



Center for a Secure Free Society Global Dispatch



Suriname: The New Paradigm of a Criminalized State



by Douglas Farah and Kathryn Babineau

PARAMARIBO, Suriname—An isolated country on the Caribbean coast of South America, Suriname, has long been identified as an ideal “transit zone” for narco-traffickers and other nefarious actors. Its weak borders and corrupt government allows for ease of unsupervised entry and egress. Recently, the use of gold to accommodate the flow of illicit funds and to launder money has become an attractive vehicle for transnational organized crime (TOC) groups and some terrorist organizations. The nature of the gold market readily allows actors to convert bullion into exchangeable assets.

The Dispatch examines how the government of Desi Bouterse has become a vertically integrated criminal structure, benefiting in TOC and embedding criminals in state organs. It also looks at the Bouterse government’s involvement in the gold trade. Covering up illegal transactions and serving as a safe-space for TOC, Suriname has become the perfect paradigm of a criminalized state.

What is a Criminalized State?

A “criminalized state” is identified as one in which the state’s “senior leadership is aware of and involved – either actively or through passive acquiescence – on behalf of the state, in transnational criminal enterprises, where TOC is

used as an instrument of statecraft, and where levers of state power are incorporated into the operational structure of one or more TOC groups.¹

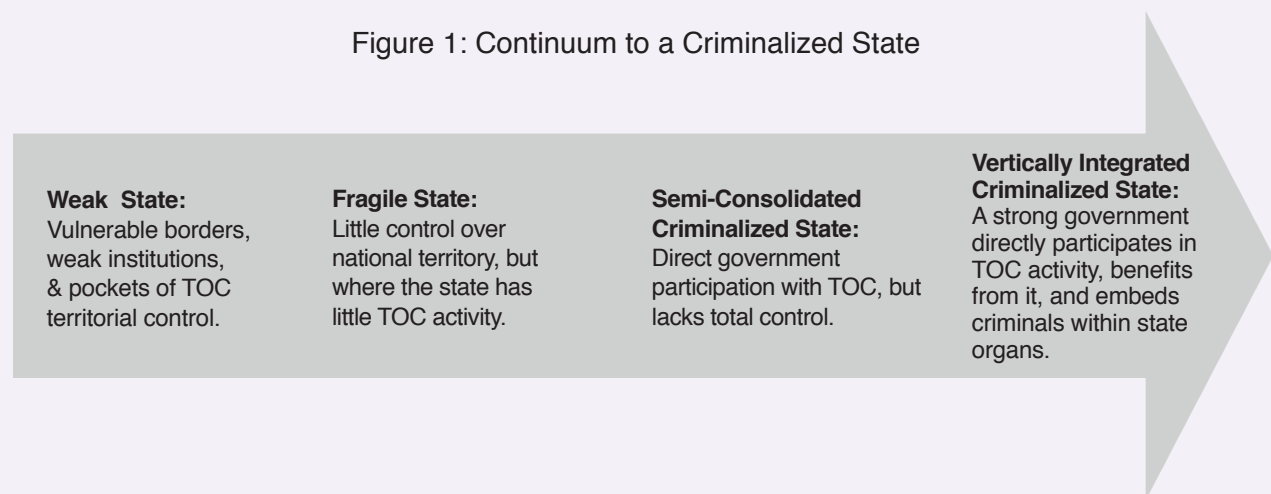
In this paper, we compare two variations of this phenomenon: (1) semi-consolidated, where the state is involved in TOC activity as a matter of policy but does not have a monopoly on such activities; and (2) vertically integrated structures, where the state both uses TOC and has a virtual monopoly over its activities, via its status as gatekeeper to those operating in the state’s geographic space.

A Model Criminalized State

In March 2015, Director of National Intelligence James R. Clapper testified before Congress that in Russia “the nexus among organized crime, state actors and business blurs the distinction between state policy and private gain.”² This useful definition also applies to the semi-consolidated criminalized state structures of the Bolivarian bloc in Latin America – specifically Venezuela, Ecuador, Bolivia, El Salvador and Nicaragua.³

While Venezuela is often viewed as the region’s most criminalized state—where more than a dozen senior officials face financial sanction or criminal indictments outside their home country—a more consolidated and durable criminalized state model has emerged in the region, one which is little studied or understood.⁴ Tucked along South America’s northernmost coast the tiny, isolated nation of Suriname has

Figure 1: Continuum to a Criminalized State

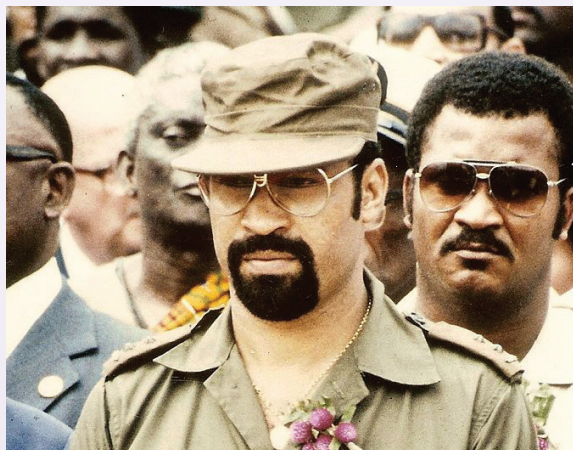


emerged as the new model of how TOC groups and a state can fuse in a symbiotic relationship to the point of being indistinguishable.

Arguably, the state of Suriname, led by President Desi Bouterse, a convicted drug trafficker, is the paradigm of a fully criminalized state: the state has become a vertically integrated criminal enterprise, operating in equal partnership with TOC groups.⁵

Bouterse's Suriname: A Brief History

President Desi Bouterse began his career in the Surinamese army in the 1970s. Following a military coup in 1980 of which he was a key architect, Bouterse, then a corporal, promoted himself to lieutenant colonel and seized total control of the government in August 1981, with members of a coalition known as the Revolutionary Front.⁶ From that point until 1987, Bouterse remained the de-facto head of state of Suriname.⁷



Although no longer head of state, he remained a top military leader after the restoration of democracy in 1987 and figured prominently in a second coup in 1990 before its 1991 dismantlement.⁸ Already enmeshed in government institutions, Bouterse spent much of the 1990s building a major international trafficking empire, sometimes called the Suri Cartel, whose

operations centered on exchanging weapons for cocaine with the FARC, using Brazilian gangs as intermediaries.⁹

In 1999 Bouterse was convicted in absentia in Amsterdam of trafficking 474 kilos of cocaine to Holland and sentenced to 16 years in prison.¹⁰ By then he had converted drug trafficking into something of a family business. His eldest son Dino was given a diplomatic post in Brazil in the late 1990s, but was expelled by the Brazilian government for using the diplomatic pouch for cocaine trafficking.¹¹ Bouterse faded from the national limelight for much of the first decade of the 21st century. Yet when Bouterse, seemingly anxious to avoid the prospect of facing murder charges from his previous incarnations in power, ran for president in 2010 with strong support from Hugo Chávez, he won a plurality of the vote (40 percent). He successfully negotiated with other parties in the unicameral National Assembly to emerge as president on July 19, 2010¹² and then won reelection in 2015.¹³

Following his 2010 election, the president named his son Dino to lead the government's elite Counter-Terrorism Unit, even though Dino had previously been convicted of arms and cocaine trafficking.¹⁴ Part of Dino's job as head of Counter-Terrorism was to act as the intermediary between his father's government and different criminal and terrorist groups, which use Suriname as a hub for illicit activities.

In 2013, in exchange for the promise of \$2 million, Dino provided diplomatic passports to informants of the Drug Enforcement Administration (DEA) posing as members of Hezbollah, and offered to provide them cocaine, weapons and possible safe houses. Dino flew to Panama to finalize several deals with those he assumed represented Hezbollah, after providing the informants with multi-kilo samples of cocaine HCL and showing them sophisticated weaponry they could acquire. Dino was arrested in Panama and sent to the United States, where he eventually pled guilty to various drug trafficking charges. On March 10, 2015, he was sentenced to 16 years in prison.¹⁵

Why Suriname?

Suriname is one of the most geographically and culturally isolated countries in the hemisphere, connected by tenuous air bridges to neighboring Guyana, northern Brazil and the Dutch Caribbean. As a former Dutch colony, the official language is Dutch, making it linguistically remote for most seeking to do business in the jungle-covered nation of some 548,000 inhabitants. However, its position on the northern tip of South America makes an ideal “transit zone for South American cocaine in route to Europe, Africa, and, to a lesser extent, the United States,” according to a 2016 State Department report. “Suriname’s sparsely populated coastal region and isolated jungle interior, together with weak border controls and infrastructure, make narcotics detection and interdiction efforts difficult.”¹⁶

The same report further noted that criminalization had reached the highest levels of government, stating:¹⁷

“Corruption pervades many government offices in Suriname...and criminal investigations of alleged corrupt acts are rare and prosecutions even rarer. President Desi Bouterse and Member of Parliament Ronnie Brunswijk have been convicted of drug trafficking in absentia

in separate court cases in the Netherlands and France. Dino Bouterse, son of President Desire Bouterse, was sentenced in March 2015 to prison in New York for drug smuggling and other crimes.”

In looking at Suriname and the Bouterse government, it is possible to identify specific albeit unusual characteristics that push the nation toward the highly criminalized end of the spectrum, rather than the semi-consolidated criminalized classification where other members of the Bolivarian alliance generally fall.

Bouterse’s principal comparative advantage in the world of illicit economies is in the government’s ability to provide stability and security to multiple criminal groups, which operate under his protection and for mutual profit. The following four advantages help make Suriname an attractive base of operations for criminal and terrorist organizations:

1. Suriname is geographically very small, with more than half the population living in the capital city of Paramaribo. Beyond the main port and airport, the country’s jungle hinterland is relatively inaccessible and devoid of significant population concentrations. Due to the remoteness of most of the border crossings and the dearth of goods that cross legally, the crossings are not economically valuable as a source of government revenue. The president is the leader of a mid-size U.S. city, with a population, political and judicial structures, and geographic space far easier to control than most countries.

2. Bouterse has long-standing trust-based relationships with multiple criminal and terrorist actors, including the Revolutionary Armed Forces of Colombia (FARC),¹⁸ Brazilian gangs and international drug trafficking networks moving cocaine to Europe. These relationships have allowed him to serve as shadow



facilitator,¹⁹ dealing with multiple illicit groups handling multiple products, including gold, as will be discussed later.

3. Since Bouterse's return to power, Suriname has strongly allied itself with a broader bloc of nations in the Bolivarian alliance. This unconditional acceptance of and support for the Chávez agenda has allowed Bouterse to mitigate Suriname's linguistic and cultural isolation to an important degree.

4. Bouterse provides multiple avenues for the political, economic and military elites to access a share of the revenues generated by the state's partnership with TOC groups. For example, cocaine traffic generates some revenues to those overseeing the scant airport and port infrastructure and border protection. Furthermore, the diversification into the illicit gold trade allows numerous new sectors of the elite to gain access to large revenue streams.

In contrast to Suriname, other semi-consolidated criminalized states in Latin America must contend with broader geographic expanses usually encompassing diverse regions. They must also control borders that generate tax revenues, illicit income streams and competing local and national interest groups vying for control of those resources.

It is also far more difficult and costly to establish a state presence and control when the criminal activities the state is seeking to control are spread out among multiple population centers with an abundance of illicit pathways. This does not mean the states are not highly criminalized; it does mean there are large cracks or seams in state control that allow some TOC groups to operate outside direct government control.

Several factors converged with Bouterse's return to power that enabled him not only to reestablish Suriname as a major transshipment point of cocaine, but to vertically integrate TOC activities as an instrument of state policy.

The first was the desire of the FARC

and other TOC groups in the region to branch out from the relatively high risk/high reward business of cocaine production and transport to low risk/high value extractive commodities, particularly gold. The second factor was that gold prices were skyrocketing upward, passing \$1,000 an ounce in 2011, making it far more

The FARC realized that the gold trade offered not only profits but an ideal method for laundering almost an unlimited amount of cash.

lucrative than it had been previously. With the spike in gold prices, mining the ore could be more profitable than coca:²⁰

"cocaine typically takes six months to produce and requires considerable knowledge, while an illegal mining operation in the Colombian jungle can extract two kilograms of gold a week. [Furthermore, a] kilogram of cocaine can sell for about 5 million pesos (\$2,570) in the Colombian jungle while a kilogram of gold can fetch 19 times that, or similar to global market prices...The precious metal is also relatively easy to legalize while cocaine remains banned."

By 2012 the Colombian government estimated the FARC obtained approximately 20 percent of its funding through illegal gold mining.²¹ As the peace process between the Colombian government and the FARC progressed into 2013 and the chances of reaching a negotiated end to the conflict rose, the FARC—and other TOC groups that were amassing large volumes of cash—realized that the gold trade offered not only profits but an ideal method for laundering almost unlimited amounts of cash. This was a service the FARC suddenly needed if the organization were to be able to protect its billions of dollars in profit amassed during the war.

Gold: The Marriage of a Nation State and TOC

It is within this context, coupled with Bouterse's long-standing relationship to the FARC and other TOC groups, that the seemingly economically irrational emergence of the Kaloti Suriname Mint House (KSMH) should be understood. Kaloti Precious Metals, based in the United Arab Emirates, is one of the world's largest gold companies. In recent years, it has been hit by a series of scandals and allegations of being either a witting or unwitting conduit for the laundering of billions of dollars.²²

Given these mounting and public allegations, it is understandable why Kaloti would seek to establish a presence in a more hospitable environment. Suriname fit the bill, and in 2013 the Bouterse government announced the creation of the KSMH, a joint venture of Kaloti Precious Metals, the government of Suriname and private investors. While no listing of the ownership structure is publicly available, as required by law, sources with direct knowledge of the operation said that the government owns 10 percent of the corporation, while Bouterse straw purchasers own 30 percent and Kaloti the remainder.²³

On March 3, 2015, Kaloti Precious Metals issued a press release saying it had opened

KSMH, based in the U.A.E., has been hit by scandals and allegations of being either a witting or unwitting conduit for laundering of billions of dollars.

"Suriname's first gold refinery."²⁴ Soon after, the responsibility of assaying, valuing, and collecting taxes on gold exports was transferred from the Central Bank to the KSMH.²⁵ Yet site visits in June 2016 by the lead researcher of this report to the KSMH, located in the town of Wit Santi near the international airport, found no evidence that the refinery exists. The building that houses the

project also showed no indication of activity. In addition to the lack of physical evidence of the refinery, interviews with gold dealers confirmed that there was no refinery and no gold refining taking place at the KSMH.

Under these circumstances, the government can certify the exports of any amount of gold, real and fictitious, from a refinery that exists only on paper. For a price, TOC groups can use the state certification to launder almost unlimited amounts of cash as if it were gold, thereby giving the transactions the appearance of legality.

The general modus operandi for using gold as a money-laundering vehicle was laid out in a recent report by the intergovernmental Financial Action Task Force, which noted that:²⁶

"[I]n some cases due to the nature of the market, the gold does not have to exist or be moved physically to be traded. Rather, citing 'gold' as the traded good on an invoice can be used to justify large movements of money, either domestically or across borders...Gold is an extremely attractive vehicle for laundering money. It provides a mechanism for organized crime groups to convert illicit cash into a stable, anonymous, transformable and easily exchangeable asset or realize or reinvest the profits of their criminal activities."

The publicly stated premise of the KSMH enterprise is to "grow Suriname as a competitive bullion trading hub and centre of excellence for the precious metals industry," offering a "wide variety of services to the Caribbean region and the wider South American continent."²⁷ In order to handle the anticipated surge in gold flows to the refinery, the enterprise was to have a capacity of 60 tons a year, although Suriname only produces about 18 tons a year that could be refined there.²⁸ The excess capacity of the as-yet unrealized refinery is intended to process the inflow of gold from other countries.²⁹

There are significant problems with this business premise. Suriname offers no competitive advantage to gold dealers from gold producing countries in South America such as Peru, Colombia, Ecuador, Bolivia, Chile and elsewhere, who all ship their gold to Miami or Europe on daily direct commercial flights.

This means that the traditional method of moving the gold directly to Miami or Europe

via direct flights with known security protocols—rather than detouring through Suriname—is more rational, safer, and more cost-effective. Therefore, whatever gold moves through KSMH is unlikely to be legally produced in other South American countries, but is ideal for accommodating illicit flows of resources and the accompanying laundering at a high level.

In Suriname, the vertical integration of criminal activity begins with Bouterse's willingness to use government facilities to create an infrastructure that makes tracing illicit funds and commodities virtually impossible, a highly profitable enterprise for himself and his inner circle. Instead of refining gold, the evidence demonstrates that Bouterse has another primary purpose for the KSMH—the certification of whatever real and non-existent gold shipments that the government is claiming to send abroad.

This guarantee of state-sponsored security to those operating through the KSMH is the final step in vertical integration of the enterprise. The TOCs use the state for a price and gain stability, security, and impunity. The state uses its unique capabilities for profit, directing state policy for the economic benefit of its core leadership and its TOC allies. The state ultimately becomes a functioning criminal enterprise, with little to distinguish state policy and interests from TOC activity.

Implications for U.S. National Security

Latin America has an abundance of corrupt governments that conceal a variety of illicit and nefarious activities. Suriname, however, poses a more difficult challenge to U.S. and regional security officials due to the merger of state policy and the interests of criminal/terrorist organizations. The level of the problem is heightened because a criminalized state, such as Suriname, operates illicitly behind the cover of national sovereignty and international validity that is usually denied to criminals and terrorists.

Ensuring police protection to criminal actors, providing passports and other identification documents to terrorists, and using

state-owned institutions to conceal TOC activity creates a new level of complexity affording a clear comparative advantage to illicit actors who otherwise have restricted access in less criminalized countries. There is a difference between a counterfeit document and a legitimate one issued by a recognized government intent on aiding, abetting, and covering up the identity of a criminal or terrorist.

The intersection of the state and TOC is most evident in the threat finance domain. The use of gold and other commodities, in part, is due to the measurable success the U.S. Treasury

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Department and some of the region's nascent Financial Intelligence Units have had in moving against more formal instruments of money-laundering in the banking and financial sector. But little attention is being paid to the multiple anomalies that are blooming across the region.

In Suriname, the KSMH case is just one example of a rapidly growing and evolving phenomena of trade-based, commodity-backed money-laundering. Unusual economic behavior on a large scale shrouded in opaque or non-existent reporting is almost always indicative of significant TOC and/or terrorist activities. As an excellent transit zone for cocaine and other drugs, Suriname serves as a sovereign and clandestine base of operations for some of the world's most notorious organizations. The FARC, Hezbollah, and potentially ISIS, could relocate some of its income-generating activities to Suriname, for a price. In this context, Suriname, as a vertically integrated criminalized state, causes a real concern for regional instability, insecurity, and the rule of law, and poses a unique and significant challenge to U.S. national security interests aimed at detecting, disrupting, and dismantling criminal and terrorist networks worldwide.

Notes

- 1 For a fuller discussion of criminalized states in Latin America and the threat they pose to U.S. national security interests see: Douglas Farah, "Transnational Organized Crime, Terrorism, and Criminalized States in Latin America: An Emerging Tier-One National Security Priority." US Army War College Strategic Studies Institute, August 2012.
- 2 Statement of James R. Clapper, Director of National Intelligence, "Statement for the Record: Worldwide Threat Assessment of the U.S. Intelligence Community," before the House Appropriations Subcommittee on Defense, March 25, 2015.
- 3 "Bolivarian" and "Bolivarian revolution" refers to the political, social and economic movement led by Venezuela's late president Hugo Chávez Frías. Named after nineteenth century Venezuelan and Latin American leader Simón Bolívar, the movement advocates a version of "21st century socialism" across borders promoting an anti-American foreign policy, a socialist command economy and eschews representative democracy.
- 4 Brodzinsky, Sibylla and Laughland, Oliver. "Venezuelan ex-narcotics officials indicted over alleged links to traffickers," The Guardian. August 1, 2016. Accessed January 31, 2017. <https://www.theguardian.com/world/2016/aug/02/venezuelan-ex-officials-indicted-over-alleged-drug-trafficking-links>. Also Raymond, Nate. "Venezuelan first lady's nephews convicted in U.S. drug trial." Reuters. Nov. 19, 2016. Accessed January 31, 2017. <http://www.reuters.com/article/us-venezuela-usa-crime-idUSKBN13D2PK?il=0>
- 5 "Coup leader, convicted drug trafficker, president: Desi Bouterse aims to extend long reign in Suriname." South China Morning Post. May 25-26, 2015. Accessed December 25, 2016. <http://www.scmp.com/news/world/article/1809891/coup-leader-convicted-drug-trafficker-president-desi-bouterse-aims-extend>
- 6 Encyclopedia Britannica. "Suriname Since Independence." Accessed October 7, 2016. <https://www.britannica.com/print/article/575240>
- 7 Bouterse's ties to drug trafficking were documented by U.S. and Dutch intelligence services almost from the beginning of his time in power. See: Douglas Farah, "Suriname a Growing Cocaine Center, Officials Say," The Washington Post, March 1, 1992, p. A01.
- 8 Mat Youkee, "Prime Suspect: Suriname's President May Finally Have to Answer for a 33-Year Old Murder." Slate and Roads & Kingdoms Magazine, December 18, 2015. Encyclopedia Britannica further notes that, under international pressure, the military oversaw elections and a return to democracy in 1992, at which point military powers were severely curtailed.
- 9 For a more complete look at the relationship among Bouterse, Brazilian gangs and the FARC see: Julio A. Cirino et al, "Latin America's Lawless Areas and Failed States: An Analysis of 'The New Threats,'" Latin American Security Challenges, U.S. Naval War College, Newport, R.I., 2004, accessed at: <https://www.usnwc.edu/Publications/Naval-War-College-Press/-Newport-Papers/Documents/21-pdf.aspx> See also: Dustin McDaniel, "Suri-Cartel Profile," Ridgeway Center, University of Pittsburgh, undated, accessed at: <http://research.ridgway.pitt.edu/wp-content/uploads/2012/05/Suri-CartelPROFILEFINAL.pdf> See also: Samuel Logan, "Beyond the DEA's Presence in Suriname," International Relations and Security Network, August 15, 2006, accessed at: <http://www.samuellogan.com/articles/beyonds-the-deas-presence-in-suriname.html>
- 10 The Surinamese government chose not to extradite Bouterse to serve his sentence, and Bouterse does not travel to countries that have an extradition treaty with the Dutch. See Youkee, op cit.
- 11 Cirino et al, op cit.
- 12 In Suriname, the president is elected to a five-year term by a two-thirds majority of the National Assembly.
- 13 Ivelaw Lloyd Griffith, "Political Acumen and Geopolitical Anxiety in Suriname," Security and Defense Studies Review, Center for Hemispheric Defense Studies, National Defense University, Vol. 12, Fall-Winter 2011, pp. 47-72.
- 14 Dino Bouterse had been convicted in 2005 in Surinamese courts for leading cocaine and weapons ring in the country. He served three years in prison. In 2002, Dino Bouterse was also believed to have orchestrated the theft of weapons from Suriname's intelligence agency, although he was not tried for this crime. He was expelled from Brazil in the 1990s for using the diplomatic pouch to ship cocaine. Simon Romero, "Returned to Power, a Leader Celebrates a Checkered Past." New York Times, May 2, 2011. See also US Department of State, "Suriname 2014 Human Rights Report." 2014.

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15 U.S. Attorney's Office, Southern District of New York, "Surinamese Man Found Guilty in Manhattan Federal Court of Conspiring to Import Cocaine." March 23, 2016; "Suriname President's Son Sentenced in New York over Hezbollah Proposal." The Guardian, March 10, 2015.

16 "Country Report: Suriname," International Narcotics Control Strategy Report 2016, U.S. Department of State, March 2016, accessed at: <http://www.state.gov/j/inl/rls/nrcrpt/2016/vol1/253310.htm>

17 Ibid.

18 The FARC was designated both a major drug trafficking organization and a terrorist group by both the United States (1997) and European Union (2001). See: Douglas Farah, "The FARC's International Relations: A Network of Deception," the NEFA Foundation, September 28, 2008.

19 The definitions of fixers, super fixers and shadow facilitators were used by the lead author to describe different roles played by individuals in criminal networks. Shadow facilitators refer to those who operate at the highest level to provide goods and services to multiple criminal organizations. See: Douglas Farah, "Fixers, Super Fixers and Shadow Facilitators: How Networks Connect," International Assessment and Strategy Center, April 23, 2012, accessed at: http://www.strategycenter.net/docLib/20120423_Farah_FixersSuperFixersShadow.pdf

20 Andrew Willis, "Gold Beats Cocaine As Colombia Rebel Money Maker: Police," Bloomberg News, June 21, 2013, accessed at: <http://www.bloomberg.com/news/articles/2013-06-21/gold-beats-cocaine-as-colombia-rebel-money-maker-police> and: Andrew Willis and Michel Smith, "Colombia Illegal Gold Mines Prosper in Global Rout," Bloomberg News, July 24, 2014, accessed at: <http://www.bloomberg.com/news/articles/2013-07-24/colombia-illegal-gold-mines-prosper-in-global-rout> and <http://www.fatf-gafi.org/media/fatf/documents/reports/ML-TF-risks-vulnerabilities-associated-with-gold.pdf>

21 "Organized Crime and Illegally Mined Gold in Latin America," Global Initiative Against Transnational Organized Crime, April 2016, accessed at: http://docs.dpaq.de/10579-global_initiative_-_organized_crime_and_illegally_mined_gold_in_latam_america_-_april_2016_web.pdf. For additional articles on this form of profiting from gold mining see: <http://www.insightcrime.org/investigations/farc-vulnerability-ivan-rios> <http://www.insightcrime.org/news-briefs/letter-breakdown-farc-mining-extortion-rackets> <http://www.elespectador.com/noticias/judicial/romana-el-ajedrez-de-paz-articulo-524086> <http://www.elespectador.com/impreso/judicial/articulo-245255-nueva-arma-financiera-de-farc>

22 In April 2015, the Dubai Multi Commodities Exchange Centre (DMCC) took the humiliating step of removing the Kaloti gold refinery from its "Good Delivery List" because the entity had "not met DMCC's practical guidance for market participants in the gold and precious metal industry." See: Anthony McAuley, "DMCC removes Kaloti from Dubai Good Delivery list over gold sourcing," The National (UAE), April 13, 2015, accessed at: <http://www.thenational.ae/business/economy/dmcc-removes-kaloti-from-dubai-good-delivery-list-over-gold-sourcing>. The action by the DMCC came on the heels of multiple problems the Kaloti Group has had. In recent years Kaloti has been accused of accepting gold that was misrepresented by the supplier with false documentation and for purchasing gold in cash from more than 1,000 customers without paperwork. See: Simon Bowers, "Billion Dollar Gold Market in Dubai Where not all is as it Seemed," The Guardian, February 25, 2014, accessed at: <https://www.theguardian.com/business/2014/feb/25/billion-dollar-gold-market-dubai-kaloti> For a look at ties between the Kaloti Group and the Mossack Fonseca law firm and its questionable offshore companies see: <http://panamapapers.ojo-publico.com/articulo/las-islas-virgenes-de-la-mineria-ilegal/>

Kaloti Group reportedly accepted a total of 2.4 tons of gold with no paperwork or way to track the gold's origin, and paid for the gold in cash – this scheme included instances where a gold sale amounted to 35kg from a walk-in customer. In 2014 Global Witness, a non-governmental group monitoring conflict minerals, issued a report based on internal auditing documents alleging the Kaloti Groups "failed to report suspicious cash transactions worth in total over \$5.2 billion in 2012; knowingly accepted four tonnes of gold coated with silver exported from Morocco by suppliers who falsified the paperwork; and lacked adequate supply chain information of several tonnes of high-risk gold from Sudan." See: "City of Gold: Why Dubai's first conflict gold audit never saw the light of day," Global Witness, February 2014.

23 Lead investigator interviews in Suriname, June 2016.

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- 24 “Kaloti Opens Suriname’s First Gold Refinery,” Kaloti Precious Metals Press Release, March 3, 2015, accessed at: <http://www.kalotipm.com/Media-Center-News-Details/6/KALOTI-OPENS-SURINAMES-FIRST-GOLD-REFINERY>
- 25 Investigator interviews with gold producers and diplomats in Suriname, June 2016.
- 26 Money Laundering/Terrorist Financing risks and vulnerabilities related with gold,” Financial Action Task Force, July 2015, accessed at: <http://www.fatf-gafi.org/media/fatf/documents/reports/ML-TF-risks-vulnerabilities-associated-with-gold.pdf>
- 27 “Kaloti Opens Suriname’s First Gold Refinery,” Kaloti Precious Metals Press Release, March 3, 2015, accessed at: <http://www.kalotipm.com/Media-Center-News-Details/6/KALOTI-OPENS-SURINAMES-FIRST-GOLD-REFINERY>
- 28 Sources involved in the gold trade in Suriname said that the two main international mining groups that mine about half of the nation’s gold, IAMGOLD of Canada and Newmont of the U.S., operating as SURGOLD), are currently exempt from sending their gold through the KSMH. However, according to gold industry sources Bouterse personally, along with senior members of his government, are exerting a great deal of pressure on the two companies to use the KSMH for certification.
- 29 “Kaloti Opens Suriname’s First Gold Refinery,” op. cit.



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