

# ***METAL FINGERPRINT:***

## **COUNTERING ILLICIT TRADE IN PRECIOUS METALS AND GEMSTONES**

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## PREFACE

One of the EastWest Institute's programmatic focuses is the protection of people, economies, and infrastructure from terrorist threat. In the framework of this program, EWI worked closely with the Russian G8 presidency in 2006 to help organize the G8 Global Forum for Partnerships between States and Businesses to Counter Terrorism. In line with the strategy endorsed by the Forum, EWI launched several informal international working groups to develop and implement specific projects involving public and private sector cooperation to protect our societies from the evolving threat of terrorism. One strategy to counter terrorism is to go after their sources of financing. One of the most developed and promising initiatives to curb one source of terrorist financing—the illicit trade of precious metals and gemstones—has been put forth by the leading Russian mining and metallurgical company Norilsk Nickel.

A considerable portion of this trade goes on outside regulated channels, distorting fair commerce, facilitating money laundering, and financing terrorism. The initiative of Norilsk Nickel, one of several to come out of the industry, is based on advanced scientific methodologies of forensic analysis of precious metals-bearing materials. It has gained the support of the Ministry of Foreign Affairs and the Ministry of Justice of the Russian Federation, the International Platinum Group Metals Association, and the European Network of Forensic Science Institutes. It has become one of the most advanced projects in accordance with the aforementioned G8 strategy and has the potential to become a model of efficient public-private partnership mechanisms in fighting organized crime and terrorism.

As a contribution to efforts to curb the illicit trade of precious metals and gemstones, EWI is pleased to present this publication. The authors, representing Norilsk Nickel and EWI, have written this policy paper summarizing the preliminary conclusions and recommendations discussed by an informal international working group on countering precious metals trafficking. The paper's intention is to help raise the awareness of policymakers, experts, businesses, and regulating authorities about the problem of illicit trade of precious metals and gemstones and new opportunities for solutions in this area through enhanced international regulatory mechanisms and professional standards.

Following this short policy paper, the EastWest Institute in cooperation with Norilsk Nickel is planning to issue a comprehensive report engaging an extended group of authors participating in the informal working group.

The report will present the full scope of evidence, arguments, and policy recommendations pertaining to this important initiative.

I am confident that this work will be an invaluable contribution to combining the efforts of governments, the private sector, and non-governmental organizations in building efficient protections for business and entire societies from organized crime and terrorism.

*John Edwin Mroz*  
President and CEO  
EastWest Institute  
April 2008

## FOREWORD

This policy paper has been prepared within the framework of activities of the informal international working group on countering precious metals trafficking initiated in July 2007 by the JSC MMC Norilsk Nickel, the Ministry of Foreign Affairs of the Russian Federation, and the EastWest Institute under the mandate of the G8-endorsed Strategy for Partnerships between States and Businesses to Counter Terrorism (2006).

Participants of the working group include experts representing law enforcement and foreign policy agencies of a number of G8 countries and the Republic of South Africa; major mining and metallurgical companies from Russia, South Africa, Europe, and the United States; leading Russian and EU-based forensic laboratories; and international organizations and think tanks such as the International Platinum Group Metals Association, the World Customs Organization, and the EastWest Institute.

The authors are grateful to all participants of the informal working group who helped shape the vision of the problem and its possible solutions presented in this policy paper. We especially appreciate contributions of our colleagues who participated in the origins of this initiative: Dr. Ingvar Kopp (Swedish National Laboratory of Forensic Science), Mr. Rico Carish (UN Security Council Group of Experts), Mr. John Michael Halhead (Anglo Platinum), Mr. Koen Demesmaeker (Umicore Precious Metals Refining), Mr. Bill Sandford and Mr. Geoffrey Otterman (Johnson Matthey, Plc.), and Mr. Frank McAllister (Stillwater Mining Company). An invaluable role in advancing the initiative has and is being played by the leadership of the International Platinum Group Metals Association, the Ministries of Justice and Foreign Affairs of the Russian Federation, and particularly the Special Representative of the President of the Russian Federation for International Cooperation in the Fight against Terrorism and Transnational Organized Crime Ambassador Anatoly Safonov and the Department on New Challenges and Threats of the Ministry of Foreign Affairs of the Russian Federation.

We expect that many of the aforementioned experts will contribute as co-authors to the comprehensive report to follow this policy paper on the issue of precious metals trafficking.

We would like to acknowledge comments on this draft by Mr. Vladimir Andreev of the Russian Ministry of Foreign Affairs; Dr. Greg Austin, Mrs. Maria Livanos Cattai, Mr. Jonas Hartelius, and Mr. Jeff Procak from EWI. The authors owe special thanks for assistance in organization of the working group's activities

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## EXECUTIVE SUMMARY

International efforts to disrupt terrorist and organized crime networks must pay special attention to how these networks are financed. Global trade in precious metals and gemstones has become a significant source of financing for both organized crime and terrorist groups. As the demand for materials bearing precious metals and stones continues to grow, criminal and terrorist networks will exploit weak national and international monitoring of the trade to finance activities that threaten us all. Public-private partnerships offer a real chance of increasing transparency and monitoring in the trade of precious metals and gemstones, thus undermining the financial foundation of global terrorist networks.

Serious efforts have been undertaken by governments, international organizations, and the global business community to stem illegal trade in many commodities used in money laundering and terrorist financing—especially since the terrorist attacks of September 11, 2001, in the United States. Significant success has been seen in disrupting the trade of illegal rough diamonds through the Kimberly Process. But success has been elusive in the illegal trafficking of precious metals and gemstones. Efficient law enforcement in this area is hampered by the lack of internationally recognized procedures for certifying batches of primary precious metals-bearing raw materials and a lack of well-established methods of identifying the origin of both precious metals and gemstones. These shortcomings complicate the process of distinguishing between legal and criminal supplies and place a substantially greater burden on the due diligence efforts of precious metals refiners and stonecutters to ascertain the veracity of their customers.

Russian research institutes and forensic laboratories, led by the mining and metallurgical company Norilsk Nickel, have devised advanced methods to identify the origin of semi-products bearing platinum-group metals (PGM). This methodology can be expanded to other metal groups and gemstones, taking the form of a Platinum Initiative to ensure efficient certification procedures in the international metal trade and strengthen existing certification schemes in the diamond and gemstones industries.

In July 2007, an informal international working group, including experts from the private sector, government, and independent think tanks, was established under the auspices of the G8 in order to explore the potential of the Platinum Initiative. The conclusions and recommendations formulated in this policy paper are to a large extent based on the initial findings discussed at the first

three meetings of this Working Group held in July and October 2007 and February 2008.

## **Key Recommendations**

- ❑ Develop the Platinum Initiative into a strong industry-focused program that includes:
  - an international register of verified and legitimate traders in PGM;
  - enhanced customs control procedures to identify PGM-bearing goods;
  - internationally shared databases of PGM-bearing raw materials;
  - enhanced control measures in mining and metallurgical companies;
  - an international network of certified forensic and expert laboratories capable of tracing the origins of the goods and commodities in question.
- ❑ Coordinate the enforcement mechanisms of the Platinum Initiative with the relevant international organizations—in particular, the World Customs Organization (WCO), appropriate UN agencies, the Financial Action Task Force (FATF), and the G8 governments.
- ❑ Incorporate data on platinum-metals bearing goods and materials into the existing WCO framework using tracking systems such as the Harmonized Commodity Description and Coding System and the Customs Enforcement Network.
- ❑ Establish standardized procedures for information-sharing between national law enforcement agencies and PGM-producing companies to respond rapidly to the appearance of suspicious consignments of unfinished precious metals-bearing materials on the market.
- ❑ Strengthen the implementation and regulatory framework of the World Bank's anti-money laundering (AML) program to reflect the significant role of illegal precious metals trading as an instrument of terrorist financing.

## **BEYOND “BLOOD DIAMONDS”: SEIZING THE TREND FOR ETHICAL TRADE**

In recent years, consumers and corporate management worldwide have become increasingly concerned with the ethical aspects of global trade. The mass media are replete with reports about gasoline stations refusing to sell fuel refined from oil extracted in “rogue states,” clothing stores where one would never buy natural fur coats, and major jewelry retail networks boycotting products made of precious metals and gemstones of suspicious origin. Across the world, consumers are seeking assurances that their behavior will not finance narcotics barons, acts of terror, war, or any form of human or animal suffering. The first global campaign of this nature dates to June 1998, when the United Nations Security Council adopted a resolution prohibiting the export of unofficial Angolan diamonds. These “blood diamonds” or “conflict diamonds” generate funds and arms supplies to rebel groups in unstable countries in Africa thereby fuelling violent conflicts and human rights abuses. Human rights activist groups and world diamond industry leaders supported the campaign, which resulted in the Kimberley Process Certification Scheme, a unique international mechanism to stem illicit trade in rough diamonds originating from various conflict areas of the world.

Widely publicized by the media and serving as subject matter for publishers and film studios, the “blood diamonds” story overshadows the fact that the illicit trade in commodities goes far beyond rough diamonds illegally extracted or stolen from poorly controlled mines in Africa. It also encompasses gold, silver, platinum, and many other commodities illegally procured and traded in developed countries by organized criminal groups and terrorist networks. These precious metals and gemstones end up in jewelry, consumer electronics, and other high tech devices in developed countries, while the profits they generate support trade in narcotics and illegal arms trafficking, which in turn provides funds for terrorist networks and other criminal activities.

Since the mid-1990s, the international community has acted to improve considerably the monitoring of both formal and informal banking systems, forcing criminals to look to alternative financing mechanisms to raise and conceal their funds. Precious metals, gemstones, and drugs are, for a number of reasons, ideal commodities for financing organized criminal groups. They are easily transportable, highly valued and low in volume, highly fungible, easily collected from natural resources, and extremely difficult to trace in export-import operations due to the complexities and high costs of specialized physicochemical methods needed to identify the composition of the materials. Many kinds of precious metals originate from conflict regions or countries with

weak and corrupt governments, making them an easy object of theft and illicit trade.

It is important to emphasize that cross-border trafficking of precious metals is propelled by a considerable shortage in the raw materials supply for refineries and jewelry production operations in Western Europe and North America. The same factor explains the growing interest in using deep extraction of precious metals from manufactured goods (e.g., precious metals-bearing components of various waste products, equipment, and materials). Expansion of the secondary market creates new opportunities for laundering proceeds from illicit trade in precious metals by organized criminal groups. For example, in the platinum-group metals (hereafter PGM) refining industry, about 20 percent of annual global supply is provided by a secondary marketplace dominated by small businesses (nearly 2000 in Europe alone) that present used automotive catalytic converters, components from oil-refining crackers, and electronic industry scrap to precious metals refiners for reprocessing. Using the services of small businesses operating on the secondary PGM market, traffickers succeed in masking batches of stolen PGM-bearing intermediate products by mixing them with used materials.

## **CLOSING THE LOOPHOLES IN GLOBAL TRADE REGULATIONS**

Since the terrorist attacks of September 11, 2001, in the United States, serious efforts have been made by governments, international organizations, and the global business community to stem the illegal trade in rough diamonds and the use of precious metals and precious stones in money laundering and terrorist financing. One of the more noteworthy accomplishments among these efforts is the development of an enhanced set of 49 recommendations by the Organization for Economic Cooperation and Development (OECD)-based Financial Action Task Force (FATF) for countering money laundering and terrorist financing. In particular, dealers in precious metals and gemstones have been identified as participants in a vulnerable sector and are required to develop due diligence measures and anti-money laundering programs similar to those applied to the banking sector and other financial institutions. The illegal rough diamond trade has been significantly reduced due to the Kimberley Process Certification Scheme.

However, these measures remain largely insufficient as far as precious metals and gems are concerned. Efficient law enforcement in this area is hampered by the lack of both internationally recognized procedures for certification of batches of primary precious metals-bearing raw materials and well-established

methods of identification of the source of origin of both precious metals and gemstones. These shortcomings complicate the process of differentiating between legal and criminal supplies and place a substantially greater burden on the due diligence efforts of precious metals refiners and stonecutters to ascertain the veracity of their customers. As a result, relevant regulatory regimes and law enforcement methods and mechanisms are fairly imperfect, providing criminals with numerous loopholes to dispose of stolen goods on legal markets and, thus, legitimize the proceeds of their criminal endeavors. For instance, the definition of “dealer in precious metals and precious stones,” as applied by FATF and related regulations in many countries of the world, excludes significant segments of the secondary precious metals-bearing materials market. The Kimberly Certification Scheme is also often criticized for a lack of strong enforcement mechanisms.

## **METAL FINGERPRINT: THE RUSSIAN PLATINUM INITIATIVE**

In 2006, Norilsk Nickel, a leading Russian mining and metallurgy company and one of the major platinum-group metals producers in the world, developed an innovative proposal aimed at disrupting international precious metals trafficking. The proposal was discussed at the G8 Global Forum for Partnerships between States and Businesses to Counter Terrorism in Moscow in November 2006. Participants at the forum, which included G8 government officials and precious metals mining companies from the United States and South Africa (representing 90 percent of global production of PGM-bearing materials), overwhelmingly endorsed the Norilsk Nickel proposal. An informal international working group was subsequently created to further develop the proposal within the framework of the G8-endorsed Strategy for Partnerships between States and Businesses to Counter Terrorism. The proposal was also supported by the International Platinum Group Metals Association. This “Platinum Initiative” has potentially far reaching implications for all precious metals and gemstone industries as well as high-value segments of the non-ferrous metals sector.

The Platinum Initiative recommends a declaration mechanism somewhat similar to the Kimberly Process Certification Scheme, but based on an advanced methodology of tracing the origin of precious metals bearing intermediate metallurgical products. The methodology, a “Complex Analytical Procedure for Identification of the Nature and Source of Origin of Precious Metals Containing Products of Mining and Metallurgical Operations” (or CIP—Complex Identification Procedure), was developed by a group of leading Russian scientific research institutes and laboratories including Norilsk Nickel, the Forensic Institute of the Russian Federal Security Service, the State

Research Institute for Rare Metals, and the Russian Federal Center of Forensic Science. Using a combination of elementary, phase, and electron-microscopic analysis, the methodology provides a very high degree of discrimination between intermediate compositions of PGM-bearing materials, to the extent where samples taken from a specific point in the beneficiation process can be traced back to a specific source. It becomes possible to identify the unique characteristics and particular components of unsmelted PGM-bearing mixtures created by criminals expressly to blur forensic investigation procedures. The procedure strongly resembles fingerprint scanning and other biometric methods used in traditional forensic investigations. This identification procedure requires that a specialized reference database on the characteristics of PGM-bearing materials and intermediate products of metallurgical operations subject to theft be created.

In order to underpin the practical application of the methodology, Norilsk Nickel has created a Reference Database (RDB) currently containing information on 70 “at risk” product profiles. The database is continuously updated as new profiles appear or to reflect updated information based on the results of repeated analysis of products that may become available. Following Norilsk Nickel’s example, a similar database is currently being set up by Anglo Platinum, a leading South African mining company, so that a prototype of an internationally shared RDB on PGMs will soon be available for testing.

Efforts by Russian and South African companies to develop and implement the CIP originated from tracing the methods of theft and smuggling of PGMs from these companies. Common criminal practices include stealing PGM-bearing intermediate products removed by workers (on or inside their bodies). Small batches of stolen materials are accumulated in underground warehouses outside of production facilities (in garages, cellars, etc.). When sufficient commercial quantities are reached, smugglers produce fake customs documentation that disguise PGM-bearing products as other materials in order to mislead customs authorities. It is objectively difficult to identify the true nature of such products without specialized equipment. In combination with the deliberate negligence on the part of particular corrupt customs officers, the stolen materials are smuggled to Western Europe and North America. There, the smuggled batches become the subject of another transformation involving the issuance of false documentation by off-shore companies registered in some exotic parts of the world. Sometimes the batches can be partially reprocessed and mixed with secondary PGM-bearing materials at artisan workshops or semi-industrial facilities.

A number of similar smuggling operations have been traced by South African and Russian law enforcement authorities, which resulted in criminal investigations in countries where the stolen materials were sold. The biggest problem in convicting criminals was identifying the origin of the materials in question. Unfortunately, “Western” and “Russian” (or Soviet) schools of forensic science have had a long history of non-cooperation. As a result, the accuracy of evidence in the above-mentioned cases produced with the help of the Russian CIP was questioned by some experts in European countries.

In order to reach a common understanding and interpretation of the Russian CIP methodology, a project was initiated under the auspices of the European Network of Forensic Science Institutes (ENFSI) to validate CIP by a well-respected independent international body—the International Forensic Review Board. This board was specially convened by ENFSI and consists of nine members from national forensic institutes in the United Kingdom, Germany, Sweden, the Netherlands, the United States, South Africa, and Russia. The Russian Ministry of Justice and the International Platinum Group Metals Association also supported the project.

Commissioned by the Forensic Review Board, CIP has been analytically verified by the Netherlands Organization for Applied Scientific Research (TNO) and tested by TNO and the German Bundeskriminalamt (Federal Criminal Police Office). On the basis of positive reports by TNO, the Forensic Review Board endorsed the CIP. Its validation process, started two years ago, has now been successfully completed. The Russian methodology was acknowledged to have serious potential to be adopted by all key businesses in the world platinum industry, with the understanding that the primary prerequisite for proper application of the CIP should be the creation of specialized RDBs profiling intermediate products subject to theft. It is important to note that the board has recommended the TNO laboratory as a Western European reference laboratory for analytical CIP investigations.

A definitive international validation of CIP presents opportunities to design a new global regulatory framework in the area of precious metals trade. The international working group on countering precious metals trafficking (launched in July 2007) has recommended exploration and further discussion of the following key elements of this framework:

- Developing (by all country-producers of primary precious metals) national databases containing the types of precious metals-bearing raw materials produced in a given country and providing national customs administrations, through the World Customs Organization, with access to these databases.
- Developing an extended nomenclature of precious metals-bearing raw materials, and integrating it into the harmonized system of the WCO. This nomenclature would include:
  - primary materials: intermediates/byproducts/waste products of refining of precious metals-bearing mineral raw materials;
  - secondary precious metals-bearing materials.
- Establishing an international standard for customs procedures to be followed when declaring precious metals-bearing raw materials in the course of an export-import transaction. This new standard should mandate, in particular, the obligatory provision by traders to specify data on the source of origin and chemical composition of each and every batch of precious metals-bearing raw materials submitted for customs clearance (the so-called “metal fingerprint”). Customs authorities should be provided with the legal and technical capacity to verify, on a risk-sensitive basis, the source of origin of the precious metals-bearing raw materials batches.
- Customs authorities should be regularly updated on evolving smuggling techniques. Particularly, the WCO-created Customs Enforcement Network (CEN) could be of help. It might be practicable to include in CEN databases existing information about specific risk-sensitive materials used as masking substances in smuggling schemes and methods of detecting the relevant risks by customs officers.
- Developing, in cooperation with the leading mining and refining metallurgical companies, and introducing through self-regulated industry organizations, a standardized incoming inspection procedure for precious metals-bearing raw materials that would be applied by the entire industry.
- Establishing a network of specialized forensic and expert laboratories capable of examining precious metals-bearing raw materials in key precious metals exporting and importing regions of the world (in the first instance South Africa, Russia, Western Europe, and North America). These laboratories should be properly certified to use CIP and legally empowered to carry out tests at the request of courts, customs, and law enforcement authorities.



The complicated nature of the problem and the need to balance cost sharing arrangements between businesses and states make the establishment of public-private partnerships an indispensable precondition of the success of the Platinum Initiative.

It should be emphasized that the CIP technology currently being tested in the PGM industry is applicable to other metal groups and as well to diamonds. However, it would be advisable to test the new system within the confines of the PGM industry before extending it to other sectors. Due to the fact that the volume of illicit trade in PGM is much more easily quantified when compared to gold and diamond jewelry, it is advisable to test the system and demonstrate its effectiveness with the limited number of industry players in the PGM sector first, which consists of only 26 major companies worldwide. Its implementation would ultimately be beneficial to businesses by reducing theft, to governments by increasing tax and customs duties, and to society at large by reducing the threats from organized crime.

## **RECOMMENDATIONS**

Dangerous links between commodity trade-based money laundering, illegal cross-border value transfer schemes, and financing of organized crime and terrorist activities have been widely acknowledged by the international security community. Precious metals and precious stones industries together with global jewelry markets are considered to be particularly vulnerable to exploitation by terrorists and organized criminal groups.

Now that new high-precision methodologies of identifying chemical and geological composition and the source of origin of metal-bearing materials and precious stones have become available, it is necessary to enhance existing—and devise new, more sophisticated and cost-effective—systems to protect precious metals and gemstones markets from criminal abuse. One such mechanism, described in this policy paper, is based on a methodology developed by Russian research institutes and forensic laboratories, and supported by Norilsk Nickel, the International Platinum Association, and the European Network of Forensic Science Institutes (ENFSI). In order to further elaborate the details of this proposal and promote its adoption within international expert and policy-making communities, the following steps are recommended.

1. The informal working group should initially focus its efforts on building a full-fledged case, with initial application to the platinum industry, for the new mechanism to protect international trade in precious metals from criminal abuse. If successful, this pilot case, tentatively to be called the Platinum Initiative and to be tested by a limited number of business participants and interested countries, can be extended in due course to other precious and non-ferrous metals groups as well as precious stones industries. The basic elements of the mechanism would include:
  - development of an international register of verified and legitimate traders in PGM;
  - enhanced customs control procedures to identify PGM-bearing goods and providing for possibilities of risk-sensitive verification of the source of origin and chemical composition of unrefined PGM-bearing materials;
  - internationally shared reference databases, to be developed by PGM producing countries, of the types of PGM-bearing raw materials;
  - enhanced systems of incoming control procedures at mining and refining metallurgical companies, facilitated and enforced by the International Platinum Group Metals Association;
  - an international network of certified forensic and expert laboratories capable of examining PGM-bearing raw materials in key exporting and importing regions of the world with the help of the internationally validated analytical methodology Complex Identification Procedure (CIP).
2. The working group, in consultation with the WCO, the United Nations Office on Drugs and Crime (UNODC), the United Nations Interregional Crime and Justice Research Institute (UNICRI), FATF, and G8 governments, should explore more efficient mechanisms for international enforcement of the proposed scheme, particularly with regard to the customs declaration procedures. If it is practicable to introduce the new scheme, as a pioneer measure within the scope of the PGM industry only (given the limited number of international players involved), it might be easier to implement according to the Kimberley Process paradigm, i.e., as a self-enforcing mechanism. Should a broader range of industries become involved, however, it seems inevitable that mandatory procedures based on UN- and WCO-backed conventions or treaties should be established.

3. The government of the Russian Federation should take the lead, within but not limited to the G8, in submitting formal proposals to the World Customs Organization on:
  - amending the Harmonized Commodity Description and Coding System (HS) so that platinum group metal (PGM)-bearing goods are properly reflected in this binding document;
  - including information about specific risk-sensitive materials used as masking substances in smuggling schemes, and methods of detecting the relevant risks by customs officers into the Customs Enforcement Network of WCO (CEN) through the WCO CEN database;
  - initiating the development, with the active participation of the WCO, of a standardized approach to customs procedures to be followed when declaring precious metals-bearing raw materials within the framework of an export-import transaction, including, in particular, obligatory provision by traders of a document specifying data on the source of origin and chemical composition of each and every batch of the precious metals-bearing raw materials presented for customs clearance.
4. The World Customs Organization should consider including the issues of precious metals and gemstone trafficking—and suggested preventive measures—into its numerous security-related initiatives and its training programs curricula.
5. The International Platinum Group Metals Association and its member companies should ask relevant national governments (first of all South Africa, the United States, and Russia) to help institutionalize national reference databases of PGM-bearing materials. It should also initiate certification, in selected countries, of specialized laboratories that could ensure PGM-bearing materials tests at the request of customs, law enforcement agencies, courts, and interested companies. The TNO analytical laboratory in the Netherlands could conceivably play such a role; other facilities should be similarly equipped and trained.
6. The Security Committee of the International Platinum Group Metals Association should consider the benefits of serving as the primary coordinating center for:
  - the development of standardized examination procedures to be applied by companies in the course of taking delivery of PGM-bearing materials;

- launching an international network of specialized laboratories capable of handling CIP-based tests of PGM-bearing materials.
7. National law enforcement agencies and PGM-producing companies, with the help of national chambers of commerce, should agree on standardized procedures of information sharing regarding the appearance on the market of suspicious consignments of precious metals-bearing raw materials with the aim of launching investigations in conformity with prevailing laws and regulations.
  8. The working group should cooperate with UNICRI to conduct a detailed threat assessment of illicit trade in precious metals and precious stones and submit relevant recommendations to the UN Security Council.
  9. In order to promote the adoption of the CIP-based system as a recognized tool for disrupting illicit precious metals and gemstone trafficking, it behooves the informal international working group, in cooperation with representatives of selected companies and government officials, to promote the concept of this system through UNODC. The eventual goal should be a UN declaration or resolution (along the lines of similar initiatives advanced by the United States to interdict international trade in methamphetamines) in support of enhanced measures to curb illicit trade in precious metals and gemstones. It is also advisable to discuss with FATF the possibility of amending the 49 anti-money laundering (AML) and terrorism financing recommendations, and specifically to require dealers in precious metals and gemstones to apply AML customer due diligence measures and AML programs to all transactions, not just those beyond the de minimus established cash transaction thresholds. Special attention to precious metals trade specifics as an instrument of terrorist financing and money laundering should be reflected in the World Bank's lending safeguards and formalized in the Bank's AML-compliance programs.
  10. To enlist U.S. collaboration, the Platinum Initiative could be put on the agenda of the bilateral U.S.-Russia Counterterrorism Working Group. EWI will make every effort to urge both governments to take practical steps in this direction. Specific attention should be directed at establishing working relationships with the Departments of the Treasury (Financial Crimes Enforcement Network or FinCEN), Justice (FBI), and Homeland Security (Customs and Border Patrol), as well as the U.S. International Trade Commission (together with CBP and the Bureau of the Census, the principal interlocutor of the U.S. government with the World Customs Organization) and the Department of Homeland Security's Immigration and Customs Enforcement division (responsible

for targeting the people, money, and materials that support terrorism and other criminal activities).

11. The working group should establish working relationships with industry associations representing a wider spectrum of precious metals and gemstone businesses, e.g., the World Diamond Council, the World Gold Council, and the World Business Council for Sustainable Development, to see where constructive synergies could be found.

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**Whitney MacMillan**

Former Chairman and CEO,  
Cargill, Inc.

***DIRECTORS EMERITI*****Jan Krzysztof Bielecki**

Chief Executive Officer, Bank  
Polska Kasa Opieki S.A.  
Former Prime Minister of  
Poland

**William D. Dearstyne**

Former Company Group  
Chairman, Johnson &  
Johnson

**John W. Kluge**

Chairman of the Board,  
Metromedia International  
Group

**Maria-Pia Kothbauer**

Ambassador, Embassy of  
Lichtenstein to Austria, the  
OSCE, and the United Nations  
in Vienna

**William E. Murray**

(1925-2007)

**John J. Roberts**

Senior Advisor, American  
International Group (AIG)

**Daniel Rose**

Chairman, Rose Associates  
Inc.

**Mitchell I. Sonkin**

Managing Director, MBIA  
Insurance Corporation

**Thorvald Stoltenberg**

President, Norwegian Red  
Cross

**Liener Temerlin**

Chairman, Temerlin  
Consulting

**John C. Whitehead**

Former Co-Chairman,  
Goldman Sachs  
Former US Deputy Secretary  
of State

**NON-BOARD COMMITTEE  
MEMBERS****John A. Roberts, Jr.**

President and CEO, Chilmark  
Enterprises L.L.C.

**J. Dickson Rogers**

President, Dickson Partners  
L.L.C.

**George Sheer**

President (retired),  
Salamander USA & Canada  
Founder and CEO,  
International Consulting Group  
USA

**CO-FOUNDER****Ira D. Wallach**

(1909-2007)