



## Illicit Financial Flows and Human Rights in Colombia

### What are Illicit Financial Flows (IFFs)?

- Illicit financial flows (IFFs) are movements of money or capital that is illegally earned, transferred, and/or utilized across international borders. Drug trafficking, organized crime, corruption, tax evasion, trade misinvoicing, wildlife trafficking, and illegal gold mining are all types of IFFs.
- IFFs severely undermine Colombia's political and economic security, weakening state institutions, leaving the country ill-equipped to fight poverty, and diminishing the rule of law.

### How are IFFs and Human Rights Connected?

- IFFs in Colombia are linked to human trafficking, forced labor, contract killings, and widespread violence against local communities.
- IFFs deprive the Colombian government of much-needed tax revenues and consequently limit public spending on security, justice, and social programs.
- Tackling IFFs will diminish the profits of criminal groups, helping to reduce their power and proliferation. It will also ensure that the government has the resources it needs to protect human rights.

### What can be done to curtail IFFs?

- Foster Civil Society Organizations - Stronger advocacy efforts that target the financial ecosystem are critical to achieving human rights protections in Colombia.
- Promote Financial Transparency - Correct registration of companies, including easy identification of the true Beneficial Owner of a company, can increase financial transparency.

# IFFs and Human Rights: Case Studies from Colombia and Around the World

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## Human Trafficking

The global trend of human trafficking has increased steadily since 2010, with the fastest growth in Latin America and Asia.<sup>1</sup>

Colombian authorities uncovered a sex trafficking organization in Cartagena, where the organizer used a shell company to pose as a travel agency. The investigators found financial movements and commercial transactions in excess of US\$3.4 million between 2011 and 2017. **There were as many as 200 victims.**<sup>2</sup>



## Murders of Social and Environmental Leaders

In 2018, more environmental defenders were murdered in Latin America than any other region of the world. Colombia, Brazil, Guatemala and Honduras top the list of most dangerous countries for environmental defenders.<sup>3</sup>

Berta Cáceres, a respected Honduran human rights and environmental leader, was killed in 2016 after opposition to the construction of a hydroelectric dam. Seven people, including hired gunmen and high-level company employees, were convicted and sentenced to 50 years in

prison for her murder. Investigations into the president of the company are ongoing, with requests for his US bank records after he purchased a luxury Texas home shortly after the murder. **Investigating and tackling illicit financial flows can play an important role in attaining justice for human rights abuses.**<sup>4</sup>

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## Corruption Weakens Social Programs

Corruption in Colombia diverts funds from much needed social programs, leaving vulnerable groups to suffer greatly. A 2016 investigation by the Colombian Attorney General found “systemic” fraud in public contracts in La Guajira Department, one of Colombia’s most indigenous areas, where funds for education, health, childhood programs, and public works were diverted. In one such case, **fake invoices were used to embezzle US\$430,000 from a contract of US\$1.04 million intended to provide nutritional support to young children and nursing mothers.**<sup>5</sup> Meanwhile, the indigenous Wayuu community on the Guajira Peninsula has reported the deaths of 4,770 children due to malnutrition in the last 8 years.<sup>6</sup>



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<sup>1</sup> <https://news.un.org/en/story/2019/01/1029912>

<sup>2</sup> <https://www.elespectador.com/noticias/judicial/el-rol-que-jugaron-la-madame-su-pareja-y-su-papa-en-red-de-explotacion-sexual-articulo-883126>

<sup>3</sup> <https://news.mongabay.com/2019/08/latin-america-saw-most-murdered-environmental-defenders-in-2018/>

<sup>4</sup> <https://www.theguardian.com/world/2019/dec/02/berta-caceres-murder-sentencing>

<sup>5</sup> <https://www.elespectador.com/noticias/judicial/los-graves-casos-de-corrupcion-guajira-articulo-661327>

<sup>6</sup> <https://www.elheraldo.co/la-guajira/4770-ninos-muertos-en-la-guajira-es-una-barbarie-corte-553890>