

Wildlife crime – understanding risks, avenues for action

Part 1: Illegal wildlife trade and financial crime

Green Corruption – Basel Institute on Governance | April 2021

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About this learning resource

This publication is the PDF version of a flexible and practical learning resource developed by the Green Corruption programme at the Basel Institute on Governance. It is aimed at:

- Private-sector companies exposed to risks of illegal wildlife trade and related crimes, including financial institutions, transport companies, traders and wholesale retailers
- Policy makers and practitioners in both conservation and anti-corruption fields
- Law enforcement

The aim is to broaden understanding of the threats that wildlife crimes pose to sustainable development and clean business. It provides relevant information, statistics and background knowledge to help enhance policies and processes aimed at curbing wildlife crime and associated risks. The focus is on financial crimes and supply chain vulnerabilities that facilitate the illegal trade in wildlife and thereby increase companies' legal, financial and reputational risks.

This learning resource and many more are available as interactive learning tools on the Basel Institute's LEARN platform: learn.baselgovernance.org

The Green Corruption programme at the Basel Institute on Governance applies anti-corruption and governance tools to address environmental crime and degradation. For more information, see www.baselgovernance.org/green-corruption

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Acronyms and abbreviations

CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
EU	European Union
FATF	Financial Action Task Force
ICCWC	International Consortium on Combating Wildlife Crime
IFAW	International Fund for Animal Welfare
IUCN	International Union for Conservation of Nature
IWT	Illegal wildlife trade
OECD	Organisation for Economic Co-Operation and Development
SDGs	Sustainable Development Goals
TNRC	Targeting Natural Resource Corruption project
UNEP	United Nations Environment Programme
UNODC	United Nations Office on Drugs and Crime

1 At a glance

- Illegal wildlife trade (IWT) is often considered to be a **low-risk, high-reward crime** attractive to legitimate wildlife traders, opportunists and organised crime groups, including transnational organised criminal networks.
- The illegal trade has **serious negative impacts on sustainable development** as well as violence and conflict, national security and public health.
- Financial institutions, transport companies and animal-based businesses face **reputational, legal, financial and security risks** related to the illegal movement of wildlife.
- The Convention on International Trade in Endangered Species of Wild Fauna and Flora (**CITES**) provides a strong international framework to **prevent or limit the trade in endangered wildlife**. However, domestic wildlife trafficking laws are often weak, vague, poorly unenforced or all three. This opens up **opportunities for corrupt officials and businesses to subvert the laws** for personal gain.
- The wildlife trafficking **supply chain** includes poachers, brokers/runners, intermediaries and dealers, exporters and importers, wholesale traders and retailers.
- **Legal and illegal supply chains merge** at multiple points, often facilitated by criminals acting in both the legal and illegal spheres.
- There are **corruption vulnerabilities** at every stage of the supply chains, from purchasing information and access to protected areas, to falsifying documents and using bribes to escape justice.
- **Organised crime groups** are involved at all stages of the supply chain and quickly adapt to law enforcement efforts; this means businesses cannot rely solely on law enforcement to protect them from illegal wildlife trade risks.
- Individuals engaged in legal wildlife-based businesses such as zoos, vets and traders have the potential to play an oversized role in helping to **launder illegal wildlife products into the supply chain**. Crimes include document fraud, tax evasion, money laundering, non-compliance with safety and hygiene regulations, wire fraud and mis-invoicing.
- Companies can engage with a variety of **international organisations, partnerships and Collective Action initiatives** to help them address their risks of being caught up in illegal wildlife trade and related crimes.

2 Introduction to wildlife crime

2.1 Definitions and scope

According to [CITES](#), “**wildlife crime** refers to the taking, trading (supplying, selling or trafficking), importing, exporting, processing, possessing, obtaining and consumption of wild fauna and flora, including timber and other forest products, in contravention of national or international law.”

This publication uses the CITES definition of **wildlife** as “all wild fauna and flora, including animals, birds and fish, as well as timber and non-timber forest products”.

The term **illegal wildlife trade** (IWT) focuses on wildlife crimes committed for the primary purpose of illegal trade and extracting profit. IWT is the focus of this resource, since it has a significant impact on sustainable development, security and risk management in both the public and private sectors.

Environmental crime is a wider term encompassing all forestry and fisheries crimes, illegal mining, minerals trafficking, the trafficking or illegal dumping of hazardous materials, chemicals and waste, and the illegal wildlife trade. Crimes that harm the environment are sometimes called “green crimes”.

The main forms of **financial crime** covered in this publication are bribery and corruption, fraud, money laundering, terrorist financing, forgery and tax evasion. An important additional focus is the use of legitimate businesses dealing with wildlife, such as zoos, import/export businesses or licensed breeding facilities, to “launder” illegally sourced wildlife into legal markets.

2.2 Statistics

IWT is often considered to be a low-risk, high-reward crime attractive to legitimate wildlife traders, opportunists and organised crime groups, including transnational organised criminal networks.

Estimates of the value of wildlife and other environmental crimes range from the low billions to more than a trillion dollars. Including losses to ecosystem services, the [World Bank](#) estimates the annual cost of environmental crime at USD 1–2 trillion. Wildlife crime alone costs the world economy more than USD 200 billion per year.

As with any illegal activity, exact figures are hard to pin down. However, illegal wildlife trade is said to be the fourth largest illicit trade globally after weapons, drugs and human trafficking. And it is growing – according to the United Nations Environment Programme ([UNEP](#)), illegal profits from environment crime are expected to increase at 5–7 percent each year as criminal groups expand the scope and scale of their activities.

Box 1: Private-sector risks: reputational, legal, financial, security

Companies are increasingly sensitive to risks associated with wildlife and other environmental crimes. Clients want to work with businesses that act responsibly to safeguard the environment and may avoid working with companies associated with wildlife crime, even unwittingly. ESG factors are increasingly important to investors. **Reputational risks** are difficult to avoid as social media can quickly spread information on purported or actual misdeeds by a company.

At the same time, **legal risks** are increasing as organised crime groups engaged in wildlife trafficking extend their range and reach across the globe, lengthening and complicating supply chains and the movement of money and products. Financial institutions and transport companies in particular face significant legal risk at all points of the supply chain if found to be involved in the movement of wildlife in contravention of national or international laws. Animal-based businesses, including zoos, medical research facilities and pet stores, can be held criminally liable for trafficking wildlife.

The vast amounts of money moving through the financial system to fund wildlife trafficking can lead to serious economic losses for financial institutions, and should be accounted for when determining **financial risk** tolerance.

Moreover, wildlife trafficking represents a serious **security threat** to companies, particularly in the transport and logistics sectors. Companies that do not know what their vehicles are transporting may be at risk of transporting explosives or other dangerous goods. Corrupt or criminal insiders pose an internal security threat, particularly if they are able to bypass security procedures.

For more insights into private sector risks in relation to IWT, see [Wannenwetsch \(2019\)](#), [Wannenwetsch & Aiolfi \(2019\)](#) and [Wittig \(2020\)](#).

2.3 Demand for wildlife

Wildlife is coveted across the globe for use in **traditional medicine**, as **pets, food, ornaments, jewellery, furniture, artwork, hunting trophies, cultural heritage** and for **investment** purposes.

Demand for wildlife goods relates to multiple factors including the association of wildlife (particularly high-cost goods like ivory, rhino horn and tiger parts) with **wealth, elevated social status, purity, beauty and tradition**.

Consumption of wild animals demonstrates wealth because they are expensive, and demand increases along with species' rarity and price ([Gao and Clark, 2014](#)). As average incomes in demand countries in Asia continue to grow, this will inevitably increase demand for rare wildlife.

Wild animal viewing for commercial purposes is an increasing driver of demand. In China, for example, demand for wild animal exhibits and products has increased substantially in the last decade, with some parks reporting 40-60 percent increases in attendance. This is fuelling increased demand for live wild animal exports, including highly protected species such as African elephants and rhinos. In addition, some large animal park operators in China plan to build marine parks and aquariums in other countries as part of China's new Belt and Road trade initiative. A similar situation is seen in the Amazon, where tourist attractions sometimes use wild animals to earn cash from tourists visiting the jungle ([Daly, 2017](#)).

Globalisation facilitates the easy movement of wildlife products, money, people and information. It allows criminals to use the same IT, finance, storage, transport and retail infrastructures as legitimate companies. These factors further drive demand and enable the illegal trade, in what some scholars have labelled the "dark" side of globalisation ([Shelley, 2018](#)).

2.4 Impacts of wildlife crime

According to the [UNEP \(2014\)](#):

"The consequences of the illegal trade in wildlife span environmental, societal (including security), and economic impacts – including affecting the resource base for local communities, and resulting in the theft of natural capital at national levels. The illegal trade in wildlife is therefore a barrier to sustainable development,,,"

Addressing wildlife crime is essential to achieve the Sustainable Development Goals. Most obviously, wildlife crime undermines SDG 14 (Life below water) and SDG 15 (Life on land). It also affects SDG 1 (No poverty) by denying communities the opportunity to sustainably harvest natural resources for sustenance and economic activity.

The negative effects of wildlife and other environmental crime are felt in every aspect of human life, particularly where commercial and large-scale poaching occur. Wildlife crime, particularly within the fisheries and forest sectors, negatively impacts food, economic, climate and environmental security and drives deforestation and desertification.

Additional critical factors affecting societies and productive economic activity are:

2.5 Public health and disease

Although the exact cause of the Covid-19 pandemic is still under investigation at the time of writing, the World Health Organization is actively exploring the possibility that it was triggered by human exploitation of wildlife. This is likely given that "[n]early three quarters of emerging human infectious diseases have animal reservoirs.... zoonotic viruses have been responsible for some of the most significant emerging disease threats to human health and economic development." ([World Health Organization, 2021](#)).

The rate of pandemic disease emergence has increased steadily since the early 2000s. Diseases such as Ebola and Marburg disease, SARS, MERS, swine flu, avian flu, and the novel coronavirus all originated in animals. There is widespread concern among experts that without action to curtail IWT, another pandemic is inevitable.

2.5.1 National security

In addition to pandemic disease risks, wildlife crime intersects with a number of national security issues including conflict, terrorism, violent extremism and serious corruption ([Jasparro, 2009](#)). Disputes over access to and control of natural resources contribute to conflict. As many as 40 percent of intrastate conflicts over the past 60 years have been linked to natural resources.

The [US](#) and [Colombia](#) are among the countries to specifically include wildlife and biodiversity degradation as threats to national security. Areas ravaged by wildlife crime are often violent, awash with guns and illegal goods such as drugs. Communities find themselves in physical danger from poachers and criminal gangs. They may be coerced

into participating in illegal activities, and are subject to threats and intimidation. Poachers are known to torture and kill anti-poaching personnel, including rangers ([IFAW, 2008](#)).

Terrorist groups are known to profit from wildlife crime. For instance, there is evidence that the Lord's Resistance Army, the Janjaweed and other non-state militias are the main actors behind wildlife poaching and trafficking on the DRC/Central African Republic border ([Ondoua Ondoua, 2017](#)). This chimes with a well-established practice of financing conflict through natural resources ([FATF, 2015](#)), such as the diamond trade in Angola (diamonds) and the control of oil fields by the Islamic State terrorist organisation. Protecting wildlife and other natural resources can therefore support efforts to cut off sources of terrorist financing.

2.6 Information gaps

Information gaps on the legal and illegal trade in wildlife hamper conservation and enforcement efforts. They also hinder the efforts of private companies and financial institutions to identify and mitigate their risks of being unwitting accomplices to the illicit trade.

One of the key challenges is a lack of up-to-date knowledge on species numbers and conservation status. Given the dynamic nature of ecosystems and the regular discovery of new species, it is unrealistic to expect a comprehensive and accurate database of this type. However, estimates of the scope and scale of the illegal trade within and between countries often rely on decades-old estimates of the number of wild animals trafficked ([Charity and Machado Ferreira, 2020](#); [Ege et al, 2020](#); [Sollund, 2013](#)).

Box 2: Crucial knowledge gaps

- Number of animals or plants in the wild
 - Number of animals or plants illegally trafficked per year
 - Percentage of species trafficked that are intercepted
 - Prices paid for species along the supply chain
 - Trade dynamics across species
 - Size of illegal domestic markets
-

3 CITES and national laws

It is important for anyone seeking to identify and mitigate risks of wildlife crime to understand the main regulatory frameworks governing the trade. The following section gives a very brief overview of the main international convention governing the trade in wild species and related national laws under this convention.

An additional highly relevant international instrument is the United Nations Convention against Transnational Organized Crime (UNTOC), described in Section **Error! Reference source not found.**

3.1 Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)

CITES is an international agreement between 183 governments ratified to ensure that international trade in specimens of wild animals and plants does not threaten their survival.

CITES provides protections for over 38,700 species, including roughly 5,950 species of animals and 32,800 species of plants. Member states vote to list species under CITES Appendices according to how threatened they are by international trade, and how much protection they require.

- **Appendix I** includes species threatened with extinction and provides the greatest level of protection, including restrictions on commercial trade.
- **Appendix II** includes species currently not threatened with extinction, but which are vulnerable to over-exploitation. Appendix II species require export or re-export permits by national CITES authorities, but do not require import permits unless specified under national legislation.
- **Appendix III** includes species protected in at least one country which has asked CITES Parties for assistance in controlling trade. The species are not necessarily threatened with extinction. These species require export and re-export permits.

Each member state appoints its own **CITES Management Authority**, which has the responsibility to administer the licence system, and at least one Scientific Authority to advise on the effects of trade on the species.

3.2 Weak laws and lack of enforcement

CITES is legally binding on member states, but does not take the place of domestic legislation and does not address IWT directly. Many countries do not provide legal protections for non-native species, creating significant gaps in legislation that criminals exploit to launder trafficked species into legitimate trade.

National wildlife trafficking laws are typically weak, unenforced or both. Wildlife crime legislation may be imprecise, lacking clear definitions to allow law enforcement to differentiate between “professional traffickers, opportunistic animal sellers, and people who keep a few animals at home as pets” ([Charity and Machado Ferreira, 2020](#)). In-depth criminal IWT investigations rarely occur ([Vervaele et al, 2017](#)).

Judiciaries typically lack knowledge on laws related to wildlife crime and do not understand the scope, scale or value of wildlife crime. Moreover, sentencing guidelines rarely reflect the seriousness of the crime. Even repeat offenders are typically only subject to seizure of their wildlife and a short jail term and small fine. High-level officials implicated in wildlife trafficking often face no penalties ([Ortiz-von Halle, 2019](#)).

Additional challenges relate to the overlap in responsibilities between enforcement agencies and across states, including specialised wildlife crime enforcement authorities. The resulting lack of coordination between states, and between states and federal agencies, impacts capabilities to counter wildlife trafficking ([Charity and Machado Ferreira, 2020](#)). Complexity around laws and jurisdictions suggests that “[i]n contrast to most crime types, the most common question in wildlife trafficking cases is not who has committed the crime, but whether a crime has occurred at all” ([Ege et al, 2020](#)).

Box 3: Corruption risks within CITES Management Authorities

CITES Management Authorities issue documentation required to export and import the most protected and most valuable species, using the criteria described above to determine whether a species can be legally traded. In some cases, corrupt individuals within CITES Management Authorities take advantage of their position to sell fraudulent documentation to traffickers, and may even actively participate in wildlife trafficking networks.

High-value species such as chimpanzees and gorillas, as well as orcas, elephants and tigers, have been imported and exported on fraudulent documentation provided by corrupt members of CITES Management Authorities.

The high value of bribes and low risk of detection or prosecution provide significant incentive for officials to engage in wildlife crime.

4 Legal and illegal supply chains

The illegal wildlife supply chain involves poachers, brokers/runners, intermediaries and dealers, exporters and importers, wholesale traders and retailers ([UNODC, 2020a](#)).

In some cases, individuals play multiple roles in a network. At multiple points the illegal supply chain intersects with legal trading networks ([FATF, 2020](#)). Identifying criminal activity presents challenges to law enforcement and analysts because “wildlife products are not always intrinsically illegal, and they are not necessarily trafficked through black-markets or via underground networks or through illegal operations” ([Vervaele, 2017](#)).

The following infographic sets out some key vulnerabilities for illegal wildlife products to enter legal supply chains:

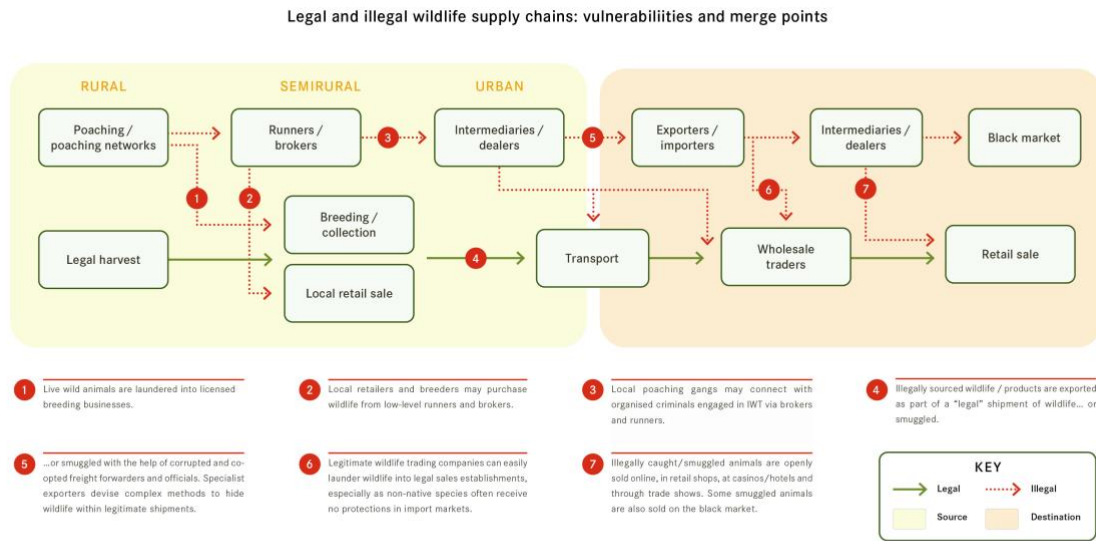


Figure 1: Legal and illegal wildlife supply chains - vulnerabilities and merge points. For a full size version see the Annex or visit learn.baselgovernance.org

4.1 Supply chain actors and roles

At every level, wildlife trading networks involve a wide range of actors, intersecting with other illicit networks including those trading in weapons, drugs, human beings and minerals (IFAW, 2008; Elliot, 2012). Some key risks related to the merging of legal and illegal value chains are highlighted below. For a deep dive into IWT supply chains and corruption in East and Southern Africa, see OECD (2018).

4.1.1 Poachers and poaching networks

Poaching networks vary in levels of organisation and can include local artisanal poachers, individuals, professional hunters, armed groups and large organised poaching networks. Poachers often act on the orders of dealers and brokers in urban areas, who order wildlife and sometimes supply poaching networks with arms, vehicles and other supplies. Other poachers work independently.

Poaching networks often involve corrupt officials within parks and protected areas. Where animals are collected for the pet trade, poachers may be specialists. Generally, poachers earn the least money of any actor in the illicit supply chain.

➔ *Wildlife trading companies may hire poachers and wildlife collectors to provide specific numbers and types of wildlife including live animals such as lizards and birds, as well as animal products like snake and crocodile skins. Breeding and ranching facilities may depend on poaching networks to supply animals to breed or launder into the legal system as captive bred. For more details, see Part 2 of this publication series on illegality in the exotic pet trade.*

4.1.2 Runners and brokers

At the next level, runners and brokers arrange for the onward sale of wildlife purchased from poaching gangs. These individuals typically operate in areas near where poaching occurs. They act as buffers between local poaching gangs and higher order criminals.

➔ *Local wildlife retailers, such as muthi (traditional medicine) or craft markets, may purchase wildlife from low-level brokers and runners.*

4.1.3 Intermediaries and dealers

Laundering poached wildlife into the legal supply chain often occurs through intermediaries and dealers. These actors operate at the national level, consolidating wildlife to sell to other networks or to ship to markets.

Illegal trade networks involving live wild animals may include specialists to care for wildlife during this phase. These may include veterinarians, wildlife farms, ranches, breeding facilities and zoos.

➔ *Laundering wildlife into legal trading networks often occurs at the consolidation and processing stage. For species that have parallel legal and illegal trades, such as shark fins, poached species can be easily mixed in with legally acquired wildlife during this phase.*

4.1.4 Exporters and importers

At the export/import level, the presence of organised crime groups becomes more apparent. At this level, traffickers utilise front companies and corrupt officials to arrange for the packaging, concealment and shipment of the wildlife products.

Specialist exporters devise complex methods to hide wildlife within legitimate shipments, such as shipping ivory in hollowed-out logs or pallets of wood, hiding illicit goods under frozen meats, or hiding goods within large consignments of nuts or plastic pellets. It is

important that transport companies have access to up-to-date information about red flags for concealment, for example via United for Wildlife intelligence alerts (see section 6.3).

Exporters/importers are generally based in urban areas near major international sea or air ports. Within the illegal pet trade (detailed in Part 2 of this series), legitimate businesses within the wildlife trade sector are often present at the export/import level to provide a cover of legality for the illegal trade.

- ➔ *As experts in procuring documents for export and in shepherding species through transport systems, criminals active in legal wildlife industries are particularly prominent in the export and import phases. Basic checks include whether the product and destination make sense commercially, and the value of goods declared to customs compared to the insurance value. Frequently, exporters and importers make multiple changes of routings, destinations and consignees in order to complicate attempts to trace the consignment.*

4.1.5 Wholesale traders

Upon import, wholesalers arrange for the processing and/or onward sales of wildlife products to retailers. They regularly do this in the open: non-native species often receive no protections in import markets and can be openly traded, despite their illegal origins.

- ➔ *Legitimate wildlife trading companies are often involved at the wholesale and retail level, laundering wildlife into legal sales establishments, though large-scale illicit enterprises also exist where wildlife is illegally processed into goods and medicine (IFAW, 2008).*

4.1.6 Retailers

Sales of wildlife occur online, in auctions, through jewellery, art and craft stores, at casinos and hotels in resort areas, and on the black market. Live animal retailers that often combine legal and illegal sales include pet stores, trade shows, individual dealers, online sales, medical research animal providers and zoos.

- ➔ *Criminal retailers often hide in plain sight, selling poached and trafficked wildlife in pet stores, jewellery stores, online platforms, and, after processing, as traditional Chinese medicine and other traditional remedies. Similarly, zoos and animal-viewing businesses display trafficked wildlife regularly.*

4.2 Simplified flows of goods and money in IWT

The following infographic offers a simplified overview of flows of money and goods between different actors in the wildlife trafficking chain. For a detailed insight into the flows of goods, money and information between different members of a specific wildlife trafficking network, as revealed using social network analysis techniques, see ([Costa, 2021](#)).



Figure 2: Flows of goods and money between actors in the initial stages of the supply chain. For a full size version see the Annex or visit [learn.baselgovernance.org](https://www.learn.baselgovernance.org)

5 Organised crime and corruption

Corruption enables wildlife trafficking across the supply chain ([Zain, 2020](#)). At the operational level, poachers and traffickers:

- purchase information and access to protected areas from park rangers and local government ([Outhwaite, 2020](#));
- bribe law enforcement, prosecutors and judges to avoid prosecution, heavy sentencing or large fines when caught ([Kassa et al, 2020b](#));
- pay officials for false documents to move shipments of wildlife products.

Criminal organisations can achieve great political influence and may involve high-level political officials, including politically exposed persons at the executive level ([Costa, 2021](#)). This is particularly the case for high-value wildlife trafficking such as ivory, rhino horn, timber and fisheries crime.

Where wildlife trafficking is controlled by members of the political and/or security establishment, already weak institutions are further diminished. This contributes to the general breakdown in the rule of law and the loss of trust in public institutions and government.

5.1 Opportunities for low-level corruption

Too often, individuals charged with protecting wildlife become ensnared in wildlife trafficking networks ([Kassa et al, 2020b](#)). It is important for all actors involved directly with wildlife to understand the potential corruption risks and to avoid exacerbating them. Key issues include:

5.1.1 Rangers and tourism sector employees

Poachers often rely on information supplied by rangers and others with access to parks and protected areas. These individuals can pass on tips about the location of animals and where patrols might take place. They may accept bribes to not search cars entering or exiting parks for weapons or trophies.

5.1.2 Law enforcement

Poachers often attempt to bribe law enforcement when apprehended to avoid arrest, lose evidence, delay prosecution, or to avoid imprisonment or fines ([Kassa et al, 2020b](#)). [Current research](#) is seeking to better identify vulnerabilities for corruption within law enforcement responsible for addressing wildlife crimes.

5.1.3 Customs and border officials

Traffickers exporting wildlife may pay off officials to not search packages or containers and to sign off on fraudulent documentation. Unusual transactions should be scrutinised for individuals working within parks and protected areas, and for customs and border officials at high-risk exit points. The freight forwarding and logistics industry is another key risk area ([Wannenwetsch and Guy, 2020](#)).

5.2 Transnational organised crime

The high-value, low-risk nature of wildlife crime attracts individual criminals, organised and disorganised crime groups, as well as unscrupulous businesses operating in legal industries. These groups interact in a variety of ways across the illegal supply chain, loosely

linking licit and illicit wildlife trade networks to collect, transport and sell wildlife ([FATF, 2020](#); [van Uhm 2018a](#)).

The United Nations Convention against Transnational Organized Crime ([UNTOC](#)) defines transnational organised crime in terms of *organised criminal groups* that are:

“a structured group of three or more persons, existing for a period of time and acting in concert with the aim of committing one or more serious crimes or offences established in accordance with this Convention, in order to obtain, directly or indirectly, a financial or other material benefit.”

Crimes become *transnational* when:

- their activities take place in more than one country;
- they are planned in one country and executed in another;
- they involve an organised crime group that engages in activities in more than one state; or
- the effects are felt in more than one state.

As wildlife resource simultaneously become more scarce, popular and expensive, the illegal trade is expected to attract even more transnational organised crime groups ([Wyatt et al. 2020](#)). Research indicates that organised crime networks engaged in IWT, like much transnational organised crime focused on other profit-making ventures such as drugs or human trafficking, is fluid, flexible and able to withstand the arrest of even the key players ([Costa, 2021](#)).

This has two consequences. First, the efforts of law enforcement alone – particularly when working within national borders – are not sufficient to tackle organised crime. Second, criminal groups operate much like other multinational companies, using the services of legitimate commercial transport, finance and other firms to carry out their illicit business. A more holistic, concerted approach involving the private sector is therefore essential.

5.3 (II) legitimate actors in the wildlife trade

A large percentage of individuals involved in wildlife crime regularly engage in legitimate-seeming wildlife trading activities to transform illegally acquired wildlife into products which can be openly and “legally” traded ([van Uhm, 2018b](#)). The legal and illegal trade are tightly interwoven ([FATF, 2020](#)). Crimes committed by individuals involved in legitimate wildlife industries and services can include, among other offences:

- Fraud
- Document forgery
- Tax evasion
- Money laundering
- Non-compliance with safety and other regulations
- Mis-invoicing

Individuals acting in legitimate industries are experts on rules, regulations and loopholes. Criminal elements can take advantage of these loopholes and manipulate the rules to launder illegally acquired or traded species into the legal trade. This is similar to how unscrupulous accountants, lawyers and other professionals can facilitate money laundering in global financial systems ([FATF, 2018](#)).

These criminals are known to work closely with organised crime networks throughout the supply chain, utilising their legitimate wildlife trading businesses to hide the illicit origin of wildlife and the profits gained. Companies they run provide the infrastructure required to move wildlife from the illegal to legal domain, and benefit from the ability to operate openly and fully utilise global finance and transport networks.

These criminals are key elements in larger networks functioning across the supply chain, from source countries to destination markets.

Over 30 percent of wildlife crimes in the Europe Union are associated with criminals operating in the “legal” wildlife industry ([Wyatt, 2020](#)).

Box 4: Live animal trade and red flags for illegality in legal industries

Live animals are often traded in plain sight. When bundled with legal documentation, animals can be exported all over the world. The growing international trade in animals for the zoo, pet and medical research industries provides opportunities for criminals with expertise in documentation and shipping requirements to game the system and export trafficked animals.

Companies seeking to mitigate their risks of exposure to specific trafficking risks such as this often incorporate red flags into their monitoring systems. In this case, red flags and pointers on what to look for include:

- **Past involvement in IWT:** Some wildlife breeders, ranches, rehabilitation centres, brokers and legal wildlife trade exporters in South Africa have been

accused of trafficking rhino horns, live rhinos and big cat bones. Screening systems for the names of companies and individuals implicated in IWT cases can help to reduce risks; much of this information is available in open-source media or via the United for Wildlife Taskforces.

- **Export of CITES Appendix I species:** Any export involving species listed under CITES Appendix I should receive extra scrutiny. Wild-caught species are often mislabelled for export as captive bred, even when no captive breeding facilities or records exist in the country. Breeding facilities for Appendix I species must be registered with CITES. Permits issued on false or misleading information are subject to revocation and may be illegal.
- **Missing or incorrect destination addresses:** Destination locations listed on import forms are regularly falsified, making it difficult for investigators to determine the true destination of exported wildlife from shipping documentation.
- **Export of Appendix I species to commercial businesses:** The international sale of Appendix I species is prohibited for primarily commercial purposes, yet animal importers and brokers regularly supply wildlife to the booming animal exhibition industry in countries including China. Suspect transactions often result from negligence in conducting due diligence or complicity with illegal practices to procure, ship and trade protected wildlife.

Members of the [United for Wildlife](#) Financial and Transport Taskforces have access to an up-to-date database of red flags and alerts for different locations and trafficking risks. See section 6.3.

6 Organisations and partnerships against wildlife crime

Companies can find a wealth of information, resources and opportunities to engage in [Collective Action](#) to tackle wildlife crime and reduce their risk profiles through the following organisations:

6.1 TRAFFIC

[TRAFFIC](#) is a non-governmental organisation working globally on trade in wild animals and plants in the context of both biodiversity conservation and sustainable development. TRAFFIC works with enforcement agencies along supply chains to ensure they are equipped to detect, identify and prevent illegal trade.

It also provides government, decision-makers, traders, businesses, consumers and others with an interest in wildlife trade with reliable information about trade volumes, trends, pathways and impacts, along with guidance on how to respond where trade is illegal or unsustainable.

6.2 ROUTES Partnership

The USAID Reducing Opportunities for Unlawful Transport of Endangered Species ([ROUTES](#)) Partnership is a multi-stakeholder initiative that aims to disrupt wildlife trafficking by reducing the use of legal transportation supply chains. ROUTES produces numerous helpful and authoritative resources for the transport sector, including communication and training materials, reports, factsheets and expert contact lists.

ROUTES is led by a core group of partners collaborating with the U.S. Government and the transport sectors, including the Airports Council International (ACI), the Center for Advanced Defense Studies (C4ADS), the International Air Transport Association (IATA), TRAFFIC and WWF. The Partnership is funded by USAID and coordinated by TRAFFIC.

6.3 United for Wildlife

[United for Wildlife](#), an initiative of The Royal Foundation of The Duke and Duchess of Cambridge, is a multi-stakeholder project bringing together conservation organisations, governments and global corporations to jointly tackle IWT. Its activities are primarily carried out by two taskforces:

- Established in 2015, the **Transport Taskforce** brings together high-level representatives of customs agencies, container shipping companies, airlines, logistics companies and freight forwarders, along with representatives from organisations engaged in conservation and anti-trafficking activities. Transport Taskforce members sign the Buckingham Palace Declaration, with 11 provisions setting out how they will achieve their commitment to "not knowingly facilitate or tolerate the carriage of [illegal] wildlife products".

- The **Financial Taskforce** was launched in October 2018 to gather banks and other financial institutions vulnerable to illicit funds arising from illegal wildlife trade. Members must sign the Mansion House Declaration, with six commitments focused on implementing “appropriate measures” to “improve the identification and reporting of this crime and contribute to the global fight against IWT.”

As part of their membership, signatories receive case-specific intelligence alerts and regular strategic information bulletins on wildlife trafficking trends, typologies and red flags to Taskforce members. The Taskforces are also a powerful platform for joint action against the illicit trade.

6.4 Targeting Natural Resource Corruption (TNRC)

[Targeting Natural Resource Corruption \(TNRC\)](#) is a USAID-funded project to improve biodiversity outcomes by helping practitioners to address the threats posed by corruption to wildlife, fisheries, and forests. Its Knowledge Hub has a wealth of new practical research developed to help strengthen anti-corruption policy and practice in conservation and natural resource management.

TNRC is implemented by a consortium of leading organizations in anti-corruption, natural resource management, and conservation: World Wildlife Fund (WWF), the U4 Anti-Corruption Resource Centre at the Chr. Michelsen Institute, TRAFFIC, and the Terrorism, Transnational Crime and Corruption Center (TraCCC) at George Mason University.

6.5 Organisation for Economic Co-Operation and Development (OECD)

The OECD works with governments and other stakeholders on issues including [illicit trade](#), [responsible mining](#) and [environmental policies](#). It publishes regular authoritative reports on these topics aimed at or useful to the private sector, including an in-depth 2018 report on [Strengthening Governance and Reducing Corruption Risks to Tackle Illegal Wildlife Trade: Lessons from East and Southern Africa](#). The OECD and Basel Institute on Governance have joined forces to co-host a series of virtual events in 2021 on [Corrupting the Environment](#).

6.6 Basel Institute on Governance – Green Corruption programme

[Green Corruption at the Basel Institute on Governance](#) is a multi-disciplinary programme targeting environmental degradation through an anti-corruption and governance approach.

The premise behind the programme is that removing opportunities for corruption, tracing illicit financial flows and confiscating the proceeds of crime will help to dismantle the criminal organisations that are exploiting the planet for personal gain. The programme builds on the Basel Institute's almost two decades of experience in fighting corruption, tracing and recovering stolen assets, and strengthening governance around the world.

The Green Corruption programme produces regular research publications and practical resources, such as this one, as well as public events on environmental crime gathering members of the public, private and third sectors.

6.7 Other relevant organisations

Many organisations, associations and networks targeted at government authorities responsible for enforcing wildlife crime regulations provide useful resources on their websites for the private sector as well. Some are also starting to actively engage with business in the recognition that private companies are key to addressing wildlife crime. These include:

- **[INTERPOL](#)**, which plays a key role in coordinating international operations aimed at disrupting wildlife crime networks.
- **The International Consortium on Combating Wildlife Crime ([ICWC](#))**, with representatives from CITES, UNODC, INTERPOL, The World Bank and the World Customs Organization (WCO).
- **Regional wildlife enforcement networks**, such as the [Southeast Asian Nations Wildlife Enforcement Network \(ASEAN-WEN\)](#), the [South Asia Wildlife Enforcement Network \(SAWEN\)](#) and the [Horn of Africa Wildlife Enforcement Network \(HAWEN\)](#).
- **United Nations Office on Drugs and Crime ([UNODC](#))**, which provides guidance to governments on the adoption and implementation of crime-related conventions. UNODC recognises IWT as one of the largest transnational organised criminal activities alongside trafficking in drugs, weapons and human beings. It publishes analyses of wildlife trafficking trends and other useful guidance such as its [World Wildlife Crime Report](#) and [Scaling Back Corruption](#).
- The **[UNEP](#)** hosts CITES and provides regular assessments of global, regional and national environmental conditions and trends.
- The **International Union for Conservation of Nature ([IUCN](#))** is a recognised global authority on the status of the natural world and the measures needed to safeguard it, compiling and publishing scientific data on species threatened with extinction on

its Red List to aid states and CITES in conservation decisions. IUCN operates an information service on wildlife-related legislation and case law, located at wildlex.org

7 Quick quiz

This quiz is designed to test your knowledge of wildlife crime and corruption threats after reading this publication. To check your answers and find other quizzes and interactive resources, visit learn.baselgovernance.org.

7.1 What does the term "wildlife crime" cover, according to CITES?

Check all that apply:

- animals
- birds
- mining products
- fish
- plants
- waste
- timber and other forest products
- captive-bred animals

7.2 What are five major types of financial crime relevant to wildlife crime?

- Bribery and corruption
- Fraud
- Money laundering
- Identify theft
- Tax evasion
- Insider trading
- Market manipulation
- Forgery
- Confidence tricks
- Sedition
- Embezzlement

7.3 According to the World Bank, the annual cost of environmental crime to the global economy ranges from:

- USD 100 million – 200 million
- USD 1 billion - 2 billion
- USD 1 trillion - 2 trillion

7.4 Companies and financial institutions are potentially exposed to risks from wildlife crime in which categories?

- Legal
- Financial
- Reputational
- Security
- All of the above
- None of the above

7.5 Which of the following elements: a) drive demand for IWT; b) are negative impacts of IWT? Put them into the correct boxes.

Traditional medicine | Pets | Violence and intimidation | Food | Loss of natural resources | Art / furniture / ornaments | Hunting trophies | Intrastate conflict | Infectious diseases | Environmental degradation | Cultural factors | Investment purposes | Leisure / wildlife viewing attractions | Demonstration of wealth | Undermining of government institutions | Undermining of legitimate business

Drive demand

Negative impacts

7.6 Match the three CITES appendices with their scope.

Appendix	Description (draw a line to match)
a. Appendix I	1. Species currently not threatened with extinction but vulnerable to over-exploitation. Require export or re-export permits; may require import permits depending on national legislation.
b. Appendix II	2. Species protected in at least one country which has asked CITES Parties for assistance in controlling trade. Require export and re-export permits.
c. Appendix III	3. Species threatened with extinction. Provides the greatest level of protection, including restrictions on commercial trade.

7.7 Put the following actors into the correct order in a typical wildlife trafficking supply chain:

1. Poachers
2. Retailers
3. Intermediaries and dealers
4. Importers

5. Wholesale traders
6. Runners and brokers
7. Exporters

7.8 What are some reasons that legal businesses dealing with wildlife, such as licensed animal traders or zoos, are a higher risk for involvement in illegal wildlife trade?

Fill in the missing words:

1. They are experts on rules, regulations and loopholes.
2. They are in a position to take advantage of loopholes to launder illegally acquired/traded species into the legal trade.
3. They may be co-opted by organised crime networks.
4. Their companies provide the infrastructure required to move wildlife from the illegal to legal domain.
5. They are able to operate openly and fully utilise global finance and transport networks.

8 Bibliography and further learning resources

8.1 Further learning and courses

1. Discover more in the ***Wildlife Crime – Understanding risks, avenues for action series***:

- Part 2: Exotic pet trade
- Part 3: Marine species trafficking
- Part 4: Timber trafficking

See [PDF versions](#) or find the interactive versions on the [Basel Institute's LEARN platform](#).

2. **ACAMS Ending Illegal Wildlife Trade certificate**. A free introductory online training programme (two hours) on how to identify and mitigate financial risks related to IWT. Co-developed by ACAMS (the largest international membership organisation for anti-financial crime professionals) and WWF with Basel Institute on Governance support. [Go to course](#).

3. ECOFEL Wildlife Crime eLearning course. An introductory course to wildlife crime designed for Financial Intelligence Unit staff, law enforcement and supervisory authorities.

[Go to course.](#)

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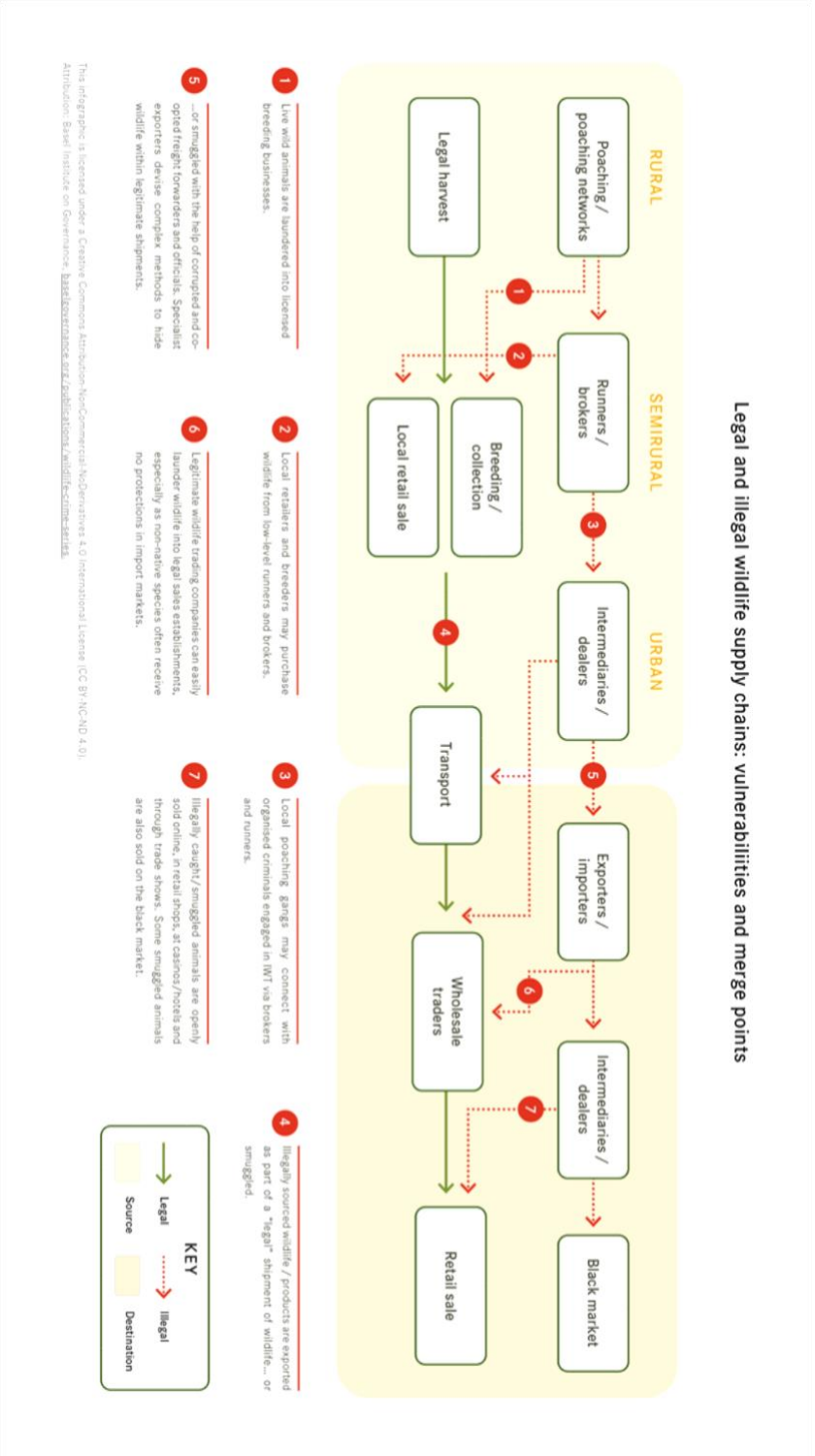
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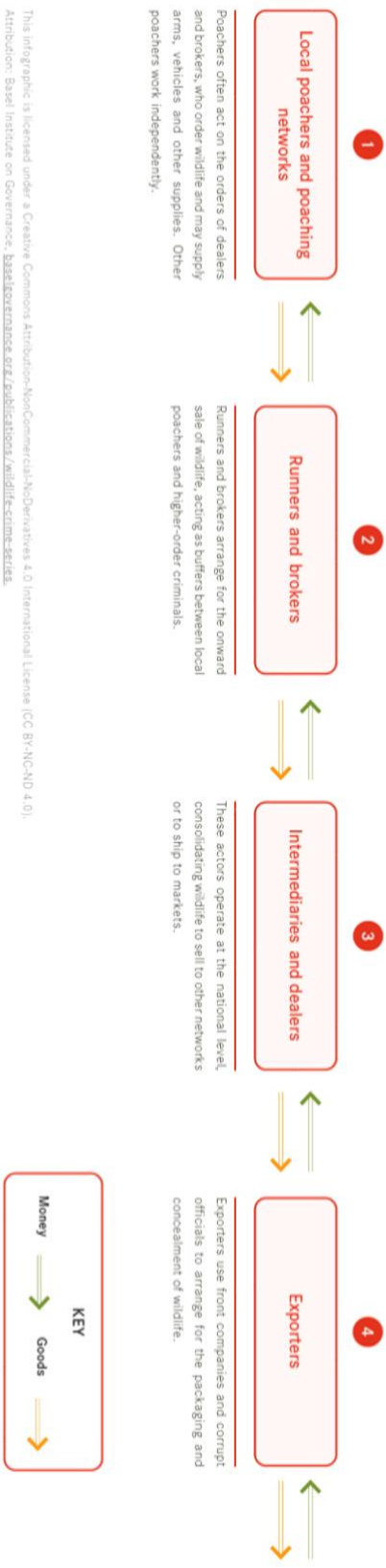
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9 Annex: Infographics

Legal and illegal wildlife supply chains: vulnerabilities and merge points



Flows of goods and money in the initial stages of the illegal wildlife supply chain



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