



Criminal Investigations
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Illicit Gold from Peru and Colombia: Understanding the Trade, Routes, and U.S. Linkages

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Criminal Network Analysis

SUMMARY

The value of illegal gold exports from Peru and Colombia has overtaken the value of their cocaine exports. Investigators need a better understanding of the illegal gold trade and illicit pathway targeting information to disrupt illegal activity across borders and identifying linkages to the U.S. market. This project will provide information about legal, illicit, and illegal gold mining in the two countries, the trafficking of this gold to the U.S., and the mining companies, criminal groups, brokerages, and exporters who are associated with the trafficking.

PROBLEM STATEMENT

The environment is under increasing pressure from global economic dynamics and the ensuing ever-growing demand for goods around the world. In this context, environmental crimes, such as illegal gold mining, play a key role in environmental degradation, as they disregard any consideration for sustainable resource extraction. Concurrently, as global demand for gold continues to increase, gold smuggling, human trafficking, child labor, money laundering, and other associated crimes intensify accordingly. This research approaches the issue of illicit trade in gold from Colombia and Peru into the United States, and its links to illegal gold mining. The aim is to develop a set of methodologies which could be used to produce targeting information to help DHS disrupt this illegal activity across borders and identify linkages to the U.S. market.

APPROACH

This research analyzes bilateral trade data (2010-2021) between Colombia, Peru and the United States, in order to contribute to the understanding of the illegal trade in gold as well as cross-border illicit pathways. National-level data are reviewed to execute a partner-country discrepancy analysis and identify potential cases of mis-invoicing. These data were also used to analyze discrepancies between production and exports and identify potential cross-border smuggling.

Transaction-level data are used to develop novel methodologies to produce a set of indicators that identify potential irregularities that will contribute to the detection of crimes. Data analyses are complemented with 18 semi-structured expert interviews in both Colombia and Peru with members of the auriferous sector, the government, and academia.

ANTICIPATED IMPACT FOR DHS

This research develops a set of methodologies which could be used to produce targeting information to help the Department of Homeland Security (DHS) disrupt the illegal activity across borders and identify linkages to the U.S. market.