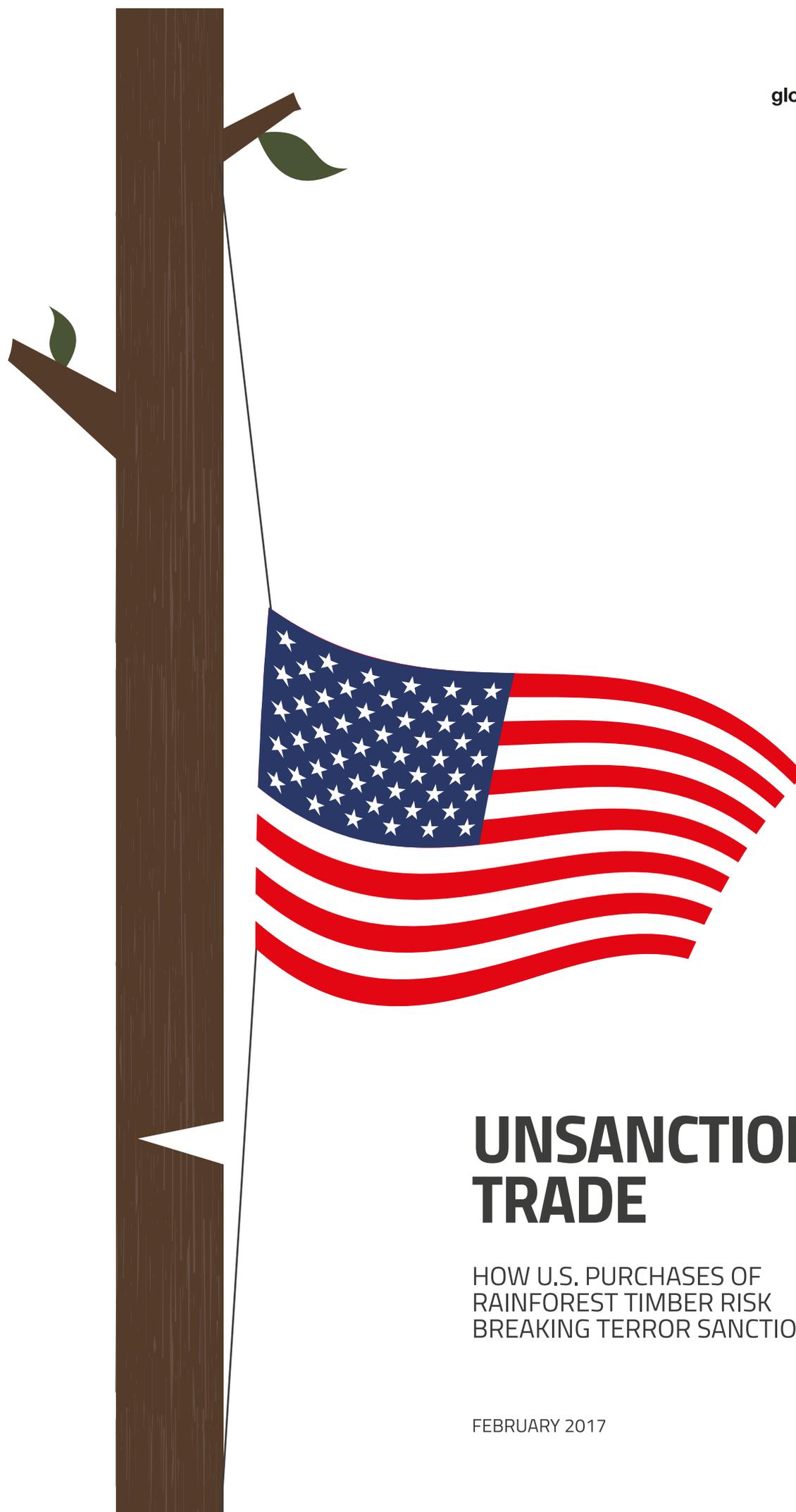




global witness



UNSANCTIONED TRADE

HOW U.S. PURCHASES OF
RAINFOREST TIMBER RISK
BREAKING TERROR SANCTIONS

FEBRUARY 2017

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EXECUTIVE SUMMARY

Below: A log abandoned in a Cotrefor logging concession, Equateur Province, DRC. ©Greenpeace

US consumers of luxury wood flooring, decking and furniture may be lining the pockets of individuals and companies that are subject to counter-terrorism sanctions.

According to figures compiled by Global Witness, US traders have imported over five and a half million dollars' worth of tropical timber from a logging company in the Democratic Republic of Congo (DRC) that appears to be controlled by known Hezbollah financiers named on a US Treasury sanctions list. Shipping records show that the company Cotrefor – which until 2011 was trading under the name Trans-M – ships hundreds of tonnes of luxury timber to the US each year.¹ The buyers include US timber merchants such as East Teak Fine Hardwoods and AHC Craig Imports. The timber has been imported mainly through the ports of Wilmington, Baltimore and Savannah.

Cotrefor has been accused of illegal logging activities in DRC, a country which contains two-thirds of the Congo Basin, the second largest remaining rainforest in the world after the Amazon.

According to numerous reports from independent forest observers and NGOs, the company is responsible for breaking a range of environmental, social and labour laws in the country,² allegations which have been refuted by Cotrefor.³ In 2016 Cotrefor was the biggest single exporter of DRC timber to international markets.⁴

This briefing, based on Global Witness' own research, explains how international timber traders are not only failing to detect illegal timber in their supply chains – in violation of US and EU laws governing the timber trade – but that through an apparent lack of basic due diligence they may be purchasing timber from companies linked to terrorist financing networks.

The logging company Trans-M was created by Ahmed Tajideen, boss and owner of the Congo Futur conglomerate.⁵ Congo Futur



US timber merchants may be recklessly violating both US terrorism sanctions and the US Lacey Act, which demands US importers exercise due care in their timber trading.

was sanctions-listed in 2010 by the US Treasury in an effort to crack down on the financial networks of the Lebanese Shi'a militant group and political party Hezbollah.⁶ Three members of Ahmed Tajideen's family have also been added to the terrorism sanctions list by the US Treasury, which has described them as Hezbollah fundraisers or financial contributors.⁷

In March 2012 Reuters reported that Congo Futur and Trans-M were both controlled by Ahmed Tajideen, who told the journalist "I am the majority shareholder of both companies. I created both companies independently of each other. My brothers have nothing to do with the companies".⁸

Just four months after the sanctions listing of Congo Futur, Trans-M changed its name to Cotrefor and Ahmed Tajideen was removed from its list of shareholders.⁹ It would appear that this was an attempt to mask the company's links to Congo Futur, which would have prevented it from continuing its lucrative trade with the US. However, there are compelling grounds to believe that the logging company is still controlled by Congo Futur and the Tajideen family. A report published by the Congolese Ministry of Trade in 2013 listed Cotrefor as a subsidiary of the Congo Futur group.¹⁰ Cotrefor's exports to the US and elsewhere are still largely handled by another Congo Futur subsidiary, Pacific Trading. Cotrefor has retained almost exactly the same international trading agents and clients as it had when trading under the name Trans-M, including in the US.

The evidence brought to light in this briefing poses serious questions about whether US timber merchants may be recklessly violating both US terrorism sanctions and the US Lacey Act, which demands US importers exercise due care in their timber trading. Cotrefor timber imports ought to raise red flags given Congo Futur's sanctions-listing and history of majority control of Cotrefor's logging concessions. US companies should review their sourcing practices, in the context of this new evidence, to ensure compliance with US laws. Relevant US authorities should investigate Cotrefor and its operations. EU-based timber agents trading in Cotrefor timber run the risk of dealing in illegal and high-risk timber, in breach of the EU Timber Regulation, and of facilitating the violation of US sanctions. EU authorities should work alongside their US counterparts to investigate and act against compliance failures.

This case seems to highlight an all-too-familiar theme of organised crime and terrorist organisations taking advantage of weak governance in resource-rich developing countries to enrich themselves. Bringing transparency to corporate ownership would make it that much harder for illicit business operations to continue. It is fundamental that companies be required to disclose publicly the

true identity of the people who own or control them (often called the ultimate 'beneficial owners'). The difficulty in ascertaining the beneficial owners of companies such as Trans-M / Cotrefor may be an important factor that enables actors such as the Tajideen family and Congo Futur to continue trading internationally. As an immediate step, traders in the US and EU should conduct robust due diligence into the beneficial owners of their business partners and suppliers to ensure against their facilitation of sanctions-busting or other legal violations.

RECOMMENDATIONS

TO US AND EU-BASED TIMBER TRADING COMPANIES NAMED IN THIS REPORT:

Undertake thorough due diligence, as required by law, to ensure they do not risk sourcing timber or derived products from logging companies allegedly linked to terrorist financing or that have been accused of illegal logging, in DRC or elsewhere in the Congo Basin. This includes robust due diligence on the ultimate beneficial owners of their business partners and suppliers.

TO THE US DEPARTMENT OF TREASURY:

Treasury's Office of Foreign Assets Control (OFAC) should issue guidance on whether trading in timber harvested by Cotrefor, or Trans-M as it was previously named, constitutes a breach of the current terrorist sanctions regime under Executive Order 13224 – Blocking property and prohibiting transactions with persons who commit, threaten to commit or support terrorism.

TO THE US FISH AND WILDLIFE SERVICE AND TO COMPETENT AUTHORITIES UNDER THE EU TIMBER REGULATION:

Investigate companies that are importing Cotrefor timber with a view to establishing whether they have imported illegal timber, and whether their systems for conducting due diligence / due care are legally compliant and have been effectively applied.

1 CONGO FUTUR, THE TAJIDEEN FAMILY AND THE LOGGING TRADE

Congo Futur is one of the biggest conglomerates currently active in DRC where it has been working since the late nineties.¹¹ The group has been involved in the logging trade since 2005.¹² The Lebanese-owned conglomerate built many of the most modern business and residential complexes on Kinshasa's skyline, including Crown Towers and Futur Towers.¹³ It is a major player in Kinshasa's staple foodstuffs market, handling hundreds of tonnes of food imports to DRC each month,¹⁴ and is active in the manufacturing sector, owning factories that produce plastic goods and processed foods.¹⁵ In 2013 an investigation was launched by the Congolese Ministry of Trade into the role of Lebanese and European businesses in inflating the price of imported food staples in Kinshasa. The official report showed that Congo Futur and other companies belonging to the Lebanese group Ovlas Trading controlled a significant proportion of DRC's foodstuffs market through a set of offshore companies in Lebanon – a set-up that held significant fiscal advantages.¹⁶

Congo Futur is managed and controlled by Ahmed Tajideen, a Lebanese businessman whose family held business interests in several African countries including the Gambia and Sierra Leone before carving out a niche in DRC.¹⁷ The family made headlines in 2010 when the US Treasury placed Ahmed Tajideen's brothers – as well as Congo Futur and several other companies linked to the Tajideen family – on its terrorism sanctions list.¹⁸

In 2005 Congo Futur branched out into the logging trade. It had created the company Trans-M in the late 1990s initially as a trucking firm,¹⁹ but in 2005 Trans-M was awarded three logging titles covering a total of almost 750,000 hectares of Congo Basin rainforest, an area larger than the US state of Delaware. The logging titles allowed Trans-M (later renamed as Cotrefor) to grow into a major exporter of tropical timber from DRC, one of the most fragile and conflict-prone states in the region.²⁰ The Congo Basin is the second-largest rainforest in the world after the Amazon,

but under severe threat from industrial logging, palm oil and other major drivers of deforestation.

Legal documents show that Ahmed Tajideen became the majority shareholder of Congo Futur in May 2009²¹ and that he was the largest single shareholder in Trans-M in 2008, owning 40% of the company.²²

CONGO'S RAINFOREST AND A LOGGING SECTOR OUT OF CONTROL

The Congo Basin is the second-largest rainforest in the world after the Amazon, and is often described as the planet's 'second lung'. Over half of this vital ecological resource is in DRC.²³ The livelihoods of an estimated 40 million people in DRC are linked to the country's forests.²⁴ The Congo Basin harbours extraordinary biodiversity including over 10,000 plant species, many of which are only found in the Congo, as well as animals such as African elephants, okapi and bonobos.²⁵

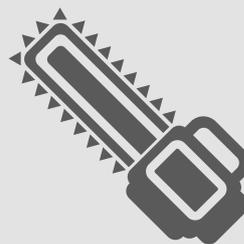
Currently 44 million hectares of the Congo Basin have been allocated as logging concessions,²⁶ an area larger than the US state of California. In DRC these logging operations are subject to scant legal oversight. A 2014 study of DRC's logging sector published by the Royal Institute for International Affairs found that "although nearly all industrial logging and export is licensed in some way, there is plentiful evidence of widespread and serious breaches of regulations in the production of much of this timber..... Forest law enforcement structures in the DRC are fundamentally flawed in all important respects: enforcement is under-resourced and badly coordinated, and infractions therefore rarely uncovered; and penalties applied are insufficient to dissuade illegal practices."²⁷

TIMELINE: CONGO FUTUR, TRANS-M AND COTREFOR



DECEMBER 1997

CONGO FUTUR SET UP BY AHMED TAJIDEEN.
TRANS-M WAS ALSO SET UP IN THE LATE NINETIES
BY AHMED TAJIDEEN



JULY 2005

TRANS-M GOES INTO THE LOGGING TRADE,
OBTAINING ITS FIRST FORESTRY CONCESSION IN DRC,
AND STARTS EXPORTING TIMBER INTERNATIONALLY



DECEMBER 2010

US TREASURY PLACES CONGO
FUTUR ON ITS COUNTER-
TERRORISM SANCTIONS LIST

2 TAJIDEEN BROTHERS AND CONGO FUTUR ADDED TO US TERRORISM SANCTIONS LIST

In 2009 and 2010 three members of the Tajideen family and Congo Futur were placed on the “specially designated global terrorism” list by the US Treasury, due to alleged links with Hezbollah financial networks. Hezbollah has been designated as a terrorist organisation by the US government,²⁸ while its military wing is listed by the EU on its terrorism list.²⁹

In 2009 Treasury designated Kassim Tajideen as a Specially Designated Global Terrorist (SDGT) due to his having “contributed tens of millions of dollars to Hizballah and (sent) funds to Hizballah through his brother, a Hizballah commander in Lebanon.”³⁰ Then in December 2010, his brothers Ali and Husayn Tajideen were added to the list, described by Treasury as “business partners of Kassim Tajideen, an important financial contributor to Hizballah”. Treasury stated that “Ali Tajideen is a former Hizballah commander in Hanouay, Tyre, Lebanon, and has provided cash to Hizballah, in tranches as large as US\$1 million... Husayn Tajideen is a primary Hizballah fundraiser.”³¹

Congo Futur was also listed by Treasury as a ‘cover company’ controlled by the Tajideen family and operating in the food and diamond trades. A number of companies linked to the family based in Lebanon or Africa were also listed, including Ovlas Trading and Tajco Ltd.³²

This was not the first time that the Tajideens had appeared on the radar of intelligence or law enforcement agencies. In 2003 Belgian police raided the Antwerp office of Kassim Tajideen’s company Soafrimex, acting on a tip-off that the company was involved in funding the Arab European League, an organisation that had been blamed for riots in Antwerp the previous year.³³ Although these charges were never substantiated, Belgian police nevertheless uncovered alleged “large-scale tax fraud, money laundering and trade in diamonds of doubtful origin, to the value of tens of millions of Euros” resulting in the arrest of

Congo Futur was listed by US Treasury as a ‘cover company’ controlled by the Tajideen family and operating in the food and diamond trades.

Kassim Tajideen and his wife. The Tajideens later left Belgium having been released on bail, and the case was not subsequently pursued.³⁴

In 2011, following the US Treasury sanctions declarations, four members of the family were arrested in Angola and banned from the country, due to what an Angolan official described as “their illegal status, and for money laundering and terrorism”.³⁵

In January 2016, the US Justice Department seized over \$1.2 million of funds held in US banks, funds that were allegedly connected to transactions between a US meat exporter and Kassim Tajideen’s supermarket chain in Angola. Kassim Tajideen came forward to claim the funds and challenge the seizure, denying that he was a supporter of Hezbollah and asserting that he and his companies were listed erroneously by OFAC.³⁶



APRIL 2011
TRANS-M STARTS THE
PROCESS OF CHANGING ITS
NAME TO COTREFOR

AUGUST 2012
FIRST TIMBER EXPORTS
MADE TO THE US UNDER
THE NAME COTREFOR

3 HAS CONGO FUTUR RETAINED ITS INTERESTS IN THE LOGGING SECTOR SINCE THE SANCTIONS LISTING?

In March 2012 a Reuters story exposed the fact that Congo Futur and Trans-M were both controlled by Ahmed Tajideen, who told Reuters: “I am the majority shareholder of both companies. I created both companies independently of each other. My brothers have nothing to do with the companies”.³⁷ Although Ahmed Tajideen himself was not placed on the US sanctions list, Congo Futur had already been listed by Treasury as one of several “cover companies in the food and diamond trades for Hizballah.”

Soon afterwards however, the logging company changed its name from Trans-M to Cotrefor, and started to deny that it was a subsidiary of Congo Futur.³⁸ Company documents seen by Global Witness show that Trans-M set about changing its name to Cotrefor just four months after the sanctions listing.³⁹ The export-oriented nature of the logging business meant that being controlled by sanctions-listed individuals or companies would have proved damaging — it would no longer have been able to trade with the US. Some of the shareholders of the company were also changed around this time, with Ahmed Tajideen divesting his 40% stake in Trans-M.

Global Witness has obtained documents identifying the new shareholders. The documents reveal that after Trans-M changed its name to Cotrefor, the majority stake passed to a person with no previous record of operating in the Congolese logging business, a man called Labib Hobballah.⁴⁰ According to registration

documents, Hobballah is from Batouliye in southern Lebanon, just 3 km from the Tajideens’ home village, Hanaway. In addition, Ahmed Tajideen’s old business associate and Trans-M shareholder, Ahmed Hotait, retained his stake of 25% in the company under its new guise.⁴¹ According to documents, Hotait is from Bablîe in southern Lebanon and based in Kinshasa.⁴²

Shipping documents seen by Global Witness reveal that Congo Futur-owned transport and shipping companies, which used to trade Trans-M timber, have continued to handle timber exports on Cotrefor’s behalf all over the world. Much of Cotrefor’s timber is shipped out of DRC by Pacific Trading – a company named in a DRC Trade Ministry document as a Congo Futur subsidiary.⁴³ Other exports have been handled by Global and Infinite Traders, also named as a Congo Futur subsidiary in the same document.

After the change of name, Cotrefor continued to work in the same logging concessions using the same permits and contracts that were issued to Trans-M by the Congolese government.⁴⁴ The company has remained in the same offices that were occupied by Trans-M — on the third floor of the Congo Futur building on the Boulevard 30 Juin in Kinshasa. Cotrefor has continued to use the same company registration number as that used by Trans-M.⁴⁵ In this light, there are compelling grounds to believe that Congo Futur, to all intents and purposes, continues to control Cotrefor just as it did Trans-M before it.

WHY MORE TRANSPARENCY AROUND COMPANY BENEFICIAL OWNERSHIP IS VITAL

Doing business with companies that are actually or allegedly linked to terrorist financing poses a legal, reputational and financial risk to US and EU businesses, a risk that can negatively impact the company’s value. To mitigate exposure to such risks, it is essential for timber traders to conduct robust due diligence into the true identity of the people who own or control (often called the ultimate ‘beneficial owners’) their business partners and suppliers. This is particularly important when conducting business in DRC’s timber sector, where the risk of corruption should be assumed to be high.

Often the most important information can be kept hidden. Anonymous companies can facilitate the financing of terrorist organisations. The difficulty in ascertaining the beneficial owners of companies such as Trans-M / Cotrefor may be an important factor that enables actors such as the Tajideen family and Congo

Futur to continue trading internationally following the imposition of US sanctions.

The public disclosure of beneficial ownership information would help all companies gain greater access to the information they need to assure themselves and their investors that they are responsible business actors.

At least two states, the UK and Ukraine, are creating public registries of beneficial ownership information on companies in their jurisdictions, while others such as Norway, France and the Netherlands are considering similar steps. DRC itself has made some steps towards more transparent company ownership – under the country’s Extractive Industry Transparency Initiative (EITI), mining and oil companies are encouraged to disclose their beneficial owners.

COTREFOR: ILLEGAL LOGGING AND THREATENING ENDANGERED SPECIES

Cotrefor has been accused of involvement in illegal logging and of breaking environmental, social and labour laws on numerous occasions. International timber trade laws like the US Lacey Act and the EU Timber Regulation prohibit the importation of illegal timber and impose obligations of due care or due diligence on timber traders to assess and mitigate risks of illegality. A range of breaches have been documented by DRC's officially-mandated Independent Forest Observer, by international NGOs such as Greenpeace and Global Witness as well as by Congolese NGOs.⁴⁶ These alleged breaches include:

- ▶ Operating logging concessions that were granted illegally, and in violation of a moratorium on the allocation of new concessions.
- ▶ Under-payment of forest surface taxes — calculated on the basis of the surface area of a company's concessions — by around 50%.
- ▶ Breaking labour laws and subjecting workers to inhuman conditions. For example workers were reportedly “sent to the forest for six days at a time in inhuman conditions, with only a tarpaulin to protect themselves from the rain, cold, snakes, mosquitos and other insects...(During this time) the company makes no adequate provision for workers' food, therefore making some of them resort to engage in poaching.”⁴⁷
- ▶ Cutting trees that are below diameter (i.e. not yet mature).
- ▶ Failure to fulfil social agreements signed between the company and local communities.

- ▶ Working with logging permits that were illegally issued after logging has already commenced.
- ▶ Harvesting more timber than permitted by its logging permits.

Cotrefor has publicly contested many of these allegations.⁴⁸

The company has also been accused of threatening rare species.⁴⁹ Cotrefor is a major supplier of Afrormosia (*Pericopsis Elata*) wood to international markets. Afrormosia is listed on Appendix II of the Convention on International Trade in Endangered Species (CITES), which means that exploitation is supposed to be limited by a quota. However, the processes for setting and monitoring such quotas in DRC have been shown to be deeply flawed.⁵⁰ CITES permits have also been used by companies as a way of laundering illegal timber for import into the European Union.⁵¹

One of the company's concessions borders the Lomako-Yokokala Faunal Reserve, an important conservation habitat for bonobos, a protected great ape species. Logging roads opened by Cotrefor in the area have reportedly increased the risk of poaching in and around the reserve.⁵²

Cotrefor has refuted allegations of threatening rare species, stating that they have respected government quotas in relation to the logging of endangered tree species, and that they have put in place anti-poaching measures in relation to the bonobo population in their logging concessions.⁵³

There are compelling grounds to believe that Congo Futur, to all intents and purposes, continues to control Cotrefor just as it did Trans-M before it.

4 TRANS-M / COTREFOR'S INTERNATIONAL TIMBER EXPORTS

Global Witness estimates that this logging company, whether trading as Trans-M or Cotrefor, has exported over five and a half million dollars' worth of high value tropical timber to the US since December 2010, the date when anti-terrorism sanctions were placed on Congo Futur. Given the compelling grounds to believe that Congo Futur controls the company, there is a high risk that the companies involved in this trade, including US trading partners, are in breach of the US sanctions regime or, at the very least, the spirit of the regime.

Much of this timber was exported to the US with Trans-M or Cotrefor explicitly named on the shipping records (see Annex for a list of these shipments).

Global Witness believes that in addition to shipments where Trans-M or Cotrefor are explicitly named, many of its timber exports are handled by third party timber agents without the logging company itself being listed on the shipping documents. One such agent is the UK-based NHG Timber. Documents seen by Global Witness show that NHG Timber has marketed Cotrefor / Trans-M timber to a wide range of clients internationally, including in the Middle East, the UK and the US.⁵⁴ There is no evidence to suggest that NHG Timber have knowingly conspired or colluded to evade US sanctions.

On this basis Global Witness has estimated that since the 2010 sanctions listing, 3,498 tonnes of Trans-M / Cotrefor timber has been shipped to the US.⁵⁵ This timber could have cost US companies over US\$ 5,500,000 in total.⁵⁶

Logs ready to be transported down the Congo River
©Global Witness

Two of the biggest US importers of Cotrefor timber have been East Teak Fine Hardwoods and AHC Craig Imports. East Teak Fine Hardwoods based in South Carolina had a turnover of \$17.5 million in 2015 and specialises in hardwood flooring, architectural mouldings, plywood, decking and ship timbers.⁵⁷ AHC Craig Imports based in Huntersville, North Carolina has been importing quality tropical lumber since 1977, and is part of the Atlanta Hardwood Corporation.⁵⁸ These companies offer several species of tropical lumber for sale that are commonly found in DRC, including Afrormosia, Sapelli, Wenge and Iroko. Global Witness contacted US companies for which it had records of imports of Cotrefor timber, sourced directly or via agents like UK-based NHG Timber, concerning the due diligence they had undertaken relating to their purchases and their intentions with respect to future purchasing of timber harvested by the company. Only one company, Hardwoods Import Lumber Division (also known as Olam Wood Products), responded: "We have in the past purchased inventory from a third-party representative where Cotrefor was the supplying company. We can advise you that we have no future orders on our books today with this third-party agent with supply from the company Cotrefor, furthermore in an abundance of caution, until there is clarity from the Department of Treasury, our intention is not to add any new orders".⁵⁹

In addition, Cotrefor ships widely to the EU and Asia, generating major revenue streams. Global Witness estimates that since the beginning of 2013 Cotrefor's total global timber exports have been worth over US\$ 58 million.



In addition to UK-based timber trader NHG Timber, Cotrefor has a number of important EU buyers, namely **ABEX** and **Angot Bois** in France, **Brooks Bros*** in the UK and **Exott** in Belgium. There is no suggestion that these importers have knowingly broken any trade sanctions in relation to Cotrefor. These companies are obliged to comply with the EU Timber Regulation, which prohibits the placing of illegal timber on the EU market and imposes an obligation of due diligence – assessing and mitigating risks of illegality – on importers.

*Since publication Brooks Bros have contacted us and provided evidence that the company took the decision in 2014 to cease sourcing from Cotrefor. The last shipment they received from Cotrefor was on the 20th of January 2015.

CONCLUSION

The continuing trade in valuable Congolese timber between Cotrefor and the US and EU suggests that many timber traders are not looking into who owns their suppliers, nor their track record in respecting the laws of the countries where they operate. Evidence suggesting that Cotrefor is historically connected to sanctions-listed companies and individuals is publicly available, along with numerous reports of Cotrefor breaking laws created to protect DRC's forests and the communities that live there. Effective due diligence

efforts by US and EU traders in respect of their supply chains should have raised a number of red flags.

Timber traders clearly need to review their sourcing practices, and relevant US authorities should investigate links between Cotrefor and sanctions-listed entities. Authorities in the EU and the US who are responsible for enforcing the EU Timber Regulation and the Lacey Act should look into whether companies named in this report have failed to comply with legislation prohibiting the importation of illegally harvested timber.

At the same time there is a broader need for more transparency around the ownership and control of companies. Secrecy allows organised crime and terrorist organisations to take advantage of weak governance in resource-rich developing countries and to enrich themselves by trading internationally. Mandatory public disclosure of beneficial ownership information would help traders to access the information they need to check that their suppliers are responsible business actors, and would make it harder for sanctions-listed individuals to continue profiting from international markets.



ANNEX:

Examples of exports to the US since December 2010 (the date when Congo Futur was listed) where Trans-M or Cotrefor are named on shipping documents

DATE	TIMBER SPECIES	WEIGHT (KG)	RECIPIENT	PORT OF DISCHARGE
10 August 2016	Afrormosia	22,867	East Teak Fine Hardwoods Inc., 1106 Drake Road, Donalds, SC 29638	Savannah
10 November 2015	Sipo	37,445	John S. Connor Inc., 799 Cromwell Park Drive, Suite A-G; Glen Burnie, MD 21061	Baltimore
8 November 2015	Padouk	19,025	Unspecified	Charleston
2 November 2015	Acajou	20,698	Thomson Mahogany Company, 7400 Edmund Street, Philadelphia, PA19136	Newark
27 October 2015	Acajou	20,321	John S. Connor Inc., 799 Cromwell Park Drive, Suite A-G; Glen Burnie, MD 21061	Baltimore
22 October 2015	Afrormosia	23,547	Thomson Mahogany Company, 7400 Edmund Street, Philadelphia, PA19136	Newark
16 October 2015	Afrormosia	21,911	East Teak Fine Hardwoods Inc., 1106 Drake Road, Donalds, SC 29638	Savannah
29 September 2015	Afrormosia	47,881	John S. Connor Inc., 799 Cromwell Park Drive, Suite A-G; Glen Burnie, MD 21061	Baltimore
28 August 2015	Afrormosia	21,738	East Teak Fine Hardwoods Inc., 1106 Drake Road, Donalds, SC 29638	Savannah
9 July 2015	Khaya	21,154	Inter-Continental Hardwoods LLC, 6841 Malpass Corner Rd, Currie, NC 28435	Wilmington
7 July 2015	Khaya	21,224	John S. Connor Inc., 799 Cromwell Park Drive, Suite A-G; Glen Burnie, MD 21061	Baltimore
2 July 2015	Afrormosia	22,519	Inter-Continental Hardwoods LLC, 6841 Malpass Corner Rd, Currie, NC 28435	Wilmington
27 April 2015	Sapelli	20,394	Inter-Continental Hardwoods LLC, 6841 Malpass Corner Rd, Currie, NC 28435	Wilmington
10 April 2015	Khaya	37,156	Huntersville Hardwoods Inc., DBA AHC Craig Imports Inc., PO Box 666, Huntersville, NC 28070	Savannah
6 April 2015	Ajacou	18,043	Huntersville Hardwoods Inc., DBA AHC Craig Imports Inc., PO Box 666, Huntersville, NC 28070	Savannah
20 March 2015	Afrormosia	44,634.8	East Teak Fine Hardwoods Inc., 1106 Drake Road, Donalds, SC 29638	Savannah
10 March 2015	Afrormosia	22,486.8	Northwest Hardwoods Inc., 820 A Street Suite 500, Tacoma, WA 98402	Wilmington
6 February 2015	Afrormosia	22,507.7	Huntersville Hardwoods Inc., DBA AHC Craig Imports Inc., PO Box 666, Huntersville, NC 28070	Savannah
29 January 2015	Sipo	21,829.6	Northwest Hardwoods Inc., 820 A Street Suite 500, Tacoma, WA 98402	Houston
15 September 2014	Sipo	18,022.6	Northwest Hardwoods Inc., 820 A Street Suite 500, Tacoma, WA 98402	Wilmington

23 July 2014	Iroko	47,432.6	Northwest Hardwoods Inc., 820 A Street Suite 500, Tacoma, WA 98402	Los Angeles
21 May 2014	Sapelli	21,679	Inter-Continental Hardwoods LLC, 6841 Malpass Corner Rd, Currie, NC 28435	Miami
3 May 2014	Sapelli	20,517.8	Northwest Hardwoods Inc., 820 A Street Suite 500, Tacoma, WA 98402	Miami
24 February 2014	Sapelli	20,506.9	East Teak Fine Hardwoods Inc., 1106 Drake Road, Donalds, SC 29638	Seattle
15 April 2013	Sipo & Ajacou	76,220.8	John S. Connor Inc., 799 Cromwell Park Drive, Suite A-G; Glen Burnie, MD 21061	Baltimore
11 April 2013	Afrormosia	43,475.9	Olam Wood Products, (also known as Hardwoods Import Lumber Division), 9100-1 Lackey Road, Leland, North Carolina 28451	Savannah
21 March 2013	Sapelli	22,199.7	East Teak Fine Hardwoods Inc., 1106 Drake Road, Donalds, SC 29638	Savannah
10 March 2013	Sapelli	21,738.9	East Teak Fine Hardwoods Inc., 1106 Drake Road, Donalds, SC 29638	Newark
19 February 2013	Sipo	39,772.8	John S. Connor Inc., 799 Cromwell Park Drive, Suite A-G; Glen Burnie, MD 21061	Baltimore
10 February 2013	Sapelli	43,190.6	Appalachian Hardwood Lumber Co., 5433 Perkins Road, Bedford Heights, OH 44146	Newark
10 January 2013	Sapelli	42,814.6	Huntersville Hardwoods Inc., DBA AHC Craig Imports Inc., PO Box 666, Huntersville, NC 28070	Savannah
13 November 2012	Sipo	21,510.7	John S. Connor Inc., 799 Cromwell Park Drive, Suite A-G; Glen Burnie, MD 21061	Baltimore
1 November 2012	Sipo & Afrormosia	65,484.9	J. Gibson McIlvain Company, 10701 Philadelphia Road, White Marsh, Maryland 21162	Baltimore
1 November 2012	Sapelli	21,431.8	East Teak Fine Hardwoods Inc., 1106 Drake Road, Donalds, SC 29638	Seattle
1 November 2012	Ajacou	39632.6	Appalachian Hardwood Lumber Co., 5433 Perkins Road, Bedford Heights, OH 44146	Norfolk
28 October 2012	Ajacou	19,788.9	Appalachian Hardwood Lumber Co., 5433 Perkins Road, Bedford Heights, OH 44146	Newark
14 August 2012	Sapelli	25,468	Unspecified	Charleston
15 December 2011	Afrormosia	21,483.9	East Teak Fine Hardwoods Inc., 1106 Drake Road, Donalds, SC 29638	Savannah
15 December 2011	Afrormosia	28,514.6	Dean Hardwoods, PO Box 1595, Wilmington, NC 28402 ⁶⁰	Savannah
19 December 2011	Ajacou	19,767.6	Appalachian Hardwood Lumber Co., 5433 Perkins Road, Bedford Heights, OH 44146	Newark
21 November 2011	Ajacou	19,752.6	Appalachian Hardwood Lumber Co., 5433 Perkins Road, Bedford Heights, OH 44146	Newark
13 October 2011	Afrormosia	21,464	East Teak Fine Hardwoods Inc., 1106 Drake Road, Donalds, SC 29638	Savannah
31 May 2011	Ajacou	18,410	John S. Connor Inc., 799 Cromwell Park Drive, Suite A-G; Glen Burnie, MD 21061	Baltimore
10 April 2011	Afrormosia	23,180.8	Huntersville Hardwoods Inc., DBA AHC Craig Imports Inc., PO Box 666, Huntersville, NC 28070	Savannah

NOTES

- 1 Data on imports to the US is available publicly through websites such as www.panjiva.com.
- 2 See Greenpeace, Trading in Chaos, 2015, www.greenpeace.org/africa/Global/africa/publications/forests/2015/Trading_In_Chaos.pdf; Global Witness, The Cut Price Sale of DRC's Forests, 2013, www.globalwitness.org/reports/cut-price-sale-drcs-forests; Observation de la Gouvernance Forestière, 2015, Rapport de Mission de Terrain no 2, www.ogrdc.cd/wp-content/uploads/2015/02/Rapport_OIFLEG_-_Mission-Equateur-Sud.pdf (accessed 11 February 2016).
- 3 See the company's response to Greenpeace's report Trading in Chaos, www.medd.gouv.cd/v2/index.php/mecnt3/textes-legaux/category/501-cotrefort (accessed 11 February 2016).
- 4 See trade data published by Global Witness at <http://drctimbertracker.globalwitness.org>
- 5 Journal Officiel de la RDC. Deuxième partie – numéro 4, 15 février 2012. Col 36-37. Ministère de l'Economie et Commerce de la RDC, Audit des prix et du commerce triangulaire, Rapport phase 2, p110; Reuters, Congo Under Scrutiny Over Hezbollah Business Links, 16 March 2012, www.reuters.com/article/2012/03/16/us-congo-democratic-hezbollah-idUSBRE82F0TT20120316 (accessed 11 February 2016).
- 6 Treasury Targets Hizballah Financial Network, 9 December 2010, www.treasury.gov/press-center/press-releases/Pages/tg997.aspx (accessed 11 February 2016).
- 7 Treasury Targets Hizballah Network in Africa, 27 May 2009, www.treasury.gov/press-center/press-releases/Pages/tg149.aspx; Treasury Targets Hizballah Financial Network, 9 December 2010, www.treasury.gov/press-center/press-releases/Pages/tg997.aspx (accessed 11 February 2016).
- 8 Reuters, Congo Under Scrutiny Over Hezbollah Business Links, 16 March 2012, www.reuters.com/article/2012/03/16/us-congo-democratic-hezbollah-idUSBRE82F0TT20120316
- 9 See section 3 of this briefing: "Has Congo Futur retained its interests in the logging sector since the sanctions listing?"
- 10 Ministère de l'Economie et Commerce de la RDC, Audit des prix et du commerce triangulaire, Rapport phase 2, p108
- 11 Wikileaks cable, Local Importer Suspected of Criminality, <https://wikileaks.org/cable/2000/12/00KINSHASA8363.html> (accessed 11 February 2016). Greenpeace, Carving up the Congo, 2007, p34.
- 12 2005 is the date when Trans-M signed its first logging contracts in DRC.
- 13 Ministère de l'Economie et de Commerce de la RDC, Audit des prix et du Commerce Triangulaire, p109.
- 14 Ministère de l'Economie et de Commerce de la RDC, Audit des prix et du Commerce Triangulaire, passim.
- 15 Le Potentiel, Congo Futur dans le collimateur des Etats-Unis suspectant ce groupe économique de blanchiment des capitaux et financement du terrorisme, 18 December 2010, <http://digitalcongo.net/article/72475> (accessed 11 February 2016).
- 16 Ministère de l'Economie et de Commerce de la RDC, Audit des prix et du Commerce Triangulaire, p108-117.
- 17 Businesses in the Gambia and Sierra Leone (Tajco and Kairaba Supermarket), controlled by members of the Tajideen family, were amongst those listed by Treasury in 2010. Members of the family, including Kassim and Ahmed Tajideen have Sierra Leonean as well as Lebanese nationality. Levitt, M. (2013), Hezbollah: The Global Footprint of Lebanon's Party of God, p257.
- 18 Le Potentiel, Congo Futur dans le collimateur des Etats-Unis suspectant ce groupe économique de blanchiment des capitaux et financement du terrorisme, 18 December 2010, <http://digitalcongo.net/article/72475>.
- 19 A leaked cable from the US Embassy in Kinshasa summarising an interview it held with Ahmed Tajideen in 2000 stated that "The company [Congo Futur] responded to the unreliability of transportation from Matadi to Kinshasa by establishing its own trucking firm, Trans M, and now owns 60 trucks". <https://wikileaks.org/cable/2000/12/00KINSHASA8363.html>.
- 20 See Global Witness' DRC Timber Tracker <http://drctimbertracker.globalwitness.org>.
- 21 Journal Officiel de la RDC. Deuxième partie – numéro 4, 15 février 2012. Col 36-37. Ministère de l'Economie et Commerce de la RDC, Audit des prix et du commerce triangulaire, Rapport phase 2, p108.
- 22 Ministère de l'Economie et Commerce de la RDC, Audit des prix et du commerce triangulaire, Rapport phase 2, p110.
- 23 World Bank, 2013, Deforestation Trends in the Congo Basin, p2. www.profor.info/sites/profor.info/files/docs/Deforestation%20in%20Congo%20Basin_full%20report_feb13.pdf (accessed 16 June 2016).
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- 29 Council decision (CFSP) 2015/2430 of 21 December 2015 updating the list of persons, groups and entities subject to Articles 2, 3 and 4 of Common Position 2001/931/CFSP on the application of specific measures to combat terrorism <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015D2430&qid=1457362568874&from=EN> (accessed 16 June 2016).
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- 31 Treasury Targets Hizballah Financial Network, 9 December 2010, www.treasury.gov/press-center/press-releases/Pages/tg997.aspx.
- 32 Treasury Targets Hizballah Financial Network, 9 December 2010, www.treasury.gov/press-center/press-releases/Pages/tg997.aspx.
- 33 Diamonds.Net, 11 September 2003, Investigators Raid Lebanese Dealers In Antwerp, www.diamonds.net/News/NewsItem.aspx?ArticleID=8528 (accessed 11 February 2016).
- 34 Levitt, M., Hezbollah: The Global Footprint of Lebanon's Party of God, 2013, p257; NOW Lebanon, Out of Africa, 30 September 2011, https://now.mmedia.me/lb/en/reports/features/out_of_africa (accessed 11 February 2016).
- 35 NOW Lebanon, Out of Africa, 30 September 2011, https://now.mmedia.me/lb/en/reports/features/out_of_africa.
- 36 100 Reporters, Via US Accounts, Feds Pursue Hezbollah's Alleged African Cash, 29 January 2016. <https://100r.org/2016/01/via-accounts-feds-pursue-hezbollahs-alleged-african-cash> (accessed 11 April 2016).
- 37 Reuters, Congo under scrutiny over Hezbollah business links, 16 March 2012, www.reuters.com/article/2012/03/16/us-congo-democratic-hezbollah-idUSBRE82F0TT20120316.
- 38 Interview with Cotrefor personnel by Global Witness, Kinkole sawmill, DRC. July 2013. Obtained by Global Witness.
- 39 Cotrefor supplies a "legality dossier" to its clients in the EU, listing documents that can be provided to prove that its timber is harvested legally in order to conform with the EU Timber Regulation. This list includes reference to minutes of the company General Assembly relating to "the creation of the company Trans-M" in 1998 and the "change of the company's name" in April 2011.
- 40 Cotrefor company registration documents, 2013.
- 41 Ministère de l'Economie et de Commerce de la RDC, Audit des prix et du Commerce Triangulaire, Rapport phase 2, p110 & 118. See also the timber industry's website on timber legality in DRC: <http://www.rbue-rdc.com/index.php/entreprise/cotrefor> (accessed 11 February 2016).
- 42 Cotrefor company registration documents, 2013.
- 43 Pacific Trading is named as part of the Congo Futur Group in Ministère de l'Economie et de Commerce de la RDC, Audit des prix et du Commerce Triangulaire, Rapport phase 2. Pacific Trading's handling of Trans-M and Cotrefor timber is shown on the online trade database www.panjiva.com, as well as on dozens of shipping documents seen by Global Witness.
- 44 The DRC's Ministry of Environment and Sustainable Development publishes the contracts, management plans and social agreements for most of the logging concessions in the country. Those documents published in relation to Cotrefor's logging concessions are in fact Trans-M documents. See: www.medd.gouv.cd/v2/index.php/mecnt3/textes-legaux/category/17-contrat-de-concession (accessed 11 February 2016).
- 45 Both Trans-M and Cotrefor operated under the company registration number NRC 45091.
- 46 See Greenpeace, Trading in Chaos, 2015, www.greenpeace.org/africa/Global/africa/publications/forests/2015/Trading_In_Chaos.pdf; Global Witness, The Cut Price Sale of DRC's Forests, 2013, www.globalwitness.org/reports/cut-price-sale-drcs-forests; Observatoire de la Gouvernance Forestière, 2015, Rapport de Mission de Terrain no 2, www.ogrdc.cd/wp-content/uploads/2015/02/Rapport_OIFLEG_-_Mission-Equateur-Sud.pdf. The Congolese NGO Groupe d'Action pour Sauver l'Homme et l'Environnement (GASHE), has also documented apparent over-harvesting and other illegalities in Cotrefor concessions.
- 47 Greenpeace, Trading in Chaos, 2015, p8.
- 48 See the company's response to Greenpeace's report Trading in Chaos. www.medd.gouv.cd/v2/index.php/mecnt3/textes-legaux/category/501-cotrefort.
- 49 Greenpeace, Trading in Chaos, 2015, p4-5
- 50 Center for International Environmental Law, Blogpost: CITES Authorized Trade in DRC Timber Continues at Unsustainable Levels, www.ciel.org/cites-authorized-trade-in-drc-timber-continues-at-unsustainable-levels (accessed 11 February 2016).
- 51 Greenpeace, Blog: EU timber rules face early test, 11 April 2013, www.greenpeace.org/international/en/news/Blogs/makingwaves/eus-new-timber-laws-face-early-test/blog/44708 (accessed 11 February 2016).
- 52 Greenpeace, Trading in Chaos, 2015, p8.
- 53 See the company's response to Greenpeace's report Trading in Chaos. www.medd.gouv.cd/v2/index.php/mecnt3/textes-legaux/category/501-cotrefort
- 54 www.nhgtimer.co.uk. Documents seen by Global Witness show that NHG Timber acts as an agent for Cotrefor.
- 55 This calculation has been made using the online trade database www.panjiva.com.
- 56 This is based on timber prices used on the UN Food and Agriculture Organisation's trade database FAO Stat.
- 57 www.eastteak.com. Figures on turnover are featured on the Orbis company database: <https://orbis.bvdinfo.com>.
- 58 <http://www.hardwoodweb.com/html/HWWContactUs.html>.
- 59 Email, Hardwoods Import Lumber Division to Global Witness, 23 November 2016.
- 60 Dean Hardwoods apparently ceased operations in 2012: <http://www.starnewsonline.com/news/20120716/leland-flooring-company-dean-hardwoods-closes> (accessed 8 December 2016)



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