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Report

Tackling illegal wildlife trade (IWT): strengthening transnational cooperation

Wednesday 13 – Friday 15 June 2018 | WP1607

In association with:





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Introduction

The United Nations Environment Programme (UNEP) highlights illegal trade in wildlife as the fourth most lucrative transnational crime after drugs, arms, and human trafficking - estimated to be worth up to £17 billion annually. The Illegal Wildlife Trade (IWT) is not only pushing iconic species to the brink of extinction but, along with associated corruption and illicit financial flows, is undermining sustainable development by depriving affected countries of billions of dollars-worth of resources. IWT also has a detrimental impact on state institutions and governance, and fuels discontent and insecurity.

In spite of high level commitment to tackle wildlife crime, intra-sector cooperation and cross-border partnerships have been hindered by an absence of standard operating procedures. Yet the cross-border nature of IWT is not the problem of a single country or continent. Furthermore, the increasingly sophisticated tactics of transnational crime syndicates require a transnational response, including: strengthened cross-border cooperation between source, transit and destination countries; effective law enforcement coordination, and; strong policy and legislative frameworks to support enhanced action against IWT.

Corruption also facilitates IWT, and this has been acknowledged internationally within a range of international fora including the UN, OECD, and G20. There have been calls for the international community to do more, including following the London anti-corruption summit in 2016. Further work is needed to explore the role of corruption in IWT, and identify practical steps to combat it.

Following on from the 2015 Wilton Park meeting, this workshop formed one of the events leading up to the October 2018 conference in London.

The conference will strengthen partnerships across borders and beyond government, and focus on three themes:

- Tackling IWT as a serious organised crime: strengthening end-to-end law enforcement and addressing associated corruption and illicit financial flows.
- Building coalitions, through engagement with the private sector, NGOs and academia and bringing in new partners.
- Closing markets for illegally traded wildlife

The aim of the Wilton Park meeting was to facilitate dialogue between law enforcement, intelligence communities, investigators, journalists and financial experts. In particular, it aimed to:

- Identify best practice and lessons learned from successfully tackling other transnational organised crimes, including drugs and human trafficking;

- Consider practical steps for the implementation of effective counter-measures, including information and intelligence-sharing, towards successful prosecutions;
- Explore the role of corruption in facilitating IWT, and practical steps needed to combat IWT; and
- Foster and catalyse the development of partnerships between key agencies and organisations involved in the fight against IWT and the related corruption.

“More can be done to ‘mainstream’ IWT into wider international mechanisms”

Key points from the meeting

- **It is important to implement and build on existing mechanisms:** such as the UN Conventions against Transnational Organised Crime and Corruption CITES and UN General Assembly resolutions and the International Consortium for Combating Wildlife Crime (ICWC). These already set out key actions that countries need to take and provide frameworks for collaboration – for example, the ICWC Toolkit can support country-level gap analysis and action plans. More can be done to ‘mainstream’ IWT into wider international mechanisms and bodies tackling serious and organised crime, and development spend.
- **There is significant potential for combating IWT by ‘following the money’.** Collaboration between Financial Intelligence Units (FIUs) and the private sector, and FIU to FIU, should be developed. This can be supported by developing and providing training and typologies for IWT, including through the Egmont Group. However FIU-FIU cooperation requires IWT to be a predicate offence in each country. All countries should therefore make IWT a predicate offence to money laundering.
- **Addressing IWT through the Financial Action Task Force (FATF) will be key,** particularly for countries that have been slow to collaborate. Separately, United for Wildlife are working with a number of financial institutions to develop a pilot private-sector task force which will provide a valuable hub. Collaboration will be needed beyond this initiative.
- **Steps should be taken to make collaboration between key stakeholders easier, by increasing incentives and reducing barriers.** This requires building trust and common language, and incentives to share information, objectives and credit for successes. Successful financial investigations should lead to seizures of assets: the UN Convention Against Corruption provides for their return to the country of origin.
- **Community ownership and accountability is essential.** Whistle-blowers and wildlife defenders should be empowered and protected through putting anti-corruption measures in place. More can be done to support local communities to value their wildlife, both through education, training and celebrity engagement, and through ensuring sustainable income for protected areas. It is important that communities feel they ‘own’ wildlife; as opposed to the perception that it is ‘owned’ by governments.
- **New technology and behavioural change science should be utilised to target audiences,** for example targeting potential consumers on social media to address demand. Behavioural change science can also support tailored approaches to tackling corruption, by targeting incentives and obstacles to compliance.
- **Beneficial ownership and greater transparency can be used to ‘shine a light’ on corruption, and tackle anonymous shell companies being used to hide proceeds of crime - including IWT.** All countries should increase transparency of ownership and introduce legislation to this end to remove safe

“There is significant potential for combating IWT by ‘following the money’”

“It is important that communities feel they ‘own’ wildlife”

harbour for illicit finance. Whistle-blowers should also be protected.

- **Some source countries do not have the resource to tackle IWT independently.** Destination countries can do more to support source countries.
- **Law enforcement agencies need additional support to tackle IWT.** Potential measures include: a systematic process to track products, such as the Kimberley process for diamonds; bills of lading being shared with Law Enforcement Agencies (LEAs) and NGOs; greater use of financial information and forensic accounting; and cross-border task-forces to track animals moving across borders.

“The rate of extinction is now 1,000 times the historic average”

“evidence on the role of militant groups is limited, but the narrative is politically attractive”

Scope and scale

1. There has been some good progress since 2015, for example the ban on the ivory trade in China and Hong Kong. Awareness of wildlife crime has increased internationally. Some African countries have seen security improvements, examples of decreases in poaching of elephants and rhinos, and significant investments in local community. **It is important to keep the positive rhetoric going** e.g. tigers are coming back.
2. Tibetan antelope have also recovered. The population dropped from 60,000 to 30,000 in the 1980s; but collaboration between source, transit and destination nations has led to an increase of around 300,000 today. Likewise on cashmere, where Europe was the destination while China was the source.
3. **The overall picture remains bleak however.** The rate of extinction is now 1,000 times the historic average. Illegal ivory is still being traded. Measuring IWT is harder with regard to small animals and animals that are live trafficked – for example, carcasses of amphibians and butterflies cannot be counted. It is clear that the planet faces significant genetic depletion.
4. Furthermore, **new illegal markets are developing**, and the scale of poaching remains significant in parts of Africa, Asia and Latin America. East Africa and South East Asia get considerable attention, but some markets do not. This is partly because a lot of poaching e.g. in Latin America does not cross international boundaries, and stays within the region. However, some of it feeds markets in Asia e.g. jaguar sold as tiger parts. The trafficking networks create new demand, a recent example being elephant teeth.
5. The focus on organised crime (OC), often portrays local people as victims. Yet **there is also significant IWT which does not involve OC groups.** Local people are often involved, as poachers or trackers; many face tough economic choices, and there is also a reliance on the protein. For example, much wildlife trafficking from Mexico to the US is not generally part of an organised smuggling network. Likewise, evidence on the role of militant groups is limited, but the narrative is politically attractive. This can misdirect attention from more fundamental issues.
6. **Donor coordination is important.** Some countries spend a lot on conservation; other countries - including those receiving considerable foreign donor aid - spend very little. Environmental crimes and aid could be linked, to increase the scale and impact of the response.

“the Wildlife Parks Act need to be aligned with Money Laundering (ML), Financial Intelligence (FI), and Criminal Procedures Acts”

Country perspectives

7. **Botswana** is often seen as providing a safe haven for wildlife. This may be true for elephants and rhino, but there are still other problems related to poaching and trafficking such as the commercial poaching of big cats and subsistence poaching of small antelopes. The Kalahari, in particular, has seen the poaching of big cats. Often young leopards and lions are taken, and the mothers killed and skinned.

“an elephant is killed every 26 minutes, and a pangolin killed every 5 minutes”

8. There is inter-agency cooperation, and a national anti-poaching strategy which involves law enforcement agencies working together. But there are still gaps and challenges, and legislation needs to be harmonised i.e. the Wildlife Parks Act need to be aligned with Money Laundering (ML), Financial Intelligence (FI), and Criminal Procedures Acts.
9. Studies on the links between IWT and money laundering in 18 African countries, including **Namibia**, have not found much evidence of IWT-related money laundering with those countries. IWT is a huge challenge for a big country like Namibia with extensive territory and a small population, and which is reliant on cooperation with other countries to address cross-border trafficking.
10. In **Zambia** it can take 15 days to obtain the authority to travel to the country where the poacher is heading. Good relationships with neighbouring countries are important to address this, and to enable the quick transfer of information. There is a lack of civic awareness: few politicians speak publicly about IWT, and most people are not aware. In courts a poor understanding of the law and the issues can lead to cases being dismissed - for example, if pangolin theft is seen as insignificant.
11. In **Cameroon**, traffickers' preferred species have changed from chimps and gorillas, to elephants and rhinos. The law in Cameroon is sufficient but it is not being implemented, with zero prosecutions. Corruption was seen as the main obstacle to success.
12. Effective counter-measures in Cameroon included: joint operations 3 times a year with all law enforcement agencies; harsh punishments - ivory possession carries a minimum 4 year sentence with hard labour; a recent amnesty for firearms with compensation (which led to fewer illegal firearms in circulation); use of scanners at borders and airports; and CCTV.
13. The IWT conversation can be unemotional and disjointed, failing to engage many young people, especially in source countries. However, the facts are concerning: **an elephant is killed every 26 minutes, and a pangolin killed every 5 minutes.**

“Interdiction, penalties and punishment get considerable policy focus - but can be counter-productive”

Law enforcement

14. Law enforcement was thought most effective when people comply willingly, as they believe it is in their best interest to do so. **Interdiction, penalties and punishment get considerable policy focus - but can be counter-productive.** For example, traffickers of all commodities anticipate losing a portion to law enforcement. In the case of IWT, traffickers will ask for more animals to be removed in order to cover the profit shortfall. The policy focus should be on limiting the amount of animals removed from the wild, by addressing the problem at source, and shutting down retail markets. But seizures are an easy way of demonstrating progress, so are likely to remain popular.
15. Criminology research suggests that the severity of punishment reaches the maximum effect at a level that is lower than most people assume. Deterrence is dependent on punishment and the frequency of application to be effective: the likelihood that the offence will be punished was thought to be essential.
16. Over-sentencing can also be counter-productive. In the US, long sentences for male drug offenders can result in families committing more crimes to bring in income. Policy-makers should consider why people break laws and find ways to lower barriers to compliance. Policies that contravene human rights, such as the death penalty and 'shoot on sight', were also thought to be also counter-productive.
17. Conversely, others noted that **the populations of all species are finite and extinction cannot be reversed.** Stiff penalties are therefore important. Furthermore, there is little consistency in sentencing for IWT around the world compared to e.g. drug crime.

“the populations of all species are finite and extinction cannot be reversed”

18. Interpol is part of the International Consortium for Combating Wildlife Crime (ICCWC). Interpol's raison d'être is to facilitate information to flow from one police force to another, providing a hub for law enforcement cooperation to national central bureaux in 192 countries. It has global environmental programmes - on fisheries (Scale), forestry (Leaf), wildlife (Predator and Wisdom), and pollution (Eden). Interpol has notices for Environmental Crime: Red notices for wanted criminals, and Purple for Modus Operandi.
19. Since 2010 Interpol has been supporting country-led operations - some 90 countries have been involved in 25 operations thus far. Regional Case Meetings allow practitioners to meet each other - these were considered to be very popular and with clear benefits, including better prosecutions of IWT criminals. Investigation Support Teams combine Interpol officers and investigators and go on site as much as possible, which enables more to be done on the ground, and builds trust.
20. Rather than simply providing training, Interpol aims to build 'intelligent' teams of Interpol staff and law enforcement officers from inside each country, to exchange information and work on transnational cases, sometimes for up to 3-5 years.

Homeland security investigations

21. US Homeland Security Investigations (HSI) works closely with FBI, Customs, fisheries and wildlife services. HSI operates in 50 countries, 74 offices and has 250 officers around the world, assisting host countries with investigations. HSI are able to cooperate directly with law enforcement agencies from other countries and issue summons for information, enabling investigators rapidly to "follow the money".
22. **Efficient sharing of information with law enforcement is important for real-time investigations.** HSI can often interdict an IWT shipment in transit, and then collaborate with supply and/or destination countries. A strong Financial Intelligence Unit (FIU) was considered important, as there is often money laundering and wire fraud. Typically, many criminals above the level of poacher conduct deals in US dollars, and so violate US law. HSI can then present evidence to the Department of Justice (DOJ), who can freeze accounts. This frozen money is then used for further investigations.
23. HSI have a positive experience of working with NGOs such as EAGLE, who have close relationships with local law enforcement. It is important that NGOs trust law enforcement to act on the information they have provided; reciprocal information sharing is not always possible.

Law enforcement discussion points

24. It was thought that there is a lack of accountability for countries that do nothing to combat wildlife trafficking. Participants discussed what action could be taken when evidence and names of witnesses were supplied but there was no response. One option might be to reduce funding flows to that country.
25. **CITES permits were thought too easy to obtain, with minimal oversight and voluntary reporting.** The only people who see the permits are the two at either end of the exchange. An electronic and transparent system is needed, with a clearing house to enable tracking and reduce abuse. Work is ongoing under CITES on permitting. A system like the one for the US trafficking in persons (TIP) report could help to improve the situation.
26. Harmonised system codes are used to categorise anything that is traded. There are just five for wildlife i.e. they are too general. But they could be used to combat IWT alongside CITES.
27. Big seizures lead to a mass of evidence. Mapping of elephant ivory in Africa by Dr Samuel Wasser has identified hotspots and is very accurate; showing how

"many criminals above the level of poacher conduct deals in US dollars, and so violate US law"

"Big seizures lead to a mass of evidence"

syndicates are moving and changing routes. Countries could make a commitment to donate samples to an international DNA database e.g. for ivory and pangolin scales, to facilitate mapping of IWT.

“Public naming and shaming can work”

28. Governments should consider allocating enough resource to be able to deal with all the different IWT information - greater transparency would help and enable others to engage. NGOs are providing assistance to law enforcement agencies, but not all countries allow them to undertake undercover investigations. NGOs and other actors can help by packaging their information with an understanding of the audience's needs.

“private sector engagement is essential”

29. Public naming and shaming can work - the **Financial Action Task Force (FATF) system of grey and black-listing countries has proven effective**. IWT needs a similar multilateral mechanism.

30. With other transnational crime types the approach has been to make it easier for countries to bring crimes to court, and harder for them not to. Task forces improve the prosecution effort, while barriers to compliance should be addressed. Approaches should be integrated to generate political will, lower risk aversion, and pull the different strands of IWT work together into an overall strategy.

31. **Participants agreed that private sector engagement is essential**. An effective engagement strategy would explain the issue and outline the ‘ask’ of business. Successful models could be highlighted, such as collaboration at Johannesburg Airport, and the United for Wildlife Transport Taskforce.

32. **A really effective law enforcement agency can only seize approximately 10-15% of trafficked goods** – law enforcement cannot therefore be the sole approach.

Financial aspects of IWT

“financial information and forensic accounting are to the 21st century what finger-printing and DNA were to the 19th and 20th”

33. It was suggested that financial information and forensic accounting are to the 21st century what finger-printing and DNA were to the 19th and 20th - but are not being used enough. Financial intelligence can have a transformative effect. It can be used to map networks and illuminate associations, trace and seize assets, and secure convictions - the ‘Achilles Heel’ of commercial IWT. **It is crucial in this context that countries implement previous commitments to make IWT a predicate offence to money laundering.**

34. FATF recommends that all countries have a Financial Intelligence Unit (FIU). These have responsibilities to share information on request and spontaneously; and operate FIU - FIU, so there is little bureaucracy. Direct collaboration between FIUs on wildlife trafficking, and between FIUs and the private sector, could have a significant impact – but it requires IWT to be a predicate offence in each country to enable FIU-FIU cooperation.

35. The Egmont Group of FIUs currently has 155 members and is likely to grow. There were 560 million reports from the private sector in 2017 - providing a useful resource. Egmont has produced red flags and indicators for corruption typologies for the private sector; this information can be pooled to find trends and patterns. Work is needed to develop typologies for IWT. Egmont is also looking to work with and receive IWT information from more NGOs.

36. The Royal Foundation, RUSI and a number of financial institutions are developing a taskforce to support this collaboration, building on the experience of the United for Wildlife Transport Taskforce. Participants noted the values in collaboration between technology, transport and freight companies, online payment services and banks.

37. Information is key - but no one party has it all. **Power comes through pooling information to create a holistic understanding of crime**; the Egmont Group can help with this. The quality of information is more important than the quantity e.g. 55,000 reports are filed every day in US. A tick box system for IWT could help to flag

relevant information.

“The financial sector could consider appointing “IWT champions””

38. Local knowledge, combined with international information from FIUs, provides the best intelligence picture. Local law enforcement and prosecutors need to understand Anti Money Laundering (AML) in order to conduct financial investigations, prosecute, and work with FIUs. This is a broader challenge however, not specific to IWT.
39. **It was considered important for a range of actors from the financial sector to be included in the IWT conversation**, particularly banks with footprints in countries where IWT is a particular challenge, including correspondent banks.
40. Institutions are particularly interested from a risk mitigation perspective i.e. reducing liabilities. A bank does not want to be unwittingly party to criminal activity.
41. Participants noted many similarities with proceeds-driven transnational crimes: the threat of violence, money laundering using trade-based schemes, and so on. The response need not differ from other crime types. **How to get outcomes is key** - for example, there has been progress over the last two years on human trafficking via FinCEN in the US; and the Joint Money Laundering Task Force (JMLIT) in the UK had shown the benefits of public-private partnerships. The financial sector could consider appointing “IWT champions” – a model which has been successful in addressing other crime types.
42. Financial intelligence sharing partnerships can be used to address IWT, adding value to government work, and providing new linkages and names. But cases still need to go via normal legal and judicial channels to reach the necessary evidential standard for prosecutions.

“Transparency offers a strong response to corruption”

Anti-corruption approaches

43. Anti-corruption cuts across many government departments. The UK Anti-Corruption Champion’s role is to improve coordination, and push a new strategy and actions. Criminals are innovative, so governments need to maintain momentum. The UK Summit in 2016 was a good opportunity for governments to make commitments; but these should be followed through.
44. Transparency offers a strong response to corruption as others (e.g. citizens and civil society) can see, help and investigate, as well as creating pressure for action – “sunlight is the best disinfectant”.
45. Identifying who owns what is critical. The UK’s company beneficial ownership register is now public and online, so anyone (in any country) can see who is the ultimate owner. A similar register for property ownership is being developed. Measures such as these make it harder for criminals to enjoy the proceeds of their crimes, creating a culture of anxiety amongst the corrupt.
46. Undercover investigators can be effective in gaining evidence and targeting corruption. Police and wildlife officers may be involved in bribery, sabotage, and deliberate misreporting.
47. Capacity-building cannot be the only response to corruption. **Accountability, transparency and governance are all key factors.**
48. It was thought that there is a danger in corruption always being described in terms of individual decisions, ignoring structural corruption. Systems can push people to make bad decisions. There is a logic to illicit behaviour and once understood corruption is not impossible to address, including through stronger governance.
49. To tackle the ‘big fish’, law enforcement agencies need good information, and a strong network. It can be dangerous - freedom of the press is not always a given, while the corrupt form their own networks.
50. **Lack of evidence remains a big problem.** The OECD is working to address this with a study on IWT-related corruption in four African countries; further work is

“There is a logic to illicit behaviour and once understood corruption is not impossible to address”

planned in South East Asia. There should be a solid evidence base for anti-corruption measures, and to inform prioritisation.

51. Other anti-corruption considerations include: having a compelling narrative, to explain the cost of corruption and IWT; enabling the repatriation of the proceeds of crime to incentivise collaboration and support communities; and using like-minded group of stakeholders to achieve results e.g. the International Anti-Corruption Coordination Centre, hosted by the UK's National Crime Agency.
52. Key steps for tackling corruption are set out in the UN Convention Against Corruption. Anti-corruption best practice should be integrated into IWT interventions.

Effective policy-making

53. "Engaging Communities" is thought to be too general a term, often implying a sense of victimhood. There are good community members, but others may be involved with poaching and logging. Communities need to be empowered to engage in decision making, but policy makers need to accept that, if consulted, communities may want to act in a different way to national and international policies.
54. **Policy-makers should engage with the individual politics of each country to develop effective policies.** They should be designed to have an impact; and these impacts measured after a fixed period with policies adapted or dropped if not effective. Policies are simply a means to an end - which is to sustain species and ensure healthy populations and biodiversity, while not harming or marginalising people.
55. Important factors to consider were identified, including: identifying and minimising barriers, coordination, ensuring clarity, resource costs, and policy capture by private interests. Incentives for collaboration were thought key to success, including: distributing proceeds; promotions and rewards; and recognition.
56. There is much to be gained from taking the low-hanging fruit quickly; and then going for the harder tasks.
57. All stakeholders should move beyond describing IWT as 'complex' – **it should be broken down into distinct and attributable actions that will have an impact.** A cohesive strategy is needed to pull the different strands of IWT work together.
58. New technology and behavioural change science should be utilised to target audiences, for example targeting potential consumers on social media to address demand. Behavioural change science can also support tailored approaches to tackling corruption, by targeting incentives and obstacles to compliance.

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Wilton Park | July 2018

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