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VENEZUELA GOLD
AND THE BUSINESS OF PROTECTION



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VENEZUELAN GOLD TRAFFICKING

AND THE BUSINESS OF PROTECTION

Providing Protection in an Environment of Corruption & Crime

The jewellery, gem, and precious metals industry can be a source of fruitful, but risky, employment for those in the close protection and international security world. Clients with an array of complex business and personal issues need the services of professional bodyguards, consultants and investigators to help manage their affairs.

The gold business, in general, is a haven for scammers, money launderers, traffickers, criminals, and terrorists. It is also ripe for the services of protection specialists since the coupling of unsuspecting investors, and greedy buyers can lead to a lot of trouble through the loss of money, property, and even lives.

Background and Orientation

Crisis Leads to Corruption
The United States and its anti-Maduro allies failed in their attempted coup on the government of Venezuela,

and their President Nicolas Maduro on April 30th, 2019. This failed international intervention meant that the disturbing state of affairs in the country only became worse since the country was already steeped in a massive amount of chaos through crime and violence. Despite this crisis, chaos still reigns. In fact, since the attempted intervention, things are booming, and the crisis has led to opportunities for corruption.

The narcos and the drug, gold, and human traffickers all know that as long as they pay their dues and cooperate with the Maduro government, they are untouchable by local law enforcement or authorities in the United States or Western Europe. The routes established between the coastal towns - and organized crime hubs - of Guiria and Macuro in Sucre State, Venezuela, and the coastal towns of Chaguaramas and Woodbrook in ►

Trinidad & Tobago are a blatant example of how unconcealed the trafficking is.

It's common knowledge within trafficking circles that the Trinidad & Tobago Coast Guard is not well equipped; they lack manpower and resources and, as a result, are corrupt. Similar to gold traffickers, other unscrupulous characters have found that controlling human trafficking is an easy and profitable way of making money. For instance, boats with illegal immigrants coming from Venezuela are intercepted, but those carrying drugs and the women that will be working or sold as prostitutes are not touched. The kidnapping of women aged between 14 years to 25 years is on the rise all over Venezuela and in Trinidad & Tobago, with each woman fetching up to \$1,000.

The human trafficking business in Venezuela is controlled by the Bolivarian Intelligence and Bolivarian National Guard. Similarly, the drug trafficking business is also booming on the coast between Sucre State and Trinidad & Tobago. The Venezuelan Coast Guard and Bolivarian National

“Needless to say, there are some serious and dangerous players involved in the Venezuelan gold trafficking business.”

Guard, Intelligence and Military Intelligence are all profiting as are members of the Trinidad & Tobago Coast Guard and political figures.

Needless to say, there are some serious and dangerous players involved in the Venezuelan gold trafficking business. The long tentacles of the country's illegal gold trafficking business alone spreads throughout Latin and North America, the Caribbean, Europe, Africa, and the Middle East. For this reason, legitimate traders and buyers in the international gold business must be careful to ensure the gold they are buying is not from conflict zones, sanctioned countries, or being sold to launder money.

Who's Who of the Venezuelan Gold Industry

Venezuela's third-largest export is gold, and its production is controlled by the military. It's reported that 20 tons of national reserve gold and 23 tons of mined gold were taken to Istanbul, Turkey, in 2018. In November 2018, US President Donald Trump signed an executive order to "ban US persons from

dealing with entities and individuals involved with 'corrupt or deceptive' gold sales from Venezuela."

Since the US imposed sanctions on Venezuela and due to the dilapidated state of the oil industry, the Venezuelan government, with the help of organized crime groups, have found the gold business a helpful and quick way of making money.

In 2016 the Venezuelan government, foreseeing economic and political problems in the future, created the Arco Minero del Orinoco that covers the states of Bolívar, Amazonas, and Delta Amacuro. The area covered by the Arco Minero del Orinoco is rich in mineral resources; experts estimate 7,000 tons of gold, copper, diamonds, uranium, coltan, iron, bauxite, and other mineral reserves. Environmental and human rights groups immediately raised concerns about the potential destruction and pollution of the environment and the exploitation of those who would be working in and supporting the mining operations.

At the moment, the main ►

areas of activity are El Callao, Tumeremo, and Las Cristinas in Bolívar State, where gold is a commodity. The area covered by Arco Minero del Orinoco can be classed as one of the most lawless, dangerous, and corrupt places on earth. Nothing that happens there is clean, life is cheap, the money is dirty, and business is booming.

The leading players overseeing the Venezuelan gold business are the usual suspects. President Nicolas Maduro, his son Nicolás Maduro Guerra and his wife Cilia Flores. Two of Cilia Flores' nephews were arrested in Haiti in 2015 by the US Drug Enforcement Agency (DEA), on drug trafficking charges and sentenced to 18 years in US prison.

There is also Tareck El Aissami, a top Venezuelan politician, the Minister of Industries and National Production, who is wanted by the US authorities, and also reportedly a Hezbollah liaison. And then, of course, there is the GNB (Bolivarian National Guard), FANB (Bolivarian army and Bolivarian navy), and SEBIN (National Intelligence Service).

Other players and foot soldiers in the Venezuelan gold business include:

- **Colombian guerrillas:** They operate with full support from the Venezuelan regime. It's believed that there are more than 2,000 well-armed and well-equipped guerrilla members performing security activities and gold extraction in Bolívar state. The direct order (coming from President Maduro) to the Bolivarian Armed Forces is to support and help them in everything, including weapons, ammunition, uniforms, vehicles, and even transporting them on helicopters that belong to the Air Force or Army. Every single military base in Bolívar state has the order to assist and shelter guerrilla group members.

- **Venezuelan gang members:** Gang members from groups such as Pranes are into almost every dirty way of making money; including extortion, killing, kidnapping, drug trafficking, and human trafficking. And now they are into the gold business with the blessing from high-up officials from



Gold miners killed by rivals in Bolívar state... SEBIN Commandos were the first on the scene after the killings

the Venezuelan regime. They're responsible for at least 1,000 murders just in Bolívar state. Over the last year, the Colombian guerrillas have been taking over the gang's territory, which is turning the situation into a medium scale war.

- **Local gold mafia:** The gold business in Bolívar state is old and established. Most of the businessmen from Bolívar state trade in gold. They're well-armed, but they prefer to stay low profile. You can see them and their people at their gold shops in almost every single town and Puerto Ordaz city.

- **Syrian nationals:** Recently, many people from Syria have been moving to Venezuela and establishing themselves in Bolívar state and the gold business. It is suspected that they come with full support from Tareck El Aissami.

- **Hezbollah:** Hezbollah is performing activities related to gold extraction and trafficking. The terrorist group has an extensive international network and is making a lot of money from Venezuela's gold, which ends up being sent to Turkey, UAE, and even Syria. ►

Mixed in with these groups are the Chinese, Turks, and Russians who are operating in the Venezuelan gold business and trying to stay clean and out of the turf wars. The Venezuelan gold is being trafficked regionally by air or river into Colombia, Brazil, Guyana, and Suriname, where it can be mixed in and marked as locally produced and then moved internationally to Turkey, Tanzania, and UAE, etc.

Most of Bolívar and the neighboring States are covered in jungle and thick forest, and the only way of getting into many towns is by air. The bush pilots in

the area are the best-paid pilots in Venezuela; all they do is fly logistics, food, weapons, gold, prostitutes, medicines, and anything else needed.

Venezuelan gold business brings with it chaos, crime, kidnapping, murder, well-armed gang members, and guerrillas, but it's booming because of the vast amount of money that is being made by those involved. The profits from the Venezuelan gold business go to sustain the affluent lifestyles of those in the upper echelons but also to corrupt officials and influential people in the region and internationally



This Venezuelan soldier was caught stealing gold by the criminal gang "Pranes". They took out his eyes and chopped his hands off.

that can help facilitate the criminal industry which these days is Venezuela's main export.

The Business of Protection

Maintaining Safety & Order Amid Lawlessness and Disorder

As you can see, it's crucial to know who your clients are. If you take on what you believe to be a legitimate contract and end up providing protection or transport services to criminal or terrorist groups, you can end up with a lot of problems, including legal issues with law enforcement. If, during those legal issues, the valuable assets you were escorting get seized and confiscated, don't be surprised if the bad guys hold you accountable and expect you and your family to refund their losses in one way or another...

Once you've established a certain amount of knowledge on your client, the next part of your threat assessment is to know who could possibly be targeting them and how they could cause problems. With clients in the jewelry industry, their main threats many not be physical

assault or assassination unless they have ripped someone off. Even then, professionals would want their funds returned before "offing" your client, and maybe you as well. Scams, extortion, robberies, honey traps, and kidnapping are all potential risks that need to be considered from employees, supposed friends, and known enemies.

From my experience, the first rule of thumb, when you start to provide protection services for a client in the precious gems protection sector, is not to trust the client's judgment. This is especially the case when they believe they are going to be making big money from a deal that might be slightly shady. How can you tell when a deal is bordering on being unscrupulous? The reason I know a deal could be shady is simply that the clients came to me in the first place; people don't pay for serious protection and investigations unless there is a severe need.

Another best practice I've developed over the years is that if I think the situation is shady and the clients don't want to follow the advice ►

that I give them, then they are on their own. I make sure to provide them with my professional risk assessment to try to convince them of their flawed method of going about their business. But if I've done my best, and they still insist on proceeding with an excessive amount of risk that could be avoided or mitigated, then I will happily walk away. In potential shady deals where lines are blurred, I need to be clear on where I draw the line. For me, I will not expose myself or my associates to the risk of violence or being involved in illegal activities.

The bottom line is that there is a lot more to providing protective services than just supplying bodies to react to the threats of robbery, assault, and kidnapping. The aim needs to be to prevent and avoid any potentially problematic or hostile situations and to do this, you must understand

the environments your working in and the specific issues your clients could encounter.

Many clients don't realize the problems and threats they could be exposing themselves, their employees, and their families to until you explain certain realities to them. Some clients take the advice seriously and will work with you to put workable procedures and plans in place.

Others will dismiss your advice as just paranoid scaremongering. How you deal with your clients, their attitudes and decisions is solely up to you. Hopefully, dealing with their problems is worth what you're getting paid. Because in an environment that is blurred by deception, greed, and corruption, you must rely on your discernment and due diligence to operate effectively. Your life and that of others might depend on your judgment.

Orlando Wilson has worked in the security industry internationally for over 25 years. He has become accustomed to the types of complications that can occur, when dealing with international law enforcement agencies, organized criminal and Mafia groups. He is the chief consultant for Risks Inc. and based in Miami but spends much of his time traveling and providing a wide range of kidnapping prevention and tactical training services to private and government clients.

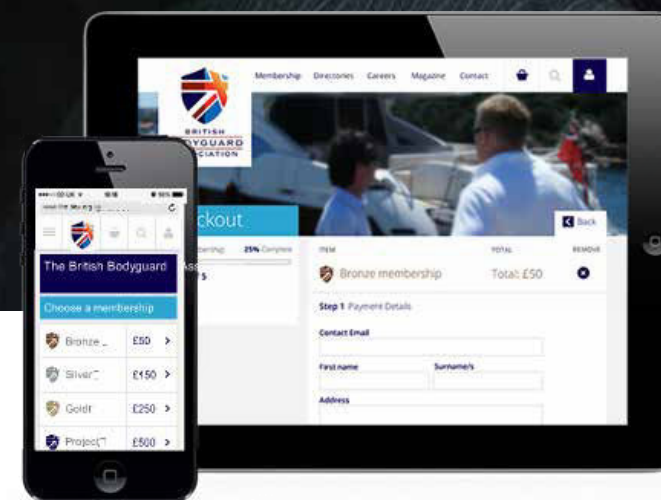
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