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WEAK LAND GOVERNANCE, FRAUD AND CORRUPTION: FERTILE GROUND FOR LAND GRABBING

EXECUTIVE SUMMARY

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Photo: Araquém Alcântara / WWF-Brasil

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EXECUTIVE SUMMARY



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The term *grilagem* (the Portuguese word for land grabbing) refers to the old Brazilian practice of forging a property title and putting it into a drawer with crickets (*grilos* in Portuguese) whose secretions would give the document a yellow tint, and provide an appearance similar to an old and legitimate document. In the meantime, tactics have modernized, with various new practices known as *grilagem* that seek to forge titles and invade public and private land to grab them, often with the help of corrupt private and public agents.

Although the problem has been long known, attempts to systematize the risks of fraud and corruption that make land grabbing possible in Brazil are still developing. In this context, this research seeks precisely to identify and understand these risks, in order to suggest solutions to improve the fight against land grabbing in the country. This approach allows us to see land grabbing from new angles, and to reinforce the urgency of improving the governance, integrity, and transparency of the country's land administration system, as well as of mobilizing the legal and institutional anti-corruption and anti-money laundering framework to better confront the problem.

Generally, land grabbing involves multiple frauds in Real Estate Registries, cadasters[1], titling processes, and other public administration information systems, which can be facilitated by corrupt practices. In order to make a land grab, cattle ranchers, soy producers, loggers, businessmen, real estate investors, and other actors that may act as leaders of criminal organizations (*grileiros*), empower a chain of professionals to operationalize their schemes, escape sanctions, and profit from the crime. This may include corrupt public officials, lawyers, registry officers, notaries, judges, surveyors, deforestation "entrepreneurs", local police officers, and gunmen, as well as straw men[2], used to conceal the true beneficiaries of crimes.

Land grabbing generates dramatic social, environmental, and economic impacts. In the regions affected by this issue, indigenous peoples, traditional communities, as well as small and large producers suffer from land invasions. These conflicts are often accompanied by threats, intimidation attempts, extortion, assaults, murders, and other forms of violence against the legitimate occupants of the area that present an obstacle to the land grabbing scheme[3]. It also undermines economic development by creating instability and undermining the legal certainty of property rights.

When it occurs in public forests, particularly in the Amazon, land grabbing leads to deforestation[4] and the illegal exploitation of natural resources, driving the Amazon closer to its tipping point where the rainforest will turn into a savannah, as well as contributing to the acceleration of the climate crisis[5]. This is particularly relevant in the Brazilian context as, in 2020, 46% of national greenhouse gas emissions came from land-use changes (overwhelmingly forest suppression), a figure that keeps increasing with the escalating deforestation rates in Brazil[6].

Against this backdrop, our research sought to shed light on the weaknesses of the Brazilian land governance that sustain land grabbing, as well as the fraud and corruption practices used to misappropriate public and private real estate. To this end, in addition to a literature review and several stakeholder interviews, 11 operations by law enforcement agencies in 8 states were analyzed to understand the different land grabbing strategies of criminal groups. Through this methodology, 21

1 According to the International Federation of Surveyors, "a Cadaster is normally a parcel based, and up-to-date land information system containing a record of interests in land (e.g. rights, restrictions and responsibilities). It usually includes a geometric description of land parcels linked to other records describing the nature of the interests, the ownership or control of those interests, and often the value of the parcel and its improvements. It may be established for fiscal purposes (e.g. valuation and equitable taxation), legal purposes (conveyancing), to assist in the management of land and land use (e.g. for planning and other administrative purposes), and enables sustainable development and environmental protection." <https://fig.net/resources/publications/figpub/pub11/figpub11.asp>. Accessed on November 18th, 2021.

2 In this context, straw men ("*laranjas*" or "*testas-de-ferro*" in Portuguese) are individuals whose identity is used with or without their knowledge to move and register goods and assets and to conceal the identity of the real beneficial owners.

3 The Pastoral Land Commission (CPT) registered, in 2020, 1,576 occurrences of land conflicts caused by supposed owners or public agents. Those conflicts are strongly related to land grabbing and represents the highest number ever recorded by the entity since 1985. The CPT also registered 81,225 families that suffered from land invasion in 2020, among which 71.8% were indigenous, highlighting the particular vulnerability of those peoples to such conflicts. <https://www.cptnacional.org.br/ publicacoes-2/destaque/5664-conflitos-no-campo-brasil-2020>. Accessed on November 18th 2021.

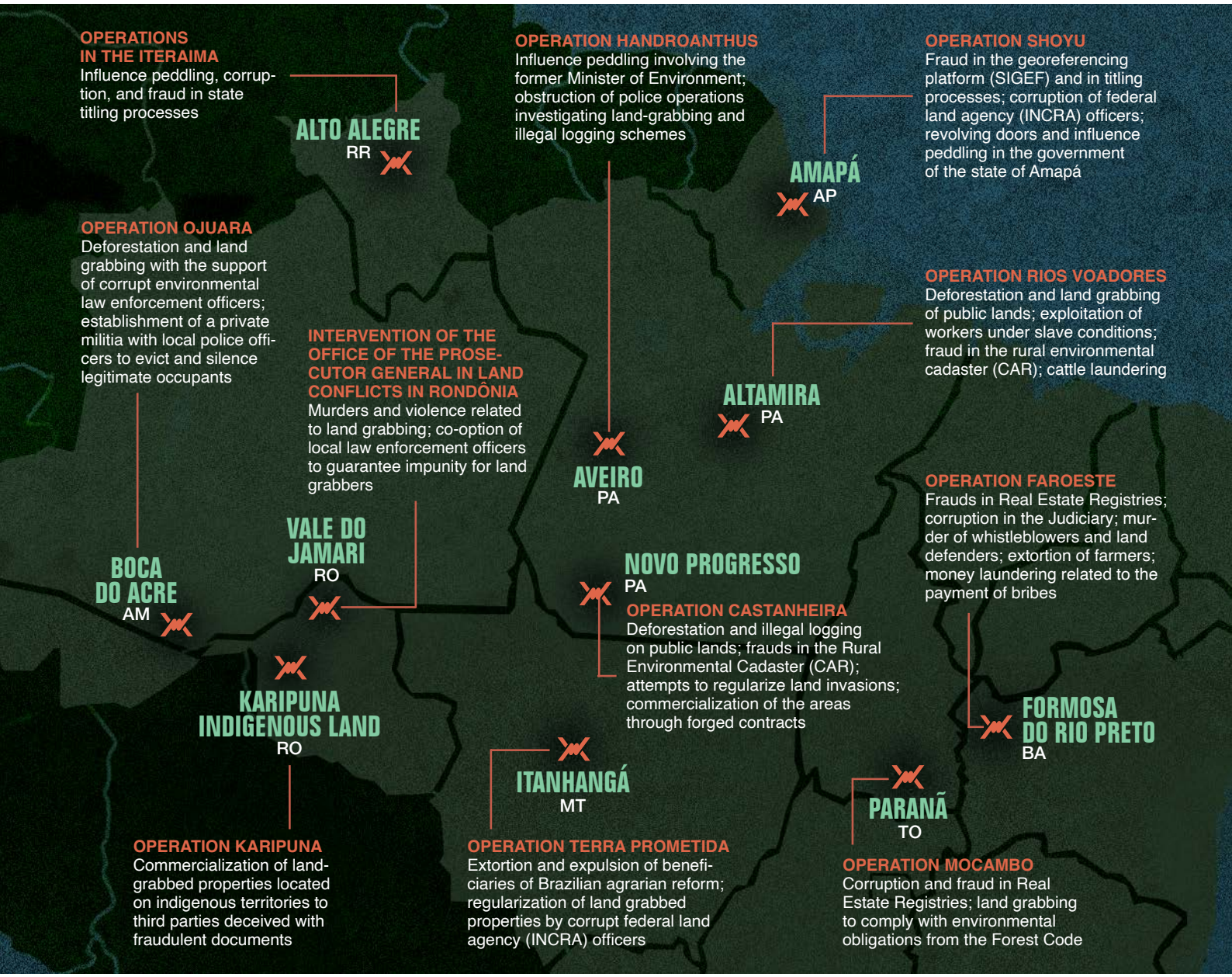
4 According to IPAM, in 2019 and 2020, 44% of deforestation in the Amazon occurred on public lands, which is a strong indication of land grabbing. <https://ipam.org.br/wp-content/uploads/2021/10/Amazo%CC%82nia-em-Chamas-8-pecua%CC%81ria-pt.pdf>. Accessed on November 18th, 2021.

5 See for instance: LOVEJOY, T.; NOBRE, C. Amazon Tipping Point: Last Chance for Action. Science Advances. v. 5, n. 12, 2019. <https://www.science.org/doi/10.1126/sciadv.aba2949>. Accessed on November 18th, 2021.

6 Annual greenhouse gas emissions data by sector in Brazil is available on the SEEG platform. <https://plataforma.seeg.eco.br/total_emission>. Accessed on November 18th, 2021.

fraud and corruption[7] risks that contribute to land grabbing schemes were identified. The following map (Figure 1) shows the operations analyzed and highlights their relevant characteristics[8].

Figure 1: *Operations analyzed through the case studies of the research*



Criminal organizations are using a variety of strategies to adulterate public systems and capture corrupt institutions in order to misappropriate land. To understand how these groups act, there are two dimensions of land grabbing schemes that can be analyzed. On the one hand, the legal-administrative dimension consists of documentary frauds in registries, cadasters, and land tenure regularization

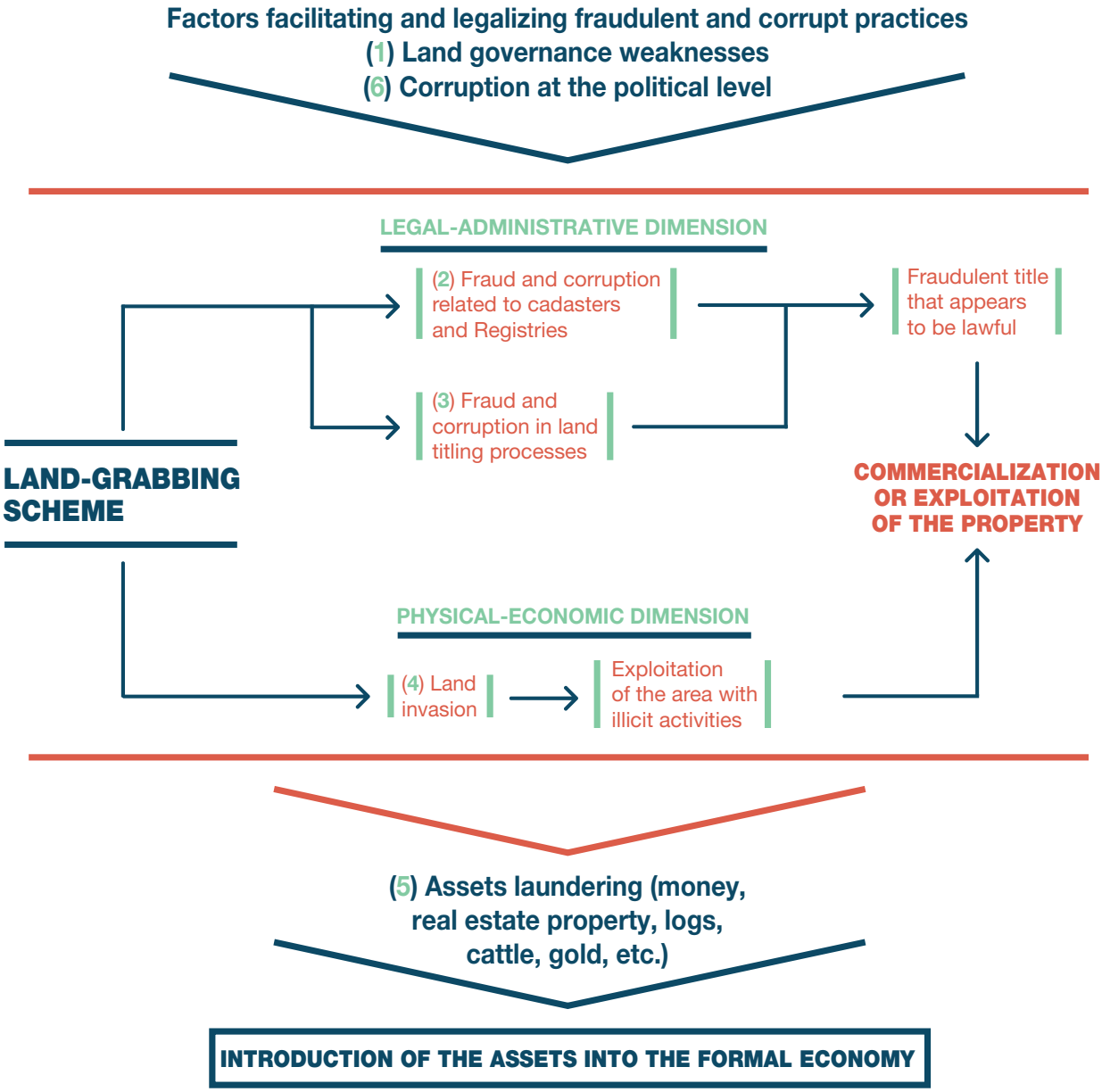
7 For Transparency International, corruption can be defined as "the abuse of entrusted power for private gain", which extends the definition of the Brazilian Penal Code and includes other undue practices besides bribery.

8 The description of the operations, as well as the related fraud and corruption practices presented in this executive summary, can be found in the full report in Portuguese.

processes in order to obtain a property title that appears to be lawful. On the other hand, it is possible to analyze land grabbing under the physical-economic dimension of the problem, that is, the physical invasion of land to exploit an area with illicit activities (cattle ranching, illegal logging, among others) and/or to claim ownership of an area. In both dimensions, the final objective of the land grab is often to profit from the use or the commercialization of the illegitimate property.

This executive summary presents research results addressing these two dimensions. We begin by presenting the weaknesses that leave the land administration system vulnerable to land grabbing schemes (1). Next, we analyze the fraud and corruption risks in the following processes: cadastral and registry systems (2); land tenure regularization and titling processes (3); and physical land invasions (4). We then present the laundering tactics used to conceal the illicit origin of assets and profits resulting from land-grabbing schemes (5) as well as the corruption risks at the political level that can facilitate the misappropriation of public and private properties (6). The executive summary concludes with recommendations to curb land grabbing in Brazil and to prevent and mitigate the identified fraud and corruption risks (7). Figure 2 shows, in a simplified form, how the different aspects of land-grabbing schemes analyzed in the report are articulated and how they relate to corrupt and fraudulent practices.

Figure 2: *Dynamics and drivers of land-grabbing in Brazil*



1. WEAKNESSES IN BRAZILIAN LAND GOVERNANCE

Land grabbing thrives on loopholes and deficiencies in the land administration system. Criminal organizations can take advantage of these weaknesses to spread fraudulent data and corrupt public and private actors. Eight major underlying deficiencies in land governance can be highlighted to understand better fraud and corruption risks:

DEFICIENCIES IN REAL ESTATE REGISTRIES: in some Registry Offices, it is common to find irregularities in the chain of registered titles of a property, that is, the series of registry acts necessary to prove the succession of owners and the legal origin of the property according to the Brazilian Law. It is also worth mentioning the existence of overlaps, errors and gaps in the delimitation of properties as well as "duplicated" registers, among others.

LAGS IN THE DIGITALIZATION OF REAL ESTATE RECORDS: the Registry Offices that have high levels of deficiencies are also those that suffer from delays in the digitalization of their records. Additionally, the inexistence of a transparent statistical inventory that integrates the data from all registry offices hinders inspection of the Registries by competent public agencies as well as by civil society.

UNDESIGNATED LANDS: in the Legal Amazon, there is an important stock of undesignated public lands, both state and federal, that awaits clear definition of rules regarding the occupation of these areas. In addition, an important part of the state public lands has not been registered and recorded in the cadasters to be formally incorporated into public patrimony. Under these conditions, the State struggles to know, monitor and inspect occupations of the territory and to prevent invasions of those lands.

SELF-DECLARATORY PROCESSES IN CADASTRAL SYSTEMS: the registration of properties in the cadastral systems (SNCR, SIGEF, CAR, mainly)[9] is generally a self-declaratory process and the controls of the public agencies responsible for managing the cadasters are deficient. Therefore, the cadasters are particularly vulnerable to frauds that aim to make land grabbing appear lawful.

UNRECOGNIZED LEGITIMATE OCCUPATIONS: there are numerous unrecognized legitimate smallholder occupations and lands belonging to indigenous peoples and traditional communities that may be missing from official databases even though some cadastral systems accept the recording of informal occupations. By definition, these lands are also missing from Real Estate Registries since their occupants do not possess any formal title. This situation makes these forms of land occupation invisible, leading to difficulties in protecting these populations from land-grabbing schemes.

LACK OF TRANSPARENCY IN THE CADASTERS: the land cadasters also lack transparency, because generally not all data is accessible to the public in an open format, especially information identifying landholders, which reduces accountability and makes investigations by activists and journalists difficult.

LACK OF INTEGRATION OF THE CADASTRAL AND REGISTRY SYSTEMS: the fragmentation of legal, land use, tenure, tax, and environmental information among the diverse cadastral and registry systems facilitates frauds and hinders the detection and the inspection of irregularities.

DEFICITS IN STRUCTURES AND CAPACITIES OF LAND AND ENVIRONMENTAL AGENCIES: in general, the INCRA (National Institute of Colonization and Agrarian Reform)[10], the state Land Institutes[11], as well as the environmental agencies, lack the necessary human, financial and technological resources to fulfill their missions. This leads to difficulties in effectively implementing land and environmental policies, in carrying out the necessary controls against fraud, and in combating environmental crimes associated with land grabbing.

9 The main cadastral systems that may be threatened by land grabbing schemes are the following: (i) the National Rural Cadaster System (SNCR), under the responsibility of INCRA, which is necessary to obtain the Certificate of Rural Property Registration (CCIR) and whose function is to provide literal data on occupants and characteristics of rural properties; (ii) the Land Management System (SIGEF), also under the responsibility of INCRA, which issues the georeferencing certification of a property when an accredited surveyor enters the spatial data of the area; and (iii) the Rural Environmental Cadaster (CAR), under the responsibility of state environmental agencies and the Brazilian Forestry Service (SFB), and necessary to prove compliance with environmental legislation.
10 The INCRA is the federal land agency responsible for the manutention of the SNCR and the SIGEF, the titling processes in federal public lands, and the formal identification and the allocation of undesignated public lands, among other functions..
11 State Land Institutes are responsible for managing state public lands and titling processes in those areas.

As a result, these deficiencies lead to both the overlapping of properties in the cadastral and registry systems and to "under-registration", that is, the absence of information about the occupation of some parts of the Brazilian territory. Such vulnerabilities tend to be concentrated in some regions of the territory, such as the Amazon Region and MATOPIBA[12], where land grabbing schemes and agrarian conflicts are frequent.

These weaknesses in the land administration system and the lack of control related to land occupation also foster vulnerability to fraud and open space for corrupt practices to misappropriate pieces of land. In fact, these vulnerabilities have generated challenges to distinguish legitimate occupations from illegitimate ones and can be exploited by land grabbers to simulate legitimate rights to land use and tenure.

2. FRAUD AND CORRUPTION RISKS IN REGISTRY AND CADASTRAL SYSTEMS

The deficiencies of the cadastral and registry systems create favorable conditions for the occurrence of frauds, through which land grabbers can forge and register false titles with the help of various ill-intentioned professionals (Figure 3).

Figure 3: *Land grabbing through frauds in Real Estate Registries*



Since Real Estate Registries serve as legal proof of ownership rights, they can be the object of frauds. Such practices include the use of forged titles, irregularities in the title registration process, and fraud in property delimitation, among others. When individuals act in bad faith to carry out these frauds, there are several configurations involving one or more corrupt actors that can make them possible.

Registry officers have a fundamental role to play in stopping frauds since they are responsible for maintaining the Registries and for enforcing all the legal requirements needed to perform registry acts. These professionals can contribute to the fight against land grabbing by investing in the rectification of irregularities in the registries or by reporting suspected frauds and corrupt practices to the competent authorities to investigate and prosecute these possible infractions. But corrupt Registry officers can also collude with land grabbers to make the frauds look lawful.

However, other malicious professionals may also act as genuine enablers of abuses in the Registries. For instance, Registry officers acting in good faith can fall victim to collusion between land grabbers and real estate agents or lawyers who forge land titles and register them. In addition, Registry officers can be deceived, for example, by procurations or deeds of sale that have been forged by dishonest notaries.

12 MATOPIBA designates a geographical extension in the Brazilian Cerrado that partially covers the states of Maranhão, Tocantins, Piauí and Bahia (whose first letters form the term). It is a territorial entity where a strong agricultural expansion has occurred in the last decades, but also with a high concentration of land conflicts.

In this context, the inspection of Real Estate Registries performed by the Comptroller Office of the state Courts of Justice plays a fundamental role in curbing frauds and corrupt practices related to Registries. To this end, the judges acting as comptrollers have effective instruments to improve the quality of the registries by eliminating irregularities and regularizing inconsistencies. However, the Judiciary is not immune to corruption and may receive undue advantages to issue biased decisions favorable to land grabbers and confirm or even amplify frauds in the Registries.

In addition to frauds in Real Estate Registries, land grabbing schemes may involve the insertion of false informal occupations or properties in the land cadasters. Although the cadastral records cannot be used to prove ownership rights (a function reserved to Real Estate Registries), land grabbing schemes often involve frauds in those systems, eventually with the support of corrupt public servants. By recording a fictitious property, individuals can obtain administrative documents (Certificate of Registration of Rural Property, georeferencing certification, Rural Environmental Register, etc.) required to perform registry acts associated with the property. Additionally, these documents can also be used to give an appearance of legality to land grabbed properties.

The registration of straw men as landholders of fraudulent properties in the cadasters can also help land grabbers to remain unpunished for crimes they perpetrate and avoid sanctions. In particular, the use of straw men in the Rural Environmental Cadaster (CAR) is frequent in cases of land grabbing on public lands to avoid sanctions for environmental infractions and to escape penalties related to goods illegally produced on the land grabbed areas.

The fraud and corruption risks related to registry and cadastral systems identified in the research are presented in Table 1:

Table 1: *Fraud and corruption risks related to cadasters and Registries*

TYPE OF RISK	PRACTICES	ACTORS USUALLY INVOLVED[13]	OBJECTIVE /DIRECT CONSEQUENCES
FRAUD	Insertion of false informal occupations or properties in the cadastral systems (SNCR, SIGEF and/or CAR)	Surveyors and other experts alike, INCRA officers	Fulfilling the legal requirements for registry acts; simulating a legitimate informal occupation or property
FRAUD	Frauds in the georeferencing certificate of a registered property	Accredited surveyors and other experts alike, INCRA officers	Alter illegally the localization or the limits of a property
FRAUD	Use of forged contracts, deeds of sale, titles, or procurations	Lawyers, real estate agents, registry officers, notaries	Simulating the acquisition of a property to give the appearance of legality to false properties in Real Estate Registries
FRAUD	Frauds in Real Estate Registries	Lawyers, real estate agents, registry officers	Simulating property rights from irregular registry acts
COLLUSION /BRIBERY	Collusion with legal professionals to facilitate frauds in Real Estate Registries	Lawyers, real estate agents, registry officers, notaries	Helping land-grabbers to simulate property rights with irregular registry acts
BRIBERY	Biased judicial decisions in favor of land grabbers	Judges (including when acting as Comptroller)	Undue judicial decisions in favor of land grabbers to confirm or expand frauds in Real Estate Registries
BRIBERY	Insertion or validation of false information in the cadastral systems	Accredited surveyors and other experts alike, officials of environmental and land agencies	Facilitating frauds in cadastral systems
BRIBERY	Undue prioritization of individuals paying bribes in administrative processes (cadastral data analysis, among others)	Officials of environmental and land agencies	Harm to citizens who act ethically

13 It should be noted that the actors mentioned in these tables generally represent the "demand" side of corrupt practices. There is also the "supply" side of corruption and other related misconduct, i.e., those who offer a bribe, remuneration, or other undue advantage for the actors on the "demand" side to act improperly.

3. FRAUD AND CORRUPTION IN LAND TITLING PROCESSES

Fraud in land tenure regularization processes on state and federal public lands can be another strategy to obtain a title that appears to be lawful (Figure 4).

Figure 4: *Land grabbing in titling processes*



Land grabbers can make fraudulent declarations in titling processes in order to artificially fit into regularization criteria. This includes entering false data in the different land cadasters, the use of straw men, and the undue fractioning of pieces of land to simulate small informal occupations with supposedly different owners and therefore eligible for regularization. Forged or authentic documents from ongoing titling processes may also serve as informal documentation to unduly commercialize grabbed land even when the chances of effective titling are almost non-existent.

Although the INCRA has developed systems to detect the simplest frauds by cross-referencing data with other official databases and by using remote sensing techniques, the agency lacks the necessary capabilities to curb more complex schemes. To make things worst, the lack of resources makes it impossible to analyze the large backlog of regularization requests and has paralyzed the federal land regularization program (Programa Terra Legal). The inexistence of participative bodies that involve civil society and affected communities in the allocation of lands that are the object of regularization requests, also reduces the accountability of those processes and threatens the rights of local and often vulnerable populations, including indigenous peoples. Such participatory processes are necessary to ensure the representation of the interests of all communities affected by titling processes and to contribute to the prevention of land conflicts.

Pressures to loosen the titling criteria have also led to the legalization of land grabbing schemes and invasions of public lands through regulatory reforms. In particular, recent legislative efforts such as the bills MP nº910/2019, PL nº510/2020, and PL nº2633/2020 to modify the minimum date for the effective occupation of the areas to be regularized, among other setbacks, signal potential amnesties for recent land invasions.

Such problems identified at the federal level are often even more serious at the state level. In particular, state Land Institutes are lagging in the digitalization of the regularization processes and issued titles. As a consequence, the administrative capacity to inspect those regularization processes and control the authenticity of the titles in circulation is limited. This also leads to serious transparency gaps, since the absence of digitalized databases hinders disclosure of information about titled properties, their spatial data, and their beneficiaries.

There are several cases of corruption in land agencies where ill-intentioned officers act as true enablers of land grabbing schemes. Generally, corruption risks increase when administrative processes are poorly standardized and when there are personal relationships between public servants and beneficiaries of land policies without effective integrity, transparency, and control systems. Corrupt practices in land agencies may involve the insertion or validation of false

information to facilitate titling processes in exchange for undue advantage. During field inspections, public agents can be bribed to turn a blind eye or issue reports that artificially confirm compliance with the criteria for land regularization. Such practices may lead the civil servants to ignore irregularities, such as the fractioning of areas, the absence of activities on the area, or the overlapping with other legitimate occupations, among others. These corrupt practices as well as the associated fraud risks are presented in Table 2:

Table 2: *Fraud and corruption risks related to titling processes*

TYPE OF RISK	PRACTICES	ACTORS USUALLY INVOLVED	OBJECTIVE /DIRECT CONSEQUENCES
FRAUD	Insertion of false informal occupations or properties in the cadastral systems (SNCR, SIGEF and/or CAR)	Surveyors and other experts alike, INCRA officers	Simulating the occupation of an area eligible for land titling
FRAUD	Undue fractioning of properties and use of straw men as beneficiaries in titling processes	Accredited surveyors and other experts alike, INCRA officers	Simulating small informal occupations eligible for land titling
BRIBERY	Insertion or validation of false information in cadasters and titling processes	Accredited surveyors and other experts alike, INCRA officers	Issuing titles for land grabbed areas that do not meet regularization criteria
BRIBERY	Undue prioritization of individuals paying bribes in administrative processes (land and environmental regularization, among others)	Environmental and land agencies officers	Harm to citizens who act ethically
INFLUENCE PEDDLING	Misuse of influence in the administration to “ease” the titling processes of land-grabbed areas	Elected politicians, appointed officials in land agencies	Issuing titles for land grabbed areas that do not meet regularization criteria

4. LAND INVASIONS, VIOLENCE, AND CORRUPTION

In addition to seeking to obtain registered titles that appear to be lawful, land grabbing schemes may involve the physical invasion of the property to develop illicit economic activities and/or to claim ownership of the area (Figure 5).

Figure 5: *Invasions in land grabbing schemes*



Officers of agencies responsible for the protection of specific areas and victims of land-grabbing schemes, can be co-opted by land grabbers through corrupt practices to facilitate the invasion of private or public properties. For example, criminal groups may seek to capture local law enforcement agencies or to set up private militias. In these cases, corrupt local police officers can assure impunity for land grabbers, as well as contribute directly to the expulsion and extortion of the legitimate occupants of the invaded areas.

Thereby, the capture of law enforcement agencies undermines the protection of victims of land-grabbing schemes. Whistleblowers and environmental defenders, including indigenous peoples, are particularly vulnerable to threats and acts of violence from criminal organizations that seek to silence and intimidate them. This can even lead to the murder of environmental defenders, while such individuals play a key role in supporting the detection and investigation of crimes associated with land grabbing.

Also noteworthy, is the risk of extortion associated with land grabbing schemes. That is, land grabbers can seek the expulsion of squatters, agrarian reform settlers, indigenous peoples, traditional communities, and other populations living in the invaded areas through intimidation, threats, and violence. Criminal organizations can also generate profits by demanding undue payments while threatening rural producers with the invasion of their lands.

In addition, public agency officers responsible for the inspection of activities and occupations of certain public lands (INCRA, the National Indigenous Foundation - FUNAI, environmental agencies, etc.) can be part of criminal organizations to guarantee State inaction when these areas are invaded. It is worth mentioning, in particular, the risks of corruption in environmental agencies that have a fundamental role in curbing environmental crimes associated with land grabbing. Corrupt environmental inspectors may ignore criminal behavior or insert false information in infraction reports, as well as leak confidential information about future inspection operations to guarantee impunity for land grabbers.

The fraud and corruption risks related to land invasions identified in the research are presented in Table 3.

Table 3: *Fraud and corruption risks related to land invasions*

TYPE OF RISK	PRACTICES	ACTORS USUALLY INVOLVED	OBJECTIVE /DIRECT CONSEQUENCES
FRAUD	Insertion of false informal occupations or properties in the cadastral systems (SNCR, SIGEF and/or CAR)	Surveyors and other experts alike, INCRA officials	Simulating the ownership of a property so that irregular occupations appear legitimate
FRAUD	Use of straw men in the Rural Environmental Cadaster (CAR)	Surveyors and other experts alike	Avoiding penalties for environmental violations
EXTORTION	Threats and acts of violence against the legitimate occupants of an area	Police officers, gunmen	Obtaining undue payments from the extorted legitimate occupants or evicting them to seize their land
BRIBERY	Formation of private militias involving local police officers	Police officers	Ensure the impunity of a criminal organization; extort, expel and/or intimidate the legitimate occupants and whistleblowers
BRIBERY	Omissions in environmental inspection actions (frauds in infraction reports, non-seizure of deforestation machinery, etc.)	Environmental inspection officers	Ineffective law enforcement operations and impunity for environmental crimes associated with land grabbing
BRIBERY	Leaks of classified information about future inspection operations	Environmental inspection officers, police officers	Ineffective law enforcement operations and impunity for crimes associated with land grabbing (including environmental crimes)
INFLUENCE PEDDLING	Misuse of political influence to obstruct investigations against land grabbing schemes	Elected politicians, appointed officials in environmental and land agencies	Impunity for crimes associated with land grabbing (including environmental crimes)

5. LAND GRABBING AND ASSET LAUNDERING

Generally, land grabbing is associated with asset laundering schemes to conceal the proceeds of the crimes perpetrated. On the one hand, criminal organizations develop money laundering tactics not only to disguise the profits generated by their different illicit activities, but also to conceal the payment of bribes. To this end, various techniques are used to hamper the traceability of these illicit financial operations, and to circumvent anti-money laundering controls by distancing the beneficiaries of land-grabbing schemes from the crimes perpetrated. Such practices include, for example, the triangulation of illegal financial transactions through straw men or front companies, cash transactions, and the artificial fragmentation of financial flows, among others.

On the other hand, there is another type of asset laundering scheme associated with land grabbing, which broadens the common perception of laundering by also covering other assets, including goods produced by the illicit activities located in the land grabbed area, such as cattle, grains, wood or gold. The concealment of the illegal origin of a land grabbed property through the numerous frauds described in this report can also be considered to be a "real estate laundering" scheme. Generally, the objective of these maneuvers is to reintroduce the proceeds of crime (land, natural resources, agricultural products, etc.) into the formal economy. Table 4 presents the laundering risks identified in land grabbing schemes:

Table 4: *Laundering risks related to land grabbing*

TYPE OF RISK	PRACTICES	ACTORS USUALLY INVOLVED	OBJECTIVE /DIRECT CONSEQUENCES
LAUNDERING	Laundering of assets of illegal origin (land grabbed property, illegal logs, gold, and cattle, among others) through frauds to make the assets appear lawful	land grabbers, cattle ranchers, loggers, and miners (among others) who develop illegal activities	Commercialization of goods produced through illegal activities on the land grabbed property; commercialization of the land grabbed property itself
LAUNDERING	Laundering of bribes and illicit profits through techniques that distance the beneficiaries from the crimes perpetrated	Leaders of land grabbing schemes, corrupt public officials	Concealing illicit financial flows to hinder the identification of the beneficiaries of the land grabbing schemes; concealing the payment of bribes

6. THE POLITICS OF LAND GRABBING

The influence of land grabbers can be quite substantial and even affect the political-institutional environment, both local and national, in several ways. Groups aligned with land grabbers can unduly influence and even manipulate decision-making processes about laws, public policies, and administrative processes. Practices such as lobbying, revolving doors, conflicts of interest, campaign financing, and the operation of opaque think tanks can facilitate corruption if not properly regulated, and when effective transparency and integrity mechanisms are lacking.

The diffuse interests of land grabbers can lead to situations of policy capture when governments and legislative bodies, at both the federal and the subnational levels, adopt measures that facilitate land grabbing against the public interest. This is, for example, the case when the legal framework for land regularization is reformed to make the criteria

for titling more flexible, including the minimal date of occupation, legalizing a series of land invasions, and signaling the possibility for future similar amnesties. Other examples of policy capture are the attempts at Protected Area Downgrading, Downsizing, and Degazettement (PADDD) resulting from pressure of land grabbers, the non-creation of Conservation Units, and the non-recognition of Indigenous Territories.

The influence of land grabbers in the political sphere can also occur in specific cases to facilitate land misappropriation. Public authorities aligned with land grabbers' interests can engage in influence peddling to illegally "ease" the titling of invaded areas or interfere in investigations against infractions related to land grabbing, among others. The risk of undue influence can also manifest itself at local level when politicians in regions under pressure from land grabbing have direct or indirect links with such criminal schemes or associated economic activities (land speculation, predatory cattle ranching or illegal logging, for example), generating conflicts of interest. As a result, these politicians may not only sponsor the interests of land grabbers in the local administration but also use their political influence to interfere in other public agencies.

The political corruption risks associated with land grabbing and identified during the research are presented in Table 5:

Table 5: *Political corruption risks related to land grabbing*

TYPE OF RISK	PRACTICES	ACTORS USUALLY INVOLVED	OBJECTIVE /DIRECT CONSEQUENCES
INFLUENCE PEDDLING	Misuse of political influence to obstruct investigations against land grabbing schemes	Elected politicians, appointed officials in environmental and land agencies	Impunity for crimes associated with land grabbing (including environmental crimes)
INFLUENCE PEDDLING	Misuse of influence in the administration to "ease" the titling processes of land-grabbed areas	Elected politicians, appointed officials in land agencies	Issuing titles for land grabbed areas that do not meet regularization criteria
UNDUE INFLUENCE	Influence of private actors in the public administration to promote the interests of land grabbers	Private actors	Facilitating frauds in titling processes; hindering law enforcement investigations; avoiding sanctions for crimes perpetrated (among others)
REVOLVING DOORS	Back and forth movements between sectors associated with land governance and related public offices	Private and public actors in positions associated with land or environmental management	Risks of conflicts of interest and of influence peddling to promote the interests of land grabbers in environmental and land agencies
POLICY CAPTURE	Skewing legislative debates on land and environmental policies to facilitate undue practices associated with land grabbing	Elected officials, private actors	Alteration of environmental and land laws and policies to facilitate land grabbing

7. RECOMMENDATIONS

Based on this diagnosis of the weaknesses in land governance and of related corruption, fraud, and laundering risks, several measures can be adopted to curb land grabbing in Brazil, to prevent and mitigate these risks, and to strengthen the land administration system. Here follows a summary of these recommendations, which are divided into four pillars: (1) strengthening land governance; (2) enhancing transparency and social accountability; (3) improving controls and enforcement actions against land grabbing; and (4) mobilizing anti-corruption and anti-money laundering instruments in the fight against land grabbing:

1. STRENGTHENING LAND GOVERNANCE

› Modernize and improve the quality of Real Estate Registries through the elimination of irregularities, the digitalization and the creation of a statistical inventory with all information from the registries (including spatial data);

› Create a multi-purpose cadaster that gathers legal, land use, tenure, tax and environmental information of each property from the existing registry and cadastral systems (SNCR, SIGEF, CAR, among others);

› Register all public land and allocate undesignated land through participative and transparent processes;

› Record all unrecognized legitimate occupations in the cadastral systems, including those of traditional communities and indigenous peoples, and foster their regularization;

› Automate and digitalize the state titling processes, and build transparent databases on issued titles and processes in progress;

› Ensure the necessary financial, technical, and technological resources for public agencies of the land administration system to fulfill their missions;

› Veto any legal reform of land regularization policies that signals amnesties for land invasions.

2. IMPROVING TRANSPARENCY AND SOCIAL ACCOUNTABILITY

› Guarantee full transparency and access in open format to the land administration system's cadasters (e.g. CAR; SNCR; SIGEF), including to data identifying landholders;

› Ensuring full transparency and open access to Real Estate Registries, including to data on beneficial owners of properties;

› Foster political integrity by improving transparency about lobbying activities, as well as by the registration of possible conflicts of interest of elected and appointed officials;

› Adopt measures to protect the physical and psychological integrity of whistleblowers and land defenders, as well as to guarantee access to justice for these individuals.

3. STRENGTHENING CONTROLS AND ENFORCEMENT ACTIONS AGAINST LAND GRABBING

› Improve inspections of Real Estate Registries by investing in the capacities of the Comptroller Offices of the state Courts of Justice, and in the standardization of inspection activities with clear objectives, instruments, and methods;

› Encouraging Registry officers to communicate suspected frauds in Real Estate Registries to the competent judge Comptroller and to the Prosecution Service;

› Investing in control systems to filter and eliminate irregularities in the cadastral systems and in the land and environmental regularization processes;

› Streamline coordination among agencies responsible for inspecting infractions associated with land grabbing, including environmental violations;

› Guarantee institutional stability and the necessary resources for environmental agencies to effectively carry out environmental inspections and administrative sanctions for environmental infractions associated with land grabbing.

4. MOBILIZING ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING INSTRUMENTS

› Consider the crimes of criminal organization, corruption, fraud and financial crimes (such as money laundering and tax evasion) when investigating land grabbing schemes;

› Mobilize and adapt anti-money laundering tools to curb "real estate laundering", that is, the tactics used to make land grabbed rural properties appear to be lawful;

› Hold the gatekeepers who can enable fraud in Real Estate Registries (such as lawyers, real estate agents, registry officers, and notaries) accountable and involve them in land grabbing prevention mechanisms;

› Promote and implement integrity and fraud and corruption prevention plans, adapted to the identified risks in the public agencies of the land administration system;

› Mobilize the State and Federal General Comptrollers and Courts of Accounts to perform audits and diagnoses of fraud and corruption risks in land and environmental agencies.



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