

Testimony of Peter Pueschel
Illegal Wildlife Trade Program Director
International Fund for Animal Welfare (IFAW)
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“Poaching America’s Security: Impacts of Illegal Wildlife Trade”
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Mr. Chairman, Ranking Member Young, and Members of the Committee, thank you for conducting this investigation into the global illegal wildlife trade. My name is Peter Pueschel and I am the director of the illegal wildlife trade program at the International Fund for Animal Welfare.

IFAW has been working to stop the commercial exploitation of animals and wildlife for over 40 years. From our 16 offices around the globe, we do our utmost to eradicate the cruel and ecologically unsustainable illegal trade in wildlife and protect animals from all threats imposed by commercial exploitation. To achieve this IFAW focuses on three overarching and interdependent spheres of activity.

First, IFAW concentrates on strengthening international agreements such as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and on improving national legislation to provide a sufficient legal framework for action by national governments.

Second, IFAW focuses on achieving better compliance with and enforcement of existing legislation, as legal protection represent little more than words on paper unless they are backed up by action. IFAW promotes partnerships with and among governments to create an effective wildlife enforcement response in-country. In collaboration with national governments, IFAW organizes and conducts wildlife trade enforcement seminars to train relevant officials in the technical aspects of wildlife enforcement.

Finally, IFAW drives change through concerted, ongoing and committed public awareness campaigns, with the aim of educating consumers so that market demand decreases. Underscoring each activity is the notion that wildlife has an indispensable role to play for humanity. Decreasing the conservation and welfare problems created by the illegal wildlife trade is part of IFAW’s institutional effort in creating a better world for animals and people.

By all accounts, the illegal wildlife trade is very big business. Second only to the international trade in illegal drugs and arms, the illegal trade in wildlife is believed to be worth billions of dollars each year. Driving the trade is human consumption and greed, which together are devouring the Earth’s living resources at an alarming rate. Globalization and worldwide economic growth is creating a level of consumer demand that is simply – and in short order – unsustainable.

The African elephant is under threat of extinction because poachers, driven by a thriving black market in souvenir items such as carved ivory chess board pieces, slaughter thousands of elephants annually for their tusks. Wild tigers, numbering fewer than 5,000, wind up in

traditional medicine, as trophies mounted in weekend hunting cabins, and in trendy “tiger bone wine” fermented with whole carcasses.

In all too many cases, this human consumption has driven entire species to the verge of extinction. The loss of a species is more than just an emotional issue. It is also one of human survival. Balanced ecosystems influence our air, water, food and medicine, and any disruption to the balance threatens to deprive us of the elements critical to our very existence. Loss of biodiversity also impacts on us by jeopardizing the supply of raw materials necessary in the creation of life-saving drugs, thus limiting our ability to respond to new diseases.

In reality, each souvenir made of ivory represents a dead elephant, and a luxury shahtoosh shawl for sale might represent the last Tibetan antelope. But unlike the more bloody events surrounding the whale or seal hunt, or the more heart wrenching issues associated with household pets in crisis, poaching of wildlife for commercial profit derived from luxury, non-essential items such as ivory figurines or rhinoceros bone for the most part occurs behind the scenes. Confronting the issue of illegal trade in wildlife is all the more challenging because the unsustainable slaughter and sale of vulnerable wildlife populations gets little attention compared to other high profile agendas.

The impact of wildlife trade on animals is just easy to ignore. The impact of the illegal wildlife trade on humans, however, may not be so easy to ignore. The fact is, the illicit trade in wildlife is not only a serious global environmental crime with profoundly negative impacts for endangered species protection, ecosystem stability, and biodiversity conservation, but it is also a real and increasing threat to national and global security.

An alarming proliferation in recent years of wild animals and animal parts taken illegally and exchanged through the black market across international borders has left law enforcement officials worldwide searching for ways to both stem an increasingly prolific area of international crime and stop the trade before it is too late for many endangered animals.

No longer a problem localized to parts of the world where many lack access to basic resources, the illegal trade in wildlife has grown to become a massive global industry. It is believed to be on par with drug trafficking and the arms trade, if not in terms of total revenue produced for criminal enterprises, then in gravity.

In fact, various governmental and non-governmental agencies such as INTERPOL have estimated that it may be worth in excess of \$20 billion US annually, or more. Much of this is in clandestine undertakings interwoven into a criminal industry that generates enormous levels of undocumented, untraceable revenue, the full scale of which may never really be known.

Also anonymous are the perpetrators, as they conduct their nefarious activities in the shadows, behind locked doors, and often in conjunction with other dangerous criminal elements. The obvious question for those involved in tracking and analyzing the illegal wildlife trade and other international crimes is “Where does the money go?” The answer to that question may be more serious, and more insidious, than people think.

The global illicit trade in wildlife is a dauntingly complex problem. Often folded into other illegal activities, its general low priority on the enforcement agenda provides additional incentive and less risk for criminals. But its impacts are well above the scale of mere petty crime. The trade feeds the black-market by taking advantage of the earth's rich biodiversity, pillaging wildlife resources beyond their sustainable capacity and turning them into commercial products.

Big cat pelts, rhinoceros horns, elephant tusks, meat from primates and other bush species, pangolin scales, tortoise shells, bear gall bladders, shark fins—traffickers have a large variety of commodities to exploit depending on their resources, motives, and location in the world.

The supply chain from animal source population to consumer is complicated, and uses for wildlife parts are broad, covering food (often expensive delicacies), traditional medicines, pets, decorations (including trophies), clothing, and fashion items. Species from across the animal kingdom are victims in this trade: fish, reptiles, birds, mammals, and amphibians.

At times concealed under the rubric of legal trade or sheltered by intricate wildlife trade laws that may vary from country to country and differ according to national environmental policies, the illicit wildlife trade provides unique opportunities for criminals and imposes extra challenges for law enforcement. The global reach, the multitude of species and products involved and the expansion of the global marketplace as a result of the Internet make these criminal activities difficult to understand, trace or enforce.

In recent years, a steady stream of worldwide media and governmental reports have begun to relay disquieting new details of the illegal trade in wildlife – its ties with violent crimes, large trade rings all over the world, and brazen attempts at smuggling animals and their parts over large distances. Wildlife traffickers have at their disposal an incredibly efficient and adaptable pipeline through which they can move wildlife and their derivatives from poacher to consumer.

For example, in the summer of 2006, customs officials stopped a container of 2,849 pangolins, a medium-sized, scaly mammal that resembles an armadillo, and 2,600 large geckos, originating in Malaysia, from illegally entering China. For the seven month period from October 2005 to April 2006, the illegal trade in pangolins from one trafficking ring was valued at \$3.2 million US. Early in 2008, two shipments with over 1,200 African grey parrots were seized from traffickers leaving Cameroon on their way to Bahrain and Mexico.

There are numerous other incidents on record of massive shipments of illegal wildlife transported internationally, in some regions daily. This includes massive shipments of illegal elephant ivory, which I'll discuss in more detail later.

Beyond the individual crimes being reported randomly in the news, often by small-scale collectors or drugs and arms smugglers trading in wildlife on the side, large-scale illicit trade in wildlife is where the big profits are being made. This high-value, high-volume illegal trade is occurring globally and requires the networks and skills of major organized crime to succeed.

Some high-value illegal wildlife commodities are no longer available in massive quantities,

and their value has increased with their scarcity. The illegal trade in ivory, rhino horn, and tiger parts, for example, continues to be highly profitable – perhaps more so because of the increasing rarity of the species that are poached for their parts.

Elephants, rhinos and tigers are more challenging to capture and transport and their protected status is generally known, making every stage of this trade relatively more dangerous. For instance, any international trade in tigers or tiger parts is illegal. The trade is exclusively black-market – from killing the tiger to production and sale of its parts and derivatives, to the sale of tiger bone wine in a shop in China or San Francisco.

In spite of the proven links with criminal syndicates, the enormity of scale and the potential for harm to both global biodiversity and public health, national and international legal frameworks and penalties are often slight or non-existent compared to those that address the illegal trade in drugs and weapons. The skills and networks required to illegally trade in wildlife, coupled with the lucrative profits, makes this type of trafficking highly attractive to serious criminals as a relatively easy method for generating funds, whether they be in parallel to or in support of other illicit trade dealings.

The global scale of this trade in terms of profits, volume and an extensive network is drawing in criminal syndicates of all kinds. And now, in the wake of the events of September 11, 2001, concerns have been raised that a new profiteer from the illegal wildlife trade could be emerging, according to the worldwide news media, international intelligence agencies, and global police forces: local, regional, and global terrorist organizations.

These reports, though at times vague or anecdotal, indicate that an increasing number of poaching incidents could be tied to organized crime or militias that, in turn, have ties to terrorist groups. Examples include elephant poaching in Chad tied to Sudan's Janjaweed militias, poaching of rhino and other wildlife in Kenya tied to Somali warlords, illegal shark finning operations off the coast of Costa Rica and worldwide bear poaching connected to multinational organized crime syndicates, and tiger and other big game poaching in South and Southeast Asia linked to local and regional militant groups, to name a few

Many wildlife trade policy and enforcement experts from around the world agree on two things: 1) More resources are desperately needed to fully understand and ultimately combat the illegal trade in wildlife, and 2) If criminal elements, including terrorist groups, are not already using the wildlife trade as a source for revenue, they likely will be soon.

Compared to other criminal activities and penalties, the low risk of detection and minimal consequences for perpetrating wildlife crime are attractive incentives to professional criminals. The degree of organized criminal involvement and methodology varies widely, depending on the species, its population size, market demand and geography.

The legal trade in wildlife is itself used as a vehicle for the illicit trade—transporting illegal species instead of the legal ones or together within the shipments, using falsified documents, bogus species identification permits or false numbers. An Indonesian wildlife smuggler explained in a 2006 interview that they routinely pack a layer of legal turtles on top of the shipping crates and put thousands of illegal turtles underneath. Conversely, shipments of

cocaine have been found concealed beneath legal shipments of live lizards into the Caribbean.

In addition to incidents of drugs being smuggled within wildlife shipments, sometimes even sewn into animals' bodies, there are rising reports of illegal wildlife products being traded directly for other illegal commodities – namely drugs or weapons. A 2007 *Wall Street Journal* article reported mass quantities of illegally harvested abalone from South Africa being exchanged directly for methamphetamine from buyers in Hong Kong where abalone sells for over \$200 US a pound.

As outlined by experts like John Sellar, CITES Senior Enforcement Officer, there are clear factors connecting groups and individuals in organized crime to operations in the illicit wildlife trade. These include: detailed planning, significant financial support, use or threat of violence, International management of shipments, sophisticated forgery and alteration of permits and certifications, well-armed participants with the latest weapons, opportunity for massive profits, and capacity to launder enormous amounts of cash.

A United Nations report from 2003 on trafficking in protected species of wild flora and fauna explains, “Even when organized crime, as such, is not fully involved, much of the trafficking is highly organized.”

The trade in sturgeon caviar, for instance, has become so entrenched in illegal harvesting and trade that in 2007, officials representing CITES and the United Nations Environmental Programme (UNEP) World Conservation and Monitoring Centre decided that a database designed just to monitor the permits and certifications of caviar was needed. The UNEP report noted, “Perhaps no sector of the illegal fauna and flora trade has been criminalized to the extent of that of sturgeon and caviar.”

The U.S. Federal Bureau of Investigation (FBI) defines organized crime as:

“Any group having some manner of a formalized structure and whose primary objective is to obtain money through illegal activities. Such groups maintain their position through the use of actual or threatened violence, corrupt public officials, graft, or extortion, and generally have a significant impact on the people in their locales, region, or country as a whole.”

By all accounts the global illegal trade in wildlife is organized crime. The stage this global black-market has reached in terms of networks, profits and operators, as well as its links to other trafficking syndicates, poses a substantial threat to international law and stability.

Able to reach remote areas and wildlife habitats difficult to access, militias and military personnel have discovered that trading in valuable wildlife parts and derivatives generates extra income to fund military endeavors, including rebel militias. Leading up to the international ban on trade in ivory in 1989, when global attention focused on plummeting elephant populations, some African governments were known to have funded invasions and military quests using revenue generated from culling mass numbers of elephants and selling the ivory.

Although international treaties such as CITES and domestic laws in elephant range-states make elephant poaching and dealing in ivory illegal, the model of using this trade to fund militias persists. In some cases, elephants are even being poached by rebels and militias using sophisticated weapons manufactured for human wars. In 2005, an African tour guide told the British Broadcasting Company that he had witnessed elephants being slaughtered with anti-tank weapons.

Militias and military figures are able to illegally harvest and profit from wildlife with ease because governments and enforcement officials cannot contain them, or turn a blind eye to the problem, thereby empowering corruption in general. Global trade, technology and transportation are constantly becoming more sophisticated, providing and even facilitating the formation of the networks required to move illegal wildlife products like ivory from forest or savannah to market.

With the ever-increasing purchasing power of the Chinese middle class and the seemingly insatiable appetite in Japan for ivory products, the burgeoning demand for elephant ivory shows no sign of abating. Studies of ivory seizures reveal that since the ivory ban was instated in 1989, large seizures of a ton or more increased in frequency and size, with more than 40 tons seized in 2005 and 2006 alone. And, this may just be the tip of the iceberg.

East, Central, West and even Southern African countries are heavily implicated as the source of most of this illicit market, with well-established supply chains and routes particularly to China and Japan among other Asian markets. In 2007, National Geographic reported that recent heavily-organized elephant poaching in Chad's renowned Zakouma National Park was reminiscent of the situation in the Central African Republic during the 1980's, when hundreds of armed men from Sudan, now associated with Janjaweed militias, went on a killing rampage of elephants and rhinos for the profit they would earn from the ivory and rhino horn.

According to a January 2008 report out of Assam, India, devastating increases in rhino poaching in Kaziranga National Park over the past year have offered every indication that militants are involved. Rhino horn is believed by some to be bartered for arms by militant groups in northeastern India working with poaching syndicates. The black market value for rhino horn is staggering, worth tens of thousands of dollars per kilogram. Prohibited in international trade by CITES, rhino horn has long been highly prized in Asia, for its purported medicinal qualities, and in the Middle East, where it is used to make ornamental and ceremonial daggers.

A former rhino poacher now working with the Forest Service recently identified the Karbi tribal militant groups and other entities identified with radicalism, violence and terrorism, as key perpetrators of rhino poaching in Kaziranga.

But perhaps the most foreboding criminal element playing a role in the global wildlife trade may be the most important to U.S. and international policymakers, as well as the most threatening. Over the past several years, the global news media and police agency reports have mentioned—initially almost in passing but recently with increasing regularity—that poachers have been connected to localized militant and terrorist groups responsible for attacks within communities.

Even more recently, well-funded and well-armed poachers have taken an almost guerilla warfare-style approach to their activities in places like East, Central and North Africa--an approach reminiscent of the recent human conflicts between governments and rebel groups, warlords, and regional militias, some of which have been linked to terrorist attacks in the region.

In some cases, according to news reports, those same rebel groups, warlords, and militias have entered protected areas and engaged in large scale poaching – areas like the famed wildlife parks of Kenya and the Zakouma National Park in Chad. Somalia-based warlords and Sudan’s Janjaweed militias are two groups thought to engage in poaching in these areas. Though much remains unknown about this new twist to the ongoing assault on wildlife in Africa and other places around the world, experts are beginning to question whether the illegal wildlife trade will (or has already) become a source of revenue for terrorist groups.

There are known cases, for example, where poachers have direct links to military weapons and markets also accessible to terrorist groups. Whether the poachers are connected directly to terrorist groups or their activities is not known. Warlords or militant groups that have been connected to specific instances of terrorist activity have also, separately, been connected to instances of poaching.

My colleague Michael Wamithi, Director of IFAW’s elephant program, reports that elephant poachers in many parts of Africa use weapons that can be acquired only from military sources, and African wildlife agencies are starting to recover western military weapons as well – including American-made M-16s and German-made G3s. Whatever the source of these weapons is, the fact that poachers, whoever they are, can obtain these weapons is cause for concern.

“The appearance of these weapons is very alarming because it means an improvement in the range, accuracy and firepower available to the poaching gangs, and this has a direct impact both on the animals and the rangers that are targeted by such weapons. Kenya Wildlife Service has recovered RPGs (Rocket Propelled Grenades), which Somali poachers sometimes carry to use against the rangers or to discourage KWS patrols from pursuit in the first place,” Wamithi says.

And, although tenuous, a geographic nexus exists between the illegal wildlife trade and terrorism activity as well. United States and United Nations officials are concerned that Central and West Africa, a well-known problem area for poaching and large-scale illegal wildlife trafficking, is also fast becoming a “hotbed” of crime and potential terrorism, to use their words.

Janjaweed militants and Somali warlords in East Africa are thought to receive support from al-Qaeda. In September, 2007, al-Qaeda's second-in-command Ayman al-Zawahiri urged Sudanese militants to rise up against the African Union and U.N. peacekeepers in Sudan's region of Darfur in a video posted on the Internet.

During the past year, there have also been reports of militants affiliated to al-Qaeda tapping into the illegal wildlife trade in India, Nepal, Burma and Thailand. Individuals based in Bangladesh who are believed to have ties to local terrorist groups are reportedly hiring local

trappers and infiltrating organized crime syndicates around India's Kaziranga National Park to poach in the park and nearby protected areas. Kaziranga and other wildlife preserves in the area are vulnerable and therefore attractive to criminals. Kaziranga park wardens report that sophisticated weapons and tranquilizer guns are being used to poach within the Park.

Indian officials and local traders and poachers say that Bangladeshi militants have turned to the wildlife trade for financial support because the profits from poaching and wildlife trafficking are untraceable, undetectable and readily exchanged – characteristics that are necessary in a post-9/11 world where the money laundering and banking schemes previously used by terrorist groups have been disrupted.

Illegal wildlife commodities like rhino horn, ivory, and tiger pelts and parts are the most coveted, with assured high-value on the black-market. And, rare wildlife commodities with established high black-market values can be used as collateral, just like gold, by those seeking fast cash resources.

In piecing together what little information exists about the suspected poacher-terrorist nexus, disturbing questions arise about what little we know, as do even more disturbing questions about what we do not know.

The U.S. and other governments and international bodies, though publicly acknowledging the possibility of a connection between the global illegal wildlife trade and terrorism, in my opinion have yet to allocate the resources necessary to understand how strong the links are, to determine what threats those links may pose, or to develop strategies for confronting these threats.

The resources dedicated by the U.S. and other nations to understanding and disrupting the global illegal wildlife trade are insufficient in comparison to those allocated for combating the two other large illegal industries, arms and drugs, both of which are also known to provide support for organized crime, militancy and regional instability, and globalized terror.

Until recently, the major arguments for working to combat the wildlife trade have focused on the resource itself – protecting against extinction, preventing the spread of animal borne diseases, stopping animal cruelty, supporting local wildlife tourism, protecting biodiversity, and sustaining rural economies and livelihoods. In the post 9/11 world, however, the illegal wildlife trade is no longer only a conservation or animal welfare issue. It is a national and global security issue, as well, and should be treated as such.

The impacts of the illegal wildlife trade are perhaps most apparent on the ground in places where highly imperiled – and highly valued – wildlife species cling to life, guarded by a brave and dedicated few. In recent years, hundreds of park rangers in Africa and around the world charged with protecting wildlife from poachers have lost their lives. In 2004, over 100 rangers were killed in the line of duty in the Democratic Republic of Congo (DRC) alone. India lost five rangers in 2006, and seven Chadian rangers were killed in 2007 protecting elephants in Zakouma National Park. The Kenya Wildlife Service has erected a permanent monument to the 19 rangers killed in the line of duty in recent years. These tragic deaths serve as a stark reminder that the illegal wildlife trade does not just affect the security of animals.

A report from the World Bank issued in 2005 on the illegal wildlife trade in South and East Asia summarizes a key theme in this global crime, stating, “Wildlife is not traded in isolation. It is part of a larger network of organized crime that involves drugs, guns, and people-smuggling.”

Significant attention and greatly increased resources are needed to fully understand the pathways of the illegal wildlife trade and connections to other illicit activities – drug running, military weapons, human smuggling, illegal logging, militancy, and terrorism – all of which profoundly affect both the communities where wildlife resources are depleted and the communities where wildlife resources are ultimately consumed.

All of the links in the supply chain, from local source villages in wildlife-rich places to large cities where consumers purchase wildlife products, legally and illegally, are impacted by these crimes and the violence and upheaval that can often come with them.

There is a relationship between exploiting natural resources, including the illicit wildlife trade, and exploiting people, whether it’s based on religious or political ideology or just simple greed. Removing an opportunity for criminal profiteering by addressing this illegal wildlife trade crisis will result in a safer world for animals and for people.

Thank you again, Mr. Chairman, for calling attention to this very important issue. I now look forward to answering any questions that you or other Members of the Committee may have.

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