



Financial crime in illegal wildlife trade



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Every day, an unknown number of elephant tusks, rhino horn, pangolin scales and other wildlife products – alive and dead – cross the oceans in container ships and cargo flights for use in traditional medicine, crafts and the illegal pet trade. Rare trees are felled in ancient forests and shipped out under false certificates.

They leave behind the butchered carcasses of the last remaining animals of many species, scarred and emptied landscapes, legal livelihoods undermined by corruption and criminal activity, and communities ravaged by organised crime networks.

The Basel Institute is contributing to tackling illegal wildlife trade and its negative impacts on communities, economies and biodiversity from the angle of financial crime. This quick guide gives an insight into our approach and how our various areas of expertise fit together to help solve this complex puzzle.

What is the size and scope of wildlife crime?

A 2019 World Bank report on illegal logging, fishing and wildlife trade estimates the illicit industry at \$1 trillion per year. Illegal wildlife trade alone is estimated to be the fourth or fifth largest illicit trade in terms of global volume. Profits go into the pockets of criminals or are used to fuel political insurrection.

With a high level of convergence with other serious crimes like drug and human trafficking it contributes to raising levels of criminality and affects the integrity of the international financial system and global trade.

The losses are borne by the planet and its people.

What is being done to stop the criminals?

A lot, but not enough. Current efforts to combat wildlife trafficking focus primarily on protecting the animals, catching poachers, and reducing demand.

Highly valuable as these efforts are, they do not get to those who control the international networks and profit from the trade. Poachers are swiftly replaced by other poachers. It is virtually impossible to protect every animal individually, and certainly not cost-effective. They also do little to help countries, communities, and companies build systemic resilience against IWT.

What is the Basel Institute's approach?

Put simply: follow the money.

Illegal wildlife trade cannot occur at the global scale without financial crime and corruption. Traffickers resort to financial crime at every stage of their illegal supply chain, from bribing officials to laundering the money through international financial systems. Using financial investigation techniques, international cooperation, and intelligence from the public and private sectors, we can follow the money trail to catch the high-level criminals at the centre of the trafficking networks.

We can take the profit out of the picture by confiscating the proceeds and instrumentalities of the crime – going after the money, not just the criminals.

And we can use tested anti-corruption techniques to address weaknesses in the public and private sectors that are created by bribery and fraud.

Tackling wildlife trafficking from the angle of financial crime is widely recognised by the international community as a crucial gap that needs to be filled. But filling it is, in practice, not so simple. The Basel Institute, with its 17-year track record in working around the world with public and private actors to prevent and combat corruption, is uniquely placed to do so.

What does it involve in practice?

First, working with the private sector is crucial. Virtually all illegal wildlife products worldwide are trafficked via commercial ships, planes and trucks. The illicit payments and proceeds flow through commercial banks and other financial institutions.

We are helping to unlock private-sector intelligence and action through the United for Wildlife Transport and Financial Taskforces. The Taskforces, led by the Duke of Cambridge and Lord William Hague, bring together the world's most powerful transport companies and financial institutions with law enforcement and field experts. Basel Institute staff have been instrumental in making this one of the most effective and groundbreaking initiatives of its kind. Today, our Intelligence Team operates the Information Sharing System at the heart of the initiative, and our Collective Action experts facilitate focus groups to multiply the members' efforts.

We are also working to strengthen the business case for companies in the financial, transport and other sectors to harden their defences against wildlife trafficking risks, and leverage the private sector's huge amount of underused data.

Second, almost all law enforcement agencies tasked with investigating and prosecuting wildlife crimes badly need upskilling in financial investigation, analysis and asset tracing techniques. There are also vital gaps in regional and international cooperation to gather evidence, broaden investigations to wider criminal networks and apply financial crime charges to high-level wildlife traffickers.

Our dedicated IWT investigation experts are mentoring specialist law enforcement officers across Africa to help fill these gaps. As part of their mission, they facilitate cooperation on intelligence and live cases between trusted law enforcement partners, regionally and internationally.

Third, we need to better understand the real drivers and facilitators of wildlife trafficking in local communities, and how the trafficking networks operate and interact with formal and informal economies.

Our research team is conducting bottom-up field research on social norms around wildlife trafficking in East Africa. In parallel, intelligence and social network analysts are conducting pioneering research to theorize and map how IWT criminal networks operate and interact with other transnational trafficking and crime organisations. Law enforcement, policymakers and researchers will benefit from these insights.

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