



environmental
investigation
agency

THE DICTATOR'S DOOR

From Crimes in Equatorial
Guinea's Forests to Home
Depot's Customers

November 2023



CONTENTS

Executive summary	1
1. Behind the Global Supply Chain for Doors	3
1.1 United States' Dependence on Imported Wood-Based Products	3
1.2 The Multi-Continental Supply Chain	3
1.3 Disappearing Intact Forests in Equatorial Guinea	8
2. State-Sponsored Forest Crimes	9
2.1 Forestry Free-For-All	10
2.2 Log Export Ban Violation	13
2.3 Forest Corruption: A Family Affair	15
2.4 Tax Evasion and Money Laundering To Recoup Corruption Cost	17
3. Asian Laundering Machine	19
3.1 China Manufacturing Black Box	19
3.2 Okoume Origin: Anyone's Guess	20
4. Corporate Complicity and Administrative Laissez-Faire	22
4.1 Jeld-Wen and the Lacey Act: "Due Care" or "Who Cares"?	22
4.2 Home Depot Fails to Live Up to Its Own Outdated Standard	25
4.3 Administrative Laissez-Faire	27
4. Conclusion and Recommendations	29
List of Figures and Boxes	30
Annex 1: An Apparent Due Care Failure	31
References	32

ABOUT EIA

For over 30 years as a non-profit organization, EIA has pioneered the use of undercover investigations to expose environmental crime around the world. Intelligence reports, documentary evidence, campaigning expertise, and an international advocacy network enable EIA to achieve far reaching environmental justice by amplifying local voices, spurring changes in market demand, government policy, and enforcement related to global trade in forest products, wildlife, and other environmental products.

EIA US

PO Box 53343
Washington DC 20009
USA
T: +1 202 483-6621
E: info@eia-global.org

us.eia.org

Design: www.designsolutions.me.uk

Front cover: © EIA

© Environmental Investigation Agency, Inc. 2023

Unless otherwise noted, the source for the report are EIA's internal investigative reports, photos, audio and video evidence collected during the investigation.



EXECUTIVE SUMMARY

This report presents the Environmental Investigation Agency (EIA)'s investigative findings that connect forest crimes in Equatorial Guinea and opaque Asian processing hubs with millions of doors sold to United States (US) consumers via more than 750 Home Depot stores located in 29 states, contradicting Home Depot's own policy and in apparent violation of the Lacey Act.

Over the past seven years, EIA has investigated some of the most egregious forest crimes in the Congo Basin and their associated supply chains. EIA's *Toxic Trade* report, released in 2019, exposed the direct import of illegal okoume (*Aucoumea klaineana*) timber into the US from the Republic of Congo and Gabon. Building on our previous research, the current report investigates crimes in Equatorial Guinea's forests and the indirect import of okoume into the US via China. EIA's findings suggest that Home Depot, the world's largest home improvement chain, and Jeld-Wen, the self-declared largest door and window manufacturer in the world, have violated the US Lacey Act for years by importing and buying Equatoguinean illegal timber and failing to conduct proper due care. EIA conservatively estimates that from 2017 to 2022 at least 1.2 million doors sold to US consumers have a very high likelihood of containing illegal okoume wood harvested in Equatorial Guinea. These doors, available in more than 750 Home Depot stores across the country as of April 2023, are the product of a supply chain with roots in the Equatorial Guinean dictatorship, one of the most oppressive and corrupt regimes in the world, ranking close to Afghanistan and North Korea in Transparency International's Corruption Perception Index. EIA's investigators were informed that "Teodorin" Nguema Obiang – son of the president, former

Minister of Forests, and current Vice President – reportedly collects a bribe for each cubic meter of timber exported from Equatorial Guinea, amounting to an average of US \$24.6 million per year from 2015 to 2021 on okoume exported to China alone.

The okoume-faced door supply chain begins in Equatorial Guinea - soon to become the only country exporting okoume logs to China due to bans on log exports in Republic of Congo and Gabon - where okoume trees are logged and exported under a system of bribery and corruption connected to Vice President "Teodorin" Nguema Obiang. Teodorin has been prosecuted in both the US and France for laundering millions of dollars from Equatorial Guinea to purchase cars, yachts, and multi-million-dollar homes, despite a reported annual salary of around US \$100,000. The fourth-richest African country based on Gross Domestic Product (GDP) per capita, Equatorial Guinea has been repeatedly ranked by Transparency International as one of the most corrupt countries in the world, and nearly 80 percent of the population lives under the poverty line.

Equatorial Guinea has passed a series of forestry laws and bans over the past 10 years that explicitly aim to promote sustainable forest management, and launched a

National REDD+ Investment Plan in July 2020 in order to reduce emissions from deforestation and forest degradation and promote conservation, sustainable management of forests, and enhancement of forest carbon stocks. However, our conversations with major logging operators throughout Equatorial Guinea, including the local subsidiaries of the Wan Peng group and the Rimbunan Hijau group (both of these groups have reportedly been involved in forest crimes and corruption on multiple occasions) paint a different picture. Individuals described to EIA investigators routine defiance of forest regulations (concession limits, harvest under minimum allowed diameter) and government officials that are not only complicit but directly responsible for requiring payment of bribes and punishing operators that do not participate in the corrupt scheme.

The okoume logs are exported to China - despite a roundwood export ban in Equatorial Guinea that was in effect from January 2008 to October 2020 - where they are processed and turned into thin veneers. Equatorial Guinea provided more than 3.4 million tons of okoume logs worth nearly US \$750 million from 2014 to 2021, which represents 50 percent of the okoume logs imported by China by weight during that period (with the vast majority of the remaining imports coming from the Republic of Congo). While the US has passed the 2008 Lacey Act amendments, and several other countries have similar laws that prohibit the import of illegally harvested timber, China currently has no such legislation in effect. Once in China, the logs enter processing and veneer manufacturing supply chains so opaque that companies are often unable to trace the origin of their timber - the concession or country where the trees were originally harvested - from import to the exported product.

The okoume veneers are then manufactured into door skins, either in China, Malaysia, or Thailand, before being imported into the US by Jeld-Wen. Conversations with Jeld-Wen's top door skin suppliers confirm that the origins of the okoume logs are unclear, and that by the time they receive the veneers, it is impossible to verify the declared origins due to the opacity of China's processing supply chain. EIA investigators received corroborating information from a senior sourcing manager at Jeld-Wen. One of Jeld-Wen's suppliers also told EIA investigators that, as they fill out the "Lacey Declaration" (Plant Product Declaration PPQ Form 505) that Jeld-Wen submits to US authorities, they declare all the door skins they export to Jeld-Wen as made of okoume harvested in the Republic of Congo despite the fact that they are incapable of tracing the okoume they used back to the specific country of harvest. Misdeclaring the country of harvest of a timber product imported into the US is a Lacey Act violation.

To complete the products, Jeld-Wen applies the imported okoume door skins onto hollow pine and cardboard frames, and then sells the okoume-faced doors to Home Depot who distributes it across the US to millions of customers. Home Depot's Wood Sourcing Policy claims

to only source wood from the Congo Basin certified by the Forest Stewardship Council (FSC), however, according to EIA's research, no valid FSC certified okoume forests exist in either Equatorial Guinea or the Republic of Congo, which provide the vast majority of okoume logs exported to China for processing into door skins.

Given Equatorial Guinea has provided half of the okoume logs imported by China, that a large portion of okoume logs coming from the Republic of Congo into China are at high risk of being illegal (see EIA's *Toxic Trade* report), and that logs are untraceable once imported, there is an extremely high risk that for almost a decade Jeld-Wen and Home Depot have routinely imported and bought illegal timber in violation of the Lacey Act. EIA's investigation also concluded that both companies have apparently failed to uphold the principle of due care as set out in *United States v. Lumber Liquidators Holding, Inc.* more than 8 years ago. Jeld-Wen and Home Depot's apparent lack of due care is particularly concerning, given that any company using okoume should have been aware of significant risks of illegality after 2019 when EIA released a detailed expose, the *Toxic Trade* report, about the illegalities associated with the logging, trade, and export of okoume from the Congo Basin to the US.

EIA recommends:

- **Home Depot:** a) immediately remove all okoume-faced doors from its shelves and stocks; b) urgently review and revise its wood purchasing policy in order to include unbroken traceability to the point of harvest for all wood products; c) make information about the origin of wood products easily accessible to customers;
- **Jeld-Wen:** suspend the import and manufacture of okoume-faced door skins until the company has developed and implemented a compliance plan at least as thorough and detailed as the one Lumber Liquidators accepted in its guilty plea;
- **US Department of Justice:** investigate Jeld-Wen and other companies importing and selling products containing okoume, to determine if the Lacey Act is being violated, and, if so, prosecute those responsible;
- **US Animal and Plant Health Inspection Service:** a) adopt and implement a robust plan to monitor and investigate Lacey Act compliance, using available data and technology to improve timely analysis of high-risk imports; b) radically improve the information available to the public regarding Lacey Act Declarations;
- **Government of China:** adopt regulations to implement the amended Article 65 of the national forest code, clarifying its application to imported timber;
- **International shipping lines, including Maersk and CMA-CCGM:** stop their engagement in the corruption-enabled export of timber from Equatorial Guinea and put the necessary due diligence mechanisms in place to respect national log export bans.



BEHIND THE GLOBAL SUPPLY CHAIN FOR DOORS

1.1 United States' Dependence on Imported Wood-Based Products

The US is the world's leading producer and largest single-consumer of wood products. US production predominantly focuses on logs and pulp for paper (the US is the world's largest producer), sawnwood, and wood-based panels (the US is the second leading producer).¹ When US consumers build their homes, the framing lumber – primarily species from the pine family – is commonly sourced domestically or from neighboring Canada.² These supply chains are usually straightforward, even though they are not immune from illegalities. However, when American consumers install wood-based cabinets, flooring, and weather-resistant decks, or when they furnish their home with wooden furniture, the final product they use is frequently the result of much more complicated supply chains. In many instances, these products are made of tropical wood that present desirable colors, grains, and durability, and are in the vast majority of cases sourced outside of the country. In the first quarter of 2022 alone, the US imported hardwood products from 128 countries worth a total of

\$9.2 billion.³ While some supply chains directly connect the US to the country where the trees were harvested, a significant share of hardwood products are imported into the US through complex international supply chains. After trees are cut in a tropical forest, the logs are shipped to a global processing hub - if not transshipped between several of them - and the finished or semi-finished product is exported to the US.

1.2 The Multi-Continental Supply Chain

Over the past seven years, EIA has investigated high-risk timber supply chains that originate in the Congo Basin and end up in the US market. This report presents findings regarding one of these supply chains, connecting forest crime in Equatorial Guinea, opaque Asian processing, and hundreds of thousands of doors sold to American consumers across 772 Home Depot stores located in 29 states (Figure 1).

Home Depot, the world's largest home improvement retailer according to company statements, sells hundreds

THE OKOUME-FACED DOOR GLOBAL SUPPLY CHAIN



UNITED STATES

These doors, available in more than 750 Home Depot stores across the country as of April 2023.



According to EIA's investigation, all of Jeld-Wen's suppliers have at least one feature in common: they use, for part or for their entire production, okoume veneer made in China that cannot be traced back to any country of harvest.

EIA's findings suggest that **Home Depot**, the world's largest home improvement chain, and **Jeld-Wen**, the self declared largest door and window manufacturer in the world, have violated the US Lacey Act for years by importing and buying illegal Equatoguinean timber and failing to conduct proper due care.

EQUATORIAL GUINEEA

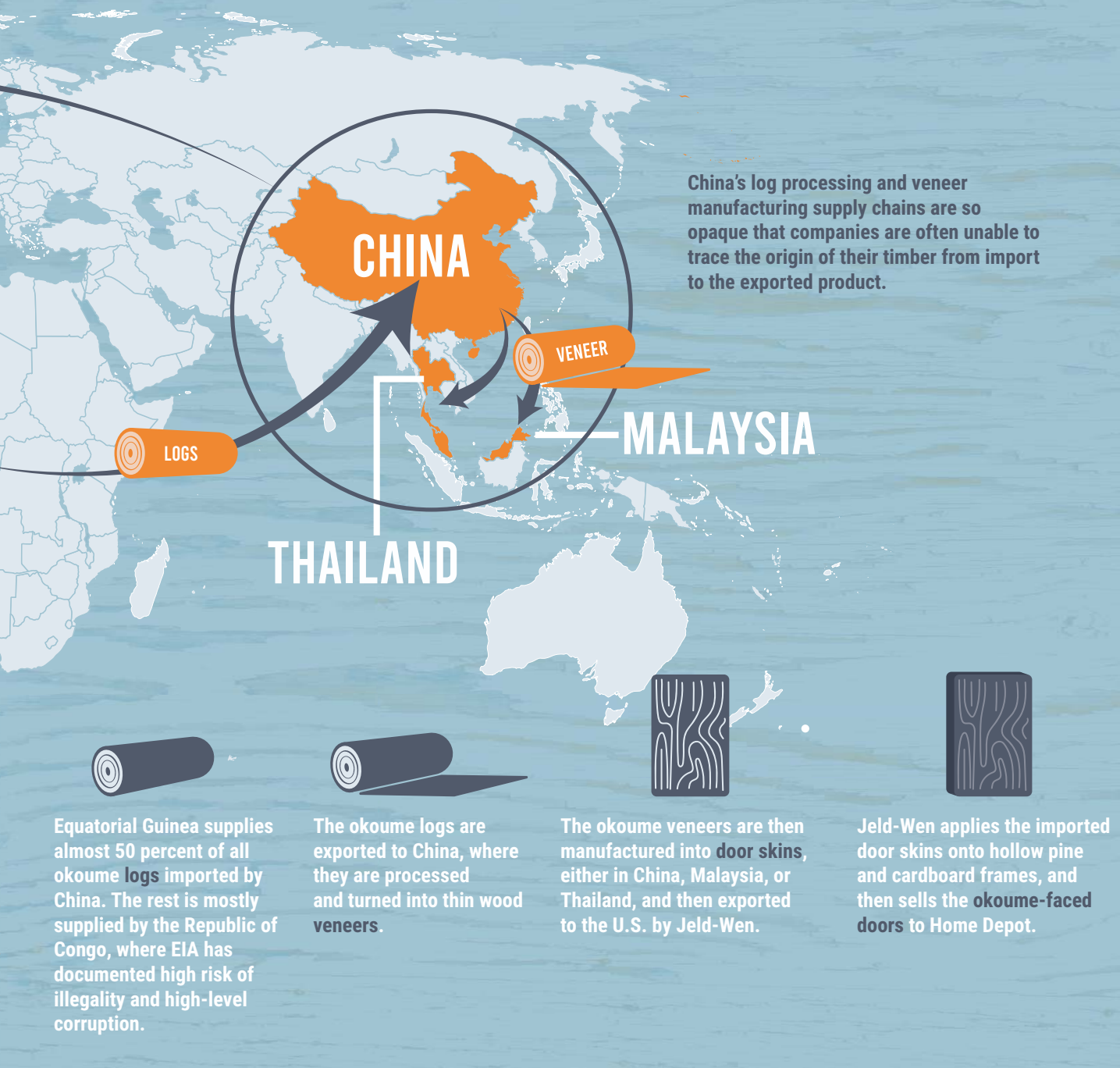
According to EIA's findings, illegalities are the norm rather than the exception in Equatorial Guinea's forests, often facilitated by systemic corruption. Logging companies' employees told EIA investigators that export of all timber is conditioned on a bribe paid to the Vice President.



Source: EIA

Figure 1
Geographies of the door supply chain

FROM THE FORESTS OF EQUATORIAL GUINEA TO THE HOMES OF U.S. CONSUMERS



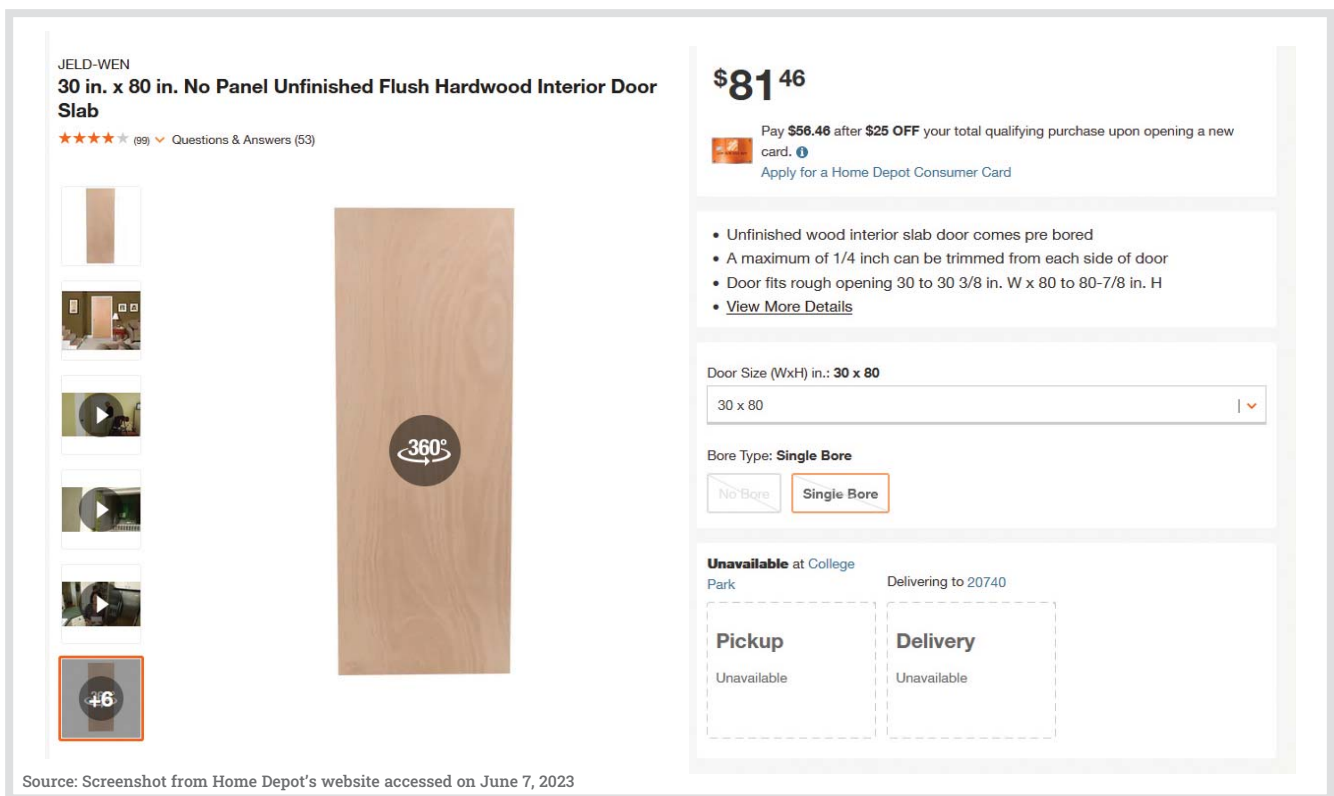


Figure 2
 The "Unfinished Flush Hardwood Interior Door Slab" available online and in Home Depot's stores

of categories of doors for commercial and residential uses, in a variety of styles, finishes, dimensions, and price points.⁴ At the low end of the range are unadorned "flush" interior doors with a so-called hollow core. One example is the "Unfinished Flush Hardwood Interior Door Slab" (Figure 2).⁵ This is one of the go-to doors for inexpensive renovation projects across the country. Per Home Depot's description, this door – available for purchase both online and in hundreds of stores – features "natural unfinished wood characteristics and can be painted or stained to fit your personalized decor. The company states that the door is constructed from millwork byproducts **to help support environmental preservation** and features a 1-3/8 in. thick panel for durability," (emphasis added).⁶

The door is manufactured by Jeld-Wen, one of the largest private companies in the US. Jeld-Wen claims to be the "global leader in windows and doors operating in North America, Europe, and Australasia," with 24,000 employees worldwide, 119 manufacturing facilities located in 18 countries, and \$4.8 billion in revenue in 2021.⁷ The majority of the company's revenue reportedly comes from their North American market, which generated \$2.8 billion in 2021.⁸

As of 2016, Jeld-Wen manufactured its doors in over a dozen facilities located across the US and overseas.⁹ In the case of the "Unfinished Flush Hardwood Interior Door Slab," the hollow core door is constructed out of a



Figure 3
 Structure of the Jeld-Wen door



Figure 4
Okoume tree in a Congo Basin forest



Figure 5
Peeling of okoume log in China

pine wood frame filled with cardboard lattice, as seen in Figure 3. The frame is then covered with a so-called “door skin,” which is a thin panel consisting of a hardwood veneer glued to a fiberboard layer. The exterior-facing, visible side of the panel displays the “hardwood” look. Jeld-Wen provides several wood options for the unfinished door, including birch, medium density fiberboard, red oak, and “tropical hardwood.”

According to EIA’s investigation, the tropical hardwood door skins are imported by Jeld-Wen from several companies located in Asia, namely Metro Panel and Vanachai Group in Thailand, Evergreen Fibreboard Berhad in Malaysia, and up until September 2018, International Wood Products Co LTD in China. These

manufacturers produce the door skin by assembling two layers. The interior layer, which provides structural support to the door skin, is made from either medium/high-density fiberboard, or rubber wood that usually originates from national plantations. The exterior, visible layer, that gives the door its “tropical hardwood” label, is made of a thin veneer of tropical wood.

Between June 2019 and August 2022, EIA has carried out wood analysis on 665 flush doors sold at Home Depot. According to these analyses, the hardwood used in 58 percent of the samples was okoume (*Aucoumea klaineana*).¹⁰ Okoume trees only grow naturally in four countries in the world, all located in the Congo Basin: Cameroon, Equatorial Guinea, Gabon, and the Republic of Congo (see Figure 4).

According to EIA’s investigation, the okoume veneers used on Jeld-Wen doors are often produced in China (Figure 5), and exported to Thailand or Malaysia or transported to another Chinese province, where they are assembled into the door skins. The central role of China in the supply chain is unsurprising since China is the largest importer of okoume logs in the world. EIA estimates that between 2010 and 2021, 94.5 percent of all the okoume logs exported from Equatorial Guinea were imported by China, and that during the same period China imported an average of over 400,000 tons of okoume logs from the Congo Basin. The Chinese production of okoume veneer relies entirely on its import of okoume logs from the Congo Basin. An analysis of imports between 2014 to 2021 reveals that China

essentially imports okoume logs from two countries: Equatorial Guinea (47 percent) and the Republic of Congo (53 percent). While Gabon was once the largest African exporter of logs – with okoume representing almost three fourths of these timber exports – the country enacted and implemented a raw timber export ban in 2010 that shifted its export from logs to processed products (planks, in particular).¹¹ As of January 2023, the Republic of Congo has also instituted a ban on log exports - meaning that once existing stockpiles are exhausted, Equatorial Guinea will become the sole exporter of okoume logs to China, and thus the sole source of the okoume that is processed into door skins and okoume-faced doors available to US suppliers, retailers and consumers.¹²

Both the Republic of Congo and Equatorial Guinea have high rates of illegal logging and associated trade. EIA's 2019 report *Toxic Trade* uncovered the various forest crimes associated with the okoume supply chain in the Republic of Congo (cf. Box 6).¹³ As detailed in the following sections, industrial logging driven by China's demand for logs has had devastating consequences on Equatorial Guinea's remaining intact forests.

1.3 Disappearing Intact Forests in Equatorial Guinea

Forests cover more than 90 percent of the land area of Equatorial Guinea, making it one of the world's most

heavily forested countries.¹⁴ As in the rest of the Congo Basin, Equatoguinean forests feature exceptional plant and animal biodiversity, with numerous species of mammals, birds, and reptiles.¹⁵ Equatorial Guinea has one of the highest species richness in Africa in terms of primates, with almost 30 different species.¹⁶ The critically endangered Western lowland gorilla (*Gorilla gorilla gorilla*) and forest elephant (*Loxodonta cyclotis*) are amongst the many species living in Equatorial Guinea's forests.¹⁷ Forests are central for the livelihoods of rural communities in Equatorial Guinea, as they are a source of food, medicine, construction materials, household goods and income.¹⁸

While the country has maintained relatively low deforestation rates over the past decades (0.2 percent per year), it is estimated that 30,000+ hectares of forest were degraded each year over the 2014-2018 period, marking a sharp increase from the 2004-2014 period.¹⁹ This trend made Equatorial Guinea one of the countries in the world which have lost the highest percentage of intact forest landscapes in recent years. Assuming that the loss continues at the current rate, the country will lose its entire primary forest areas during the next 20 years.²⁰

As in several other Congo Basin countries, industrial logging is one of the main drivers of forest degradation in the country.²² As detailed in the subsequent section, most of it takes place in violation of national laws, including forest, export, and fiscal regulations.

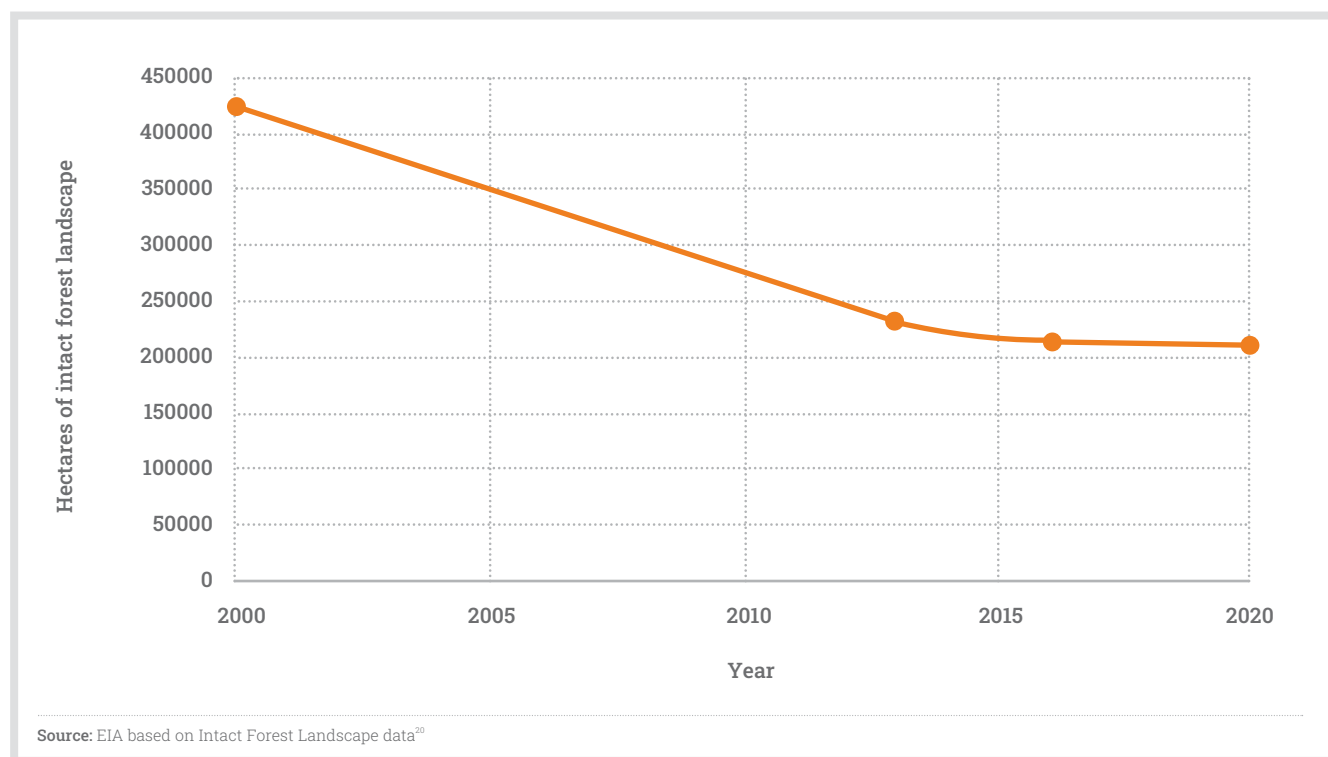


Figure 6
Fast disappearing intact forests in Equatorial Guinea, 2000-2020 (data available for 2000, 2013, 2016, and 2020)



STATE-SPONSORED FOREST CRIMES

Currently in his 43rd year as President of Equatorial Guinea, Teodoro Obiang Nguema Mbasogo holds the record for the longest-serving president in the world.²³ Beginning from the bloody coup in which he seized power in August 1979, Obiang has ruled with an iron fist, earning him the dubious distinction of being one of Africa's most brutal and enduring dictators.²⁴ National and international voices have repeatedly criticized the country's human rights abuses, perpetuated through torture and unlawful killing, unfair trials, arbitrary detention, severe restrictions to freedom of speech and assembly, and ongoing targeted threats and attacks to

civil society, women, and minorities, including gay, bisexual and transgender communities.²⁵ According to Human Rights Watch, the Obiang government's abuses of power include "staggering corruption" which has siphoned off the country's natural resources – including its forests – to enrich a wealthy few.²⁶

EIA's investigation shows how state-sponsored forest plunder and corrupt practices in Equatorial Guinea by some of the largest logging companies in the world (Box 1) lie at the heart of a manufacturing supply chain destined for American homes.

BOX 1.

BIG LOGGING IN EQUATORIAL GUINEA

Three of the largest Asian-owned logging groups active in Africa have chosen Equatorial Guinea as one their primary targets to deploy their cut and run strategy.

Shimmer International: Rimbunan Hijau Group (RHG) is one of Malaysia's largest conglomerates, active in diverse sectors from forestry to media.²⁷ One of the world's largest producers and exporters of tropical timber,²⁸ the group controls hundreds of timber operations across Central Africa, Russia, Southeast Asia, and the South Pacific. Shimmer International is a subsidiary of RHG and one of the largest logging companies in Equatorial Guinea. The company began operating in the country in the 1990s, and reportedly acted as a subcontractor for Vice President Teodorin Nguema Obiang in 1999 when he was the Minister of Forests.²⁹ The relationship with the President's son has allegedly granted the company access to over 300,000 hectares of logging concessions, nearly 20 percent of the allowable 1.7 million hectares available in the country.³⁰ RHG has repeatedly been denounced for fueling the destruction of forests around the world through secrecy and criminal activity.³¹

Wan Peng International: Wan Peng International is a Chinese logging group active throughout Africa and Southeast Asia, which claims to log "as much as 200,000 cubic meters abroad each year."³² Wan Peng International has a particularly large presence in Equatorial Guinea, where it manages a 60,000 hectare forest concession and oversees approximately 200 Chinese employees.³³ In the DRC, the group was accused of benefiting from an illegally traded timber license sold by a high-ranking Congolese military leader sanctioned by the European Union and US for human rights abuses.³⁴ The very few official export records tied directly to the company appear to indicate that the group operated through an opaque network of small companies using different names.³⁵ The group's core strategy seems to favor business with politically connected figures. In 2017, Wan Peng International purchased an 80 percent share of Christelle SARL, a timber company belonging to Kelly Christelle Sassou Nguesso, the daughter of Denis Sassou Nguesso, president of the neighboring Republic of Congo.³⁶

BOX 2.

A GLIMPSE OF THE SINO-GUINEAN ENTENTE

The increasingly dominant role by a few Chinese companies in the Equatoguinean forest sector must be understood in the broader context of Equatorial Guinea-China bilateral cooperation and, in particular, trade collaboration.

As is the case across Africa, China has engaged in large-scale investments in the country primarily through infrastructure projects. In 2006, the Export-Import Bank of China provided an initial round of funding for the construction of the port of Bata, which was built by a subsidiary of the State-owned China Communications Construction Company in 2014.⁴⁰ Following a 2015 meeting between Xi Jinping and Equatorial Guinea's President Teodor Obiang Nguema Mbasogo, the Industrial and Commercial Bank of China (ICBC) announced a \$2 billion agreement to provide financial support for the Equatoguinean government, as well as Chinese companies operating in the country.⁴¹ That same year, Huawei Marine Networks was awarded a contract by the Equatoguinean government to connect its submarine cable system into a wider network that extends as far as Europe.⁴² The Djibloho hydropower plant, which provides much of Bata's electricity, was financed and constructed by Chinese State-owned firms and lenders.⁴³

The mutual understanding on trade between Equatorial Guinea and China is illustrated by statements from both presidents during Obiang's visit to China in 2015:

"China will encourage Chinese enterprises in advantageous sectors with good-quality capacity to invest in Equatorial Guinea, assisting the African country with infrastructure construction, Xi told the visiting president.[...] Obiang thanked the Chinese side for aiding African countries with no political strings attached, which he said was of vital significance for development. After the talks, a joint statement was issued on establishing the comprehensive partnership of cooperation. Xi and Obiang also witnessed the signing of a series of cooperation documents on diplomacy, education, technology, trade, aviation and finance."⁴⁴

2.1 Forestry Free-For-All

Although dwarfed by the oil extraction sector, logging is one of the country's most important economic industries.³⁷ The livelihoods of over half of the country's population depend on forest resources and are therefore directly affected by the destruction or degradation of forests.³⁸ Steadily declining oil prices since 2015 have caused economic recession and accelerated attempts to diversify the national economy away from oil.³⁹ In this context, the expansion of the logging sector became a national priority that benefited from trade and a deeper diplomatic relationship with China (Box 2).

China's demand for okoume logs has been one of the main drivers of Equatorial Guinea's increased timber production and export. From 2010 to 2021, 81 percent of all timber⁴⁵ and 95 percent of all logs exported (by value) from Equatorial Guinea went to China (Figure 7, Figure 8). Over just a few years, Equatorial Guinea became Africa's largest supplier of logs – mainly okoume – to China, and one of the top three providers in the world of tropical logs to the Chinese economy, behind Papua New Guinea and The Solomon Islands (Figure 9). Log exports to China from Equatorial Guinea surged between 2010 and 2017 with an average increase of 47 percent per year (Figure 10). According to EIA's analysis, okoume logs hold the lion's share of timber exports from Equatorial Guinea to China. Between 2010 and 2021, okoume logs represented an estimated 50 percent of all the timber (by value)

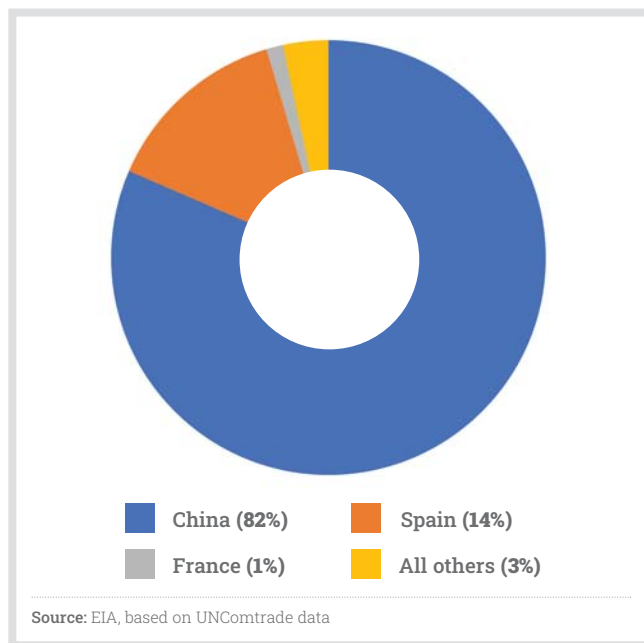


Figure 7
Share of timber export from Equatorial Guinea by importer country (2010-2022), by value

imported by China from Equatorial Guinea. Equatorial Guinea quickly grew to become the largest provider of okoume logs to China from 2016 to 2018.⁴⁶

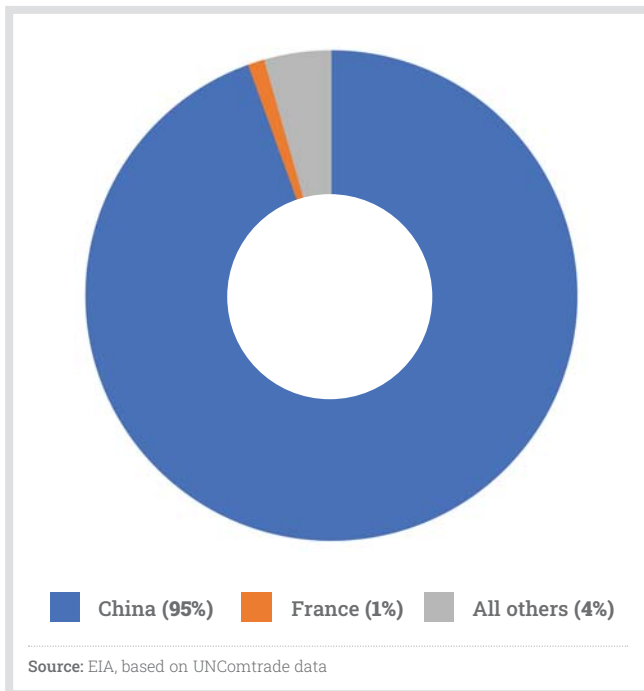


Figure 8
Share of log export from Equatorial Guinea by importer country (2010-2021), by value

The role of the companies that supply the Chinese market - in particular companies controlled by Chinese capital - has arguably been the principal driver behind the explosion of uncontrolled and illegal logging in Equatorial Guinea. A manager of Shimmer International (cf. Box 1), one of the major logging companies in Equatorial Guinea, explained to EIA investigators:

"EIA: I noticed that exports from EG [Equatorial Guinea] were not that high back in 2014. What happened in 2015 and 2016? There's a sudden rise in export numbers. Shimmer International: Because too many companies came in. EIA: Chinese companies? These illegal ones? Shimmer International: Yes."

Forest exploitation in Equatorial Guinea is regulated by over 200 articles in the national forest code and its implementing decree.⁴⁷ All aspects of forest use and management are covered, including the role of competent authorities, protected species, minimum cutting diameter allowed, penalties, taxes, etc. The law details the procedures that companies must follow to obtain cutting rights over the national forest resources, including the approval of a forest management plan that must contain an inventory, annual logging plan, detailed planning of road openings, etc. (Article 35). Sustainability

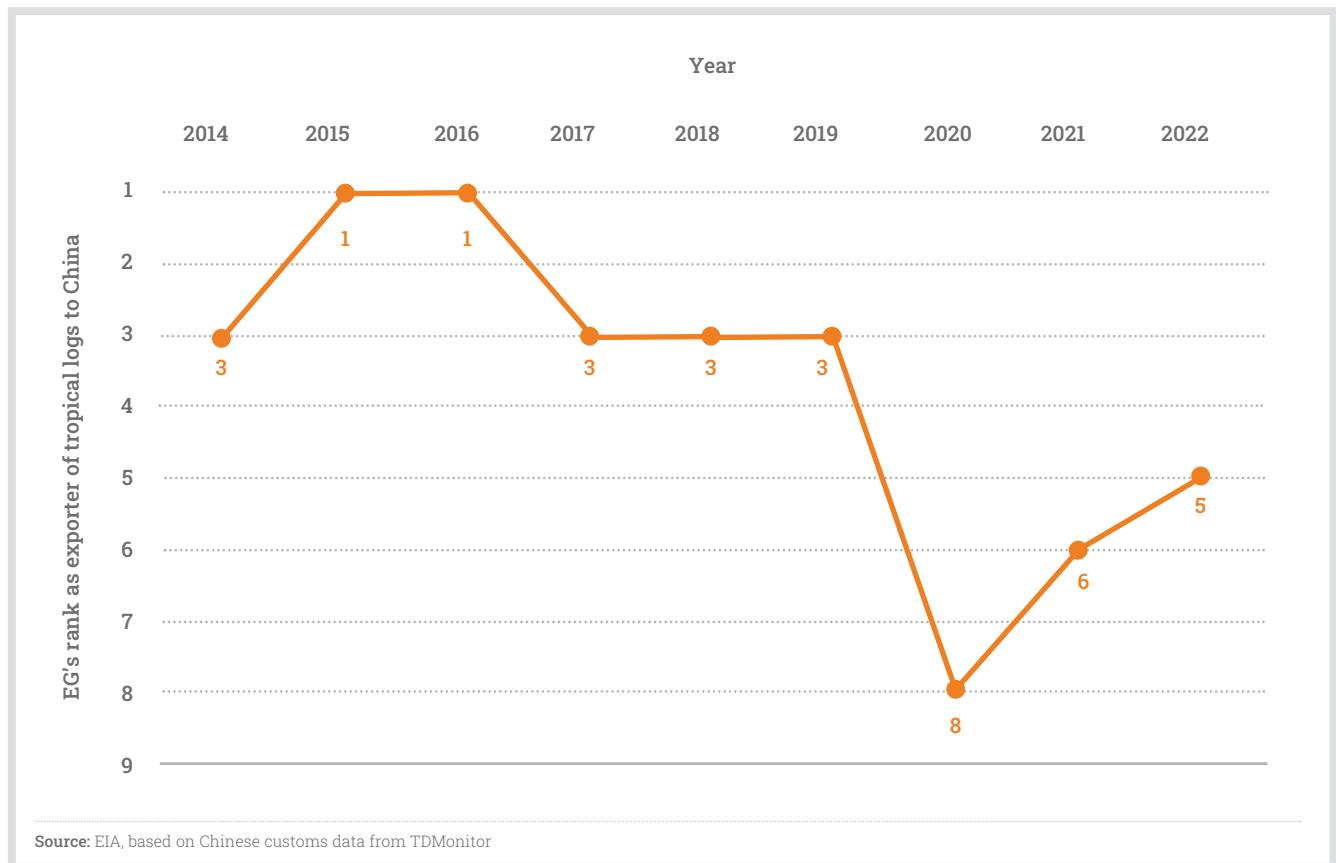


Figure 9
Equatorial Guinea ranking as tropical log provider to China (by weight), 2014-2022

appears to be a core concept of the Equatoguinean forest code. In Article 1, the law establishes that logging must be sustainable “with an absolute respect to the natural Laws that ensure its permanence and growth for the benefit of present and future generations.”⁴⁸ Article 5, related to the National Forest Reserves where industrial logging takes place, emphasizes the concept of sustainable yield.⁴⁹

The disconnect between regulations and reality on the ground is overwhelming. A manager from the company Chang Xia, a company that owns a concession and a veneer factory in Equatorial Guinea and exports all its production to China explained to EIA investigators:

“EIA: Can you overcut?”

Chang Xia: Well, here it's not like Gabon, where you apply for the concession, they ask you to have a plan and all that. Here, they don't regulate that.

EIA: So they don't tell you where or how much you can cut for each year?

Chang Xia: They just don't care.”

The disregard of key forest management requirements was confirmed by the owner of the company Comali, one of the top-5 largest logging companies in the country. He explained to EIA investigators that the annual harvest, or even monthly harvest, is in practice not regulated as long as the so-called “taxes” – which apparently include bribes to the vice president as he later explained – are paid:

“EIA: Every country has some kind of forest management. Usually, they say: “Maximum you can cut this many trees every month” but in your case it is not a problem?

Comali: No problem for us.

EIA: They don't have a maximum for you? The government?

Comali: The government... No... No, in this country there is no maximum. When you pay all taxes, there is no problem. There is no quota here. There is no quota in Guinea Equatorial.

EIA: You have your own forest concession and so you can cut as many trees as you want?

Comali: Yes. No problem. Yes, yes, yes.”

The sector-wide disregard for forest rules is confirmed by the Timber Legality Risk Assessment performed by Preferred by Nature in 2021.⁵⁰ According to the evaluation, major risks are associated with each of the 21 categories of the risk assessment, in particular:

- Forest concessions (CAAF) awarded without the required documents or without complete evaluation by the authorities.
- Development of forest management plans without the minimal required contents, or not developed by competent technicians.
- Lack of forest management plan implementation by the companies and lack of monitoring by the forest administration.

- Illegal logging done through verbal agreements between chainsaw operators and villages or individual owners, especially in communal forests or privately owned forests.
- Harvesting permits are awarded without the required documents or without complete evaluation by the authorities.[...]
- Logging of species with a smaller diameter than authorized[...]
- Harvesting prohibited species.
- Illegal harvesting in protected areas
- Illegal logging of bubinga (*Guibourtia tessmannii*) envila (ebano) or *Diospyros crassiflora* and nsonso (wengue) or *Millettia laurentii* without permit or with fraudulent permit.⁵¹

An executive from Wan Peng International (see Box 1) explained to EIA investigators how their company systematically cut under diameter trees, in order to maximize profit and the total quantity of harvested trees, with little fear from enforcement authorities:

“EIA: What's the requirement for diameters?

Wan Peng International: No less than 60 centimeters [is the requirement in practice]. The requirement on paper is no less than 70 centimeters. Logging businesses can't survive if they follow the rules. Anyway, if your logs are larger than 60 centimeters, the government won't give you trouble.”

He also described how Wan Peng International, and many other companies, commonly launder timber cut without permits outside of industrial logging concessions:

“Wan Peng International: Government forbids logging in community forest. If you get caught, you'd get in big trouble... What companies do is that they invest in a few facilities in the community and work in community forests. If you follow the government's rules, there won't be any profit. The government asks for 60,000 [~\$950] in tax for every square meter.

EIA: So do you buy from community forest and mix things up?

Wan Peng International: We buy from community forests. They log, we buy on site, and transport them [the logs] ourselves.

EIA: Do other companies do the same thing as you?

Wan Peng International: Many of them do the same thing. A lot of other companies do.”

Systemic forest illegalities reached a new level in September 2020, when a presidential decree announced the suspension of all logging activities in the country, because “operators in the timber sector have continued to systematically cut prohibited species and to export logs” in breach of the national laws.⁵² The decree further acknowledges “the observed misconduct by said logging operators, who deplete the forests of our country and carry out indiscriminate felling of trees regardless of both national and international regulations on the minimum diameter allowed for felling a tree: uses that do not respect the standards established for this type of

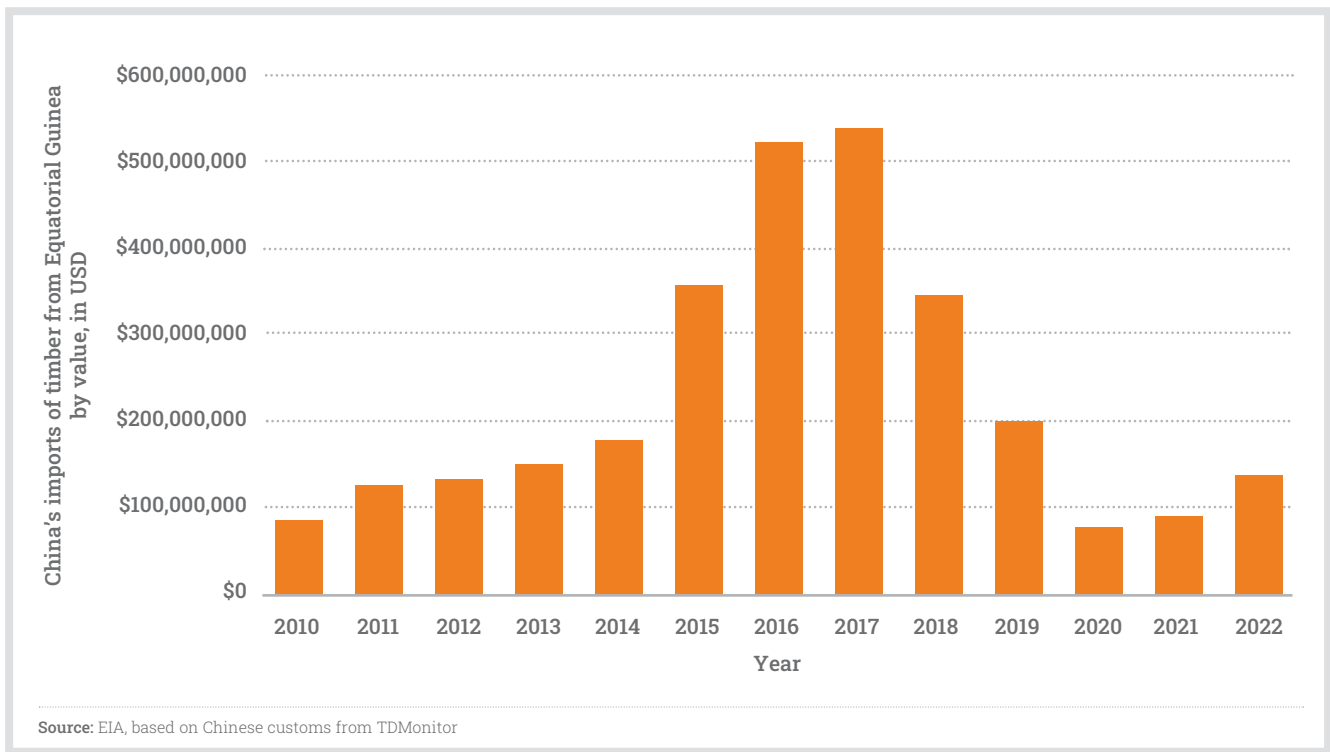


Figure 10
Evolution of value of timber imports into China from Equatorial Guinea, 2010-2022

activity, thus putting the ecosystem at risk [...].^{#53} According to Olman Serrano, the president of the International Tropical Timber Technical Association (ATIBT) and former Food and Agriculture Organization of the United Nations (FAO) representative in Equatorial Guinea, this decision is a consequence of the launch in July 2020 of Equatorial Guinea's REDD+ National Investment Plan (PNI-REDD+), under the framework of the National Plan for Sustainable Development 2035.^{#54} Despite the public announcement of the logging ban, which was targeting international audiences, EIA's investigation indicates that companies have continuously illegally logged and exported timber between September 2020 and September 2022. During this period, China alone has imported on average 21,000 tons of wood each month from Equatorial Guinea, for a total value of \$202 million (see Figure 10).

2.2 2008-2020: Over Ten Years of Log Export Ban Violation

In 2007, Equatorial Guinea amended its forest code via a decree that mandated the processing of all logs prior to export, thereby prohibiting all export of roundwood.^{#55} This decision was reaffirmed ten years later, when another decree prohibited the export of roundwood, stating that "The export of roundwood in the Republic of Equatorial Guinea is prohibited due to the need for wood to be processed within the national territory to promote industrialization. From 1 January 2019, only processed wood may be exported."^{#56}

The log export ban was temporarily suspended in October 2020 "due to the need to mobilize all productive

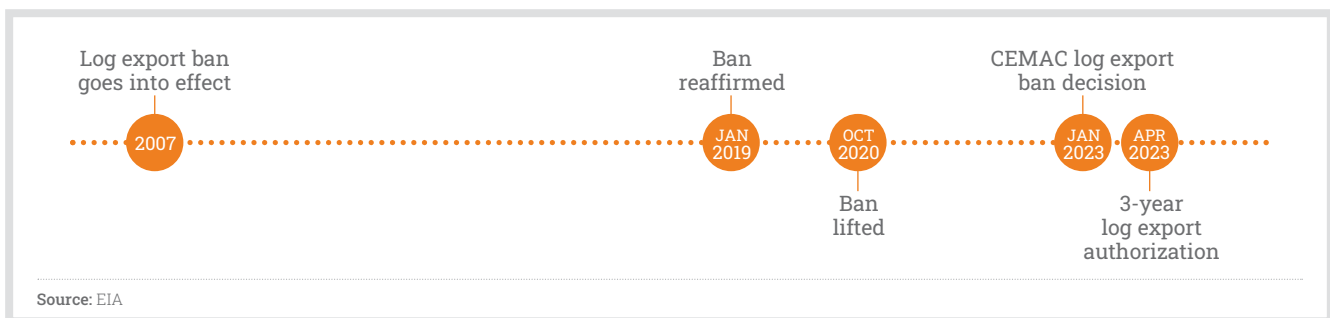
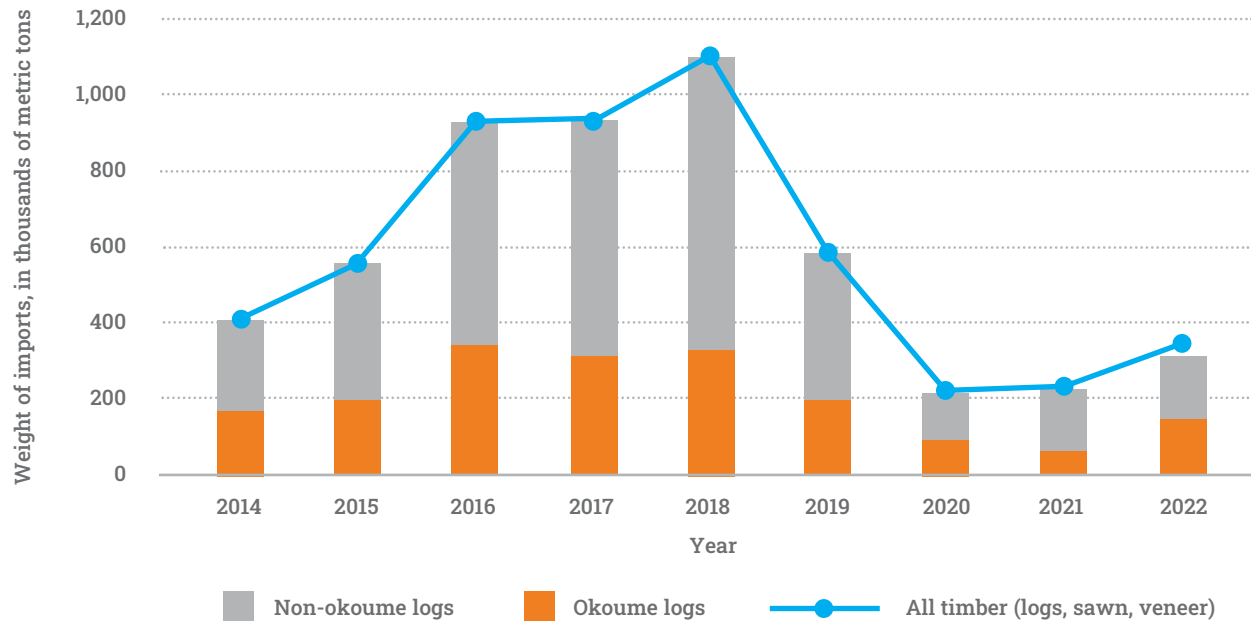
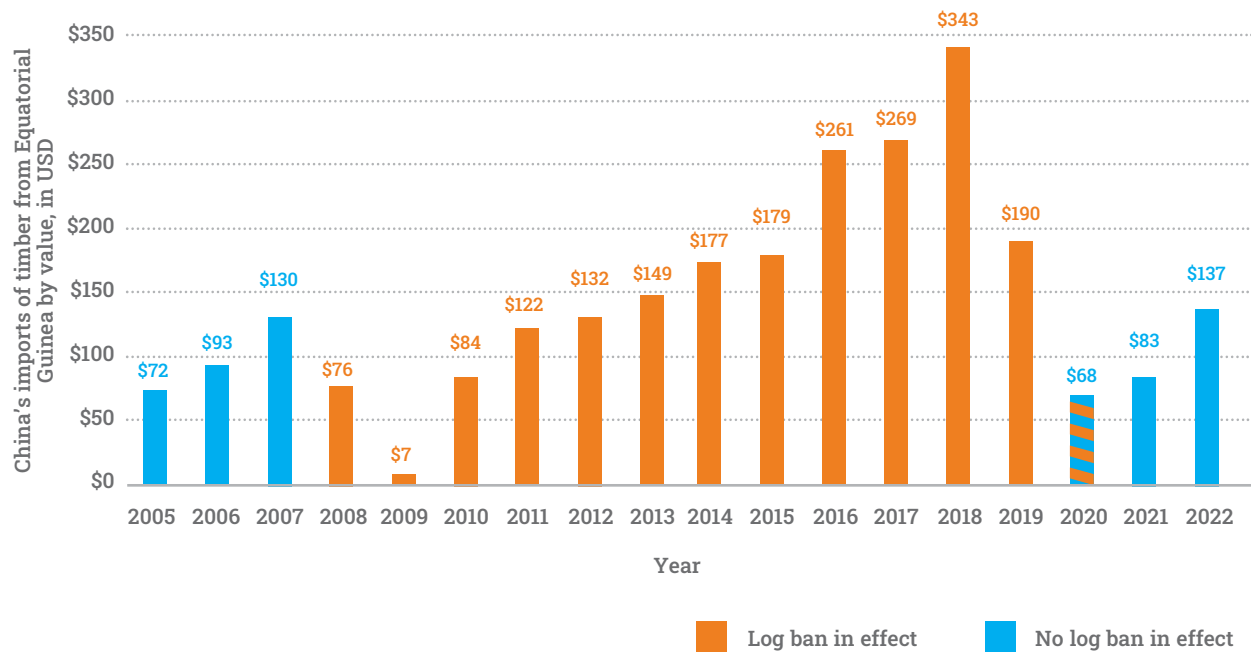


Figure 11
Timeline of log ban status in Equatorial Guinea and CEMAC



Source: EIA, based on Chinese customs data from TDMonitor

Figure 12
Okoume logs' share of Chinese timber imports from Equatorial Guinea, by weight (2014-2022)



Source: EIA, based on Chinese customs data from TDMonitor

Figure 13
Value of Chinese log imports from Equatorial Guinea, 2005-2022, with and without log export ban (millions US)

sectors in the country and given the serious economic crisis affecting all countries in the world, and in particular in our country, as a result of the Coronavirus health crisis and the sharp fall in the price of crude, the Government intends to continue to pay special attention to the Forestry Sector.⁵⁷ As of April 2023, the government of Equatorial Guinea has authorized the continued export of logs for an additional three-year period,⁵⁸ despite the Central African Economic and Monetary Community (CEMAC)'s regional efforts and directives to stop the export of low value added logs from the region.⁵⁹

As shown in Figure 12, the bulk of the timber trade between Equatorial Guinea and China, since its skyrocketing growth in 2015, has relied on logs, in particular okoume logs. Since 2015, logs have represented 98 percent on average and okoume logs in particular, 45% of the entire timber trade between the two countries from January 2008 to August 2022. According to EIA's analysis, from January 2008 (beginning of the log export ban) up to October 2020 (official suspension of the log export ban due to pandemic special circumstances), China imported over \$2 billion worth of logs, in breach of Equatorial Guinea's log export ban.

2.3 Forest Corruption: A Family Affair

Equatorial Guinea is the fourth wealthiest African nation, on a Gross Domestic Product (GDP) per capita basis,⁶⁰ largely due to the oil boom which started in the late 1990s.⁶¹ At the height of the boom from 2009 to 2013, the country, with a current population of about 1.4 million people, drew in approximately US \$4 billion annually from oil revenue.⁶² But this wealth is unevenly distributed; nearly 80 percent of the population lives under the poverty line.⁶³ The country has one the lowest rates of newborn immunization for polio, measles, and tuberculosis in the world, a life expectancy below the sub-Saharan African average,⁶⁴ and roughly a third of the population lacks access to potable water.⁶⁵ The massive accumulation of wealth by a few and the resulting extreme inequality are inextricably linked to the systemic collusion and corruption that prevail in the country.⁶⁶ Equatorial Guinea is repeatedly ranked as one of the most corrupt countries in the world: in 2021 it was 9th, close to Afghanistan, North Korea, and Libya.⁶⁷

The country is led by Teodoro Nguema Obiang Mangue, who started his presidency in 1979 and now serves as the longest ruling president in the world.⁶⁸ His son, also named Teodoro Nguema Obiang Mangue and nicknamed "Teodorín," became the Minister of Agriculture and Forests in 1997 and was appointed Vice President in 2016.⁶⁹ President Obiang has an estimated net worth of US \$600 million, making him one of the world's wealthiest heads of state. Teodorin Nguema Obiang has received global attention over the last decade for his

lavish lifestyle and has been proclaimed the "world's richest Minister of Agriculture and Forestry."⁷⁰ While his reported salary was around US \$100,000 per year, he accumulated assets worth millions of dollars around the globe; from his US \$35 million beachfront home in Malibu (California) to a collection of cars worth US \$25 million in Europe.⁷¹

While the recent confirmation of the conviction for money laundering and embezzlement against Teodorin Nguema Obiang in France was celebrated as an important victory in the global fight against kleptocrats (Box 3), less attention was paid to the sources of the ill-gotten wealth and who appear to be the payers of the multi-million-dollar bribes.⁷⁵ EIA's findings indicate that major logging companies seemingly paid tens of million dollars' worth of bribes, through favors, gifts, and cash, to the Obiang family each year, for many years, in order to facilitate their operations and timber exports to China.

The US and other national authorities have identified the logging industry in Equatorial Guinea as one of the key sectors tightly controlled by both the President and his son, with a direct nexus established to extortion, high-level bribery schemes, and money laundering operations benefitting the Obiang family.⁷⁶ According to EIA's investigation it appears that all logging companies have had to pay for years a flat "personal tax" to Teodorin, in order for him to allow ongoing exports. Well-placed

BOX 3.

TEODORÍN'S MULTI-MILLION FRAUDULENT ASSETS

Teodorín Nguema Obiang has been prosecuted for misusing corporate assets and public funds in France, Switzerland and the United States.⁷²

In 2014, Teodorin Nguema Obiang agreed to a US \$10.3 million settlement involving forfeiture of assets in the United States, following accusations that he used his position of power in Equatorial Guinea to collect more than \$300 million in assets in the US through corruption and money laundering.⁷³ In 2019, Swiss officials dropped their charges against Nguema Obiang but confiscated 25 cars worth approximately US \$25 million, and charged Nguema Obiang to pay the US \$1.5 million cost of the Swiss investigation. In 2021, France's Court of Cassation convicted Nguema Obiang after 14 years of proceedings, confiscating approximately EUR €150 million worth of assets.⁷⁴ Since the rulings, both the US and France have been working to repatriate the stolen assets back to the citizens of Equatorial Guinea. The US designated the use of these assets to COVID support in 2021 and France is seeking a similar application of the assets.

sources told investigators that for years, the amount paid was €45 Euros (~US \$48) per cubic meter, until it was allegedly raised in February 2023 to 60 Euros (~US \$64) per cubic meter. This likely means that the total annual bribe paid directly by the logging companies to the Vice President solely for the export of okoume logs to China would on average amount to \$24.6 million (€23.0 million)⁷⁷ from 2015 to 2021.

EIA's investigation reveals that the business model of the principal okoume log exporters to China relies on institutionalized bribes paid to the Obiang family.⁷⁸ Executives from these companies repeatedly told EIA undercover investigators that operating in Equatorial Guinea without paying bribes to the family is virtually impossible:

"EIA: I heard even with all the right documents, you're still not immune to trouble here. You still have to maintain a good relationship with the president and his son. Is that right?"

Rimbunan Hijau 1: That's right. You need to have a close relationship with one of those people. If you have no one protecting you, there will be too much trouble.[...]

EIA: I mean, you have to give them some money, right?

Rimbunan Hijau 1: Right. Because... Otherwise there will be too much trouble.

EIA: I was suggested to give money to related government departments every month, just to avoid trouble.

Rimbunan Hijau 2: Those are just small bribes! The main one is for the President. We spent so much money on him. If the President wants to give you trouble, you won't be able to get anything done."

"EG Wood: In order to do export here, you have to be close with the President's son, or one of the President's wives, the first wife of the three in particular."

"EIA: I heard the President's son takes a share from every shipment?"

Chang Xia: We just give him what he asks.

EIA: How much do you give him per cbm [cubic meter] of shipment?

Chang Xia: 15,000 [CFCA, equivalent to US \$25]."

Because of the size of their operations in Equatorial Guinea, it appears that Rimbunan Hijau – via its local subsidiary Shimmer International – developed multiple corruption schemes. A manager at Shimmer International explained it to EIA investigators:

"EIA: I heard the most tricky part of doing business here is the relationship with the President.

Rimbunan Hijau 2: The President's son is the most tricky.

EIA: The son? Are you close with the President's son?

Rimbunan Hijau 2: We used to do a lot of things for the President's family. Sometimes the President, or his son travels to Malaysia, we would pick them up in Singapore, arrange accommodations for them, and take care of their shopping bill. If the President takes his

wife to shop in Singapore, they always want to buy everything! Our people had to follow them and pay the bill. We spent hundreds of thousands [dollars]! Malaysia doesn't have an embassy in this country, unlike China. So who else can protect us? We have to rely on the President.

The dollar-based scheme was confirmed by Shimmer International's competitor:

"EIA: So you have to bribe for all these exports?"

Rimbunan Hijau doesn't bribe?

EG Wood: They do, they pay even more. They have been sticking with the government in every aspect. They already paid much more than enough money for the government to give them any trouble. Maybe there are some small troubles and they paid them off too. Every month they gave Andreas 25,000,000 Francs, every month, the forestry department official. [...] Evergreen used to bribe the President's family with US dollars, like 300,000 USD or a million USD. The President's son was so happy about it."

One of Rimbunan Hijau's managers explained that, in addition to the Obiang family, a number of ministers have also been on his company's bribery payroll:

"EIA: I also heard your company takes care of the paycheck for the ministers?"

Rimbunan Hijau 2: We do. We cut them paychecks until today. We tried to not do it back in 2002 and 2003, and they found a way to forbid us from loading shipments for months!

EIA: Do you give them money on a regular basis?

Rimbunan Hijau 2: We have to pay them for every single shipment! He even gets a fixed share from our shipments, at least 15,000 [FCFA] per cbm [cubic meter]. Can you believe it, a minimum of 15,000 per cbm! And this doesn't include other shady bribes."

All logging company managers who spoke with EIA investigators confirmed the systemic corruption in the forest sector.

"Wan Peng: This country is so corrupted. You give them [government officials] tens of millions [Yuan] today, they change their mind tomorrow and just screw you.

EIA: What are the tens of millions for?

Wan Peng: Tips. You can't get anything done without tips. Have to give tips to all departments.

EIA: But it's not tips anymore when it's that much money.

Wan Peng: Well, we have big concessions, we have to offer that much money. There are so many people to deal with in the forestry industry. Everybody asks for bribes. We have to offer money to every person there. One million [Yuan] for one person, then by the end of taking care of a set of paperwork, we already gave out several tens of millions [Yuan].[...]

EIA: Every company bribes?

Wan Peng: Yes, you have to.

2.4 Tax Evasion and Money Laundering To Recoup Corruption Cost

EIA evidence suggests that logging companies pay hundreds of thousands of dollars a year in bribes to the government, seemingly running their businesses by plundering the forests while evading hundreds of thousands of dollars in unpaid tax. It appears that the Asian groups involved in the export of okoume from Equatorial Guinea to China are employing the same profit laundering schemes, in particular through the mechanism of transfer mispricing, as the one exposed by EIA's *Toxic Trade* report in Gabon and the Republic of Congo.⁷⁹

Profit laundering consists of artificially moving income earned in Equatorial Guinea from the sale of high-value timber, where it would incur over 30 percent tax on corporate income tax, into a tax haven, where profits are taxed at a much lower rate.⁸⁰ Logging companies in Equatorial Guinea appear to usually do so via transfer mispricing (also called transfer pricing manipulation), seemingly in breach of certain provisions of the country's tax code and CEMAC regulations that regulate the manipulation and necessary information to be shared regarding income transfers to an affiliated company by increasing or reducing purchase prices.⁸¹

According to this practice, logging companies in Equatorial Guinea sell okoume logs at an artificially low price to a sister company, which belongs to the same group, usually based in Hong Kong; the low sales price results in low profit and thus low corporate tax paid to Equatorial Guinea. The Hong Kong affiliate resells the same okoume logs to the final consumer in China at market price. The bulk of the profit is made by the Hong Kong trading company, even though these companies act purely as transactional middlemen. The okoume logs are directly shipped from Equatorial Guinea to the final consumer in China. A manager at Rimbunan Hijau describes the tax evading scheme to EIA investigators:

"EIA: Can I buy from you, then you just take care of everything and ship it out?"

Rimbunan Hijau 1: You can buy from me. If you do, I will take care of all the documents. That's not a problem.

EIA: Where do I send my payment to? Hong Kong?

Rimbunan Hijau 1: Hong Kong.

EIA: Why Hong Kong?

Rimbunan Hijau 1: Because Hong Kong helps with tax evasion. We can declare lower tax through HK payments."

Managers from EG Wood and Chang Xia explained to EIA investigators how the company keeps two sets of books. The internal book keeps the record of the company's actual profits realized in Equatorial Guinea, and is used to make key operational or management decisions, while

the second "official book", which is shared with the country's tax administration, shows the result of the transfer pricing and artificially reduced profits in the country.

"EIA: How do you do tax evasion?"

Chang Xia: We just put a fixed number on the documents.

EIA: So you have two books? One for tax purposes, one for internal use?

Chang Xia: Right."

"EIA: Do you have a [log] fixed export price on your book?"

EG Wood: We do. We don't pay tax based on its actual market price.

EIA: But different species are of different market prices, it could be hard to manage?

EG Wood: Don't care. We just have a fixed price in our book."

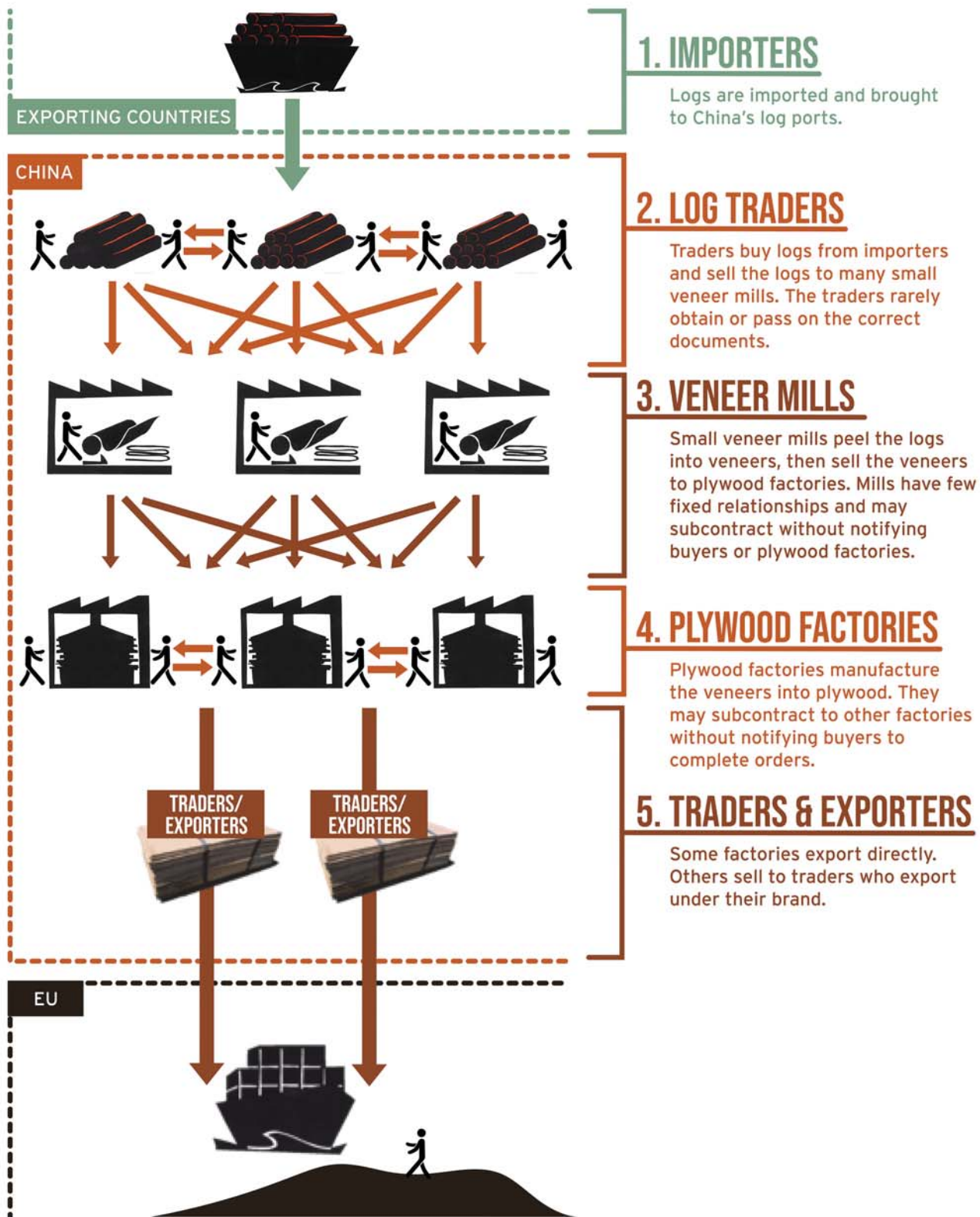
An executive from EG Wood also described to EIA investigators how the company's finances depend on the local money laundering scheme:

"EIA: Do you need an offshore company for your payments?"

EG Wood: No, we don't need off-shore company. Our finance works like this: We don't need money from China to go through a regular bank. We launder the money through shadow banks or operations. For example, if some people have a restaurant here with local money in cash, I just pay them other currency to get their cash. Everybody does it. We don't need money wired from China."

The business of okoume log production and export from Equatorial Guinea to China appears to be based on a series of crimes, which include violation of logging and export regulations, tax evasion, and money laundering. The blatantly illegal origin of the okoume logs would make any direct import into the US very difficult. Instead, the wood is imported into China and thereafter enters a complex, opaque manufacturing supply chain, which has served as a smoke screen between the plundered forest in Equatorial Guinea and American consumers.

EIA evidence suggests that logging companies pay hundreds of thousands of dollars a year in bribes to the government, seemingly running their businesses by plundering the forests.



Source: EIA,

Figure 14
Complex okoume logs to veneer supply chain in China

ASIAN LAUNDERING MACHINE

While the US has the Lacey Act, and several other countries have similar laws that prohibit the import of illegally harvested timber, China currently has no such legislation. In early 2020, China adopted new changes to its forest code, which includes an amendment to Article 65 which reads: "Timber operating and processing enterprises shall establish the input and output ledger for raw materials and products. No entity or individual may purchase, process, or transport timber that is knowingly sourced illegally."⁸² According to EIA's analysis, the new article focuses on illegally sourced timber harvested domestically but also extends to imported timber.⁸³ At the time of writing, the implementing regulation – which would clarify and guarantee the impact of the new law – has not yet been adopted, therefore providing no effective pathway to challenge the import of illegal timber in China, including the hundreds of thousands of tons of okoume logs produced and exported in breach of CEMAC's 2023 prohibition.

3.1 China Manufacturing Black Box

The vast majority of okoume logs exported from Bata port in Equatorial Guinea are shipped to Chinese ports. According to EIA's investigation, major shipping lines appear to be used for the transport of the okoume logs

that are often illegally sourced, periodically illegally exported (in breach of the log export ban in effect from 2007 to 2020), and associated with systemic corruption (alleged bribes paid by logging companies to the current vice president for each cubic meter of timber exported out of the country), as presented in the previous section. Well-placed sources told EIA investigators that Maersk Line and Compagnie Maritime d'Affrètement-Compagnie Générale Maritime (CMA-CGM) in particular are frequently used to export okoume logs to China.

Comment from Maersk: "Maersk is committed to comply with all applicable regulations and will not knowingly accept bookings that would contravene such regulations, where such trade is, for example, contrary to the Convention on International Trade in Endangered Species of Wildlife Fauna and Flora (CITES). We rely on respective country's customs authority to clear the shipments transported by us. Shipments can only take place against CITES certificates and authority approval. We rely on the customs clearance to carry the cargo. It is our customers' obligation to arrange for the necessary licenses to transport the cargo. Due to the short notice provided, we are still investigating the issue brought to light in your report, but our initial review has found no irregularities."



Figure 15
Typical mom and pop veneer mills in China

Once in China, okoume logs enter what is best described as a manufacturing “black box,” where the logs informally travel across multiple traders and manufacturers before being re-exported as finished or semi-finished timber products. This opaque process effectively launders illegally sourced and exported okoume logs into veneers with unknown origin, that are either domestically manufactured, or exported to neighboring countries for manufacturing before the door skins are shipped to the US.

EIA’s report, *The Lie Behind the Ply*, exposed in detail the China veneer and plywood manufacturing black box.⁸⁴ EIA’s long-term investigation led to multiple enforcement operations by European authorities who sanctioned European importers for their lack of due diligence regarding their sourcing from China. Key findings essential for the comprehension of the okoume supply chain that connects the Obiang dictatorship to American consumers are presented in the following paragraphs, while Figure 14 summarizes the supply chain.

The import of logs and placement on the Chinese domestic market involves a series of intermediaries including trading companies, customs clearance agents, wholesalers, and log brokers at the port.⁸⁵ Once imported, the okoume logs are usually traded multiple times before being bought by small-sized “mom and pop” veneer mills – which account for the vast majority of the tropical log peeling capacity in China. The bulk of Chinese plywood products are made by small enterprises, which produce low-end, price competitive products using simple technology.⁸⁶ Their supply chains are diffuse, fragmented, untraced, and involve numerous actors. It is common, EIA learned during this investigation, for these small mills not to be officially registered and for their role in the manufacturing process to remain undocumented (Figure 14). EIA investigators found that poor documentation combined with this complex chain of custody make it all but impossible to track the okoume veneer back to the imported logs’ origin and legality.

Multiple sources in veneer mills and plywood factories explained to EIA investigators that the falsification of documents is very common in the veneer and plywood sector, including documents of origin as well as timber sustainability certification for finished products. Multiple sources in different companies told EIA investigators that their plywood manufacturing company commonly prints fake FSC labels, uses fake FSC documentation, or provides clients with expired FSC certificates.⁸⁷

Whenever EIA investigators raised the question of traceability, they were told that accurate information about a log’s origins is often lost early in the process of veneer manufacturing. In most cases, when logs are purchased at the port by traders or veneer mill agents, they do not come with concession of harvest documents or logging authorizations, or other such documents that would provide evidence of their point of origin.

3.2 Okoume Origin: Anyone’s Guess

Once the logs are peeled into veneers in China, they are either sent to door skin manufacturers located within the country (International Wood Products), in Malaysia (Evergreen Fiberboard), or in Thailand (Metro Panel and PV Wood Co.), who glue the tropical veneer onto rubber wood or multi-density fiberboard to create the door skins they export to Jeld-Wen. Figure 16 presents an estimate of Jeld-Wen suppliers’ relative importance. EIA investigators had multiple meetings and conversations from 2018 to 2022 with Jeld-Wen’s top four suppliers of okoume door skins, Metro Panel, Evergreen Fiberboard, PV Wood Co, and International Wood Products, who together accounted for 96 percent of Jeld-Wen’s supply in okoume door skins between 2015 and 2022. A common thread in all conversations was that none of the manufacturers was able to guarantee the origin of all the okoume veneer in their products shipped to Jeld-Wen. It appears that all of them rely on the import of no-known-origin veneer from China.

International Wood Products, headquartered in Kunshan, China, specializes in a variety of engineered wood product manufacturing, including plywood and veneer. Prior to 2018, when IWP was exporting okoume door skins to Jeld-Wen, EIA investigators were told by a manager that the company had no idea of the origin of the okoume that was sourced on the Chinese domestic market, with no documentation associated with it regarding the country of origin.

Vanachai Group, sometimes referred to by their subsidiary name PV Wood, is headquartered in Bangkok, Thailand. Vanachai Group proudly states on their website that their “MDF board, particleboard, and OSB are the building materials for the future. Our wood-based panels are produced from agricultural and wood waste. They are 100% sustainable.”⁸⁸ EIA investigators spoke with a manager from the Vanachai Group who explained that the group does not import okoume logs and frequently relies on the purchase of okoume veneers from traders located all around Asia. He also explained that most of the veneers they use were produced in China, based on the quantity of okoume logs imported there from Africa.

Also referred to as Metro Ply or Metro Group, Metro Panel is headquartered in Nonthaburi, Thailand. Metro Panel identifies as “the leader in wood-based panel manufacturing in Thailand for more than 70 years,” and they produce a wide variety of wood-based panel products, including but not limited to door skins and plywood. In their opening statement on the company website, Metro Panel also states: “We realize the importance of manufacturing environmental-friendly products. We are also the first Thai company, who is certified by the Forestry Stewardship Council.”⁸⁹ When EIA investigators spoke with representatives from Metro Panel, they confirmed they do not source any okoume logs directly from Africa but instead purchase okoume veneers through Chinese and Thai traders. Metro Panel further shared that they do not know which countries all of the okoume originate from. When visiting one of

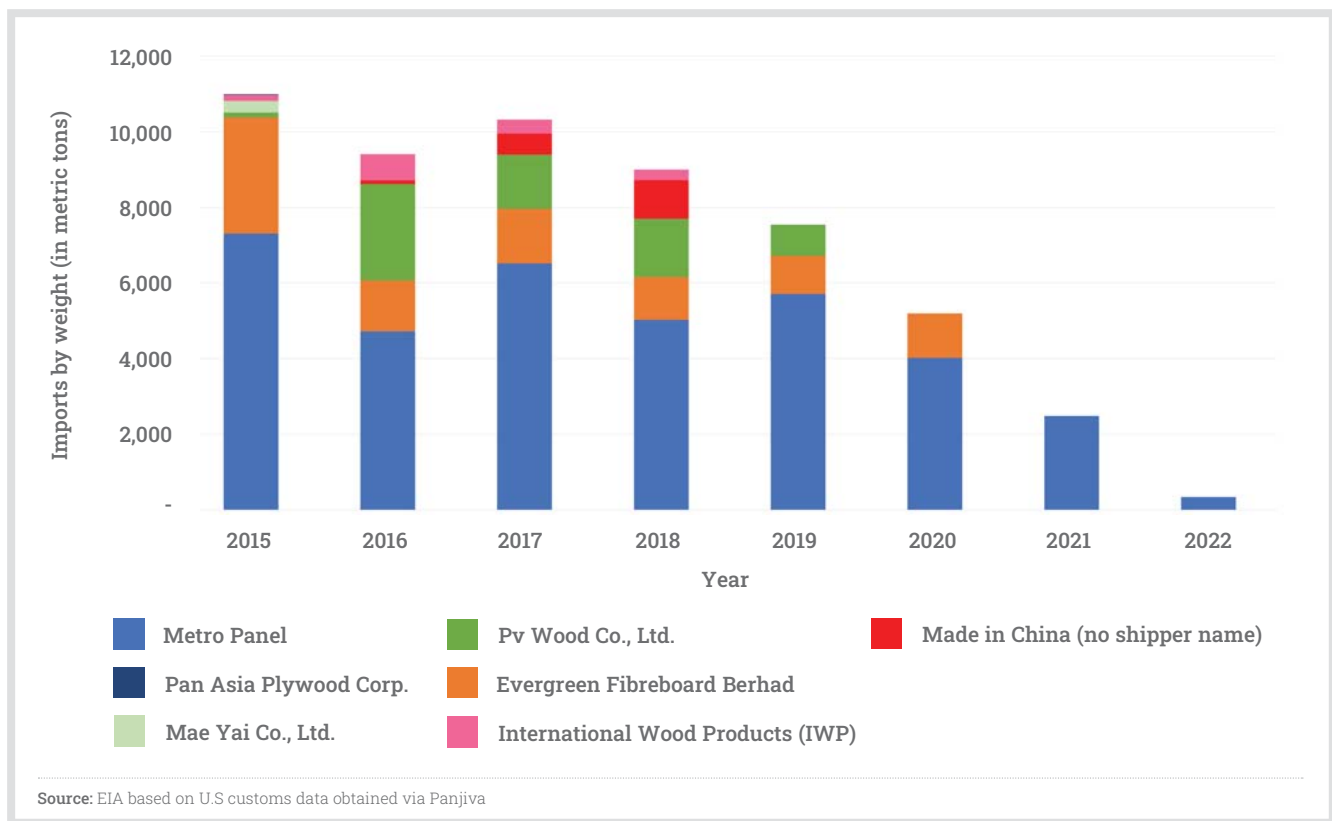


Figure 16
Estimate of Jeld-Wen imports specifying okoume from suppliers, by weight (in tons)

Metro Panel's factories in Thailand, EIA investigators asked two Metro Panel representatives:

EIA: When was the last time you bought logs?

Metro Panel: Now now. We buy...

EIA: From Congo?

MP: From China, I think half... Not Congo, not Africa."

In an email to EIA, Metro Panel denied that it exports products containing okoume to Jeld-Wen. In response to a follow-up query about whether they had exported products containing okoume to Jeld-Wen from 2015 to 2022, a Metro representative stated "We only supplied certified Sapelli to Jeld-Wen for door skins." This latter statement would appear to contradict trade data for the years in question, which show Jeld-Wen imports specifying okoume from Metro Panel.

Starting in 1972 as a timber trading and veneer manufacturing company (Evergreen Timber Singapore), Evergreen responded to market demands and expanded its production to include the manufacturing of Medium Density Fibreboard, particleboard, furniture, value-added wood-based products, and resin.⁹⁰ EIA investigators spoke with a manager from Evergreen Fibreboard Berhad, who explained that because Malaysia bans all log imports from Africa, Evergreen must purchase the processed veneers from China rather than processing the raw logs themselves; and explained that because the purchase is conducted through multiple changing Chinese agents, they cannot confirm the country of

origin for their okoume door skins. As the manager told EIA investigators: "I don't know where they [Chinese traders] source from" and further explained:

"Evergreen Fibreboard Berhad : We don't cut ourselves, we buy veneers.

EIA: All the okoume veneers you use come from China?
Evergreen Fibreboard Berhad: Yes.

EIA: So the okoume veneer you buy from China, and they buy from Africa. From which country, you don't know?

Evergreen Fibreboard Berhad: Yeah, maybe from Congo or Gabon.

EIA: So the Americans don't ask where it comes from?
Evergreen Fibreboard Berhad: No.

EIA: So you don't know where your okoume veneer, where they peel it in China or where that log comes from?

Evergreen Fibreboard Berhad: No.

EIA: And it doesn't matter?

Evergreen Fibreboard Berhad: It's okay."

According to EIA's investigation, all of Jeld-Wen's suppliers have at least one feature in common: they use okoume veneer made in China that they are incapable of tracing back to any country of origin. It appears that Jeld-Wen has not exercised adequate due care regarding the origin and legality of the products it imports for the US market. The following section will focus on Jeld-Wen's and Home Depot's role and responsibility in the okoume-faced door supply chain.

CORPORATE COMPLICITY AND ADMINISTRATIVE LAISSEZ-FAIRE

Jeld-Wen plays a central role in the supply chain that connects forest crime in Equatorial Guinea to American consumers. The company is responsible for importing into the US massive quantities of door skins made of untraceable okoume veneer produced in China - which in half of the cases are likely made of Equatoguinean timber (cf. section 1.3). These are subsequently turned into products such as the "Unfinished Flush Hardwood Interior Door Slab" that consumers find in major retailers across the US.⁹¹ EIA's investigation suggests that Jeld-Wen is likely operating in violation of the due care requirements of the Lacey Act.

4.1 Jeld-Wen and the Lacey Act: "Due Care" or "Who Cares"?

Wood-based products are often present in Jeld-Wen's final products. This is particularly true for the entire line of doors, of which 195 of the 208 interior and 189 of the 723 exterior door products are made with wood or wood composite materials, and both Jeld-Wen's windows and glass patio doors offer wood material paneling options.⁹² According to Jeld-Wen's most recent ESG report, "FSC certification is a priority because it responds to increasing customer expectations and competition in the region—but also because it's the right thing to do. All JELD-WEN doors in Europe comply with EU timber regulations, which aim to prevent the trade in illegal harvesting of timber into the European market."⁹³ This statement is at odds with what appear to be Jeld-Wen's practices for sourcing okoume for the North American market. Even with pandemic-related disruptions, EIA's analysis indicates that Jeld-Wen imported 964 40-foot containers of okoume-faced door skins from 2018-2022, and 378 that included okoume door skins mixed with other species.⁹⁴ According to import data, from January 2018 to August 2019, Jeld-Wen imported 97 containers with okoume from its Malaysian supplier Evergreen Fibreboard.⁹⁵ Despite this large monthly volume of import and its official policy, it appears that the company has not undertaken efforts to determine the origin, and in particular the legality, of the timber they have placed on the US market. A manager from Vanachai Group responsible for the sale of the okoume-faced door skins to the US explained to EIA investigators, "Jeld-Wen is not asking for any document that proves the legality of the timber in the first place. No management plan, no annual harvest plan, etc. Jeld-Wen has not been so strict about the legality and origin of the okoume... They do not send people to check on the supplier for the legality."

One of the managers from Evergreen Fibreboard Berhad who spoke with EIA investigators confirmed that, in their experience, Jeld-Wen has asked very few questions

about the supply chain and the origin of the tropical products they purchase. In particular, it appears that the US company has never asked its Malaysian supplier for a certificate of origin for the timber they import.

EIA investigators also spoke to several Jeld-Wen employees, including a senior sourcing manager who explained that he has no idea where the okoume timber is harvested, even if Jeld-Wen's suppliers claim a certain origin. When asked about the potential illegalities associated with the okoume logging, he said: "I can't track it back. When somebody asks me whether I can guarantee, where I know whether those logs are illegally harvested. I haven't been there. I don't work there, it's pretty difficult. [...] To me, it sounds like kind of a free for all in Africa, to be honest with you... So yeah, I don't attempt to represent that I know what's going on there. I don't."

He also explained to EIA investigators that in his view, Jeld-Wen's responsibility in potentially using illegally logged timber is limited because the company is located at the end of the supply chain: "We just buy door skins, we're not buying logs, we're not buying veneer." This manager was aware of the supply chain and in particular the fact that his suppliers do not rely on direct log imports from Africa. He explained that he is aware his suppliers are increasingly buying okoume veneers from China, which are then used on the door skins bought by Jeld-Wen, while also explaining to investigators that he knows China does not care about illegal wood sources and that logs are mixed once they arrive in China. The sourcing manager expressed concern about the opacity of the supply chain and how much information provided by supplier companies can be trusted.

According to multiple sources from Jeld-Wen and their suppliers, the opacity and illegalities associated with the okoume supply chain led the company to substitute another hardwood tropical species called sapelli (*Entandrophragma cylindricum*) for okoume for doors sold in the European Union. The European Union Timber Regulation (EUTR) strictly prohibits the import of illegal timber and also clearly establishes due diligence obligations for importers (Box 4). Due to the illegalities in Equatorial Guinea, supply chain opacity in China, and absence of any third party verification scheme, such as FSC, Jeld-Wen has found sufficient reasoning to replace okoume with sapelli for EU-destined products, yet they apparently have not considered okoume too high-risk to enter US markets. When EIA investigators inquired about how Jeld-Wen conducts due diligence for the okoume used in their doors, a manager explained, "I think it's very hard to do. And I think that's why... Europe is now stuck on certified sapelli. [...] It is more certified, and you know, it's easier to tell what the supply chain is."

Investigators also inquired how the okoume-faced door supply chain and products abide by the Lacey Act. After explaining that the Lacey Act is “just a documentation scheme that requires the shipper to declare what the true species is and what country of origin,” the Jeld-Wen manager explained:

“EIA: How do you declare the origin if you don’t know where the logs are coming from?”

Jeld-Wen: We have to rely on our door skin makers like Metro[Panel]. They’re the ones that have to fill out the paperwork.”

Under the Lacey Act, importers of timber are required to submit a declaration – the Plant and Plant Product Declaration Form PPQ 505 usually abbreviated as “505” or “Lacey Declaration” – stating the imported plant’s scientific name, value, quantity, and country where the plant was harvested (Box 5).⁹⁹ Filling out this document with accurate information is the responsibility of the importer – not the exporter – before submitting it to US authorities. In the case of Jeld-Wen’s imported okoume-faced door skins, Jeld-Wen appears to have been submitting inaccurate information to US authorities for years. Evergreen Fibreboard Berhad employees told EIA investigators that, when they fill out the Lacey Declaration on behalf of Jeld-Wen, they systematically indicate the Republic of Congo as the country of origin, when they have no evidence of the accuracy of this declaration, nor the correct answer:

“EIA: For America, they ask for a form called 505. But if you don’t know where the veneer comes from, like which country, how do you fill that? So you just say whatever?”

Evergreen Fibreboard Berhad: Yeah.

EIA: So even if it comes from Equatorial Guinea, you put Congo?

Evergreen Fibreboard Berhad: Okoume? Yes. We put Congo. Always Congo.

EIA: But you’re not sure?

Evergreen: I’m not sure.”

In response to EIA’s opportunity to comment, Evergreen Fibreboard Berhad stated that “As of 2020 we have stopped exporting products containing Okoume wood to Jeld-Wen Holding Inc [...] We have switched our sourcing to FSC Sapele veneer instead of Okoume veneers.” The statement did not directly address EIA’s concern regarding the apparent misdeclaration of okoume.

The concept of “due care” is at the core of the amended Lacey Act. It is a central principle that guides companies when assessing legality of timber or wood products they plan to import into the US, as explained by the US Department of Agriculture:

“The Lacey Act, as amended, makes it a crime to traffic in plants or plant products when, in the exercise of due care, the person should know that the plant or plant product was taken, possessed, transported or sold

BOX 4.

DUE DILIGENCE OBLIGATIONS IN THE EU

The due diligence obligation under the EUTR is process-focused and is designed to minimize the risk that the operator places illegally harvested timber on the EU market.

In carrying out due diligence, the operator must follow a three-step process: access to information, risk assessment, and, when necessary, risk mitigation. Timber products can be placed on the EU market if the risk assessment concludes that the risk is “negligible” according to the EU regulation.⁹⁶ If the detected risk is greater than negligible, a set of “measures and procedures” must be carried out that are “adequate and proportionate to minimize effectively that risk.”⁹⁷ Risk mitigation often involves obtaining additional information or documents, and/or requiring third party verification. After these mitigation steps, if the risk of illegality remains greater than negligible, the timber should not be placed on the EU market. If it is, it represents a violation of the EUTR by the individual/company who placed the timber on the EU market. Criteria for the risk assessment include, inter alia, the prevalence of illegal harvesting in the country or region of harvest, corruption levels in the source country, complexity of the supply chain, and reliable documentation of compliance with applicable legislation.⁹⁸

BOX 5.

FORM 505 AND THE STATED ORIGIN

The Lacey Act requires an import declaration upon importation, the so-called “Plant and Plant Product Declaration PPQ Form 505.”

Based on this document, importers have to declare the genus, species, and country of harvest, as well as other information relevant to the imported timber’s origin. Regarding the country of harvest, the document clarifies that importers should “Enter the country where the plant was harvested (see example below). If the country of harvest varies, and/or is unknown, enter all countries from which the plant material in the product may have been harvested.

NOTE:

This is NOT the country of manufacture/ origin.¹⁰⁰

illegally. ‘Due care’ is a long-standing legal principle that means **the degree of care at which a reasonably prudent person would take under the same or similar circumstances**. The Lacey Act does not define nor mandate any requirements to constitute due care. US importers have discretion to determine how to best verify the legitimacy of their supply chain going back to where the plant material was taken, and the legality of transactions thereafter, and to abide by plant protection and conservation laws in the US and abroad (emphasis added).¹⁰¹

Although the Lacey Act does not detail what each individual or company is required to do to fulfill their obligation to exercise due care under the Lacey Act, 15 years of implementation and enforcement of the Lacey Act Plant Amendments provide specific parameters related to company obligations for due care for plant imports,¹⁰² and prior case law related to due care for fish and wildlife imports also provides guidance.¹⁰³ The widely known precedent set in 2016 in *United States v. Lumber Liquidators Holding, Inc.* is essential to understand the gap between what Jeld-Wen is required to do in the exercise of due care, and what they have done.¹⁰⁴

In 2016, Lumber Liquidators (LL), the largest flooring retailer in the US, pleaded guilty to importing goods – illegal Russian wood into the US, via China – through false statements and four misdemeanor violations under the Lacey Act.¹⁰⁵ The timber in question in the Plea Agreement was harvested in Russia and Myanmar. LL purchased flooring containing oak originating from Far East Russia despite its internal listing by LL as high-risk, and later increased its purchases.¹⁰⁶ LL also purchased, imported, and sold oak flooring harvested in Russia, in excess of the harvest concession permit and in violation of Russian law. In addition to this trafficking violation, LL submitted Lacey Act declarations affirming that the flooring consisted of Mongolian oak from Germany (where the species does not grow) and Welsh oak (a low-risk species, which grows in areas without significant illegal logging), when in fact it was Russian-harvested Mongolian oak (*Quercus mongolica*). Finally, LL imported merpauh (*Swintonia floribunda*) from Myanmar, declaring it as Indonesian mahogany (*Swietenia macrophylla*), from a Chinese supplier consistently unable to provide legal harvest documentation, thus falsely declaring the species and origin of the plant product.¹⁰⁷

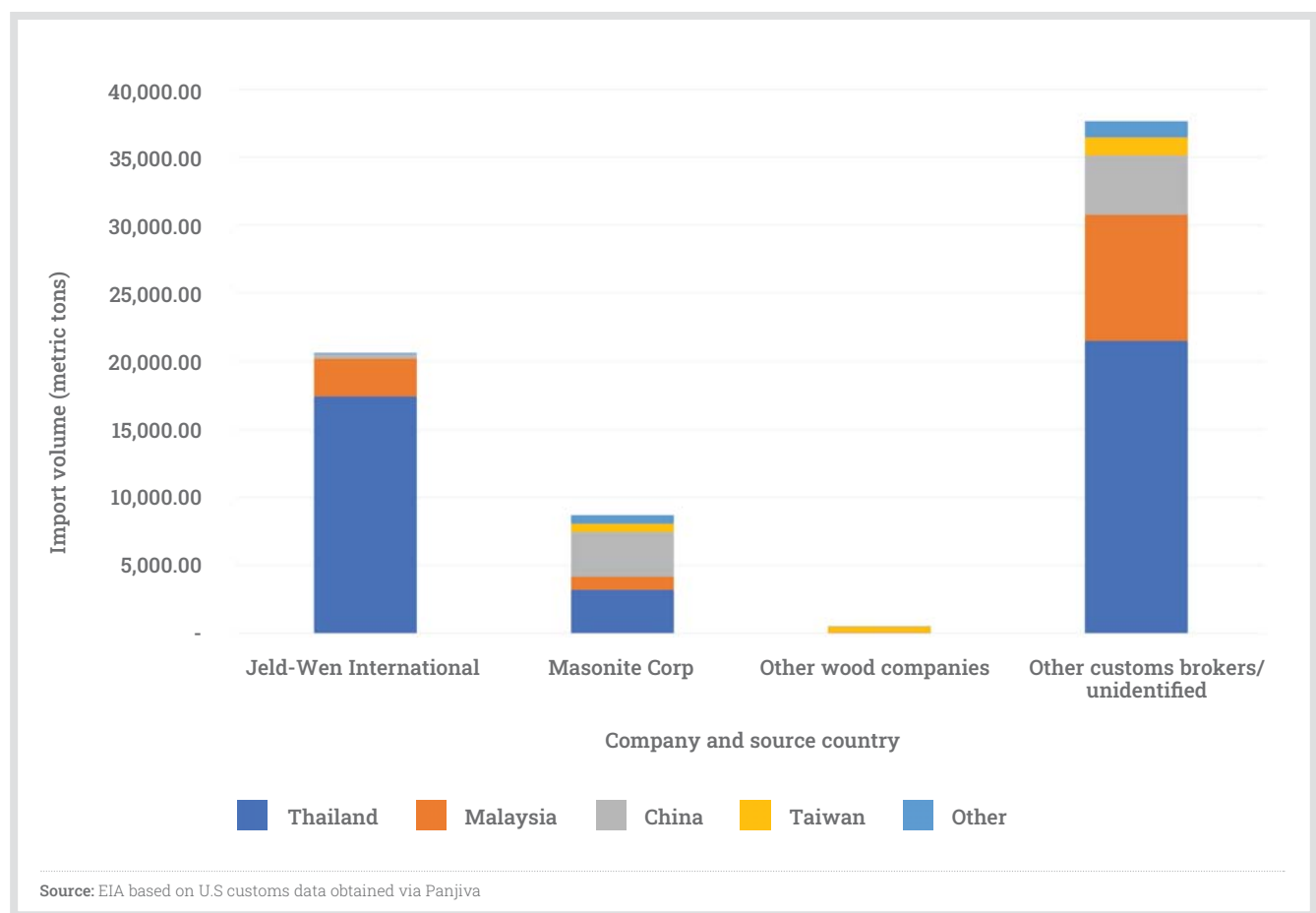


Figure 17
Import of okoume-faced door skin into the US by supplier and source country, January 2019-March 2023

The company was ordered to pay more than \$13 million in penalties and fines—the largest Lacey Act fine for timber to date—and implement a Lacey Act Compliance Plan to verify that all wood imports into the US originate from legal sources.¹⁰⁸ The Lumber Liquidators case serves as a cautionary tale for other US importers about the need to exercise appropriate due care when buying timber products from high-risk origins, or which are traded via complex and opaque supply chains, such as the Chinese timber manufacturing industry. The mandated compliance plan provides a detailed framework for companies like Lumber Liquidators to design due care systems that reduce the risk of trading illegal timber.

Jeld-Wen, like Lumber Liquidators, is a major US timber importer, manufacturer, and retailer of timber products. Jeld-Wen, like Lumber Liquidators, is importing timber products covered by the Lacey Act, relying on complex supply chains that include timber with high risks of illegal origin. In this context, EIA's findings lead to the conclusion that Jeld-Wen has apparently failed to implement key due care procedures as outlined in the compliance plan from the Lumber Liquidators case (Annex 1) and as a result, has imported thousands of tons of timber products into the US, most likely in violation of its due care obligations. Jeld-Wen's apparent lack of due care is particularly concerning, given that any company using okoume should have been aware of significant risks of illegality after 2019 when EIA released a detailed expose about the illegalities associated with the logging, trade, and export of okoume from the Congo Basin. Indeed, immediately following EIA's report and an investigation by US Immigration and Customs Enforcement's Homeland Security Investigations division, the respective American manufacturer of okoume products from the Congo Basin, Roseburg, publicly announced the suspension of its okoume production and sale.¹⁰⁹ A "reasonably prudent person" complying with the Lacey Act should have recognized the information published by EIA and Roseburg's decision as red flags and clear precedent. At that time, the information should have led Jeld-Wen to suspend okoume imports, particularly when the information on the origin of their imports was uncertain, along with a complex and opaque supply chain. Despite knowing that there are legal risks associated with okoume from the Congo Basin,¹¹⁰ Jeld-Wen has continued to import and sell products containing the species, most likely with an unknown country of origin.

According to EIA's investigation, other major US companies seem to be in the same situation as Jeld-Wen, including Masonite Corp., which imports a similar hardwood faced door skin product, manufactured by the same companies, and using the same timber species. As shown in Figure 17, Jeld-Wen appears to be the largest individual importer of okoume faced door skins into the US, per EIA's analysis.

Jeld-Wen's role and responsibilities as an importer, manufacturer, and seller of wood products cannot be

underestimated. However, the company is only one of the major players in the US, as presented in the next section.

In response to EIA's opportunity to comment letter, Jeld-Wen stated in an email: "JELD-WEN certainly takes your concerns seriously and would like to understand the details and specifics of your investigation so that we can respond accordingly. The questionnaire you submitted, lacks sufficient detail for a thoughtful response, so I ask that you please share additional information with me. Additionally, because of our commitments to responsible sourcing of wood products, working with reputable vendors and compliance with the applicable laws and regulations, including the Lacey Act, we would ask that you not publish any reports and that you stop all communications with our customers unless or until JELD-WEN has an opportunity to review your concerns and respond accordingly."

4.2 Home Depot Fails to Live Up to Its Own Outdated Standard

Jeld-Wen doors are sold by the largest home improvement retailers across the US, including Home Depot and Lowe's. Home Depot claims to be the largest home improvement retailer in the world, with over 2,300 stores located across North America and a reported \$151 billion in revenue in 2021.¹¹¹ It sells Jeld-Wen's tropical wood-faced unfinished door online and in stores: as of April 2023, approximately 14,400 of Jeld-Wen's tropical hardwood-faced doors are sold in 772 Home Depot stores located across the US (29 of the 50 US States).¹¹²

Besides being a global retailer, Home Depot also claims to be "an industry leader on sustainability issues,"¹¹³ and has an extensive "Sourcing Responsibly" section on their website, which details the various standards and goals they have to ensure ethical and sustainable sourcing of their retail products.¹¹⁴ Their "Wood Purchasing Policy," was originally published in 1999 and updated in 2021 to reflect Home Depot's renewed promise to source timber from responsibly managed forests and to eliminate sourcing from "endangered regions."¹¹⁵

Home Depot's Wood Purchasing Policy includes the following principles:

- "The Home Depot will give preference to the purchase of wood and wood products originating from certified well managed forests wherever feasible.
- The Home Depot will eliminate the purchase of wood and wood products from endangered regions around the world[...]
- **The Home Depot does not accept wood from the Solomon Islands, Papua New Guinea, Amazon or Congo Basin areas unless Forest Stewardship Council (FSC) certified [...]** (emphasis added)

- The Home Depot expects its vendors and their suppliers of wood and wood products to maintain compliance with laws and regulations pertaining to their operations and the products they manufacture.¹¹⁶

Home Depot's inadequate and poorly implemented wood purchasing policy, which contributes to deforestation and forest degradation and inflicting harm on local communities, has been criticized for years.¹¹⁷ International environmental groups have described the company as a "forest laggard[...] complicit in the destruction of some of the world's most climate-critical forests" explaining that:

"Home Depot has no mechanism in place to transparently track or disclose its wood sourcing data, nor has it established policies aimed at eliminating the destruction of climate-critical forests and threatened species' habitat from its supply chains."¹¹⁸

In May 2022, at Home Depot's Annual General Meeting, a majority of shareholders defied Home Depot's board and approved a resolution from Green Century Capital Management calling on the company to assess how it can address deforestation and the degradation of irreplaceable primary forests in its supply chains.¹¹⁹

EIA's findings illustrate how Home Depot's opaque supply chains and apparent lack of due care connect the company to forest destruction and systemic corruption, leading to reputational, market, and regulatory risks for the self-proclaimed industry leader on sustainability issues. EIA concludes that Home Depot's procurement of these doors violates multiple principles in their own Wood Purchasing Policy.

First, due to the systemic corruption in the logging industry in Equatorial Guinea and what appears to be an industry-wide disregard of the Equatoguinean forest

code and related regulation, no okoume sourced from the country can be considered as coming from "well-managed forests."

Second, according to EIA's research, including a search of FSC's database and conversations with well-placed sources, at present there are no FSC-certified okoume logs available for purchase in the world.¹²⁰ A search for FSC-certified concession with okoume in the FSC database indicates only one result from Gabon, as of October 2022, a country that adopted and implemented a log export ban. There are no FSC-certified forests in Equatorial Guinea – neither for okoume nor any other wood type – and none of the concessions in Republic of Congo that produce okoume have ever, to EIA's knowledge, been FSC-certified. On the contrary, as documented in EIA's *Toxic Trade* report, EIA investigators found that the largest companies that own logging concessions located in the area where okoume grows in the Republic of Congo have routinely operated in breach of Congolese laws (Box 6). The sale of any products containing okoume by Home Depot is a direct violation of their commitment to source only FSC-certified wood from the Congo Basin.¹²¹ Of note, whereas the species used in other models of the "Unfinished Flush Hardwood Interior Door Slab" are clearly declared as Red Oak or Birch, when it comes to the okoume-faced doors, the description generically refers to "tropical hardwood." In multiple phone calls made to Home Depot, EIA investigators attempted to learn what the tropical hardwood species used on the doors was and its possible origin. Despite multiple phone calls made by investigators to Home Depot employees at both retail and managerial level to understand the possible origins of tropical hardwoods, EIA was unable to obtain a satisfactory answer from the company, in spite of the fact that EIA has traced the okoume through the supply chain to Home Depot and verified the species through scientific testing.

BOX 6.

THE TOXIC OKOUME TRADE FROM THE REPUBLIC OF CONGO

In the Republic of Congo, okoume almost exclusively grows in the southern part of the country.

According to EIA's investigation, the vast majority of the forest concessions in this region, and therefore the vast majority of the national production and export of okoume from the Republic of Congo, are controlled by two powerful Asian groups, Rimbunan Hijau (RH) and the Dejia Group.¹²² EIA estimates that RH and Dejia Group account together for over 90 percent of the export of okoume logs from the Republic of Congo, the large majority of it going to China.

EIA's report *Toxic Trade* documents in great detail the major illegalities associated with the logging, transport, and export of okoume by the Dejia Group. The list of documented crimes includes illegal acquisition of concessions, overharvesting, routine breach of the log export quota, and tax evasion.¹²³ Managers of RH and Dejia companies who spoke to EIA investigators described in detail the fraudulent practices, and even explained how the ubiquitous and high level corruption in the country, from the local public servants to ministers, has become a core element of their business model.

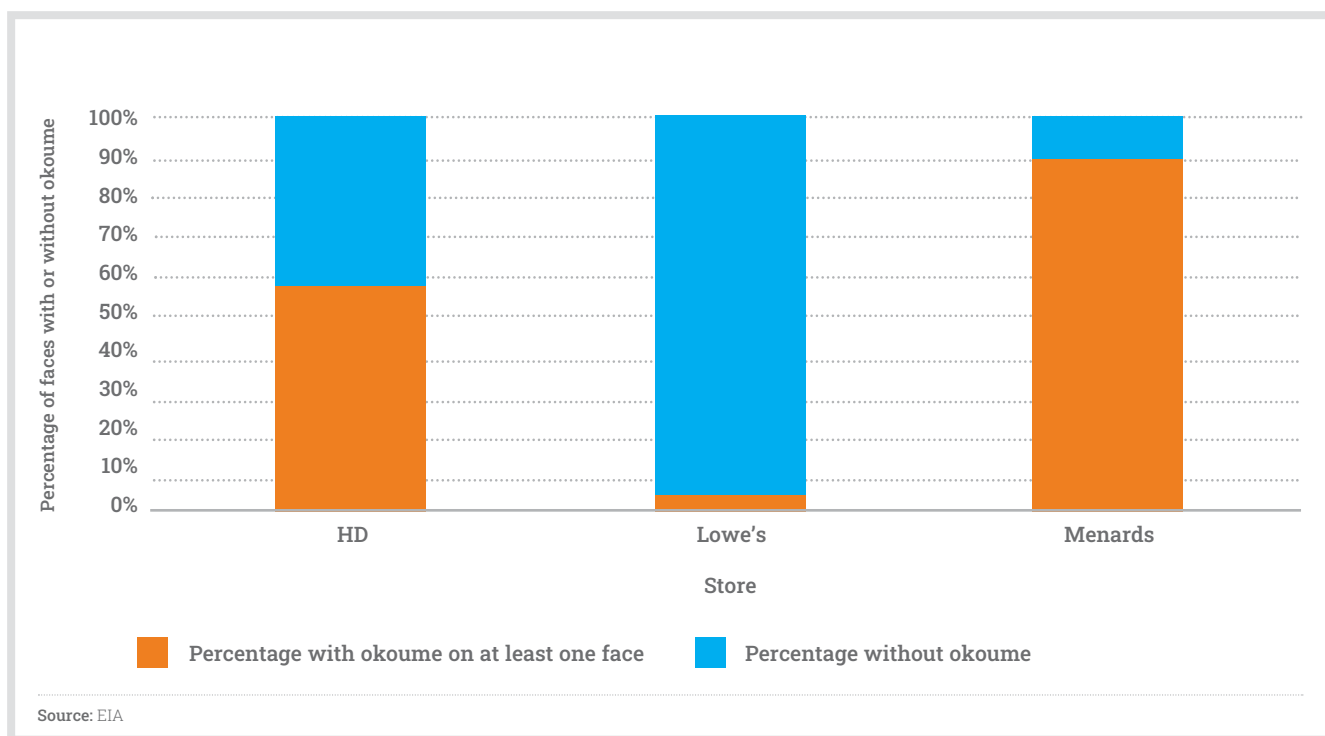


Figure 18
Percentage of doors examined containing okoume by store (2019-2023)

Following EIA's investigation, there is reason to believe that both Home Depot and its supplier Jeld-Wen have been violating their due care obligations under the Lacey Act for several years. Unlike the EUTR which requires only the first placer of wood into the EU market to exercise due diligence, the Lacey Act applies to all actors in the supply chain. According to a Jeld-Wen employee, "the Lowe's guys are the ones that are most interested in that. I'm not getting a lot of that from Home Depot." According to this source, Home Depot appears to be far less concerned about supply chain traceability, risks, and illegalities associated with okoume-faced doors than its competitor Lowe's, and as such, Home Depot is failing to meet its policy and public commitments. The differentiation between Home Depot and Lowe's purchasing policy is consistent with what EIA has observed on the shelves. According to the analysis of 1097 doors over the past four years, okoume was positively identified in more than 50 percent of the cases in Home Depot, and less than 5 percent in Lowe's (Figure 18).

Home Depot's purchasing power, coupled with breaches of its own public commitments and policy, appears to drive a supply chain dependent upon the plunder of Congo Basin forests, benefiting one of the harshest African dictatorships. This timber with high risks of illegality then goes through opaque manufacturing systems in China to millions of uninformed US consumers, seemingly imported in violation of the Lacey Act. Private actors' responsibilities in this toxic supply

chain are real. In addition, the role of US regulators and agencies in charge of implementing the Lacey Act and its Declaration Requirement also merit increased scrutiny, as full phase in of the Lacey Act Declaration is still pending and many violations have occurred with apparent impunity over the past 15 years.

Home Depot acknowledged receipt of EIA's offer to comment and expressed their concern and intention to investigate the case. Home Depot declined to comment further at the time of publication.

4.3 Administrative Laissez-Faire

One of the US government entities responsible for Lacey Act implementation is the Animal and Plant Health Inspection Service (APHIS), an agency of the US Department of Agriculture (USDA) responsible for protecting animal health, animal welfare, and plant health. APHIS's portfolio is considerable, since it covers anything from sheep to orchids. The agency has historically been underfunded compared to its Lacey Act implementation responsibilities. It also appears that APHIS's enforcement of the Lacey Act and approach to stopping the import of illegal timber into the US has had serious gaps. After years of interaction with APHIS, it is still difficult for EIA to understand the agency's strategy, tactics, and its effectiveness regarding active monitoring and enforcement of Lacey Act compliance. The degree to which this situation is problematic is underscored in a 2019 study by WWF showing that

62 percent of tested wood products (183 specimens from 73 consumer products) acquired from major US retailers had one or more types of fraudulent or misrepresented claims.

As the authors of the study explain:

"We emphasized products that a typical American family might purchase – products included furniture, kitchen implements, sporting equipment, musical instruments, hand tools, home improvement materials, and other durable household items.[...] We selected national retailers because they are assumed to have more extensive resources for supply chain management, and because products available from a national retailer are likely found throughout the country and thus reflect broadly available products."¹²⁴

More troubling is how APHIS responds to Freedom of Information Act (FOIA) requests for Lacey Act declarations. On December 2, 2021, a FOIA request was submitted "relating to the import of products with HS Code 4412.99, which include the species *Aucoumea klaineana* (common names: okoume, okoumé, klaineana, angouma, gaboon) by JELD-WEN, Inc. (and any reasonable variation thereof, e.g. "JELD-WEN Holding, Inc." or "Jeldwen," and any partial versions or misspellings of "JELD-WEN, Inc.") exported from Malaysia into the United States from January 1, 2017

to October 31, 2021." A similar request was submitted for all products imported with the same qualification from China.

Figure 19 provides a screenshot of the FOIA response received on January 14, 2022, showing the substantial amount of information redacted. The response presents information relating to the Importer name and address, Consignee name and address, estimated date of arrival, Bill of Lading, and Container number. APHIS redacted all information related to the contents of the shipment, including genus and species, country of harvest, and quantity imported. In other words, the information received contained almost no valuable information to understand Jeld-Wen's imports on an individual or aggregate level. Per APHIS's response to EIA, it appears that the redacted information was the result of APHIS having consulted Jeld-Wen, and was intended to protect "trade secrets" and "confidential" information.

The inability for the public to obtain sufficient information to determine Lacey compliance of the products on US markets violates the basic function of FOIA requests, which is "to ensure informed citizens, vital to the functioning of a democratic society."¹²⁵ Furthermore, impacts from APHIS' Lacey Act implementation and enforcement efforts are not publicly available and little information on these efforts has been shared.

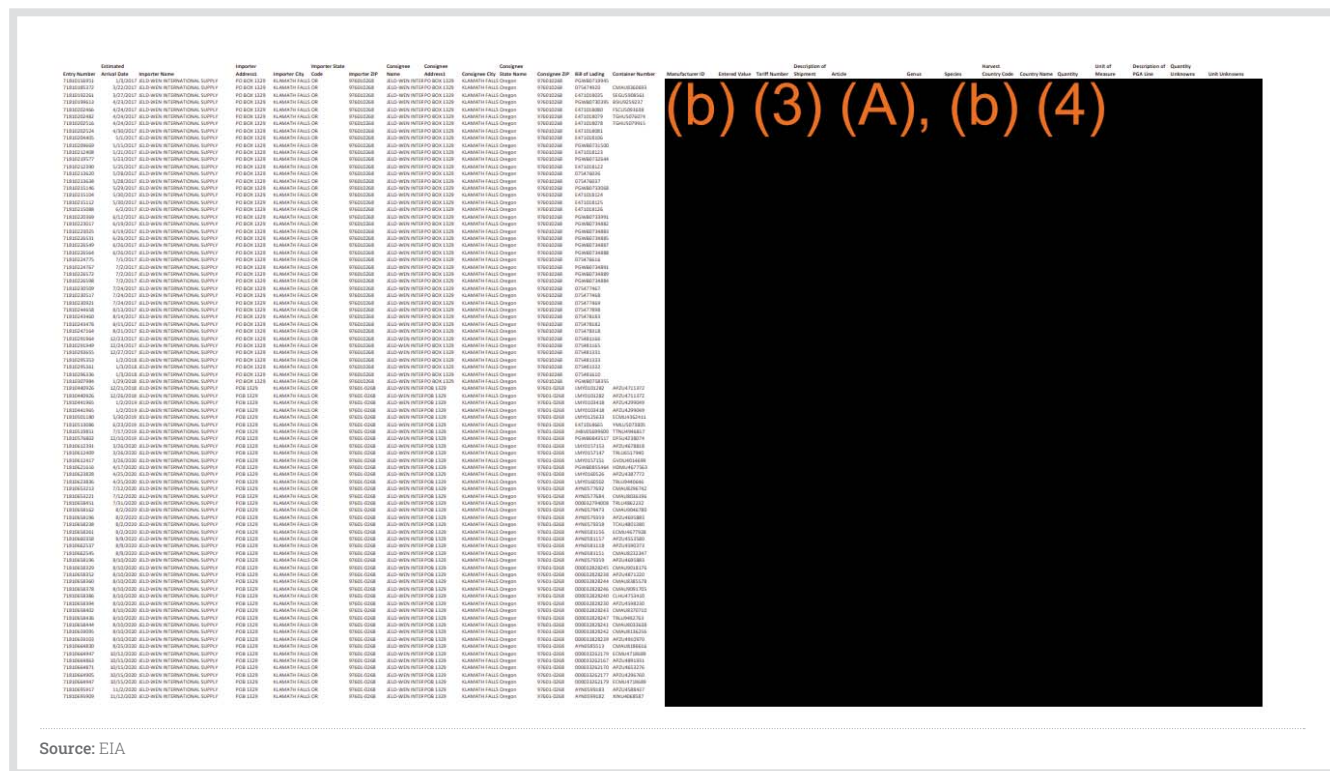


Figure 19
Screenshot of FOIA response received by EIA on January 14, 2022



CONCLUSION AND RECOMMENDATIONS

The industrial logging sector in Equatorial Guinea is wreaking havoc on the country's intact forest landscape, and could lead to its disappearance in the coming decade.

In the process, corrupt officials and a longstanding dictator's family extract bribes at a scale rarely exposed, while perpetuating one of the most brutal regimes in Africa. This social, environmental, and governance tragedy is not happening in a vacuum. On the contrary, the main drivers can be found on two other continents connected by a global door manufacturing supply chain. In North America, Home Depot breaches its own - insufficient - timber policy and public commitment by offering consumers across the country doors with Congo Basin timber of unverified origin. Jeld-Wen, the self-proclaimed international leader in door and window manufacturing, incentivized by Home Depot's disinterest in origin, traceability, and legality, appears to violate its due care obligations under the Lacey Act by blindly relying on unverified information furnished by suppliers. It's time for US importers and retailers to shut the door on illegal forest destruction and corruption.

Recommendations:

- **Home Depot:** a) immediately remove all okoume-faced doors from its shelves and stocks; b) urgently review and revise its wood purchasing policy in order to include unbroken traceability to the point of harvest for all wood products; c) make information about the origin of wood products easily accessible to customers;
- **Jeld-Wen:** suspend the import and manufacture of okoume-faced door skins until the company has developed and implemented a compliance plan at least as thorough and detailed as the one Lumber Liquidators accepted in its guilty plea;
- **US Department of Justice:** investigate Jeld-Wen and other companies importing and selling products containing okoume, to determine if the Lacey Act is being violated, and, if so, prosecute those responsible;
- **US Animal and Plant Health Inspection Service:** a) adopt and implement a robust plan to monitor and investigate Lacey Act compliance, using available data and technology to improve timely analysis of high-risk imports; b) radically improve the information available to the public regarding Lacey Act Declarations;
- **Government of China:** adopt regulations to implement the amended Article 65 of the national forest code, clarifying its application to imported timber;
- **International shipping lines, including Maersk and CMA-CGM:** stop their engagement in the corruption-enabled export of timber from Equatorial Guinea and put the necessary due diligence mechanisms in place to respect national log export bans.

LIST OF FIGURES

Figure 1. Geographies of the door supply chain	4-5
Figure 2. The "Unfinished Flush Hardwood Interior Door Slab" available online and in Home Depot's stores	6
Figure 3. Structure of the Jeld-Wen door	6
Figure 4. Okoume tree in a Congo Basin forest	7
Figure 5. Peeling of okoume log in China	7
Figure 6. Fast disappearing intact forests in Equatorial Guinea	8
Figure 7. Share of timber export from Equatorial Guinea by importer country (2010-2022), by value	10
Figure 8. Share of log export from Equatorial Guinea by importer country (2010-2021), by value	11
Figure 9. Equatorial Guinea ranking as tropical log provider to China (by weight), 2014-2022	11
Figure 10. Evolution of value of timber imports into China from Equatorial Guinea, 2010-2022	13
Figure 11. Timeline of log ban status in Equatorial Guinea and CEMAC	13
Figure 12. Okoume logs' share of Chinese timber imports from Equatorial Guinea, by weight (2014-2022)	14
Figure 13. Value of Chinese log imports from Equatorial Guinea, 2005-2022, with and without log export ban (millions USD)	14
Figure 14. Complex okoume logs to veneer supply chain in China	18
Figure 15. Typical mom and pop veneer mills in China	19
Figure 16. Estimate of Jeld-Wen okoume imports specifying okoume from suppliers, by weight (in tons)	21
Figure 17. Import of okoume-faced door skin into the US by supplier and source country, January 2019-March 2023	24
Figure 18. Percentage of doors examined containing okoume by store (2019-2023)	27
Figure 19. Screenshot of FOIA response received by EIA on January 14, 2022	28

LIST OF BOXES

Box 1. Big Logging in Equatorial Guinea	9
Box 2. Sino-Guinean Entente	10
Box 3. Teodorín's Multi-Million Fraudulent Assets	15
Box 4. Due Diligence Obligations in the EU	23
Box 5. Form 505 and the Stated Origin	23
Box 6. The Toxic Okoume Trade from the Republic of Congo	26

ANNEX 1: AN APPARENT DUE CARE FAILURE

The Compliance Plan outlined as a component of the Lumber Liquidators' plea agreement provides an important framework for what a company should do to exercise due care to exclude imported illegal timber from the supply chain. This due care process, which provides a useful model for all companies sourcing from high-risk forests, consists of four key components:

1. RISK ASSESSMENT

1.1. What the Compliance Plan Requests: A risk-based approach is at the heart of due care. In evaluating risk, the company will consider a range of factors including, but not limited to: reported instances of illegal or unethical logging in the region, or related to a specific product; protected status of the species; country-level corruption rating from third-party sources; unusual "deals" or sales methods; relative market and offer prices. The risk evaluation requires the importing company to conduct an internet search in order to determine what most recent legality concerns have been identified. The company will then designate each supplier and product as low, medium, or high risk and set out specific restrictions to address identified risk.

1.2. What Jeld-Wen Appears to Be Doing: Although multiple reports largely available on the internet, including a prominent 2014 US court decision against Teodor Obiang, indicate that logging in Equatorial Guinea is systematically illegal and dependent on corruption, and connected to several famous international cases of fraud and money laundering, it does not appear that Jeld-Wen is undertaking a thorough risk evaluation of their okoume suppliers or products. Easily available information on the internet also indicates that okoume – the species stated in Jeld-Wen's description of their topical hardwood-faced "Unfinished Flush Hardwood Interior Door Slab" – is only commercially available in four countries in the world, including Equatorial Guinea, the Republic of the Congo, Cameroon, and Gabon. Equatorial Guinea and the Republic of the Congo both have major legality risks and are the two countries that provide the vast majority of okoume logs to China, where at least a part of Jeld-Wen's veneer comes from.

2. VENDOR VALIDATION AND EVALUATION

2.1 What the Compliance Plan Requests: An important way of avoiding violation of the law is not engaging with suppliers of products non-compliant with requirements of the Lacey Act. Self-reported information provided by vendors is insufficient to address such compliance, and additional procedures are required to independently verify such data. Recommended procedures include the risk assessment protocol described above, as well as a sample purchase order evaluation, in-person audit, and the assessment of document validity.

2.2 What Jeld-Wen Appears to Be Doing: What Jeld-Wen Appears to Be Doing: One representative from Jeld-Wen reported they do not seek to confirm whether the original timber used to create their door skins was Lacey compliant at point of harvest, but instead that they rely on their suppliers to comply with all Lacey Act requirements. When asked how Jeld-Wen can confirm compliance if they don't know where the logs come from, the representative responded, "We have to rely on our door skin makers like Metro. They're the ones that have to fill out the paperwork." The representative also stated that Jeld-Wen does not need to audit the validity of their supplier documents or certifications, at one point stating, "so at this point, we're not attempting to go back and chase down and audit someone's FSC certification, for instance."

3. PURCHASE ORDER REVIEW

3.1. What the Compliance Plan Requests: The importing company is responsible for implementing a risk-based approach to ensure that purchase orders comply with Lacey. A company therefore must establish an unbroken and verified chain of custody that starts in the forest and ends at its door. The review of the purchase order should include assessment of the documents relative to the harvest location and legality, as well as analysis to detect mismatch in terms of quantity, timing, geographies, etc. A thorough review needs to be conducted before a shipment is imported into the United States from a medium- or high-risk supplier.

3.2. What Jeld-Wen Appears to Be Doing: According to Jeld-Wen's manager the company relies only on the information contained in the supplier-provided Lacey Declaration, and does not appear to conduct any other reporting or verification to understand the prior steps in the supply chain. When EIA investigators asked the Jeld-Wen manager whether they can guarantee compliance, the representative responded, "I can't track it back. When somebody asks me whether I can guarantee, where I know whether those logs are illegally harvested, I haven't been there, I don't work there, it's pretty difficult."

4. AUDITING AND MONITORING

4.1. What the Compliance Plan Requests: The person in charge of the due care process shall ensure appropriate monitoring of the compliance program, including field and desk audits and any necessary corrective action.

4.2. What Jeld-Wen Appears to Be Doing: The Jeld-Wen employee did not describe any field or desk audits of the supply chain, but instead stated, "To me it sounds like kind of a free for all in Africa, to be honest with you...so yeah, I don't attempt to represent that I know what's going on there. I don't."

REFERENCES

1. Delton Alderman, "United States Forest Products Annual Market Review and Prospects, 2015-2021" (Madison, WI: Forest Products Laboratory, October 2020), <https://unece.org/fileadmin/DAM/timber/country-info/statements/usa2020.pdf>.
2. Alderman.
3. United States International Trade Commission, "DataWeb," USITC DataWeb, accessed June 6, 2023, <https://dataweb.usitc.gov/>.
4. "About Us | The Home Depot," The Home Depot, accessed June 6, 2023, <https://corporate.homedepot.com/page/about-us>.
5. "JELD-WEN 30 in. x 80 in. No Panel Unfinished Flush Hardwood Interior Door Slab 5127," The Home Depot, accessed June 6, 2023, <https://www.homedepot.com/p/JELD-WEN-30-in-x-80-in-No-Panel-Unfinished-Flush-Hardwood-Interior-Door-Slab-5127/202036186>.
6. "JELD-WEN 30 in. x 80 in. No Panel Unfinished Flush Hardwood Interior Door Slab 5127."
7. Pav Jordan, "Onex Buys into Doormaker JELD-WEN for \$675 Million," Reuters, May 4, 2011, sec. Financial Services & Real Estate, <https://www.reuters.com/article/us-onex-idUSTRE7437QA20110504>; "United States Securities and Exchange Commission | 2021 Form 10-K | JELD-WEN Holding, Inc.," February 22, 2022, <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001674335/43865ee1-6c9e-4ac3-9609-cf3a36af9535.pdf>.
8. "United States Securities and Exchange Commission | 2021 Form 10-K | JELD-WEN Holding, Inc."
9. Jeld-Wen's 2016 S1 SEC filing is more detailed than its later annual reports: "Jeld-Wen Holding Inc - S-1 - Registration Statement - June 01, 2016," Fintel - Financial Intelligence, accessed June 6, 2023, <https://fintel.io/doc/sec-jeld-jeld-wen-holding-s1-2016-june-01-18407-367>.
10. EIA, 2019. Unpublished source.
11. "Gabon's Dependence On Exports Of Okoume For Logging Industry - AllAfrica.Com," allAfrica.com, June 15, 2000, <https://allafrica.com/stories/200006150012.html>; "Gabon Forest ... Home of Okoumé," Ply Reporter, accessed June 6, 2023, <https://www.plyreporter.com/article/10098/gabon-forest-home-of-okoume>.
12. Martial, Loïcia. "Congo-Brazzaville: l'interdiction de l'exportation de bois en grumes fait débat." RFI, February 26, 2023. Accessed July 13, 2023. <https://www.rfi.fr/fr/afrique/20230226-congo-brazzaville-l-interdiction-de-l-exportation-de-bois-en-grumes-fait-d%C3%A9bat>.
13. Environmental Investigation Agency, "Toxic Trade: Forest Crime in Gabon and the Republic of Congo and Contamination of the US Market - EIA US" (Washington, DC: Environmental Investigation Agency, March 25, 2019), <https://us.eia.org/report/20190325-toxic-trade/>.
14. Preferred by Nature, "Equatorial Guinea Timber Risk Profile," NEPCon - Preferred by Nature (Preferred by Nature), accessed June 6, 2023, <https://preferredbynature.org/sourcinghub/timber/timber-equatorial-guinea>.
15. "Equatorial Guinea: Environmental Profile," Mongabay, February 4, 2006, https://rainforests.mongabay.com/20eq_guinea.htm.
16. Noelia Zafra-Calvo et al., "Prioritizing Areas for Conservation and Vegetation Restoration in Post-Agricultural Landscapes: A Biosphere Reserve Plan for Bioko, Equatorial Guinea," Biological Conservation 143, no. 3 (March 2010): 787–94, <https://doi.org/10.1016/j.biocon.2009.12.022>.
17. Mizuki Murai et al., "Priority Areas for Large Mammal Conservation in Equatorial Guinea | PLOS ONE," PLoS ONE 8, no. 9 (August 9, 2013), <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0075024>.
18. Sophie M Allebone-Webb, "Evaluating Dependence on Wildlife Products in Rural Equatorial Guinea" (Institute of Zoology, Zoological Society of London, Imperial College London, University of London, 2009), <https://admin.zsl.org/sites/default/files/document/2014-01/wildlife-products-Equatorial-Guinea-allebone-webb-2009-phd-thesis.pdf>.
19. "Equatorial Guinea | Central African Forest Initiative (CAFI)," accessed June 6, 2023, <https://www.cafi.org/countries/equatorial-guinea>.
20. Peter Potapov et al., "The Last Frontiers of Wilderness: Tracking Loss of Intact Forest Landscapes from 2000 to 2013 | Science Advances," Science Advances 3, no. 1 (January 13, 2017), <https://www.science.org/doi/10.1126/sciadv.1600821>.
21. "Intact Forest Landscapes Data Download," Intact Forest Landscapes, accessed June 7, 2023, <https://intactforests.org/data.ifl.html>.
22. Yitagesu T. Tegegne et al., "Evolution of Drivers of Deforestation and Forest Degradation in the Congo Basin Forests: Exploring Possible Policy Options to Address Forest Loss," Land Use Policy 51 (February 1, 2016): 312–24, <https://doi.org/10.1016/j.landusepol.2015.11.024>; Jack Graham, "Analysis: The next Amazon? Congo Basin Faces Rising Deforestation Threat | Reuters," Reuters, November 11, 2022, <https://www.reuters.com/business/cop/next-amazon-congo-basin-faces-rising-deforestation-threat-2022-11-11/>.
23. Jeffrey Smith and Tutu Alicante, "Washington Keeps Falling for Equatorial Guinea's Aging Dictator," Foreign Policy, October 17, 2022, <https://foreignpolicy.com/2022/10/17/equatorial-guinea-teodoro-obiang-us-foreign-policy/>.
24. Spanish police have described the current administration as "a dictatorial regime that persecutes and represses its detractors internally and externally," while opposition figures both in Equatorial Guinea and abroad have characterized the regime as a dictatorship. Obiang's party won over 90% of the vote in the most recent election, which independent observers characterized as neither free nor fair. Freedom House gives the country a 0/40 score on political rights and a 5/60 score on civil liberties, with only nine countries or territories ranking lower in the latest Freedom in the World score. See also: "Equatorial Guinea: Freedom in the World 2022 Country Report," Freedom House, accessed June 23, 2023, <https://freedomhouse.org/country/equatorial-guinea/freedom-world/2022>; "Countries and Territories," Freedom House, accessed June 23, 2023, <https://freedomhouse.org/countries/freedom-world/scores>; "INSIGHT-Equatorial Guinea Seeks to Shake off 'Oil Curse' Image," Reuters, March 10, 2014, sec. Energy, <https://www.reuters.com/article/equatorial-image-idUSL2N0LK08Q20140310>; José María Irujo, "Spain Investigates Members of Equatorial Guinea's Regime for Kidnapping and Torture," EL PAÍS English, January 10, 2023, <https://english.elpais.com/spain/2023-01-10/spain-investigates-members-of-equatorial-guineas-regime-for-kidnapping-and-torture.html>; Joshua Norman, "The World's Enduring Dictators: Teodoro Obiang Nguema Mbasogo, Equatorial Guinea," CBS News, June 19, 2011, <https://www.cbsnews.com/news/the->

- worlds-enduring-dictators-teodoro-obiang-nguema-mbasogo-equatorial-guinea-19-06-2011/; Norman; Patrick Jackson, "Teodoro Nguema Obiang Mangue and His Love of Bugattis and Michael Jackson," BBC News, July 28, 2021, sec. Africa, <https://www.bbc.com/news/world-africa-58001750>; Emma Vickers, "His Bugatti Is Gone, But Dictator's Son Still Flaunts Riches - Bloomberg," Bloomberg, October 24, 2019, <https://www.bloomberg.com/news/articles/2019-10-24/they-took-his-supercars-but-dictator-s-son-still-flaunts-riches>.
25. Human Rights Watch, "Equatorial Guinea: Events of 2019," World Report 2020, December 9, 2019, <https://www.hrw.org/world-report/2020/country-chapters/equatorial-guinea>; U.S. Department of State, "2020 Country Reports on Human Rights Practices: Equatorial Guinea," March 30, 2021, <https://www.state.gov/reports/2020-country-reports-on-human-rights-practices/equatorial-guinea/>; "Human Rights in Equatorial Guinea," Amnesty International, 2022, <https://www.amnesty.org/en/location/africa/west-and-central-africa/equatorial-guinea/report-equatorial-guinea/>.
26. Sarah Saadoun, "The Anniversary That Shouldn't Be: 40 Years of President Obiang in Equatorial Guinea," Human Rights Watch (blog), August 3, 2019, <https://www.hrw.org/news/2019/08/03/anniversary-shouldnt-be-40-years-president-obiang-equatorial-guinea>.
27. "Rimbunan Hijau Group," Forest 500, December 3, 2014, <https://forest500.org/rankings/companies/rimbunan-hijau-group>.
28. "Malaysia: Charged Logging Company Rimbunan Hijau Strikes Back | World Rainforest Movement," December 26, 2004, <https://www.wrm.org.uy/bulletin-articles/malaysia-charged-logging-company-rimbunan-hijau-strikes-back>.
29. Transparency International, ed., Global Corruption Report: Climate Change (London; Washington, DC: Earthscan, 2011), 303.
30. "Equatorial Guinea | China and the EU's Imports of Timber from Equatorial Guinea," Global Timber, accessed June 7, 2023, <https://www.globaltimber.org.uk/equatorialguinea.htm>.
31. Marian Faa, "PNG: Banks Urged to Divest from Logging Companies," ABC Pacific, December 5, 2021, <https://www.abc.net.au/pacific/programs/pacificbeat/png-banks-called-to-divest-from-logging/13663354>; "Rimbunan Hijau: Publications," Oakland Institute, May 9, 2018, <https://www.oaklandinstitute.org/company/rimbunan-hijau>; Greenpeace USA, "The Untouchables: Rimbunan Hijau's World of Forest Crime and Political Patronage," April 21, 2005, <https://www.greenpeace.org/usa/research/the-untouchables-rimbunan-hij/>.
32. "Group Profile | Wanpeng International Trade Co., Ltd.," Wanpeng International, accessed June 7, 2023, <https://www.wan-peng.com/en/company.asp>.
33. EIA analysis based on confidential information.
34. Global Witness, "Congolese General Sanctioned by U.S. and EU for Human Rights Abuses Is Trading in Illegal Logging Permits over DRC's Climate-Critical Forests, Global Witness Reveals," Global Witness, April 16, 2019, <https://en/press-releases/congolese-general-sanctioned-by-us-and-eu-for-human-rights-abuses-is-trading-in-illegal-logging-permits-over-drcs-climate-critical-forests-global-witness-reveals/>.
35. Global Witness.
36. Global Witness.
37. "Equatorial Guinea," African Economic Outlook, African Economic Outlook, 2002, <https://www.oecd.org/countries/equatorialguinea/1824667.pdf>; Tutu Alicante, "Opinion | How Our Incoming Secretary of State Helped to Enrich Africa's Nastiest Dictatorship - The Washington Post," Washington Post, February 1, 2017, <https://www.washingtonpost.com/news/global-opinions/wp/2017/02/01/how-our-incoming-secretary-of-state-helped-to-enrich-africas-nastiest-dictatorship/>.
38. "Equatorial Guinea: Transnational Loggers in the Forest | World Rainforest Movement," World Rainforest Movement, August 11, 2001, <https://www.wrm.org.uy/bulletin-articles/equatorial-guinea-transnational-loggers-in-the-forest>.
39. Allebone-Webb, "Evaluating Dependence on Wildlife Products in Rural Equatorial Guinea."
40. Bonny Lin et al., "Is China Building a New String of Pearls in the Atlantic Ocean?," Center for Strategic and International Studies, December 20, 2021, <https://www.csis.org/analysis/china-building-new-string-pearls-atlantic-ocean>.
41. "China's ICBC in Infrastructure Deal Worth \$2 Bln with Equatorial Guinea | Reuters," Reuters, April 29, 2015, <https://www.reuters.com/article/china-equatorial/chinas-icbc-in-infrastructure-deal-worth-2-bln-with-equatorial-guinea-idUKB9N0XK02V20150429>.
42. "Government of Equatorial Guinea Awards Huawei Marine Contract to Build Ceiba-2 Submarine Cable System - Huawei Press Center," huawei, March 11, 2015, https://www.huawei.com/en/news/2015/03/hw_416259.
43. "Chinese-Built Hydropower Project to Boost Equatorial Guinea Economy: President - Xinhua | English.News.Cn," Xinhua Net, December 2, 2018, http://www.xinhuanet.com/english/2018-12/02/c_137645782.htm.
44. "China, Equatorial Guinea Announce All-Round Partnership of Cooperation," Embassy of the People's Republic of China in the Republic of South Africa, April 29, 2015, http://za.china-embassy.gov.cn/eng/znjl/news/201504/t20150429_8069916.htm.
45. For the years 2010-2022, the last year for which data is available, this figure is 82 percent, as shown in Figure 7a.
46. EIA, 2019 based on Chinese customs data from TDMonitor.
47. "Ley No 1/1997 - Ley Sobre El Uso y Manejo de Los Bosques" (1997), <https://www.fao.org/faolex/results/details/fr/c/LEX-FAOC017394/>; "Decreto Núm. 97/1.997, de Fecha 12 de Agosto, Por El Que Se Aprueba El Reglamento de Aplicación de La Ley Sobre Uso y Manejo de Los Bosques" (1997).
48. Ley No 1/1997 - Ley sobre el uso y manejo de los bosques.
49. Ley No 1/1997 - Ley sobre el uso y manejo de los bosques.
50. Preferred by Nature, "Equatorial Guinea Timber Risk Profile."
51. Preferred by Nature.
52. "Decreto Presidencial Por El Que Se Prohíbe La Tala de Árboles y La Explotación Maderera," Pub. L. No. Decreto 84/2020 (2020), https://www.guineaecuatorialpress.com/noticias/decreto_presidencial_por_el_que_se_prohibe_la_tala_de_arboles_y_la_explotacion_maderera.
53. Decreto presidencial por el que se prohíbe la tala de árboles y la explotación maderera.
54. "Equatorial Guinea Issues a Presidential Decree Banning Logging - Atibt - CBFP - Congo Basin Forest Partnership," CBFP, September 28, 2020, <https://pfbc-cbfp.org/news-partner/Equatorial-Guinea-issues.html>.
55. "Decreto No 61/2007 - Modifica El Decreto No 97/1997, Reglamento de Aplicación de La Ley No 1/1997, Ley Sobre El Uso y Manejo de Los Bosques," Boletín Oficial del Estado § (2007), <https://www.fao.org/faolex/results/details/en/c/LEX-FAOC199368>.
56. "Decreto No 182/2018 - Prohíbe La Exportación de La Madera

REFERENCES

- En Rollo En La República de Guinea Ecuatorial. | FAOLEX," 2018, <https://www.fao.org/faolex/results/details/fr/c/LEX-FAOC203124/>.
57. "The Republic of Equatorial Guinea - Exportation of Logs Allowed Back," Fair&Precious, October 29, 2020, <https://www.fair-and-precious.org/en/news/316/the-republic-of-equatorial-guinea-exportation-of-logs-allowed-back>; "Decreto Que Autoriza La Exportación de Madera En Rollo," Pub. L. No. 93/2020 (n.d.), https://www.guineaecuatorialpress.com/index.php/noticias/decreto_que_autoriza_la_exportacion_de_madera_en_rollo.
58. Benjamin Engonga Ngui Eyang, "El Gobierno accede a la petición de los empresarios de autorizar la exportación de la madera en rollo durante tres años | Revista Real Equatorial Guinea," April 26, 2023, <https://realequatorialguinea.com/economia/el-gobierno-accede-a-la-peticion-de-los-empresarios-de-autorizar-la-exportacion-de-la-madera-en-rollo-durante-tres-anos/>.
59. "Cemac : les États se préparent à l'interdiction de l'exportation des grumes, censée entrer en vigueur dès janvier 2023," Le Nouveau Gabon, June 9, 2022, <https://www.lenouveaugabon.com/fr/agro-bois/0906-18550-cemac-les-etats-se-preparent-a-l-interdiction-de-l-exportation-des-grumes-censee-entrer-en-vigueur-des-janvier-2023>; "Fin des exportations des grumes : la Cemac opte pour une fiscalité incitative pour éviter la baisse des recettes dès 2023," Investir au Cameroun, accessed June 7, 2023, <https://www.investiraucameroun.com/economie/0906-18028-fin-des-exportations-des-grumes-la-cemac-opte-pour-une-fiscalite-incitative-pour-eviter-la-baisse-des-recettes-des-2023>; "Cémac : L'interdiction d'exportation Des Grumes Reportée à 2023 | Adiac-Congo.Com : Toute l'actualité Du Bassin Du Congo," August 31, 2021, <https://www.adiac-congo.com/content/cemac-linterdiction-dexportation-des-grumes-reportee-2023-130106>.
60. "GDP per Capita (Current US\$) - Africa," World Bank Open Data, accessed June 8, 2023, <https://data.worldbank.org>.
61. "Equatorial Guinea | Overview," Text/HTML, World Bank, accessed June 8, 2023, <https://www.worldbank.org/en/country/equatorialguinea/overview>.
62. "Equatorial Guinea: Why Poverty Plagues a High-Income Nation," Human Rights Watch (blog), January 27, 2017, <https://www.hrw.org/news/2017/01/27/equatorial-guinea-why-poverty-plagues-high-income-nation>.
63. "Equatorial Guinea."
64. "Equatorial Guinea."
65. "People Using at Least Basic Drinking Water Services (% of Population) - Equatorial Guinea," World Bank Open Data, accessed June 8, 2023, <https://data.worldbank.org/indicator/SH.H2O.BASW.ZS?locations=GQ>.
66. "Corruption and Its Consequences In Equatorial Guinea," Open Society Justice Initiative, March 2010, <https://www.justiceinitiative.org/publications/corruption-and-its-consequences-equatorial-guinea>.
67. "Equatorial Guinea," Transparency.org, January 31, 2023, <https://www.transparency.org/en/countries/equatorial-guinea>.
68. "The World's 7 Longest-Serving Rulers," Al Jazeera, March 12, 2018, <https://www.aljazeera.com/news/2018/3/12/the-worlds-7-longest-serving-rulers>.
69. Agence France-Presse, "Supercars, Houses and Suits: Equatorial Guinea's Teodorin Obiang," VOA, February 10, 2020, <https://www.voanews.com/a/africa-supercars-houses-and-suits-equatorial-guineas-teodorin-obiang/6184016.html>.
70. Ken Silverstein, "Teodorin's World – Foreign Policy," Foreign Policy, February 21, 2011, <https://foreignpolicy.com/2011/02/21/teodorins-world/>.
71. Human Rights Watch, "Equatorial Guinea: President's Son Convicted of Laundering Millions | Human Rights Watch," October 29, 2017, <https://www.hrw.org/news/2017/10/29/equatorial-guinea-presidents-son-convicted-laundering-millions>; Transparency International, Global Corruption Report.
72. TRIAL International, "Make Way for Justice #4," 2018, 36, <https://trialinternational.org/wp-content/uploads/2018/03/UJAR-Make-way-for-Justice-2018.pdf>.
73. United States of America v. One Michael Jackson Signed Thriller Jacket and Other Michael Jackson Memorabilia; Real Property Located on Sweetwater Mesa Road in Malibu, California; One 2011 Ferrari 599 GTO, No. 2:11-cv-03582-GW-SS (n.d.).
74. "Teodorin Obiang Definitively Convicted in the 'Ill-Gotten Gains' Case: A Decision That Puts the Final Dot on the Chapter of Confiscation and Opens the Restitution One.," Sherpa (blog), July 29, 2021, <https://www.asso-sherpa.org/teodorin-obiang-definitively-convicted-in-the-ill-gotten-gains-case-a-decision-that-puts-the-final-dot-on-the-chapter-of-confiscation-and-opens-the-restitution-one>.
75. "Definitive Conviction of Teodorin Obiang in France Sends Strong Message, Allows Asset Restitution to Equatorial Guinea," Transparency.org, July 30, 2021, <https://www.transparency.org/en/press/teodorin-obiang-conviction-asset-recovery-equatorial-guinea-france>.
76. "Department of Justice Seeks to Recover More Than \$70.8 Million in Proceeds of Corruption from Government Minister of Equatorial Guinea," The United States Department of Justice, October 25, 2011, <https://www.justice.gov/opa/pr/departement-justice-seeks-recover-more-708-million-proceeds-corruption-government-minister>; United States v. One Gulfstream G-V Jet Aircraft, Civil Action No. 11-1874 (RC), No. Civil Action No. 11-1874 (RC). (United States District Court for the District of Columbia April 19, 2013).
77. Based on exchange rate of 1.07775 USD:1 Euro as of June 8, 2023.
78. EIA, 2017. Unpublished source.
79. Environmental Investigation Agency, "Toxic Trade."
80. "Equatorial Guinea - Corporate - Taxes on Corporate Income," Worldwide Tax Summaries Online - PwC, March 24, 2023, <https://taxsummaries.pwc.com/equatorial-guinea/corporate/taxes-on-corporate-income>.
81. "Equatorial Guinea - Corporate - Taxes on Corporate Income."
82. "China's New Approach in Updated Forest Law Could Support Pandemic-Fighting Needs - EIA US," Environmental Investigation Agency, July 8, 2020, <https://us.eia.org/blog/20200708-chinas-new-approach-in-updated-forest-law/>.
83. "China Delivers Double-Punch to Pandemic - EIA US," Environmental Investigation Agency, May 4, 2020, <https://us.eia.org/blog/20200504-china-delivers-double-punch-to-pandemic/>; "China's New Approach in Updated Forest Law Could Support Pandemic-Fighting Needs - EIA US."
84. Environmental Investigation Agency, "The Lie Behind the Ply," June 30, 2021, <https://us.eia.org/report/20210630-lie-behind-the-ply-report/>.
85. Environmental Investigation Agency.
86. Environmental Investigation Agency.

87. Environmental Investigation Agency.
88. "Vanachai Group," Vanachai Group, accessed June 7, 2023, <https://www.vanachai.com/home>.
89. "Company Profile – Metroply," Metro Ply Group, accessed June 7, 2023, <https://www.metroply.com/about-us/company-profile>.
90. "Corporate History | Welcome," Evergreen, 2019, <https://evergreengroup.com.my/en/Corporate History | Welcome>.
91. The US dept of Commerce imposed anti-dumping tariffs on Chinese hardwood plywood. Though there is some debate, it seems that most traders and US regulators so far have mostly agreed the anti-dumping decision did not include 2-ply veneered panels such as door skins.
92. "Home Page | JELD-WEN Windows & Doors," Jeld-Wen, accessed June 7, 2023, https://www.jeld-wen.com/en-us?utm_campaign=jw%7c-%7csitelink%7c-%7call%7c-%7call%7c-%7call&utm_medium=paid%2520search&utm_source=google&utm_content=68__jw_sem_____&gclid=cjwkcajwopwsbhb6eiwajxm qdqeqa_-s6948lvohxtrt73ka_d04hd5fuax3wel-ex_zur5wq8e8bocixwqavd_bwe.
93. JELD-WEN, "ESG Report 2022," 2022, <https://www.jeld-wen.com/en-us/pdfViewer?pdf=https%3A%2F%2Fs3.us-east-2.amazonaws.com%2Fcmd-jeld-wen%2Fassets%2Fdocuments%2F1473756332.pdf&title=Download%20PDF%20Report>.
94. EIA, 2019 based on PIERS and Panjiva trade data.
95. EIA, 2019 based on PIERS and Panjiva trade data.
96. "Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 Laying down the Obligations of Operators Who Place Timber and Timber Products on the Market Text with EEA Relevance," Official Journal of the European Union § (n.d.), <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32010R0995>.
97. "Guidance Document for the EU Timber Regulation," May 2013, https://ec.europa.eu/environment/eutr2013/_static/files/guidance/guidance-document-5-feb-13_en.pdf.
98. "Commission Notice of 12.2.2016 | Guidance Document for the EU Timber Regulation," February 12, 2016, https://www.health.belgium.be/sites/default/files/uploads/fields/fpshealth_theme_file/guidelines_eutr_eng.pdf.
99. "Guidance on the Lacey Act Declaration | U.S. Customs and Border Protection," U.S. Customs and Border Protection, July 29, 2020, <https://www.cbp.gov/trade/entry-summary/public-laws-impacting-trade/public-law-110-246/amended-lacey-act/guidance-lacey-act>.
100. "Plant and Plant Product Declaration | United States Department of Agriculture Animal and Plant Health Inspection Service Plant Protection and Quarantine," n.d., <https://www.aphis.usda.gov/library/forms/pdf/ppq505.pdf>.
101. "USDA APHIS | What Is Meant by the Term 'Due Care?', " October 28, 2020, <https://www.aphis.usda.gov/aphis/ourfocus/planthealth/import-information/lacey-act/violating/panels/due-care>.
102. The International Wood Products Association, a US-based industry association, developed a range of trainings related to due care under the Lacey Act. IWPA started the trainings in 2016 and has held several a year since then. IWPA, (2016), IWPA Launches National Due Care Training Program for Wood Trade Professionals, <https://www.iwpawood.org/news/285523/IWPA-Launches-National-Due-Care-Training-Program-for-Wood-Trade-Professionals.htm>, IWPA, Wood Trade Compliance Training and Due Diligence Tools Course, <https://www.iwpawood.org/page/DueDiligenceTrain>. In addition, a number of companies have developed due care standards. See, e.g., Lacey National Consensus Due Care Defense Standard, (2012), http://mts.sustainableproducts.com/Capital_Markets_Partnership/DueDiligence/12/12%20Standard%20Unanimously%20Approved%205-21-12.pdf, Domtar, (2013), Domtar Due Care Program Under the Lacey Act, https://www.domtar.com/sites/default/files/2018-01/Lacey_Act_Due_Care_Program_091515.pdf. Furthermore, the Gibson and Global Plywood Plea Agreements both provide important guidance for due care related to timber imports. Gibson Criminal Enforcement Agreement (July 27, 2012), legaltimes.typepad.com/files/gibson.pdf. Office of Public Affairs, U.S. Department of Justice, (2021), U.S. Corporation Sentenced for Importing Illegally-Sourced Wood from the Amazon, <https://www.justice.gov/opa/pr/us-corporation-sentenced-importing-illegally-sourced-wood-amazon>.
103. U.S. v. McNab, 331 F.3d 1228 (2003). U.S. v. 2,507 Live Canary Winged Parakeets, 689 F. Supp. 1106 (S.D. Fla. 1988).
104. United States v. Lumber Liquidators Holding, Inc, No. 3:19-cr-00052-JAG-1 (August 5, 2021).
105. United States v. Lumber Liquidators Holding, Inc.
106. Environmental Investigation Agency, (2016), Facing the Consequences for Liquidating the Forests, https://content.eia-global.org/posts/documents/000/000/611/original/Facing_the_Consequences_for_Liquidating_the_Forests.pdf?1479847651; U.S. v. Lumber Liquidators, Plea Agreement: Statement of Facts, <https://www.justice.gov/opa/file/787141/download>.
107. U.S. v. Lumber Liquidators, Plea Agreement: Statement of Facts, <https://www.justice.gov/opa/file/787141/download>.
108. "Lumber Liquidators Inc. Pleads Guilty to Environmental Crimes and Agrees to Pay More Than \$13 Million in Fines, Forfeiture and Community Service Payments," The United States Department of Justice, October 22, 2015,
109. Janelle Pocllyn, "Roseburg Forest Products Halts Sale and Production of Okoume Veneer Products during Federal Investigation," The News-Review, March 20, 2019, https://www.nrtoday.com/business/local_biz/roseburg-forest-products-halts-sale-and-production-of-okoume-veneer-products-during-federal-investigation/article_47fbb34-19e6-55fa-a85f-3c78f44c5c66.html.
110. As quoted in the previous section, a senior sourcing manager for Jeld-Wen explained: "When somebody asks me whether I can guarantee, where I know whether those logs are illegally harvested. I haven't been there. I don't work there, it's pretty difficult. [...] To me, it sounds like kind of a free for all in Africa, to be honest with you..."
111. "About Us | The Home Depot."
112. EIA's analysis using Home Depot online retail shop.
113. "Wood Purchasing Policy" (The Home Depot, n.d.), https://corporate.homedepot.com/sites/default/files/2022-08/WoodPurchasingPolicy_August2022.pdf.
114. "Sourcing Responsibly | The Home Depot," The Home Depot, accessed June 7, 2023, <https://corporate.homedepot.com/page/sourcing-responsibly>.
115. "Wood Purchasing Policy."
116. "Wood Purchasing Policy."
117. Environmental Investigation Agency, "The Illegal Logging Crisis in Honduras: How U.S. and E.U. Imports of Illegal Honduran Wood Increase Poverty, Fuel Corruption and Devastate Forests and Communities," n.d., https://content.eia-global.org/posts/documents/000/000/412/original/The_Illegal_L

REFERENCES

- ogging_in_Honduras.pdf?1468420838; Rhett Butler, "Home Depot, Lowe's Selling Illegal Wood from Papua New Guinea-Report," Mongabay, March 23, 2006, <https://news.mongabay.com/2006/03/home-depot-lowes-selling-illegal-wood-from-papua-new-guinea-report/>; Jennifer Nastu, "Report Accuses US Timber Distributors For Illegal Deforestation," Environment+Energy Leader, August 4, 2017, <https://www.environmentalleader.com/2017/08/report-points-finger-us-timber-distributors-illegal-deforestation-png/>.
- 118.** "Home Depot: Sourcing Wood Products Like It's 1999," NRDC, April 27, 2022, <https://www.nrdc.org/bio/jennifer-skene/home-depot-sourcing-wood-products-its-1999>; Jennifer Skene, "Home Depot: Sourcing Wood Products Like It's 1999," NRDC, April 27, 2022, <https://www.nrdc.org/bio/jennifer-skene/home-depot-sourcing-wood-products-its-1999>.
- 119.** "Home Depot Shareholders Support Deforestation Shareholder Proposal," Green Century Funds (blog), May 19, 2022, <https://www.greencentury.com/statement-majority-of-home-depot-shareholders-support-deforestation-shareholder-proposal-filed-by-green-century/>.
- 120.** "FSC Certificates Public Dashboard," accessed June 7, 2023, <https://app.powerbi.com/view?r=eyJrIjoIn2U3NGMyNWEtZTAxNS00MzVhLWExNmMtOThhZjdiYjQ4MWNkIiwidCI6IjEyNGU2OVRiLWVmNjUtNDk2Yi05NmE5LTVhNTZiZWx3ZDI5MSIsImMiOjI5>jl9.
- 121.** Preferred by Nature, "Equatorial Guinea Timber Risk Profile."
- 122.** Environmental Investigation Agency, "Toxic Trade", EIA, 2018. Unpublished investigative material.
- 123.** Environmental Investigation Agency.
- 124.** Alex C Wiedenhoeft et al., "Fraud and Misrepresentation in Retail Forest Products Exceeds U.S. Forensic Wood Science Capacity," PLoS ONE 14, no. 7 (2019), <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0219917>.
- 125.** Freedom of Information Act (FOIA), "FOIA.Gov (Freedom of Information Act) Home Page," accessed June 7, 2023, <https://www.foia.gov/>.



EIA US

PO Box 53343
Washington DC 20009 USA
T: +1 202 483-6621
E: info@eia-global.org
us.eia.org

EIA UK

62-63 Upper Street,
London N1 0NY UK
T: +44 (0) 20 7354 7960
E: ukinfo@eia-international.org
eia-international.org

