their respective establishing legislations to collect and maintain relevant data and statistics. However, there is poor data collection for accurate analysis. Many institutions have fragmented responsibilities and insufficient integrated databases. Engagement with the mining and extractive industry indicated that a Mining Cadastral Administrative system was under consideration but not yet fully implemented.
Legal Protection for Judges and Prosecutors	High	Judges and prosecutors are well-resourced and guided by regularly updated codes of conduct.

²⁴ Economic and Organized Crime Act, 2010 (Act 176)

²⁵ The Anti- Money Laundering Act ,2020 (Act 1044)

²⁶ The Office of the Special Prosecutor Act ,2017 (Act 959)

²⁷ Ghana Standards Authority Act, 2022 (Act 1078)

²⁸ GoG (2019) *National AML/CFT&P Policy*. Available at: https://sec.gov.gh/wp-content/uploads/Anti-Money-Laundering/NATIONAL_POLICY_AML_CFT_AND_ACTION_PLAN.pdf (Accessed: 05 June 2024).

Non-Profit Organizations (NPOs)	Medium	NPOs sector participates in detecting, investigating or prosecuting environmental crimes related to ML by providing intelligence to sector supervisors and through advocacy campaigns. Many of these organisations engage regulatory agencies and similar agencies through workshops, complaints, submission of research findings and media engagements.
Capacity of Preventive Authorities	Medium Low	The findings indicate that the preventive authorities in Ghana are willing to combat environmental crimes but their capacity to do so is hindered by inadequate logistics and unavailability of skilled personnel. For example, the current inspection and verification activities of GSA are currently not sufficient to effectively deter fraudulent activities and ensure compliance with regulations. To address this, GSA plans to engage over 300 Trading Standards Inspectors (TSIs) stationed at all district levels in Ghana to carry out various inspection/verification tasks. Additionally, there exist comprehensive laws and regulations in Ghana that enable competent authorities to combat environmental crimes.
Legal Protection for Law Enforcement and Customs	High	<p>Investigations into E&NR crimes are considered similar to other forms of investigation. In Ghana, there is a legal provision for monitoring and oversight of the conduct and performance of all cases, including E&NR crime cases. Law enforcement and Customs officers are legally protected, but their integrity could be compromised due to economic challenges arising from inadequate remuneration that does not align with the responsibilities and risks involved. Whistle-blowers are legally protected as well.</p> <p>Generally, all Public Officers are bound by the Public Service Commission's Code of Conduct in the discharge of their duties. Additionally, GPS has a Police and Professional Standards Bureau which oversees the conduct of police officers.</p>

Domestic Cooperation	High	<p>Various agencies, including the GSA, NIB, Minerals Commission, GNASSM, EPA, Ministry of National Security, National Petroleum Authority (NPA), Fisheries Commission and GPS, collaborate to investigate and prosecute E&NR crimes, including ML/TF linked activities.</p> <p>The assessment revealed that there is collaboration between NIB and GRA to combat tax evasion and other tax crimes. GSA and GPS conducted an exercise that led to the seizure of several tonnes of substandard electrical products and the arrest of Chinese nationals involved in the illicit manufacturing and distribution of unapproved electrical cables and other products. Also, GSA, Ministry of National Security and NPA collaborate to investigate cases of fraud related to weighing/measuring instruments used for wood, cashew and cocoa trading, cheating, fuel adulteration and fuel pump adjustments in various parts of Ghana.</p>
Effective Use of Information	High	<p>Ghana utilises various monitoring and surveillance techniques, including aerial patrols and informant networks, to gather real-time intelligence on illegal activities in protected areas and natural resource sites. Specialized forensic techniques, such as chemical profiling are also employed to link seized samples to specific environmental and natural resource incidents. Geographic Information Systems (GIS) and remote sensing technologies are utilised to map the locations of environmental crimes, track the movement of illegal goods and analyse the relationships between criminal networks and specific natural resource sites. Generally, the assessment revealed that Ghana has a system for gathering, collating, analysing and sharing intelligence on E&NR crimes. However, most agencies do not maintain comprehensive databases and statistics that integrate information from various sources, including law enforcement reports, wildlife population surveys and activities to establish patterns and identify hotspots of criminal activity.</p> <p>Ghana engages in effective intelligence-sharing through collaboration among various government agencies, including wildlife authorities, forestry departments, customs, FIC and LEAs, to ensure comprehensive and coordinated responses.</p> <p>Despite agencies signing Memorandum of Understanding (MOUs) with similar international bodies/agencies, cases involving the use of MLA are minimal. Agencies in the value chain are trained but this needs to be enhanced. Additionally, the legal framework of some agencies needs to be reviewed to meet current trends and best practices and establish sanctions regime that is effective, dissuasive and proportionate to combat E&NR crimes.</p>

Public awareness and Private sector Involvement	High	<p>The findings of the assessment indicate that there are awareness campaigns by EPA, GSA, FDA and National Commission for Civic Education (NCCE), to promote public awareness and encourage reporting of environmental crimes. These institutions utilise various channels including the media, stakeholder workshops, engagements with trade unions and associations, the use of flyers and promotional materials and social media to educate the public. Additionally, local communities have reported cases of environmental crimes to LEAs, such as the instance where residents of McCarthy Hills reported the alleged environmental threats posed by a newly constructed cement factory in the area.</p> <p>The study also identified the involvement of local authorities and opinion leaders in the Ashanti, Western and Eastern regions of Ghana in the fight against environmental crimes, particularly illegal mining and deforestation. Additionally, private sector players engaged in the extractive industry, such as the GNASSM, file complaints on activities that lead to E&NR crimes.</p>
Incentives and Protection for Reporting	Medium	<p>The Whistleblowers Act, 2006 (Act 720) makes provision for the protection and incentives for informants to report crimes including E&NR. Additionally, the sector is regulated by many legal frameworks which provide for civil and administrative sanctions for various violations.</p>

CONCLUSION

The assessment classified mining and extraction crimes, forestry crimes, fisheries crimes, wildlife crimes, waste/pollution crimes and the proliferation of substandard products as the broad categories of E&NR crimes that exist in Ghana.

Some of the illegal activities identified under these crimes include illegal mining and trading in precious metals and minerals, illegal logging and trading of timber, illegal trade in wildlife, illegal, unreported and unregulated (IUU) fishing, dumping and illegal transport of waste and the illegal trade and manufacture of substandard products.

The assessment established that, wildlife crimes, fisheries crimes, mining and extraction crimes, waste/pollution crimes and the proliferation of substandard products posed threat due to their likelihood and potential impact. The assessment rated the overall threat of mining and extraction crimes and proliferation of substandard products as high with major impact on the environment and human health thus requiring immediate focus and ranked the overall threat of Waste and Pollution crimes as medium as it impacts on the environment and human health. The overall threats of fisheries and wildlife crimes were rated medium with moderate impact on the environment and human health. The overall threat of Forestry crimes was established as low with moderate impact on the environment and human health.

The overall vulnerability to E&NR crimes was rated as 0.8 indicating existence of high sector controls to lower E&NR crime in Ghana emphasising governments' commitment. Ghana has put in place measures to curb E&NR crime and its associated ML/TF risks. These include collaborative efforts between various agencies to demonstrate commitment, adequate legal resources and codes of conduct to guide competent authorities ensuring the integrity of their roles. Also, administrative penalties and sanctions have been imposed by the competent authorities to deter environmental crimes in the country. However, there is the need for comprehensive asset recovery and management systems, continuous awareness creation and reporting of environmental crimes to the relevant agencies including FIC.

RECOMMENDATIONS

To effectively combat E&NR crimes in Ghana and mitigate their adverse effects on the environment, economy, and society at large, the following key recommendations are proposed:

1. Enhance public awareness regarding the risks associated with ML/TF linked to E&NR sector. This initiative should aim at educating the public about the detrimental effect of such crimes and the importance of reporting any suspicious activities to FIC.
2. Establish whistleblower protection mechanisms to encourage individuals to report E&NR crimes without fear of reprisal.
3. Develop a comprehensive and efficient data management system and strengthen information-sharing mechanisms among stakeholders. This will further enhance collaboration and improve the effectiveness of investigations and intelligence gathering.
4. Review and update existing laws to address identified gaps in accordance with international standards and best practices with particular emphasis on sanctions to ensure they are proportionate, effective and dissuasive.
5. Encourage industry players to implement robust monitoring systems and risk assessment procedures to detect suspicious activities linked to ML/TF risks associated with environmental Crimes.
6. Provide specialized training and capacity building for competent authorities including regulatory bodies and LEAs. This should focus on identifying and mitigating sector-specific risks, as well as developing expertise in investigating and prosecuting related crimes.
7. Enhance international cooperation with global environmental crime-combating organizations to fight transnational environmental crimes effectively.
8. Enhance compliance with AML/CFT reporting obligations within the E&NR sector through regular monitoring.
9. Establish dedicated Environmental Crime units within LEAs to focus specifically on investigating and prosecuting environmental crimes.

ANNEXURES

Annex 1-References

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