

# The link between corruption and wildlife crime



An interview with Rob Parry-Jones, Acting co-lead and head of policy for the WWF / TRAFFIC Wildlife Crime Initiative, Paul Toni, WWF Australia and Ekaterina Khmeleva, WWF Russia

To better understand the linkages between corruption, money laundering and wildlife trafficking, the GIZ Anti-Corruption and Integrity Programme asked the experts from the World Wild Fund for Nature: Rob Parry-Jones, co-lead and head of policy for the WWF / TRAFFIC Wildlife Crime Initiative, Paul Toni from WWF Australia and Ekaterina Khmeleva from WWF Russia to shed light on this phenomenon.

## How does corruption facilitate wildlife crime in general and how does corruption facilitate the smuggling of illicit wildlife products?

 I think it is fair to say that wildlife crime<sup>1</sup> can be characterized by some knowns, many unknowns and some educated guesses. There are a number of ways in which corruption is known or believed to facilitate wildlife crime, but distinguishing between the categories is not always easy. **Let me explain...**

Captive breeding operations are known to be vulnerable to corruption, but it is hard to say with absolute certainty when it is corruption that facilitates the issuance of, say, a CITES<sup>2</sup> permit for trade in a reptile declared ‘bred in captivity’ (when in fact it was taken from the wild) and when it is lack of understanding. That the species has never before been bred in captivity, that applications for ‘bred in captivity’ permits have gone from zero in one year to hundreds of specimens the next - defying all biological explanation – is not *conclusive* proof of corruption, although the probability is overwhelming. There are conclusive cases, nevertheless: Guinea’s

former head of the CITES Management Authority was convicted and sentenced to 18 months in gaol in 2015 for fraudulent issuance of export permits including great apes declared as ‘captive bred’ in return for bribes. In January 2017, he was granted a presidential pardon whilst awaiting the ruling of his appeal<sup>3</sup>.

Bribery may be the most common form of corruption in the wildlife crime value chain, often petty bribes to functionaries in order for them not to do their jobs. The cumulative effect is of course far from ‘petty’, but becomes yet more devastating when corruption becomes entrenched and higher-level officials see the profits to be gained from the underlying crime. An example provided by UNODC is of a West African public official who provided a full set of documentation to ‘legalise’ an illegal shipment of a highly endangered hardwood species. The price for such ‘legal documentation’ was allegedly USD 38,000 – not a huge sum considering the value of the shipment.

Corruption’s role in facilitating illicit wildlife trade is not ground-breaking news. The CITES’ index of the ‘Proportion of Illegally Killed Elephants’ correlates strongly with Transparency International’s Corruption Perceptions Index (CPI): countries with high

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<sup>1</sup> “wildlife crime” includes the planning (inchoate offences), execution (poaching), trade, and sale of wildlife products, as well as the laundering of proceeds generated by the aforementioned acts. The term ‘wildlife’ has various interpretations, sometimes encompassing all wild species of animals and plants, including fish and timber, at other times referring only to terrestrial fauna and flora species but excluding timber, and distinct from fisheries crime. At WWF, we generally include all wild fauna and flora, aquatic and terrestrial (so including fisheries and timber) within ‘wildlife’. However, the massive increase in poaching of elephants and rhinos since around 2008, and the huge investment in data collection for these taxa mean that often the best data available concern elephants and rhinos, and consequently most published examples concern these pachyderms.

<sup>2</sup> Convention on International Trade in Endangered Species of Wild Flora and Fauna

<sup>3</sup> Presidential action faulted. Kenya News Agency. <http://kenyanewsagency.go.ke/en/presidential-action-faulted/> Posted on 6:43 pm, January 30, 2017 by KNA. Viewed 18 May 2016

elephant poaching rates have low CPI scores. Wildlife crime is a development issue, enshrined in the Sustainable Development Goals, and clearly linked to countries with poor governance. However, the other side of corruption – that of the corruptor providing illicit funds - is often overlooked: large scale corporate bribery to obtain licences for access to resources is known to take place, but is generally linked to forestry and fisheries crime, moreso than in relation to ‘wildlife’ crime. Also overlooked, particularly in the Africa/Asia ivory trade discourse, are the normative financial systems and arrangements in ‘western’ countries as well as the tax havens which facilitate the investment of corrupt monies from resource-rich developing countries.

There are numerous examples where corruption *appears* to be behind the actions, or lack of action, with examples including: the disappearance of elephant tusks from secured premises<sup>4</sup>; elephant tusks confiscated from diplomats and reappearing in the luggage of a different diplomat days later<sup>5</sup>; customs officers turning a blind eye to the transit of wildlife products of illegal provenance<sup>6</sup>; and, embezzlement of resources intended for wildlife management. In Zambia, the lack of a full investigation following public identification, in 2013, by the former Minister for Natural Resources and Tourism of four Members of Parliament for their alleged

involvement in elephant poaching and ivory trade<sup>7</sup>, also leaves many questions. But without a court making a finding of crime and/or corruption, a conclusive view cannot be formed. Even then, there is a challenge because the criminal justice system may be part of the problem: there are a number of cases where suspiciously lenient sentences have been handed down for wildlife trafficking offences, or the trafficker released and the seized contraband returned.

There are of course examples of successful court cases involving corruption. Indonesia's Corruption Eradication Commission (the *Komisi Pemberantasan Korupsi* - KPK) has been behind the successful prosecution of high-level functionaries for corruption relating to the timber trade<sup>8</sup>. The CITES Elephant Trade Information System (ETIS)<sup>9</sup> which records and analyses levels and trends of illegal ivory trade also provides a form of quantifiable information concerning corruption. Seizures of raw ivory shipments equal to or greater than 500kg are indicative of the involvement of organized crime<sup>10</sup>, indicating involvement of corruption, since it is unlikely that traffickers would risk making such large shipments without taking steps to secure safe passage through the complicity of relevant officials. Thus, the 61 large-scale ivory seizures recorded

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<sup>4</sup> [http://www.zimbabwesituation.com/news/zimsit\\_zambian-defence-minister-linked-to-elephant-poaching/](http://www.zimbabwesituation.com/news/zimsit_zambian-defence-minister-linked-to-elephant-poaching/) and <http://allafrica.com/stories/201605020353.html>; and <http://www.thestandard.co.zw/2016/04/27/hwange-how-to-steal-an-ivory-stockpile/>

<sup>5</sup> [http://www.zimbabwesituation.com/news/zimsit\\_zambian-defence-minister-linked-to-elephant-poaching/](http://www.zimbabwesituation.com/news/zimsit_zambian-defence-minister-linked-to-elephant-poaching/); and <https://www.dailymaverick.co.za/article/2014-11-28-home-grown-corruption-is-killing-africas-rhinos-and-elephants/>

<sup>6</sup> At a CITES CoP17 side event co-convened by UNODC and WWF, a Sri Lankan Customs official publically discussed the ‘pressure’ placed on him not to intercept wildlife and forest products transiting through his country; and see, <https://www.dailymaverick.co.za/article/2014-11-28-home-grown-corruption-is-killing-africas-rhinos-and-elephants/>

<sup>7</sup> [http://www.zimbabwesituation.com/news/zimsit\\_zambian-defence-minister-linked-to-elephant-poaching/](http://www.zimbabwesituation.com/news/zimsit_zambian-defence-minister-linked-to-elephant-poaching/)

<sup>8</sup> Fariz, D. (2012). Corruption in Forest Crimes. Paper V in : *Corruption, Environment and the United Nations Convention Against Corruption: Papers from the special event “Impact of corruption on the environment and the United Nations Convention against Corruption as a tool to address it”*, fourth Conference of States Parties to the United Nations Convention against Corruption, Marrakesh, Morocco, 26 October 2011.

<sup>9</sup> Further information available here: <https://cites.org/eng/prog/etis/index.php>

<sup>10</sup> CoP17 Doc. 57.6 (Rev. 1) – p. 14

between June 2011 to Dec 2014<sup>11</sup> are at least a quantifiable suggestion of corruption's role in facilitating the illicit movement of wildlife.

A greater emphasis on follow up investigations when wildlife seizure are made, on financial investigations and "whole of law" approaches in prosecuting wildlife crime should help build the evidence regarding the role and types of corruption facilitating wildlife crime.

### **What happens to the proceeds of wildlife crime and how are the profits being laundered?**

 Good question! Unfortunately, there is no easy response. Currently, only isolated or limited action is being undertaken to look at illicit financial flows generated by wildlife crime. Most jurisdictions don't regard wildlife crime as a significant money laundering threat, consequently financial investigation into wildlife crimes, including in pursuit of money laundering charges or asset forfeiture, rarely take place.

Inadequate legal frameworks and institutional arrangements make 'following the money' either a challenge or not even a consideration.

cases start and end with the seizure of illicit wildlife goods; further investigations are rarely conducted to learn more about the wider criminal network despite the wealth of information that may be available, for example on mobile phones.

There have been, however, some encouraging steps towards adoption of financial investigation approaches. In the Feisal Mohamed Ali case in Kenya, mobile-phone data was reportedly used to link the accused to a ring of further suspects<sup>12</sup>. Some mobile companies have sophisticated intelligence software to support their mobile-money businesses, enabling monitoring of high-risk users, and requiring suspicious transaction reports (STRs) to be reported to an FIU<sup>13</sup>. Private sector financial institutions also have considerable investigative capabilities which could be used to identify illicit financial activity connected with wildlife crime, in much the same way that suspicious transactions are used to identify human trafficking.

Certainly, there is a lot of work to be done still in understanding illicit financial flows connected to wildlife crime, but at least we are not starting from the beginning, and can learn

## **...Certainly, there is a lot of work to be done still in understanding illicit financial flows connected to wildlife crime...**

Even where countries have established interagency task forces or teams concerning wildlife trafficking - which should be an essential component of all national responses - very few include representatives of the Financial Intelligence Unit (FIU); it is a chicken and egg situation. All too often, wildlife crime

from approaches adopted in other areas, such as human trafficking and terrorist threat financing.

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<sup>11</sup> CoP17 Doc. 57.6 (Rev. 1) – pp.4-5

<sup>12</sup> Joackim Bwana, 'Witness: Suspects Made Hundreds of Calls in Days', *Standard Digital*, 15 February 2016., in Haenlein, C., and Keatinge, T (in prep). Follow the Money: Using Financial Investigation to Combat Wildlife Trafficking. Royal United Services Institute, London, UK.

<sup>13</sup> Haenlein, C., and Keatinge, T (forthcoming). Follow the Money: Using Financial Investigation to Combat Wildlife Trafficking. Royal United Services Institute (RUSI) Occasional Paper, London, UK.

## What are your recommendations to curb corruption in wildlife crime-nationally and internationally?

 There is a great example in the World Bank 2015 Development Report, citing a study<sup>14</sup> which identified “the social meaning of an honest official ... (as) ... someone who demanded no more than the going rate as a bribe for providing a public service”. I think this takes us to the core of the challenge: the longer the corruption persists, the more endemic and more organized it becomes; it becomes the social norm. And corruption in wildlife trade, in many places, is entrenched, systemic behaviour incentivised by a low risk / high reward ratio and the perception that wildlife crime is victimless crime. When there are few incentives for integrity and transparency, this perverse risk/reward ratio encourages further non-law-abiding behaviour. Even where anti-corruption laws for illegal trade in wildlife and wildlife products exist, cases of illegal trade in wildlife often target only the poaching / trafficking aspect, neglecting the underlying corruption. A human rights perspective is critical here because enforcement actions sometimes result in human rights abuses against vulnerable communities.

Changing entrenched social norms is a long-term challenge beyond the normal 3-5 year programme cycle and an issue for collective action rather than simply repressing deviant behaviour<sup>15</sup>. Criminal justice obviously has a significant role to play, but whilst being part of the solution, in some instances, it is also part of the problem – either due to corruption or to capacity deficits. To be able to respond adequately to corruption cases, prosecutorial

and judicial actors in many countries will require training to meet the evidentiary standards in what are often hugely complex cases, particularly concerning illicit financial flows and identification of beneficial owners.

Targeting the financial beneficiaries of environmental crimes, such as wildlife trafficking, should help redress the often disproportionate focus on low-level actors, bring in to play a different suite of laws with harsher penalties including asset recovery, and enable action against higher-level actors – such as politically powerful individuals – often (seen as) operating above the law. This must start with following through when seizures are made, using available means such as mobile phones to follow the money. To facilitate understanding of the role that a financial crime approach could play, financial policy and regulatory bodies, for example, the Financial Action Task Force, could make more explicit in existing principles and guidelines the link between wildlife crime and financial crime. There must also be structured links with in-country financial investigative units (FIUs).

Training in crime scene integrity is also an important component in preparing cases for court. Earlier, we spoke of the challenge in distinguishing between knowns and unknowns. An example in this context is when the DNA integrity of a poaching site is compromised, one must be able to assess whether this was due to a lack of capacity or to the influence of corruption. Accountability, through a thorough and independent investigation, and transparency, through credible public reporting are critical in this regard. These two elements are critical components of the recently adopted CITES

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<sup>14</sup> Wade, Robert. 1985. “The Market for Public Office: Why the Indian State Is Not Better at Development” in *World Development* 13 (4): 467–97.

<sup>15</sup> Mungiu-Pippidi 2013. Mungiu-Pippidi, Alina. 2013. “Becoming Denmark: Historical Designs of Corruption Control.” *Social Research* 80 (4): 1259–86, in *World Bank Development Report*. 2015. When corruption is the norm.

Resolution Conf 17.7 concerning captive breeding, which brings into play a new CITES process enabling transparency and accountability in permit issuance for animals reportedly bred in captivity.

This is an excellent example of sectoral knowledge and understanding informing the anti-corruption response, and an important lesson. Strengthened partnerships and collaborative approaches between the conservation and anti-corruption communities must be part of the anti-corruption response, enabling robust and institution-specific corruption risk assessments and management responses. Engagement with non-traditional actors is also important to help reframe the questions and redefine the parameters in problem-solving, an approach captured in *Frame innovation*, pioneered by Kees Dorst<sup>16,17</sup>. For example, a study published in *Nature* innovatively identified electricians in the cannabis cultivation value chain as vulnerable entry points for criminal network disruption, where previous strategies may have focused on the controllers and financiers<sup>18,19</sup>.

In all approaches adopted, iterative and adaptive monitoring to assess impact of all interventions is essential to build the evidence base for what works in addressing corruption. This is captured in a collaborative research paper<sup>20</sup> following the inaugural meeting of the

Countering Conservation-related Corruption (3C) Network, convened by the Durrell Institute of Conservation and Ecology, Transparency International and WWF International, in February 2016, with a number of international organisations including GIZ and UNODC.

Strengthened partnerships between public, civil society and the private sector are also required and should serve mutually reinforcing agendas. Civil society can inform private sector due diligence procedures (eg in the transport sector), strengthening integrity along the value chain and, it is anticipated, push corruption to the margins. Private sector transport companies who inadvertently receive the proceeds of the illegal wildlife trade need to be brought in as partners to combat and prevent corruption linked to wildlife crime. The e-permitting system for CITES is widely viewed in a similar light: a collaboration between the private and public sectors as a means of increasing transparency, facilitating legal trade and pushing corruption to the margins; however, focused monitoring and evaluation is required to test these assumptions. The recently adopted CITES anti-corruption resolution<sup>21</sup> also provides a number of recommendations for addressing corruption in wildlife crime, including measures such as appropriate remuneration for CITES officials, stopping corporate gifting, and for national

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<sup>16</sup> Dorst, K. (2015). *Frame Innovation: Create New Thinking by Design*. MIT Press. Cambridge, Massachusetts

<sup>17</sup> OECD. (2017). Working with Change: Systems approaches to public sector challenges. OECD Observatory of Public Sector Innovation. An initiative of the OECD's Public Governance and Territorial Development Directorate. GOV/PGC(2017)2, p.43

<sup>18</sup> Duijn, P.A.C., Kashirin, V., Sloot, P.M.A (2014). *The Relative Ineffectiveness of Criminal Network Disruption*. *Nature*. Scientific Reports 4, Article number: 4238 (2014).

[https://www.nature.com/articles/srep04238?utm\\_content=buffer8bc7&utm\\_medium=social&utm\\_source=twitter.com&utm\\_campaign=buffer](https://www.nature.com/articles/srep04238?utm_content=buffer8bc7&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer) viewed May 2017.

<sup>19</sup> Frame Innovation, an innovation-centred approach to problem-solving, is being explored as an evidence-based approach to corruption in wildlife crime by Designing Out Crime, at the University of Sydney.

<sup>20</sup> A collaborative research paper undertaken by U4 Anti-corruption Resource Centre, WWF and International Institute for Environment and Development (IIED): Williams, A., Parry-Jones, R and Roe, D. (2016). *The resource bites back: Entry-points for addressing corruption in wildlife crime*. U4 Anti-corruption Resource Centre, Chr. Michelsen Institute (CMI), Bergen, Norway.

<sup>21</sup> CITES Res Conf.17.6 - *Prohibiting, preventing, detecting and countering corruption, which facilitates activities conducted in violation of the Convention*

CITES authorities to work closely with anti-corruption commissions in the design of, *inter alia*, integrity policies and deterrence initiatives.

In terms of high level policy fora, five to ten



Fortunately, the importance of anti-corruption issues is already accepted as necessary for sustainable development,

### **... Strengthened partnerships and collaborative approaches between the conservation and anti-corruption communities must be part of the anti-corruption response...**

years ago, I would have responded that it was imperative that anti-corruption was picked up by the UN General Assembly, the Commission on Crime Prevention and Criminal Justice (CCPCJ), the UN Crime Commission, UN Convention on Transnational Organised Crime (UNTOC), and CITES – the list goes on - as well as in state-led processes. But in recent years, the anti-corruption agenda has secured great traction in policy fora, establishing universal agreement to address corruption in wildlife trafficking if sustainable development goals are to be achieved. High level policy fora, however, still have a significant role to play. The *G20 High Level Principles on Combatting Corruption Related to Illegal Trade in Wildlife and Wildlife Products*, adopted in July 2017, build on existing commitments and provide guidance to assist states in their anti-corruption responses. WWF looks now towards Argentina as the new G20 President to continue and build on this legacy.

#### **What would be needed to integrate anti-corruption issues more in the governance approach to biodiversity?**

including through the explicit inclusion of corruption in the United Nations Sustainable Development Goals (SDG 16.5)<sup>22</sup>.

Integrating anti-corruption issues in the governance approach to biodiversity requires two particular issues to be addressed. Firstly, there appears to be a general perception that environmental-related corruption is less significant than other forms of crime and corruption. This is in fact not the case, as there is considerable evidence that networks involved in wildlife crime and smuggling are also involved in other forms of illicit trade, including weapons and narcotics. Secondly, while some environmental crime and corruption involves very grand / political corruption (for example the sale of ivory, rhino horn, hardwoods and drugs by the South African Defence Force (SADF) during the apartheid era, to fund its wars and destabilization campaigns in South West Africa (now Namibia), Angola and Mozambique<sup>23</sup>; and land use planning) much environmental corruption involves relatively small sums of money or the exercise of corrupt influence by mid-level government officials. The impacts of such forms of corruption on wildlife and

<sup>22</sup> <http://www.un.org/sustainabledevelopment/peace-justice/>

<sup>23</sup> Duffy, R. (2014). *Waging a war to save biodiversity: the rise of militarized conservation*. International Affairs. Royal Institute of International Affairs, Oxford, UK., citing: M. E. Kumleben, Report of the commission of inquiry into the alleged smuggling of and illegal trade in ivory and rhinoceros horn in South Africa (Durban: Government of South Africa, 1996); Reeve and Ellis, 'An insider's account'; Stephen Ellis, 'Of elephants and men: politics and nature conservation in South Africa', *Journal of Southern African Studies* 20: 1, 1994, pp. 53–69

sustainable development are no less devastating, and must be addressed through informed and innovative approaches.

An effective approach to reducing corruption has been the *Corruption Perception Index* published by Transparency International<sup>24</sup>. The Corruption Perceptions Index uses the experiences, perceptions and evidence of citizens to score the relative levels of corruption between countries. This approach relies upon those most likely to be aware of corruption (namely the citizens themselves) and then harnesses the natural desire of countries to not be seen as being more corrupt than their peers to drive policies and measures to reduce corruption at a national level. The Corruption Perceptions Index is not without its shortcomings. However it provides an excellent foundation for future work.

WWF believes that the development of a special index on corruption in relation to environmental crime, including wildlife crime and other violations in the environmental sphere (deforestation, illegal fishing, unsustainable land and natural resource use) would help create better understanding of the relationship between environmental harm, governance and corruption.

An Environmental Corruption Index would:

- Assist advocacy for better polices and laws protecting biodiversity lead by the public, scientists, and environmental and anti-corruption organizations and their partners, leading to ...
- Amendments in national legislation and international agreements to improve transparency in decision-making related to biodiversity protection and use;
- New coalitions of environmentalists and anti-corruption organizations; and,
- New governmental and civil society institutions.

Rob Parry-Jones is acting co-lead and head of policy for the WWF / TRAFFIC Wildlife Crime Initiative. For this interview, he was joined by two colleagues from the WWF Governance Practice, Paul Toni from WWF Australia and Ekaterina Khmeleva from WWF Russia.

The World Wild Fund for Nature is a conservation organisation which works in 100 countries to protecting the future of nature.

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<sup>24</sup>[http://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2016](http://www.transparency.org/news/feature/corruption_perceptions_index_2016)

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