Can you imagine a world without...
Why You Should Protect Endangered Wildlife

- Promotes Biodiversity
- Provides Benefits for Humans
- Preserves Natural Habitat

It's the right thing to do......
**Illegal Wildlife Trade**

Driven by Demand for Wildlife & Wildlife Products

**Criminal Market**

Annually: US $7-23 billion, TOP 10
4th Largest Trafficking Market

**Involves:**
- Organized Crime
- Human Trafficking
- Terrorism Finance
- Corruption

**Impact on Key Species:**
- Every year 30,000 African Elephants are killed, approx 100 every day (WWF). Over the last 10 years, Tanzania has lost 60% of its Elephant Population.
- 80% of the world’s Rhino’s live in SA:
  > in 2007 S Africa lost 13 Rhino’s
  > in 2016 it lost 1,054: ~3 Rhinos are killed each day (since 1970’s the World’s Rhino Population has decreased by 90%).
- The World’s Most Illegally Traded Animal: 1 mln have been poached in the last decade: ~100,000 a year

**Also:**
- More than 7,000 species in 120 countries are at risk

**Tackling IWT:**
- Only 20% of Key Countries have conducted any Financial Investigations into IWT
- Only 11% of Key Countries have conducted any Investigation beyond the Poacher or Courier Involved
- Only 7% of Investigations resulted in Prison Sentences 1% in a Serious Prison Sentence

**Sources:**
- WWF, CITES, UNODC, National Geographic, TRAFFIC, United for Wildlife
Financial Crime News

ILLEGAL WILDLIFE TRADE
IWT Potential Red Flags

COUNTRIES OF CONCERN:
African Source, Transit and/or Destination Countries

COUNTRY EXAMPLES

CUSTOMERS

MODUS OPERANDI

PEP's & Foreign Diplomats
Expat Foreign Nationals
(PEP's & Foreign Nationals)
Ports Officials and Customs
CITES Official issuing Permits

USE OF PORTS IN COUNTRIES: CUSTOMS

Ports in Countries of Concern
Small/Private Ports

ILEGAL FAKE SCHEMES:
- Hiding Goods as Cashew, Tea,
  Plastics, Garlic, Shells, Sea Cucumbers
  Citric Acid, Fish Maws etc.
  Hollow wooden logs,
  Fake Blocks of Marble (for Ivory & Rhino)

FALSIFIED OR INCOMPLETE TRADE DOCUMENTS
- Changes in Shipping Routes
- Consignment and Shipment
- Splitting Cargo
- Goods Values Falsified or Purposes
- Transaction Values <> Value Goods

SOURCES:
- ivory
  - Eastern, Central & Southern
    Africa including
    Kenya, Tanzania & Uganda
  - S. Africa, Namibia,
    Zimbabwe & Kenya

- rhino horn
  - Central African
    Forests: incl. Cameroon,
    CAR, DR Congo,
    Equatorial Africa, Gambia

- pangolin
  - Central African
    Forests: incl. Cameroon,
    CAR, DR Congo,
    Equatorial Africa, Gambia

DESTINATIONS:
- China, Japan, SE Asia
- China, Vietnam
- China, SE Asia & Vietnam

SOURCES:
- Shell Companies/Front Agents
- Wildlife Trading/Hunting Ventures
- Trading Companies in Regional
  Hotspots incl Logistics Companies
Wildlife Trafficking is a global Problem

What Will I Do?

1. Discuss Political Risks associated with wildlife trafficking
2. Understand International efforts to fight illicit wildlife trade
3. Look at Methodology, Current Trends & Red Flags for FIs
Wildlife Trafficking: What Do You Know?
Wildlife Trafficking – What Do You Know?

- **How much does the illegal wildlife trade worth each year?**
  - $7-23 billion per UNEP. Environmental crime as a whole is one of the fastest-growing and most lucrative sectors of global criminal activity, and is now estimated to be US$91-258 annually (2016), which has increased 26 percent from a 2014 estimate. Its current estimated value makes environmental crime the fourth largest crime in the world after drug trafficking, counterfeit crimes, and human trafficking.

- **Does illegal wildlife trade only include elephant tusks and rhino horns?**
  - No. The illicit wildlife trade is comprised of a range of fauna, including animals such as gorillas, chimpanzees, elephants, tigers, rhinos, Tibetan antelopes, bears, birds, pangolins, reptiles, sturgeon, and more. Trade includes both live and dead specimens or products thereof, which may be traded as domestic pets or be used for pharmaceutical, food, ornamental, or medicinal purposes.

- **How many African elephants are poached a year?**
  - Between 35,000 – 50,000. In Tanzania, an average of 3,000 elephants have been killed each year in the past decade, with an annual street market value for ivory at $10.5 million. This is five times the national budget for wildlife conservation. It is further noted that over the past 25 years, the wholesale price of ivory in China has risen from US$5 to US$2,100 per kilo.

- **How many Rhinos were killed in South Africa?**
  - 13 rhinos were poached in 2007. However, the figure skyrocketed to 1,215 or >9,300% in 2014, rhino horn having become more valuable than gold or cocaine in the past decade.
  - Despite scientific evidence refuting the efficacy of rhino horn to treat illnesses such as cancer, it still remains a popular ingredient in traditional medicine.

- **How many National Park Rangers have been killed in the past 10 years?**
  - 1,000

- **Does wildlife trafficking link to other financial crimes?**
  - Yes such as money laundering, terrorist financing (i.e.: al Shabaab), bribery/corruption...
Wildlife Trafficking

Key Enablers

Deficient Regulatory System
Weak judicial systems and light sentences, especially in Africa and Asia, allow criminal networks to plunder wildlife with little regard for consequences, making illegal wildlife trade a low risk business and high returns.

Shell or Front Companies
Often used by wildlife trafficking networks for the international transfer of funds, potentially linked to transnational organized crime

Corruption
Corruption facilitates the development of organized environmental crime groups, who coordinate through complex and interlinked networks often embedded in the business community and in government, and sometimes including those tasked with protecting wildlife, to move wildlife products to market

Trade Finance
Traffickers falsify shipping documents or trading permits (specifically CITES permits) to import/export illicit wildlife and wildlife by-products

Foreign Diplomats
notably from North Korea and Vietnam, may exploit their diplomatic immunity to traffic in ivory and rhino horn through embassies, airports, and protected diplomatic pouches

Commingling of illicit and licit wildlife
The physical laundering of illegally sourced wildlife into licit supply chains is a common practice. Businesses such as zoos, breeding farms, pet stores, jewellery stores, arts and crafts companies, and import/export companies have been used to facilitate the movement, purchase, and/or sale of illicit commodities through seeming licit businesses.
What is Illegal Wildlife Trade Worth Annually?

$7 – 23 Billion
Illegal Wildlife Trade Only Elephants & Rhinos?

NO
# of African Elephants Poached Annually?

35,000 – 50,000
# of Rhinos Were Killed in South Africa in 2014?

1,215

9,300%
# National Park Rangers killed in past 10 years?

1,000
Wildlife Trafficking Link to Other Financial Crimes?

_Last Days_ is a 2014 animated short documentary about the ivory trade by director Kathryn Bigelow. Ms Bigelow’s other films include _Detroit, The Hurt Locker_ and _Zero Dark Thirty._
Wildlife Trafficking Supply Chain

Wildlife Illegal Trade

- Source
- Transit
- Destination

UPSTREAM
CASH-FLOW
INVENTORY
INFORMATION
LOGISTICS
VALUE
DISTRIBUTION
DOWNTSTREAM
Stages of Increased Vulnerability for SCB

Denotes stages in the supply chain where SCB was linked to transactions believed to be involved in ivory trafficking.
<table>
<thead>
<tr>
<th><strong>For More Information On Tusk Trade</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tracking the Illegal Tusk Trade</strong></td>
</tr>
<tr>
<td>Elephant ivory is a key source of funding for armed groups in central Africa like the Lord’s Resistance Army.</td>
</tr>
<tr>
<td><strong>The Human Toll of Ivory Poaching</strong></td>
</tr>
<tr>
<td>Rangers, armed groups, villagers – meet the people who are profiting or suffering in the central African poaching frenzy.</td>
</tr>
<tr>
<td><strong>Tracking Illegal Traders</strong></td>
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<tr>
<td>Expose on the working of the illegal ivory trade</td>
</tr>
<tr>
<td><strong>Twelve Nat Geo Stories that exposed Wildlife Exploitation</strong></td>
</tr>
</tbody>
</table>
This map shows a selection of ivory trafficking rounds for large-scale (500kg or over) consignments that have originate from Africa. It does not include trafficking routes for ivory from Asian elephants.

EIA
/environmentalinvestigationagency
African Ivory Trafficking Financial Routes
Wildlife Trafficking Enablers & Red Flags

- Bribery and Corruption
- Trade Finance
- Trade Corridors
- Shell/Front Companies
- Cyber-enabled Illicit Trading
Wildlife Trafficking Enablers & Red Flags

- Trafficking networks utilize the formal international financial systems to transfer funds across geographic boundaries. Most transactions are conducted in **US dollars or Euros**.
- Traffickers **nest or hide illegally acquired wildlife within licit transport systems** to physically obfuscate goods. While research suggests it is difficult to specify commonly-used cover products, generally low-value dry goods are used as cover material such as pungent items, dry agricultural products, waste materials, cement, wooden crafts or mobile phone parts...
- **Shell or ‘front’ companies** (offshore, trust, holdings, etc.) with little or no beneficiary information are often used by wildlife trafficking networks for the international transfer of funds.
- The use of **false trade documents or illegally acquiring trade documents** to traffic illegally sourced wildlife. Illegal wildlife traffickers disguise the criminal nature of commodities through comingling with legal commodities or the falsification of shipping documents or CITES permits. Small shipping ports may also be chosen above large ports to circumvent robust screening processes. Recent data shows an uptick in the **use of air carriers** to traffic ivory and other natural resources.
- The existence of bribery and corruption through **politically exposed persons (PEPs)** to enable illicit wildlife trade such as involvement of embassies, consulates located in Africa, illegal bribes to port and customs agents or to law enforcement and judicial officials to influence investigations or evade prosecution.
- **Cyber-enabled illicit trading** of wildlife goods. It is suspected that buyers and sellers of ivory meet electronically, but the volume of charted retail sales to date is minimal and likely underreported.
Banks Fighting Wildlife Crime

- Aware
- Engage
- Improve
“Wildlife crime having devastating impact on endangered species – important to prevent criminals involved from being able to launder their ill-gotten gains through banking systems. Met Standard Chartered Bank this week to hear about their great work in tackling money laundering”

@BorisJohnson
Boris Johnson
UK Prime Minister
What SCB Has Done to Prevent Wildlife Tracking

- **Conducted** Global Threat Assessment on Wildlife Trafficking and Illegal Logging
- **Established** Public-Private Partnerships with
  - Royal United Services Institute (RUSI)
  - UK Government
  - NGOs/ThinkTanks
- **Facilitated** Training
Wildlife Trafficking is a global Problem

1. Discussed Political Risks associated with wildlife trafficking
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In Closing: What I Can To Prevent Wildlife Trafficking

**Remember** that sea and air cargo are used to move endangered animal products.

**Know Your Customer**

**Become** a wildlife ambassador and raise awareness.

They need our help!!!
United for Wildlife Financial Taskforce

To make a difference, Taskforce members are committing to...

- Deliver conservation intelligence to the heart of the financial system
- Prioritise the issue within member institutions and use their expertise in fighting financial crime
- Better utilise existing partnerships among law enforcement, financial institutions, regulators and NGOs to unearth connections

[Logos of participating institutions]
Thank You
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Wildlife Trafficking