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IVORY AND INSECURITY: THE GLOBAL IMPLICATIONS OF POACHING IN AFRICA

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BEFORE THE

COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS

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IVORY AND INSECURITY: THE GLOBAL IMPLICATIONS OF POACHING IN AFRICA

THURSDAY, MAY 24, 2012

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:38 a.m., in room SD–419, Dirksen Senate Office Building, Hon. John F. Kerry (chairman of the committee) presiding.

Present: Senators Kerry, Coons, Udall, and Risch.

OPENING STATEMENT OF HON. JOHN F. KERRY, U.S. SENATOR FROM MASSACHUSETTS

The CHAIRMAN. The hearing will come to order.

Thank you all for coming. I apologize for starting a few moments late.

I realize that the issue that we are going to discuss today may seem to some to be slightly off the beaten path of the usual topics that our committee has tackled, but I believe very strongly that one of the responsibilities of our committee is and always has been to make sure that issues deserving attention receive focus. Whether people believe that before they have heard about the issue or not, whether they are on the front pages of our national consciousness today or not, it is our job, I think, to help put them there.

And certainly even if we are not today thinking much about the global implications of poaching in Africa, I can guarantee that we will be if it goes unabated. In other words, in a country with a deep and abiding conservationist conviction which has rallied to the defense of our bald eagle and our American bison, it is just a matter of time before we awaken to poaching's consequences, and if we do not act now, then the time will come too late. It would come too late for the elephants, these enormous, lumbering, majestic animals which have been a sentimental favorite with people the world over. They are a living connection to prehistoric times and a reminder of our responsibility to the future by preserving the past. And just as we have fought to save tuna, salmon, sharks, tigers, whales, the American eagle, and other endangered species, here too we have a special responsibility to future generations to live out our steward-caretaker responsibilities. How shockingly destructive and historically shameful it would be if we did nothing while a great species was criminally slaughtered into extinction.

And yet here we are in the midst of one of the most tragic and outrageous assaults on our shared inheritance that I have seen in my lifetime where an elephant's dead ivory is prized over its living

condition, where corruption feeds on its body and soul and where money only makes matters worse.

Yes, we have a lot of urgent, everyday problems that consume our politics. I am more than well aware of that. Deficits, unemployment, terror—those are challenges that we know too well and numerous enough to make anyone dizzy. But history reminds us that we never have the right to turn our backs on the values that define us. It is said that the elephant never forgets. Well, nor should we.

We are fortunate to have a strong panel of witnesses who will help us shine a spotlight on this horrific and regrettable widespread trade. Like all of you, I was shocked and saddened by recent news reports of the mass poaching of elephants in Cameroon and the surge in rhino and elephant poaching across Africa over the course of the past year. The pictures of dead elephants and hornless rhinos are heartbreaking. They stand as a grim reminder of our capacity to inflict harm on the natural world.

But I would also emphasize that the human costs of trafficking in ivory and other animal parts need to be focused on. This is a multimillion dollar criminal enterprise. The ivory trade stretches from the African savannah to the Asian marketplace, and the United Nations Office on Drugs and Crime ranks it as a significant form of transnational organized crime.

Poaching is not just a security threat for Africa. It is also a menace to developing economies, and it thrives where governance is weakest. Poachers with heavy weapons are a danger to lightly armed rangers and civilians, as well as to the animals that they target. They operate in remote territories and cross borders with impunity, wreaking havoc on villages and families. Increasingly, criminal gangs and militias are wiping out entire herds and killing anyone who gets in their way.

We also know that poaching is interwoven into some of central and east Africa's most brutal conflicts and that many of those combatants are essentially members of criminal gangs preying upon the communities. One begets the other, and they are interrelated.

In the Democratic Republic of Congo, U.N. reports charge that all the parties to the conflict, including the Congolese Army, have participated in this lucrative trade. Multiple reports describe armed men coming across the border from Sudan into the Central African Republic or from Somalia into Kenya to kill elephants and smuggle out the ivory. And the scope of lethality of the poaching industry is only increasing as armed groups expand their criminal networks and profit from the lucrative trade in conflict minerals and illegal timber. It is all part of a network. I learned that a long time ago when I was a prosecutor.

Do not take my word for it. Just look at the facts. According to the African Wildlife Fund, poachers have claimed more than 900 rhinos across Africa these past 3 years. Between 2007 and 2011, rhino poaching increased by 3,000 percent in South Africa alone. Black market prices for these commodities are surging, with rhino horn at times more valuable per ounce than gold. And if that is not troubling enough, consider that more than 23 metric tons of illegal ivory were seized last year. That is nearly 2,500 elephants.

The net effect of these depredations is more insecurity, more violence, and more corruption, not to mention the devastation of exist-

ing and potential opportunities for tourism and economic development, and ultimately the degradation of stability of whole regions.

So given these very real risks, I am convinced it is incumbent on all of us to ask what is causing this resurgence in poaching and what can be done to combat it.

The demand side of this equation is crucial. According to U.N. assessments, East Asia is the primary destination for ivory and other products. People are buying it. The Chinese Government and others have made some substantial seizures, but clearly a lot more needs to be done to eliminate the illegal marketplace.

On that front, I want to recognize the work of the U.S. Fish and Wildlife Service. In coordination with the State Department and other agencies, the service is vigorously prosecuting illegal ivory importers here in the United States and working collaboratively with Asian countries in order to reduce demand.

But we have other options as well. Along with several members of this committee, including Senators Coons and Isakson—Senator Isakson, by the way apologizes—he had a conflict. He wanted to be here today as the ranking member of the African Subcommittee. Senator Coons is the chair. And Senator Isakson is concerned about it but he simply had a conflict. As I was saying along with several members of the committee, I have introduced legislation, S. 2318, to expand the State Department's Rewards program to include transnational organized crime so that we can improve international efforts to reduce trafficking of all kinds.

And we will hear today from our witnesses that the international community has also expanded its efforts to track money and to follow that money throughout the trafficking business.

Before it is too late, we need to explore how we can strengthen our partnerships with regional law enforcement services to help enhance their capacities to protect their communities, patrol their borders, and safeguard their countries' natural resources.

I am pleased to note that Dr. Julius Kipng'etich is here. He is the Director of the Kenya Wildlife Service, and we appreciate his presence here today.

And with that, I want to welcome our very distinguished witnesses.

Dr. Iain Douglas-Hamilton visited with me last week, and we scheduled this hearing on somewhat short notice based on that. I appreciate his leadership over many, many years, as does everyone. He is the founder of Save the Elephants and has spent the last 40 years working on elephant conservation in Africa.

John Scanlon is Secretary General of the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

And Tom Cardamone is the managing director of Global Financial Integrity which focuses on illicit financial flows internationally.

So, gentlemen, we welcome you here today. I am very appreciative of you being here.

Since this is a somewhat out-of-the-ordinary hearing, I am going to ask Senator Coons if he wants to make any opening comments. Then we will proceed with the testimonies.

STATEMENT OF HON. CHRISTOPHER COONS, U.S. SENATOR FROM DELAWARE

Senator COONS. Thank you, Chairman Kerry, for calling this hearing, and thank you to our witnesses for everything you are doing.

I was just sharing with Dr. Douglas-Hamilton before we begin that my own experiences traveling in Uganda and Kenya and Tanzania 25 years ago included visiting a national park that had been almost completely emptied of wildlife in the course of what was at that point a brutal conflict. This was when now-President Museveni was really just on the verge of sweeping back into control. This was in 1987 actually.

And I was left haunted by the destruction to God's creation caused by human conflict. And in the decades since then, across many countries, there has been this virtuous cycle where recognizing the value of conservation of preserving elephants and other majestic animals for their own sake has also led to improvement in the prospect for development for the nations that host these amazing creations and creatures and has also led to a steady drop in the benefits, the proceeds, from the illegal trade in animals and in poaching.

What we are here to consider today is an unfortunate venal vortex that is going the opposition direction. Just as in central Africa, a number of countries have suffered from the Lord's Resistance Army because of a lack of central control, a lack of organized armed opposition, a lack of coordination and collaboration across countries, so too we put at risk majestic species, biodiversity, the opportunity to preserve amazing wildlife and habitat, and we put at risk the prospects for conservation, for development, for security, for humanity. And as I know we will hear, there has been a report that details just how many billions of dollars go into the coffers of resistance movements, terrorist groups, those who operate at the margins or outside the rule of law.

So I am grateful for your work. I look forward to your testimony. To Chairman Kerry, I know that my ranking minority, Senator Isakson, and I reflect what is a broad community across the House and Senate, Republican and Democrat, who care deeply about Africa and who welcome your effort to make certain that we put conservation at the top of our multinational agenda for moving forward the people and the nations of Africa.

Thank you.

The CHAIRMAN. Well, thank you very much, Senator Coons. Again and again, I say to you thank you for your concern and for your leadership in this area. It has been enormously important. We appreciate it.

Dr. Douglas-Hamilton, thank you for being with us. Why don't you lead off and we will just run down the table from there and then have a chance to have a dialogue?

STATEMENT OF DR. IAIN DOUGLAS–HAMILTON, FOUNDER, SAVE THE ELEPHANTS, NAIROBI, KENYA

Dr. DOUGLAS-HAMILTON. Thank you, Mr. Chairman, Senator John Kerry. I am deeply grateful for this response from the highest political levels in the United States of America, and I am honored

to appear before this committee. I have actually appeared both in the 1970s and the 1980s on the same issue when elephants were in peril, and I have testified three times before Congress.

We are now again in that situation. What is happening to elephants is appalling and more so since we have been through these ivory crises before and should have found solutions by now.

Quickly to summarize my points, in case I run out of time, there is an escalating crisis in poaching across Africa. It is driven by demand in China. The demand exceeds the supply. It creates security threats as well as conservation impacts, much of the trading being led by organized crime which undermines good governance, destabilizes security, and causes the illegal killing of elephants on a massive scale. Urgent action is critical to stem this decline.

The solutions are to increase funding for antipoaching efforts and environmental governance through programs managed by the U.S. Fish and Wildlife Service and the State Department, including USAID funding. We should explore opportunities to use the resources of Homeland Security to address this global security threat because otherwise if allowed to develop, it could breed something that comes back to hit you.

We should use new ways of thinking outside the box, using high-tech solutions, and above all, we should work more closely in partnership with China to reduce demand, at the highest levels of diplomacy.

I want to thank you for the role the United States has played in helping to conserve African elephants. Key funding has come from U.S. agencies, specifically from the U.S. Fish and Wildlife Service which has provided consistent funding through the African Elephant Conservation Fund, and from USAID which has helped save landscapes where elephants live. Together with the State Department, these U.S.-led efforts have made a huge impact on improving elephant conservation.

I cannot forget the NGOs who have played a critical role, who have always been out there on the front line: WWF, Wildlife Conservation Society; Liz Claiborne and Art Ortenberg Foundation, International Fund for Animal Welfare; Wildlife Conservation Network, Nature Conservancy, and African Wildlife Foundation, among many others.

Well, we have been there before with this elephant crisis. If you go back long enough, elephants were nearly exterminated in the Victorian era, and it was only in the early 20th century that they were able to recover when new game laws came in. This culminated in the 1960s which was a golden era for the national parks, where animals, for the first time, became tame and approachable and exposed to tourism.

Unfortunately, the ivory trade surged in the 1970s and 1980s, driven by prosperity in the Far East, mainly from Japan, where ordinary people could now buy ivory. This caused massive losses. Seven hundred tons of ivory a year, on average, representing about 70,000 elephants, left Africa annually for the best part of a decade. The estimated elephant population dropped from 1.3 million in 1979 to half that number by the mid-1980s. And in most of the savannahs of East Africa, central Africa, with a few exceptions in

southern Africa, there were massive drops in numbers. The evidence now is that that strong demand for ivory has surged again.

I would like to talk about a case study which is in Samburu in northern Kenya where Save the Elephants, my organization, conducts minute, detailed research by recording the births, deaths, and population dynamics of about 500 elephants. This has allowed us to record that elephants, protected by the Kenya Wildlife Service, recovered very well in the last two decades up until about 2008. We found that there was a steady increase in poaching and a tipping point was reached in 2008 where the elephants nosed over, starting with a big drought and ending with a big decline caused by ivory poaching, which is ongoing for the first 4 months of 2011.

This has caused terrible suffering for the elephants. The big bulls have been largely wiped out, and now the big cows are being attacked. The females, the matriarchs, are being removed, leaving great suffering amongst the family and a higher death rate amongst the offspring.

The worst-hit place in Africa is central Africa. There is a very good documentation of this by Fiona Maisels of the Wildlife Conservation Society and her colleagues. The paper is coming out soon and it will show that central Africa has lost over one-half its elephants in the last 10 years.

I want to say that all these threads of information have come together from different sources. They have cross-triangulated. At the front line there are scientists, there are wardens and rangers of wildlife departments. There is the press, journalists, and there are the NGOs.

The second line is African Elephant Specialist Group of the International Union for the Conservation of Nature. This group has a program that coordinates reports coming in, and increasingly, puts the information immediately on public record.

The next group is TRAFFIC, a joint program of WWF and the IUCN. They have an Elephant Trade Information Service that tracks illegal ivory, and it relies on hard data that gives the big picture across the world. In 2009, 2010, and 2011, there has been a rapid escalation in the seizures of illegal ivory. Tom Milliken, the head of TRAFFIC's ETIS referred to 2011 as an "annus horribilis" for elephants because it exceeded all others.

Finally, the program that really allows us to get a handle on what is happening is Monitoring the Illegal Killing of Elephants (MIKE), which is a program of the Convention on International Trade in Endangered Species. Data gathered from this program have shown that illegal killing again matched what happened with the ivory data. It increased from 2006 on, and finally last year, 2011, was a record bad year in levels of illegal killing of elephants. This covered all four regions of Africa. Once again, central Africa was shown to be the worst, but East Africa was also bad. West Africa is so small that there is hardly anything left there, but now even southern Africa that formerly had been well protected had levels of illegal killing which were beyond the level that the experts think is sustainable.

The implications for security are enormous. This crime is opportunistic. In large tracts of Africa, the poachers target the softest populations, and they will move from one population to another.

The reason we became so worried in Samburu was because it was a well-protected population, and if that could happen in well-protected population, we feared that this could happen to other well-protected populations elsewhere. And we wrote a paper that would be on the record in Nature.

The worst case that has been recorded recently is the terrible incident that took place in Cameroon where 200 and perhaps upward of 400 elephants were killed by heavily armed, well-organized militia. The poachers traveled probably 1,000 miles on horseback to get there. They may have come from Sudan or from Chad. And it is interesting that they are now avoiding the park of Zakouma in Chad because it has received good funding and has now become a slightly harder target to hit.

Also, in Garamba National Park in DRC, there has recently been another massacre, where a military helicopter was involved, and again a group of elephants were shot down.

Now, despite the fact that the overall picture is very dire, there are some success stories that point to what can be done. There have been successes recently in places that have received good funding and good programs with strong NGO or foreign aid support. These include protected areas in Gabon, Zakouma in Chad, Amboseli, Tsavo and the Mara in Kenya, Dzangha Dzangha in the Central African Republic. In Zakouma, elephants were being killed at the rate of 800 per year that dropped to 7 last year. In Kenya's largest national park, Tsavo, poaching gangs have been confronted and a reduction in the number of poached elephants has been observed from the air and independently confirmed. Likewise in northern Kenya, a similar surge has resulted in a notable decrease in illegally killed elephants over the last 6 weeks.

The way that we have to tackle this problem—there are three main ways: to confront elephant poaching in the field; to reduce the illegal trade nationally and internationally; and to reduce excessive demand.

The methods that I know best are used in northern Kenya by the Northern Rangelands Trust and the Kenya Wildlife Service. This NGO and wildlife authority make deals with communities so that they get a benefit from the conservation option. The nomadic people of northern Kenya are being settled through the creation of group ranches, and this allows them to adopt a conservation option which will benefit them. It is vital that they do so with good governance. The community conservancy movement in northern Kenya aims to get that good governance so that the communities elect officials, chairmen, and treasurers, hold annual elections, and have accounts, and does not escape those essentials which could lead to corruption. The result is you then get support from the communities. And we have seen an amazing increase in information about poachers coming in there.

Of course, there is a need for a good informer network which comes from community good will, linked to rapid response anti-poaching teams, skilled trackers, and local volunteer scouts. We want in northern Kenya to create role models of African conserva-

tionists who will be looked up to and to found a conservation effort based on local values. Local ranger forces trained by the Kenya Wildlife Service can become an elite.

I personally believe also that high-tech solutions can help. We have got to think outside the box. Tracking of elephants by GPS and satellites has been pioneered by Save the Elephants in Kenya, Mali, central Africa, and South Africa. It has now proved greatly useful to improving elephant security, by developing algorithms to detect wounded animals and mortality and to relate to the patrol centers, giving instant feedback. If there were ever the possibility to engage such a U.S. agency as DARPA to harness their intellectual and financial resources, a small investment could enormously help to save elephants and to promote stability. We dream of developing a high-tech collar that will incorporate more sensors and can be used for tactical use, including gunshot detectors, accelerometers to measure fine movements, and the ability to track ivory and rhino horn as it goes through its illegal movements.

The other main priority is to tackle demand for ivory. Currently China emerges as the leading driver of illegal trade in ivory. According to the Kenya Wildlife Service, 90 percent of ivory seized at Kenya's airports involve Chinese nationals, and since 2007, the amount of illegal ivory seized in Kenya has gone up by 800 percent.

In hindsight, it looks as if the new spike in demand for ivory and the resulting poaching crisis was exacerbated by the decision in 2008 to allow a one-off sale to China of legal ivory. This seems to have stimulated demand, as we predicted might be the case. It does not seem to be problematical now for Chinese consumers to buy ivory if some of it is legal and some is not. It creates confusion.

I visited China in October 2010 to learn how the Chinese regarded their own elephants. In Xishuangbanna, the last of the wild Chinese elephants still hold out in the forests. I learned that the Chinese highly value their own wild elephants, and they are strictly protected. If China would develop a leadership role in Africa, as well as in their own country, with respect to elephants, much of the problem could be solved. "If the buying stops, the killing can too." It is a phrase borrowed from an NGO, WildAid, that has much truth.

So for the first time in history of continental Africa, large numbers of Chinese are living in Africa and individually shipping out the ivory. There is more disposable income in China today than in history, ivory being a luxury commodity.

The ivory trade controls internally in China have broken down. In other words, those controls that were imagined to be at the heart of the last one-off sales permitted by CITES have failed.

Finally, the United States Government should/could use its considerable diplomatic influence to join with China in a leadership role to take immediate measures to end the illegal trade. China's recent law enforcement actions are very welcome, but they need to be enshrined and sustained over the long term. Ideally the U.S. Government could share some awareness of the current elephant situation and work in a joint leadership with China to solve the problem. If China would declare a unilateral 10-year moratorium on all ivory imports, there would be a better future for elephants in Africa.

And Thailand must enact serious legislative reforms to control its internal ivory market.

Failing these needed actions, the U.S. Government should ensure that those countries driving the demand are held to task at the upcoming CITES Conference of the Parties in March 2013. Maybe the United States should consider application of the Pelly amendment and the sanctions process that law offers in cases where CITES is being seriously undermined. I can think of no wildlife trade situation more serious than that facing the African elephant.

Thank you for giving your precious time to listen to the plight of elephants. Referring to prehistoric elephants 10,000 years ago, they lived here in this country, and I hope we can avoid repeating the hunting that led to their demise. Thank you.

[The prepared statement of Dr. Douglas-Hamilton follows:]

PREPARED STATEMENT OF IAIN DOUGLAS-HAMILTON

INTRODUCTION

Mr. Chairman, Mr. Ranking Member, and members of the committee, thank you for the opportunity to testify today. I am honoured to appear before your committee. My name is Iain Douglas-Hamilton, and I have been studying elephants in Africa since 1966. I founded the African Elephant Specialist Group of the IUCN in 1975 and launched the first pan-African elephant survey in 1977, funded by WCS and WWF. I have testified three times before Congress in the 1970s and 1980s when elephants were in peril from the ivory trade. We are once again in that situation. We are experiencing a huge upsurge in poaching, possibly to levels as high as those witnessed in the 1980s before the ivory ban. This time, however, we have more eyes on the ground and some unified systems endorsed by parties of the CITES treaty, for monitoring illegal killing of elephants (MIKE) and monitoring illegal trafficking of ivory through TRAFFIC, and their Elephant Trade Information System (ETIS). There are also many independent elephant scientists on the ground and trained rangers of wildlife authorities.

We have slid into an acute crisis with the African elephant that does not appear to be on many people's radar in the United States. What's happening to the elephants is outrageous, and the more so since we have been through these ivory crises before and should have found solutions by now. It is time for concerned individuals, NGOs, and Governments to take action.

Role of the United States

I want to acknowledge the profound leadership role that the United States has played in conserving the African elephants. In particular, I want to thank Congress for providing key funding for U.S. agencies that are working to conserve elephants in the wild. Specifically, there is the U.S. Fish & Wildlife Service, which has provided a consistent source of funding through the African Elephant Conservation Fund. Then there is USAID, which is helping to conserve the large landscapes that elephants call home through its biodiversity conservation programs in Africa. Moreover, the U.S. State Department has played a central role that bolsters wildlife trade enforcement efforts around the world. Collectively, these United States led efforts have made a huge contribution to elephants' survival. Without them the elephants would be in a much worse state than they are now.

Moreover U.S. conservation groups like World Wildlife Fund, Wildlife Conservation Society, International Fund for Animal Welfare, Wildlife Conservation Network, The Nature Conservancy, and African Wildlife Foundation, and many others, are working across Africa to provide essential financial support, strategic guidance, scientific research, political connections, and capacity-building opportunities on the ground for addressing the elephant crisis.It is vital that this American support continues, and if possible be increased to deal with the current crisis.

HISTORICAL PERSPECTIVE AND CURRENT TRENDS

Historically, the ivory trade has been the greatest threat to the continued survival of elephants in Africa. It was in the late 19th century that the trade first grew large and efficient enough to drive down elephant numbers in Africa significantly. Protective measures introduced in some countries in colonial times allowed a recovery in the 20th century. The 1960s was the golden era for the national parks, when ani-

mals were exposed to mass tourism and became tame and approachable. Unfortunately, the ivory trade surged again in the 1970s and 1980s, driven by prosperity in the Far East, mainly from Japan. This caused massive elephant losses in East, West, and Central Africa and parts of Southern Africa. The estimated minimum elephant population of 1.3 million in 1979 fell to half that number by the mid 1980s and to the approximately 450,000 (with wide error margins), by 2007, the last time a continental estimate was made by the African Elephant Specialist Group. In 1989, the international ban on ivory trade went into effect, resulting in an increase in elephants in many parts of Africa, especially in the Savannahs of East and Southern Africa, though notably, the elephants of Central Africa continued to decline.

Evidence now shows, that strong demand for ivory is once again driving the illegal killing of elephants to unsustainable levels, and that most elephant populations in Africa are already in decline or soon will be so, some of them dramatically.

Samburu Case Study

I want to refer to a case study where rising ivory prices threaten elephants. This is in Northern Kenya where my organization, Save the Elephants, has been working for over 15 years, together with researchers from Oxford University (my own alma mater), Colorado State University, and many other world class institutions in America and abroad. We have trained a first class team of local staff who take their place among African elephant experts. We record in minute detail the births, deaths, movements and social dynamics of a sample of about 500 known elephants, making it one of the world's best-studied populations. During this time, Samburu was a safe haven, and the elephant numbers increased. But a tipping point was reached in 2008 when elephant numbers were reduced when drought and a spike in illegal killing took its toll. Since then, poaching rates have steadily risen, and last year saw the highest poaching rates recorded. Selection of bulls with big tusks has resulted in a population with less than half the number of males to females. And now poachers have begun to target adult females. This often has the terrible effect of leaving families without their leaders. The number of orphans within the population is increasing rapidly.

These changes correlate with rising ivory prices and a near tripling of the total number of seizures of illegal ivory in or coming from Kenya. Our work with the Kenya Wildlife Service (KWS) and the security team of the Northern Rangeland Trust (an NGO supported by The Nature Conservancy (TNC), that engages local communities in conservation), has shown that local black-market ivory prices around Samburu have more than doubled since 2007. Now they are an order of magnitude greater than in 1990. A year ago we calculated that ivory of the largest male elephant poached in the Samburu population was equivalent to 1.5 years' salary for a wildlife ranger, or 15 years' salary for an unskilled worker. Since then ivory prices have soared yet higher to 18,000 Kenya Shillings per kilo. The incentives to kill elephants are threatening to overwhelm the capacity to protect them.

For poachers in the field across Africa, local ivory prices have reached a point at which criminals are willing to target even well protected, closely monitored populations. But in Africa, it is a fact that most poaching is easy—most elephant populations are poorly protected and offer soft targets. Based on the trends we were observing, Save the Elephants warned a year ago that the growing pressure on the Samburu elephant population, which is one of the better protected populations in Africa, might be a harbinger of what was to come for Africa's other protected areas.[1] I am sad to say that, in the intervening months, we have been proven correct, and elephant poaching rates have spiked across the continent. The least well-protected populations have been the hardest hit.

Scientific evidence from Central Africa has shown a devastating decline of forest elephants, documented in detail by Fiona Maisels of WCS and her numerous colleagues. Their exhaustive studies and analysis show that the African forest elephants (Loxodonta cyclotis)—which are taxonomically and functionally unique from the better known savannah elephants—are being poached at accelerating rates and have lost 62 percent of their numbers between 2002–2011. Their paper, now being reviewed for a scientific journal, compiles all previous references and is the latest and most comprehensive paper on the status and trends of African forest elephants.

An analysis for West African elephant trends has been made by Bouchet, et al., that shows a similar downward trajectory. However, these elephants only comprise about 3 percent of the continental population at most.

[1] Wittemyer, G., D. Daballen, and I. Douglas-Hamilton. 2011. Rising ivory prices threaten elephants. Nature 476:282–283.

Information has now come in from highly credible independent data sources and been triangulated, and all of it points in the same direction of a massive poaching surge.

TRAFFIC/ETIS

TRAFFIC, a joint program of WWF and IUCN—The World Conservation Union, is the world's leading wildlife trade monitoring organization. ETIS is TRAFFIC's Elephant Trade Information System that tracks illegal trade in elephant ivory using records of ivory seizures that have occurred anywhere in the world since 1989. Illegal trade in ivory has been steadily increasing since 2004. The increases were rather modest initially, but since 2009 the upward escalation has surged. Looking at 23 years of date, 3 of the 5 years in which the greatest volumes of ivory were seized globally occurred in 2009, 2010, and 2011. Tom Milliken, head of TRAFFIC's ETIS, referred to 2011 as the "annus horribilis" for elephants.

MIKE (Monitoring the Illegal Killing of Elephants)

The Monitoring Illegal Killing of Elephants (MIKE) program is a site-based monitoring system under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). The data gathered by the program show that illegal killing of elephants has increased steadily since 2006, with 2011 showing record levels since MIKE began in 2002. The increases are statistically significant, and poaching increases are happening in all four regions of Africa. Central Africa continues to show the worst levels of illegal killing relative to other regions, but all regions, even Southern Africa, had levels of illegal killing above the level thought to be sustainable by the Technical Advisory Group of the MIKE programme. Central African PIKE values, which consistently register at the highest levels, are coming now to East Africa.

Independent NGO Project Reports, Press Sources and the Scientific Literature

In 2012, there is currently no let up in reports of the illegal killing of elephants. Unprecedented large-scale killings have been reported from Cameroon, from Garamba in Northern DRC, and from Kenya, Tanzania, Mocambique and many other countries. This suggests that this illegal killing is widespread across the continent and is at a greater level than any year since the ivory trade ban of 1989.

IMPLICATIONS FOR SECURITY

Poaching, by definition, entails armed individuals, often gangs, operating illegally in wildlife habitats that, in many cases, are protected areas that attract tourists and contribute to the economic development of many African countries. Where poaching is particularly entrenched and pernicious, armed militias from one country temporarily occupy territory in another country, destroying its wildlife assets and posing serious national security threats on many levels. Every year, throughout Africa, dozens of game scouts are killed by poachers while protecting wildlife.

The increase of large scale (>800kg) ivory seizures is evidence of the growing involvement of organized crime in the illicit trade in wildlife. Illegal wildlife trade is often conducted by well-organized criminal networks that are undermining efforts to strengthen the rule of law and governance in many countries. Illegal wildlife trade in the 21st century has an estimated value of $7.8–$10 billion per year, a figure which, if correct, would make it the fifth-largest illicit transnational activity worldwide, after counterfeiting and the illegal trades in drugs, people, and oil.[2] In terms of its size, wildlife trade outranks the small arms trade. It also has connections to these other illegal activities—guns, drugs, and ivory may be smuggled by the same criminal networks and using the same techniques and smuggling routes. The White House recognized the importance of addressing the issue last July. when it issued the President's National Strategy to Combat Transnational Organized Crime and Converging Threats to National Security. This highlighted environmental crimes as being among the top five most lucrative criminal activities.

Middleman, ivory traders, often direct poaching activity and engage in targeted efforts to corrupt law enforcement and protection efforts. In some cases, organized Asian criminal syndicates, which are now increasingly active in Africa, work with local economic and political elites to subvert control systems and operate with relative impunity. The trends in both the MIKE and ETIS data sets are highly correlated with governance shortfalls and corruption. In other words, where poaching of elephants and illegal trade in ivory is most acute, poor governance is likely to be a serious operating factor. A related issue is the theft of government ivory stocks, a persistent problem in many African countries. Just last month in Mozambique,

[2] http://transcrime.gfintegrity.org/.

266 pieces of elephant ivory, representing over one tonne of ivory, were stolen from the government ivory store in the Ministry of Agriculture building in Maputo. Overall, illegal trade in ivory produces a broad corrupting influence on governments.

Poachers who profit from killing elephants and harvesting illegal ivory may also have ties to criminal gangs and militias based in countries such as Sudan (in the case of Central Africa) and Somalia (in the case of East Africa). Longstanding historical ties between slave trading, elephant poaching and the tribes that now form Sudan's Janjaweed militia (which has been responsible for many of the worst atrocities in Darfur) mean that illegal ivory may well being used as powerful currency to fund some of the most destabilizing forces in Central Africa and East Africa.

It is in parts of West and Central Africa where the situation is most dire and severe poaching is already resulting in the local extinction of elephant populations. This fact—and the connection between wildlife crime and regional security—has been dramatically driven home in recent months due to several high-profile poaching incidents involving large-scale massacres of elephants, violations of international sovereignty and the need for military engagement, both by Central African governments and the U.S. military.

Garamba National Park is located in northeastern Democratic Republic of Congo (DRC), on the border with South Sudan. For many years, this park was supported by World Wildlife Fund and African Parks Network to protect the last remaining population of northern white rhino, as well as the park's elephants. The park was invaded many times by both sides during the long civil war in Sudan, and poaching by well-armed militias was common. The result was a steady decline in rhino populations from at least 500 in the 1970s to the last observation in the wild several years ago. As a result of the ongoing poaching, Northern White Rhino are now considered extinct in the wild.

Garamba NP is still home to one of the few remaining elephant populations in DRC, however. An analysis of elephant trends in DRC shows that there are probably now only remnant populations of elephants in that country. The country's total elephant population is estimated at less than 20,000 and declining rapidly[3]—down from an estimated 377,000 as recently as 30 years ago.[4]. Garamba NP is now co-managed by DRC's national park agency and Africa Parks Network, a Dutch NGO. Due to their efforts and the improved security following the tentative peace in southern Sudan, the situation in the Park has seen a steady improvement in recent years and a reduction in poaching. This was true up until March 15 of this year. On that day, a foreign helicopter entered DRC airspace, and 22 elephants were killed by a marksman firing from the helicopter, killing the elephants with a single shot to the top of the head. While the actual slaughter was not witnessed, a Russian manufactured Mi-17 troop-carrying helicopter was photographed in the vicinity at the same time. The helicopter was illegal and of unknown origin.

However, the most notorious and well-reported incident in recent memory involving the slaughter of elephants and violations of national sovereignty took place this past winter, when at least 200 and perhaps upward of 400 elephants were killed in northern Cameroon by heavily armed, well-organized militia coming from Sudan and perhaps Chad.[5] In early February 2012, bands of heavily armed poachers illegally crossed from Chad into northern Cameroon's Bouba N'Djida National Park and, over the course of two months, massacred hundreds of the park's elephants for their tusks. The poachers, believed to be Sudanese with ties to the Janjaweed, travelled over 1,000 miles on horseback, disregarding international borders to target systematically the elephants of Bouba N'Djida NP. The park guards were ill equipped, unarmed and few in number, and the Sudanese militants were able to operate with impunity for weeks. The Cameroonian Government was slow to react and recognize the severity of the problem. Repelling the invaders eventually required the involvement of the Cameroonian military, with casualties on both sides and a resulting seizure of both ivory and weapons. The crisis even provoked the engagement of the U.S. military, including an in-person meeting between the President of Cameroon and U.S. General Carter F. Ham, Commander of U.S. AFRICOM.

Over the past year, similar poaching attempts have been made by Sudanese militants targeting elephants in Central African Republic's Dzanga-Sangha Reserve. Armed horsemen, believed to belong to the same band of Sudanese who raided northern Cameroon earlier this year, have twice attempted to enter the Dzanga-Sangha protected area complex, home to the majority of the remaining elephants in Central African Republic (CAR). The first attempt, in the fall of 2011, was suc-

[3] http://www.bonoboincongo.com/2009/02/01/how-many-elephants-are-left-in-dr-congo/.
[4] Douglas-Hamilton, I (1979) African Elephant Action Plan—report to IUCN.
[5] http://www.usatoday.com/news/world/environment/story/2012-03-16/cameroon-elephants-poaching/53564500/1.

cessfully repelled by the CAR army after World Wildlife Fund and other partners on the ground alerted the government to the imminent threat. The most recent incursion by the poachers is still ongoing at the time of this testimony. In early May 2012, about three-dozen Sudanese raiders were discovered in CAR moving toward the Dzanga-Sangha Reserve. At least 8–10 elephants have been killed outside of the park, and operations to capture and repel the invaders by the CAR military are currently underway. Both Cameroon and the Republic of Congo are coordinating with CAR in the effort and have stationed troops along their shared borders to prevent the poachers from moving into their territory. While the outcome remains uncertain at the present time, such cross-border cooperation and a history of CAR's ability to activate its military and respond quickly and effectively to address these kinds of invasions inspires hope.

SUCCESS STORIES

There are specific examples where support for increased security has shown measurable success and has lowered the level of illegal killing as measured by the MIKE programme. These include the populations in Zakouma in Chad, Amboseli and Tsavo in Kenya, and Dzangha Dzangha in Central African Republic. In each case, funding for an intensive antipoaching programme has been instituted, having a positive effect. African Parks Network reported that by employing strategic antipoaching tactics, they reduced poaching at Zakouma from an average of 800 elephants killed per year to 7 in 2011. In Kenya in the last 6 weeks there has been a surge in antipoaching actions implemented by the Kenya Wildlife Service (KWS). For example, in the largest Kenyan national park, Tsavo, poaching gangs have been confronted, and a reduction in the number of poached elephants has been observed from the air and independently confirmed. Likewise, in Northern Kenya, a similar surge assisted by the KWS, the Northern Rangeland Trust and Save the Elephants has resulted in a recent measurable decrease in illegally killed elephants. These examples demonstrate that it is not impossible to win, and good enforcement on the ground can work.

As the example of Dzanga-Sangha demonstrates, this is even true in Central Africa, which is the hardest hit region of the continent and in many ways the most difficult one in which to work successfully as an elephant conservationist. Despite the repeated threats from militarized Sudanese poachers and the nearby massacre in Cameroon this past winter, not a single elephant was poached in Dzanga-Sangha in 2011, the first such achievement in many years. This was due in large part to strong protection efforts that have been developed over several years by conservation NGOs, such as World Wildlife Fund, and governmental and nongovernmental partners, including USAID through its Central African Regional Program for the Environment (CARPE). Another major factor helping to secure the park has been the cross-border cooperation that has been developed between park guards of the three bordering countries—CAR, Cameroon and Republic of Congo—each of which contain a portion of the Sangha River Tri-national landscape (Dzanga-Sangha is the CAR portion). Park guards engage in regular communication, joint patrols and joint law enforcement, so that information is rapidly shared and potential poachers can be pursued across international borders.

Another example comes from Gabon, where it is believed that more than half the remaining forest elephants exist. The Wildlife Conservation Society, using equipment supported by the U.S. Fish & Wildlife Service, discovered an elephant killing field in Wonga-Wongue Reserve, where more than 30 large adult bulls were slaughtered for their tusks, and their carcasses left untouched. The ensuing intervention cleared the reserve of poachers and provided a necessary call to action, which the Government of Gabon heeded.

The examples in CAR and Gabon demonstrate that it is not impossible to win, and good enforcement on the ground can work. Central African countries can combat the environmental and security threats posed by transnational wildlife crime when governments engage and prioritize the issue, when enough capacity is in place to respond effectively, and when countries cooperate on a regional and transboundary basis. Such regional cooperation can also help to foment stronger regional ties on other issues and reduce regional tensions, as evidenced by the fact that countries that were at war not long ago are now engaged in joint security missions to protect their shared wildlife resources, including elephants. These resources, if properly protected, can form the basis for future economic growth in these impoverished, rural regions of the continent. In several African countries, this is already happening.

SOLUTIONS

There are several main issues that need to be confronted, elephant poaching in the field, illegal trade both national and international, and excessive demand for ivory at the consuming end that drives the whole process.

Boosting Antipoaching in the Field

The methods used in Northern Kenya are the ones with which I am most familiar and are particularly revealing. I have been working closely with the Northern Rangelands Trust, which is a programme supported by the Nature Conservancy and USAID, where a detailed written strategy has been worked out, in close collaboration with the police and the Kenya Wildlife Service of how to deal with insecurity resulting from poaching.

The nomadic people of Northern Kenya are being settled through the creation of group ranches. It is important to build community institutions with good governance. When this happens the support of the people is guaranteed. The rules are that each community should elect officials, a chairman and a treasurer, and have annual meetings and regular elections to office. The Northern Rangelands Trust is not shirking all these essentials as part of its strategy as a donor.

For this, resources are needed. Political will and support from the government are essential, and these we already have. We also need helicopters, planes, more trained tracker teams as well as the informer network, the rapid response team, the skilled trackers, the local volunteer scouts. We want to create role models of African conservationists who will be looked up to and to found a conservation effort based on local values. Local ranger forces can become elite, which is a better solution than pouring in foreign manpower to solve an African problem. Kenya has been through bad patches before, with elephant poaching leading to chaos, and has come back from the brink. It can do so again.

The principal of local buy-in, combined with training of local people to be disciplined scouts and rangers and a healthy collaboration between the private sector, conservationists and the national wildlife management authority, give this project a good chance of success. It can be regarded as a role model.

I personally believe, that high-tech solutions can also help. Tracking of elephants by GPS and satellites was pioneered by Save the Elephants in Kenya, Mali, Central Africa and South Africa, and has now proved to be useful in greatly improving elephant security. This is one of several high-tech solutions proposed. Save the Elephants is also developing algorithms to detect wounding and mortality and organizing patrols according to alerts that are generated automatically. If the resources of the U.S. agency DARPA were made available it would greatly promote these high-technology solutions.

We would like to develop a new high-tech collar incorporating more sensors that can give information of tactical use, such as gunshot detectors and accelerometers to measure fine movements. Thinking outside the box is needed to defeat the poaching and the use of remote sensors, gunshot indicators, and drones would help to give an edge over well armed and highly motivated criminal gangs.

Lowering Demand

The other main priority is to tackle the demand for ivory. There has been a paradigm shift in conservation thinking that acknowledges demand for ivory is the key factor driving poaching of elephants. Currently, demand for ivory exceeds supply. China has emerged as the leading driver of illegal trade in ivory. According to the Kenya Wildlife Service, 90 percent of ivory seized at Kenya's airports involves Chinese, and since 2007, the amount of illegal ivory seized in Kenya has gone up by 800 percent.

In hindsight, it looks as if the new spike in demand for ivory and the resulting poaching crisis was exacerbated by the decision in 2008 to allow a one-off sale to China of legal ivory harvested from elephants culled from the growing populations in Southern Africa. Where up until that point, all ivory had been illegal under the ban, this influx of "good" ivory into the market no doubt created the perception in the minds of potential Chinese consumers that it was no longer problematic to buy ivory in general, undermining the effectiveness of the ban. The result appears to have been a spike in demand, fed by the growing wealth of China and its neighbors, the confusion over legal versus illegal ivory, and the predictable willingness of ivory traders to exploit that confusion and sell illegally harvested ivory as though it were legal.

In October 2010, I visited China to learn how the Chinese regarded their own elephants. In Xishuangbanna, the last of the wild Chinese elephants still hold out in the forests. I learned that the Chinese highly value their own wild elephants, and they are strictly protected. If China would respect elephants in Africa as well as her

own, much of the problem would be solved. "If the buying stops, the killing can too." It is a phrase borrowed from the NGO, WildAid, that has much truth.

It appears, however, that the one-off sales permitted in 2008 by the CoP of CITES may have promoted demand within China, which, along with Japan, was registered as having adequate controls in ivory marketing. Recent ivory trade studies by Esmond Martin, the trade monitoring information collected by TRAFFIC/ETIS, and investigations by the Environmental Investigation Agency, International Fund for Animal Welfare, and BBC Panorama have shown that the majority of ivory now on sale in China comes from illegal sources. Demand for ivory in China is flourishing as never before and is driving the illegal killing of elephants, but the consequences of their buying illegal ivory is largely unknown by the Chinese public.

For the first time in the history of continental Africa, large numbers of Chinese are living in Africa collecting ivory and shipping it out. This is an incredibly potent force when coupled with the fact that the Chinese probably have more financing available than almost any other investor in Africa today. According to Tom Milliken, Global Elephant and Rhino Program Leader for TRAFFIC, "There is more disposable income in China today than in history. Ivory has the cachet of being a luxury status commodity, and more people than ever before are able to own a piece of ivory now. The demographics of China absolutely swamp anything."

Ivory trade controls have broken down. In other words, the controls that were imagined by the CITES parties to exist at the heart of the ivory importing, and would justify the one-off sales of ivory, have failed.

If we accept that demand for ivory is the key factor driving elephant poaching, and that it is unsustainable, then it is logical that united world action is needed to lower demand for ivory if elephants are to survive. At bottom, China holds the key to the future of the African elephant. The preponderance of illegal ivory in China makes anything less than a moratorium a distraction and impracticable.

RECOMMENDATIONS

The United States Government should use its considerable diplomatic connections to encourage the two main markets for illegal ivory—China and Thailand—to take immediate measures to end the flourishing illegal trade. China's recent positive wildlife trade enforcement actions must be enshrined and sustained over the long term. Ideally the U.S. Government could share some awareness of the elephant situation and work toward a joint leadership with China to solve the problem. If China would declare a unilateral 10-year moratorium on ivory imports, there would be a future for elephants in Africa.

And Thailand must enact serious legislative reforms to control its internal ivory market. Failing these needed actions, the U.S. Government should ensure that those countries driving the demand are held to task at the upcoming CITES CoP in March 2013. The United States should also consider application of the Pelly amendment and the sanctions process that law offers in cases where CITES is being seriously undermined. I can think of no wildlife trade situation more serious than that now facing the African elephant, due to the exploding demand for and illegal trade in ivory.

The CHAIRMAN. Thank you very much, Dr. Douglas-Hamilton.

I understand you have a video.

Dr. DOUGLAS-HAMILTON. Yes. This is a video.

The CHAIRMAN. How long is the video?

Dr. DOUGLAS-HAMILTON. I think it is just a minute or 2.

The CHAIRMAN. Can we show that now before we have——

Dr. DOUGLAS-HAMILTON. Yes. It comes from BBC Panorama.

[Video shown.]

The CHAIRMAN. Well, that sums it up pretty effectively. Thank you very, very much, Doctor.

Mr. Cardamone.

STATEMENT OF TOM CARDAMONE, MANAGING DIRECTOR, GLOBAL FINANCIAL INTEGRITY, WASHINGTON, DC

Mr. CARDAMONE. Thank you, Mr. Chairman, Senator Coons, and members of the committee. I appreciate the opportunity to appear before you today to make the connection between illegal wildlife

trafficking and national security. Global Financial Integrity is a Washington, DC-based research organization that is focused on the opacity of the global financial system and the facilitating role the lack of transparency plays in money laundering and corruption and the threat it poses to the security of all nations.

Ivory poaching, like all forms of illegal wildlife trade, is a very profitable business. Global Financial Integrity estimated the value of the illicit trade in all forms of wildlife, excluding fishing and timber, at up to $10 billion annually. In recent years, organized crime syndicates, militias, and even terrorist elements have reportedly taken notice of the profits that can be made in wildlife trafficking, generating an alarming uptick in the scale of the industry and posing serious national security concerns for the United States and our partners.

Organized criminal networks involved in illicit wildlife trafficking routinely use sophisticated money-laundering schemes to move profits and shield their organizations from detection and prosecution. The use of anonymous shell companies, often layered across multiple jurisdictions, is one of the most effective tools available to money launderers, obscuring the money trail, and impeding law enforcement investigations. They are frequently used not just by traffickers, but also by terrorists, drug cartels, arms dealers, kleptocrats, tax evaders, and rogue states to easily launder their money.

Unfortunately, the United States is a breeding ground for these shell corporations. It is estimated that nearly 2 million companies are established in the United States each year, and the vast majority of them are not required to provide any information, neither names nor addresses, about the true owners of the firms. This lack of information means that shell companies with hidden owners are opaque to law enforcement.

While most shell companies are likely to be involved in legitimate businesses, U.S. national security is left to chance because of our inability to tell the difference between an LLC created by a dentist in Texas and one set up by a government entity in Tehran.

Viktor Bout, the so-called "Merchant of Death," who provided arms to the Taliban, the FARC, and to child soldiers in Sierra Leone, controlled at least a dozen shell corporations which were registered in Texas, Florida, and Delaware. Additionally, a recent World Bank report revealed the United States was the locale of choice for corrupt foreign politicians establishing anonymous shell companies to launder their money.

It is also important to ensure that, when good laws are in place to counter money laundering, financial institutions comply with the law. Recent reports have raised concerns that this may not be the case.

A recent study from the British Government revealed that 75 percent of U.K. banks investigated in a recent round of targeted regulator oversight were not sufficiently complying with antimoney laundering regulations. There is no reason to believe the situation is any different at American banks. Indeed, major American financial institutions, including the former Wachovia Bank, Citibank, and most recently HSBC Bank USA have allegedly not been performing adequate due diligence on their customers.

Congress should address these problems. Senate bill 1483, the Incorporation Transparency and Law Enforcement Assistance Act, is bipartisan legislation that would establish beneficial ownership registries that could be accessed by law enforcement and tax authorities. The bill is heartily supported by the Departments of Justice, Treasury, and Homeland Security, and many law enforcement organizations also endorse the bill. By implementing S. 1483, not only will the Nation's security be stronger, the United States will secure the moral high ground needed to encourage its allies and global fora like the Financial Action Task Force in Paris, the G8 and the G20 to consider beneficial ownership registries as a new international norm.

The primary point I want to make today is that the mechanisms in the global financial system that permit the laundering of illegal ivory proceeds are the same mechanisms used by Viktor Bout, drug cartels, and terrorist groups. Shell companies, secret bank accounts, and a host of other opaque entities create a structure that facilitates trafficking of all types and adversely impacts U.S. national security. Addressing this challenge by creating corporate registries should be a priority for Congress.

Thank you again for the opportunity to address the committee. My written testimony has been provided for further details, and I look forward to your questions.

[The prepared statement of Mr. Cardamone follows:]

PREPARED STATEMENT OF TOM CARDAMONE

Thank you Mr. Chairman, Ranking Member Lugar, and members of the committee. I appreciate the opportunity to appear before you today to make the connection between illegal wildlife trafficking and national, as well as global, security. Global Financial Integrity is a Washington, DC-based research organization that is focused on the secrecy inherent in the global financial system and the facilitating role it plays in tax evasion, money laundering, and corruption and the threat it poses to the security of all nations.

Ivory poaching, like all forms of illegal wildlife trade, is a profitable business. Indeed, the U.S. State Department estimates the market price of poached ivory at $400 per pound.[1] Global Financial Integrity recently estimated the global value of the illicit trade in all forms of wildlife, excluding fishing, at between $7.8 and $10 billion.[2] In recent years, organized crime syndicates, militias, and even terrorist elements have taken notice of the profits that can be made in the illegal trafficking of wildlife, generating an alarming up-tick in the scale of the industry and posing serious national security concerns for the United States and our partners.

LOW RISKS, HIGH PROFITS

In comparison to other forms of transnational crime, the risks and penalties associated with the illegal poaching and trafficking of wildlife are small. In many countries, poachers and traffickers face little more than a small fine and a couple of months in prison if caught, while penalties for drug trafficking can result in the death penalty.[3]

On the other hand, rhino horn can now rival cocaine and gold in value by weight, making it an extremely lucrative business in which to engage.[4]

TERRORISM CONNECTION

In the wake of the September 11, 2001, terrorist attacks on the United States, actions taken by Congress and the administration to target terrorist financing nearly eliminated the proliferation of shell banks and decapitated al-Qaeda's central command. This has forced the cash-starved organization and its affiliates to look for new sources of funding. Al-Qaeda affiliates can no longer count on al-Qaeda central command to finance their operations; they must raise most of their funding on their own.[5] The illicit trafficking of wildlife appears to be one of the ways a number of al-Qaeda affiliates have chosen to raise money to fund their operations.

Media reports indicate that two Bangladesh-based, Islamic terrorist groups affiliated with al-Qaeda, Jama'atul Mujahideen Bangladesh (JMB) and Harkat-ul-Jihad-al-Islami (HuJI), are raising funds for their operations via the illegal poaching of ivory, tiger pelts, and Rhino horns, among other things, in the Kaziranga jungle in northeastern India.[6]

Last year, The Independent on Sunday, the British newspaper, and Vanity Fair separately reported that there is evidence that al-Shabaab, a Somali Islamist group with ties to al-Qaeda, has connections to the illicit poaching and trafficking of both ivory and rhino horn.[17] [18]

ARMED GROUPS, MILITANTS AND INSURGENTS

Several militias, armed groups, and insurgent groups have reportedly profited from illicitly poaching and trafficking wildlife in Africa and elsewhere.

Central and east Africa are home to wildlife populations, active smuggling and poaching operations, and ongoing conflicts. In some cases these converge. During its years of war with Northern Sudan, the Sudan People's Liberation Army of what is now South Sudan is alleged to have poached "elephants with grenades and rocket-propeller guns."[9]

Sudanese militias, including the Janjaweed, are also reported to have engaged in the poaching of ivory for profit in Chad, Kenya, and elsewhere.[10] [11] Further east, Somalia's lack of governance makes it the perfect ground for smuggling of all kinds, and Somali poachers are allegedly engaged in significant poaching operations in Kenya.[12]

In the war-torn Democratic Republic of Congo, the Congolese Army, the Rwandan Democratic Liberation Forces (FDLR) which led the Rwandan genocide in the 1990s, and the National Congress for the Defense of the People (CNDP) are all accused of participating in poaching in U.N. and INTERPOL reports.[13]

Additionally, the Congressional Research Service (CRS) reports that Angola's National Union for the Total Independence of Angola (UNITA) and the Mozambican National Resistance (RENAMO) were two more "militia or insurgent groups that were allegedly involved in wildlife trafficking" during conflicts in those countries.[14]

LINKS TO DRUG CARTELS

There are also possible ties between the illegal wildlife trade and drug traffickers. According to the CRS, much anecdotal evidence suggests that animal traffickers utilize similar smuggling routes as drug traffickers, particularly in Central and South America. The report stated the following:

> The United Nations reports that members of the former Cali drug cartel in Colombia and Mexican drug dealers have also allegedly smuggled mixed shipments of drugs and wildlife products into the United States. According to the Brazilian National Network Against the Trafficking of Wild Animals (RENCTAS), 40% of an estimated 400 criminal rings smuggling animals were also involved in other criminal activities, especially drug trafficking. The CITES Secretariat has also reported that combinations of parrots and drugs have been smuggled together from Cote d'Ivoire to Israel.

Further, the former Medellin drug cartel was allegedly involved in the illegal trade of rare birds.[15]

SHELL COMPANIES AND ANIMAL TRAFFICKING

As organized crime, militias, and terrorist entities have become more involved in the illegal trade of wildlife in recent years, the use of sophisticated money laundering schemes to move their profits and shield the organizations from detection and prosecution are routinely detected.[16] Illegally poached ivory from some 300 Zambian elephants was discovered by Singapore customs officials in 2002, and "investigations revealed a complex network of shell companies and pseudonyms used in procuring the ivory." Not surprisingly, as of 2010, 8 years after the ivory was confiscated, "no significant members of the network have been prosecuted."[17]

Likewise, an illegal shipment of elephant tusks was discovered in 2006 by Honk Kong customs officials, and INTERPOL indicates the paper trail led to another "interlocking web of shell companies."[18]

Further, the U.N. Secretary General noted in 2003 the high level of corruption, the involvement of organized crime and the heavy use of shell companies in the illegal trade of caviar. The Secretary General wrote the following:

> The caviar business exhibits most of the indicators of involvement of organized crime elucidated above. The level of violence and corruption are

> high, the trade is very well organized, there are numerous front companies, the schemes for circumventing restrictions are sophisticated and sometimes involve the use of intermediary jurisdictions, there are multiple shipments and the trade reaps large rewards that are either integrated with legitimate profits by front companies or used to acquire luxury goods.[19]

Moreover, the Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) has highlighted "the establishment and use of fake or 'front' companies to distribute and market wildlife products" and noted that "various forms of wildlife crime lend themselves to money-laundering activities and, thus, will attract the involvement of organized criminal groups."[20]

ORGANIZED CRIME'S USE OF SHELL COMPANIES

The use of anonymous shell companies, often layered via multiple jurisdictions, is one of the most effective tools available to money launderers and organized criminals, obscuring the money trail and impeding law enforcement investigations. They are frequently used not just by wildlife traffickers, but also by American and foreign terrorists, narcotraffickers, arms dealers, corrupt foreign officials, tax evaders, rogue states, and other criminals, to easily launder their money.[21]

Anonymous shell companies are utilized by the arms dealers who supply animal traffickers, militants, and terrorists, with weaponry. They are used by the corrupt public official who accepts kickbacks and bribes into his or her offshore account in order to look the other way as poachers illegally pillage their country's natural resources. They are used by terrorists looking to clandestinely move their money around the world to finance their heinous crimes. They are used by rogue regimes, like Iran and North Korea, to circumvent international sanctions. They are used by drug traffickers like those in Mexico who have killed 50,000 people in their country in just the past 6 years.[22] Finally, they are used by tax evaders, who cost the developing world an estimated $1 trillion per year in illicit outflows.[23] [24]

SHELL COMPANIES IN THE UNITED STATES

Unfortunately, lax regulation and disparate state statutes make the United States a breeding ground for anonymous shell corporations. It is estimated that nearly 2 million companies are established in the United States each year, and the vast majority of those companies are not required to provide any information—neither names nor addresses—about the beneficial owners of the firms.[25] And by "beneficial owner" I am referring to a person, rather than a law firm or agent, which controls or benefits financially from the activities of the incorporated entity. This lack of information means that shell companies with hidden owners are opaque to law enforcement and tax authorities. It also means that when illegal activity is suspected, an investigation often run into dead-ends.

THE THREAT TO U.S. NATIONAL SECURITY

Of course, this situation is ripe for exploitation by foreign and domestic terrorists, drug cartels, arms dealers, foreign kleptocrats, tax evaders and traffickers of all stripes. While most shell companies are likely to be involved in legitimate business, U.S. national security is left to chance because of our inability to tell the difference between an LLC created by a dentist in Texas from one set up by a government entity in Tehran.

Indeed, only after a long and expensive investigation was it discovered that 40 percent of the property located at 650 Fifth Avenue in New York was, in fact, owned by Iranian citizens who represented Bank Melli, the National Bank of Iran. The reason the investigation was delayed was that the individuals hid behind a partnership, which had, as one of its components, a shell company formed in New York which itself was controlled by an anonymous company set up in the island of Jersey.[26]

Moreover, Viktor Bout, the so-called "Merchant of Death," who provided arms to the Taliban, the FARC and to child soldiers in Sierra Leone, controlled at least a dozen shell corporations, which were registered in Texas, Florida, and Delaware. With benign-sounding names such as the "Central African Development Fund" or "Daytona Pools," Bout was able to outwit and outrun law enforcement for decades until his recent arrest and conviction.[27]

Further, a recent report from the World Bank revealed that the United States was the locale of choice for corrupt foreign politicians establishing offshore shell companies to launder their money and gain access to the international financial system.[28]

NONCOMPLIANCE: MONEY LAUNDERING LAPSES

It is also important to ensure that, when good laws are in place to counter money laundering, financial institutions are complying with the law. Recent reports have raised concerns that this may not be the case.

A recent study from the British Government revealed that 75 percent of U.K. banks were not sufficiently complying with antimoney laundering (AML) regulations.[29] There is no reason to believe the situation is any different at American banks. Indeed, major American banks have been found to be in violation of their due diligence requirements in recent years. In 2010, the U.S. attorney prosecuting Wachovia for AML failures stated, "Wachovia's blatant disregard for our banking laws gave international cocaine cartels a virtual carte blanche to finance their operations by laundering at least $110 million in drug proceeds."[30]

Last month, Citibank was fined by the Office of the Comptroller of the Currency "for failing to comply with a federal law that requires banks to establish protections against money laundering,"[31] and a special report by Reuters earlier this month alleged that HSBC's U.S. subsidiary, HSBC Bank USA, was guilty of "apparent antimoney laundering lapses of extraordinary breadth." The report claims that the "bank understaffed its antimoney laundering compliance division and hired 'gullible, poorly trained, and otherwise incompetent personnel,'" it claims that HSBC USA "maintained accounts with 'high risk' affiliates such as 'casas de cambios'—Mexican foreign-exchange dealers—widely suspected of laundering drug-trafficking proceeds," and it states that "in some instances, 'management intentionally decided' not to review alerts of suspicious activity."[32]

This shows a clear disregard for the law among many U.S. and international banks, and, although we live in a climate of fiscal austerity, it is important to ensure that U.S. financial regulators have the staff, funding, and resources necessary to adequately ensure compliance with the law. Congress should use its authority to increase the budgets of the Nation's financial watchdogs to make certain that they can do their jobs effectively.

As a member of the Financial Accountability and Corporate Transparency Coalition, Global Financial Integrity sent a letter to U.S. Treasury Secretary Geithner in September, asking him to conduct a study, as the U.K. has done, to determine how well U.S. banks are complying with their AML obligations.[33] We have yet to have a response to that letter from anyone in the administration.

SOLUTIONS

While there is no silver bullet in the effort to curtail the ability of rebel and militant groups, as well as criminal and terrorist entities, to launder illicit funds garnered from ivory trafficking and other crimes, Congress has an important role to play to address the problem. Senate bill 1483, the "Incorporation Transparency and Law Enforcement Assistance Act," is bipartisan legislation that would require companies to divulge the person or persons who own the firm and would require states to establish registries with this information, which could be accessed by law enforcement and tax authorities.

The burdens that this legislation would impose on the states are minimal, while the benefits to national security are significant. No longer would the likes of Viktor Bout or the National Bank of Iran be able to forestall investigations by shielding their activities behind multiple layers of shell companies.

While this legislation has some way to go before passage, it should be noted that it is heartily supported by the Department of Justice as well as the Treasury and Homeland Security Departments. Additionally, the Obama administration has included beneficial ownership as a core commitment of its Open Government Partnership Action Plan. Several law enforcement organizations also endorse the bill, including the Federal Law Enforcement Officers Association, the Fraternal Order of Police, and the Society of Former Special Agents of the FBI.

THE GLOBAL IMPACT

Of course, one may question how a pending bill in Congress can have an impact on ivory poaching or other wildlife trafficking. As Assistant Secretary of State William Brownfield pointed out in February, "terrorist and insurgent groups have evolved into criminal entrepreneurs . . . engaging in illicit activities to finance their operations."[34] Organized criminal networks that do not have political agendas are even more pervasive and often just as violent. The way these groups are able to hide, launder, and funnel illicit funds is through layers of nominee trusts, partnerships, shell companies, numbered bank accounts, and other entities for which little, if any, information is known. By implementing the "Incorporation Transparency and

Law Enforcement Assistance Act," not only will the Nation's security be stronger, but the United States will have secured the moral high ground needed to encourage its allies to consider beneficial ownership registries as a new global norm.

FATF

For example, this past February, the Financial Action Task Force (FATF) in Paris concluded a review of its international antimoney laundering provisions. While great progress was made in some areas, FATF did not strengthen its rules on anonymous corporate vehicles. The new standards do not require the disclosure of the true beneficial owners of corporate entities when they are formed, leaving it instead as an option for each member state to decide.[35] This was a lost opportunity to address a major loophole used by many criminal entities. A strong incorporation transparency law would indicate the U.S. commitment to solving this problem.

G8

Additionally, the G8 nations have a mandate to coordinate efforts related to terrorist financing, money laundering and corruption. A subset of the G8 called the Roma/Lyon Group, which is comprised of law enforcement, intelligence and justice ministry experts, is specifically tasked with addressing terrorist financing, trafficking, and transnational crime. This group could be an effective advocate for global efforts to establish corporate registries. The benefit of a U.S. law requiring these registries is that it would have a clear influence on the future agenda of this group.

The primary point I would like to make today is that the mechanisms in the global financial system that permit laundering of illegal ivory proceeds and funneling of money to armed groups are the same mechanisms used by Viktor Bout, drug cartels, and terrorist groups. Shell companies, secret bank accounts, and a host of other opaque entities create a structure that facilitates trafficking of all types, and adversely impacts U.S. national security and supports rebel groups. Addressing this challenge by creating corporate registries should be a priority for Congress.

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The CHAIRMAN. Well, thank you very much. Your full testimony will be placed in the record as if read in full. I appreciate it.

Mr. Secretary General.

STATEMENT OF JOHN SCANLON, SECRETARY GENERAL, CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA, GENEVA, SWITZERLAND

Mr. SCANLON. Thank you very much, Chairman Kerry, and thank you to yourself and to the committee members for your interest in this topic. It is a great honor to have an opportunity to testify before you this morning.

CITES was adopted right here in Washington, DC, in March 1973, at a plenipotentiary conference that was hosted by the United States Government. And the United States has been a very strong supporter of the implementation of CITES since that time,

and it has been at the forefront of efforts to combat the illegal trade in wildlife.

As you know, CITES regulates trade in around 35,000 species to be sure such trade is legal, sustainable, and traceable, and there is a high volume of legal trade which is a multibillion dollar business.

But today we are here talking about another aspect of CITES and that is tackling illegal trade in wildlife, and this is a growing problem worldwide.

The value of this illegal trade is now estimated at being anything between $5 billion and $20 billion per year. That excludes timber and marine resources. And the extent of illegal trade in wildlife is further reinforced when you look at the published results of specific enforcement operations undertaken by organizations such as INTERPOL and the World Customs Organization.

And Chair and committee members, it is very clear organized crime is actively involved in the illegal trade of wildlife. This has been made clear by INTERPOL both through its Secretariat and its governing body which has passed resolutions on the topic and by the United Nations Commission on Crime Prevention and Criminal Justice and the U.N. Office of Drugs and Crime. And there is absolutely no doubt that organized crime is involved in the illegal trade of elephant ivory and rhino horn.

We have heard from Iain this morning about a major spike in the illegal killing and the illegal trade of both elephant ivory and with respect to rhino horn, and these are reaching levels that cannot be sustained. There have been record numbers of large seizures of elephant ivory, a large seizure being over 800 kilograms. That is about 1,800 pounds I think in weight. You cannot take 800 kilograms of ivory from central Africa, export it through East Africa into Asia without very organized and sophisticated networks, and these are what are in place to trade illegally in this substance.

And with rhino, we have gone from 13 rhino illegally killed in South Africa in 2007 to 448 illegally killed in 2011, and the numbers are up to 220 already this year, putting us on track for illegal killings of up to 600. This is despite the best efforts of the South African Government which has really enhanced its enforcement effort.

Chair, CITES exists with the objective of ensuring the survival of species in the wild, but the impacts of this illegal trade goes well beyond the impact of those species. Criminal syndicates use violence. They are well armed. They are very savvy in the use of modern technology, and they are very adaptive in avoiding detection. They are exploiting local people in some of the poorest countries on the planet. They are corrupting officials and they are wounding and they are killing enforcement officers in the field.

As such, they are depriving local people of legitimate development choices and they are depriving states of revenue, not to mention robbing states of their cultural heritage and their natural resources. This is undermining governments. It is undermining the rule of law. It is undermining security and it must be stopped.

The example, Chair, has been given by you this morning regarding Cameroon and Iain reinforced that as well. But there we had rebels coming from across borders of two states, Sudan and Chad,

into northern Cameroon massacring elephants for the purpose of getting their ivory that they will use to finance activities that they want to take with respect to local conflicts.

Can I give you another example? It is not in my written testimony, but we are just finishing a video we are doing with U.N. Television on rhino and the killing of rhino and the illegal trade in their horn. And it is in Kruger National Park in South Africa where we have interviewed local people who are relying upon that park and the rhino in that park for their livelihoods. And the final comment made by the woman we interviewed was this. She said, when you are killing rhino, you are killing us. And you cannot put it any better than this. This is destroying the livelihoods of local people.

But these syndicates are hard to beat. As has been pointed out already, there are very high profits to be made. With respect to rhino horn, the latest estimate we have is the black market price has gone up to $65,000 a kilogram. That is way above the price of gold.

But the problem we have is not only are profits large, but the risk of detection is low. And if you are detected, the risk of prosecution is low, and if you are prosecuted, the risk of being incarcerated is also low in far too many cases.

But we know how to beat these syndicates. We have the know-how. We have the technology. We just have to apply it more often and we have to apply it with greater rigor. And the risks that are associated not only to wildlife survival in the wild, but the risks associated to local people, to governance, and to security are such that we must up the ante.

And we know what to do. We need to take additional measures operationally, that is, in terms of legislation, in terms of the penalties that can be imposed in terms of enforcement measures. We need to take further coordinating efforts both internationally, regionally, and at the national level. And we must move beyond seizures. We must move beyond seizures to prosecute and, after prosecuting, to get convictions and, after convictions, to start incarcerating these people that are committing these crimes.

Chairman, it should not be elephants, rhino, and tigers that are behind bars. It should be the poachers and the smugglers who are behind bars. And that is our objective.

We need to up the ante politically as well. We need to get strong and clear messages made in range states, transit states, and consumer states at the highest possible level saying that this activity will not be tolerated whether from a range state where the poaching takes place, a transit state where contraband finds its way to the end destination, or the consumer state.

And we also have to look further at resourcing. That is both in terms of human resources, the sharing of technology, and financial resources. I have had the opportunity to work in many different organizations over the years, and I can say that you can get very high returns for investing in this area for a minimal investment.

There is some good progress in a number of areas that I would like to briefly highlight. We have seen the creation of the International Consortium on Combating Wildlife Crime at the international level, a consortium of the CITES Secretariat, INTERPOL,

the U.N. Office of Drugs and Crime, the World Bank, and the World Customs Organization, signed off by the head of all organizations, be it President, secretary general, or executive director, providing coordinated support, including to the network of wildlife enforcement networks that the United States has been so supportive of. And we have seen good national coordination efforts emerging in South Africa, China, and right here in the United States.

At a political level, Chair, we were very happy to see the outcome of the U.S.-China Strategic and Economic Dialogue in May of this year where paragraph 47 said that China and the United States would work together to combat illegal trade in wildlife, and they will have a meeting in June following up on the implementation of that paragraph.

Chairman, but CITES has no financial mechanism. The Global Environment Facility does not serve as a financial mechanism to this convention, whereas it does serve as a financial mechanism to the Convention on Biological Diversity, the Cartagena Protocol, and others. This is a historic anomaly that we believe we also have an opportunity to correct to let parties to CITES have access to a financial mechanism to tackle this major problem.

Chair, the 40th anniversary of our convention will be in March next year. The convention is known as both CITES and in some parts of the world, the Washington Convention. This coincides with the 16th meeting of the Conference of the Parties, and that provides us a wonderful opportunity to take stock of the current situation, to put in place new initiatives, to send very clear and concise political messages regarding not tolerating this crime, and to look at opening up the Global Environment Facility to CITES.

Chair, we are all in this together. We are only going to succeed if there is strong action taken at a national level in all states, but we desperately need ongoing international support. In your inspiring opening remarks, you said issues deserving attention need to get focus, and we certainly greatly appreciate, Chair, the focus that you are giving, and your committee is giving, to this critical issue. And we greatly appreciate the support the United States is providing and has historically provided to tackling this illicit trade in wildlife.

I thank you again.

[The prepared statement of Mr. Scanlon follows:]

PREPARED STATEMENT OF JOHN E. SCANLON [1]

CITES stands at the intersection between trade, environment, and development and the Convention is needed more today than it was back in March 1973 when it was adopted right here in Washington, DC.[2]

CITES regulates trade in close to 35,000 species of plants and animals, including listed timber and aquatic species, to ensure that such trade is legal, sustainable and traceable. CITES holds records of over 12 million trades, with about 850,000 legal trades being reported by CITES Parties to the Secretariat annually.[3]

The focus of this hearing is on the illegal trade in wildlife, which is the focus of this testimony.

The United States of America hosted the Plenipotentiary Conference that adopted CITES in 1973 and it has been at the forefront of international efforts to stop the illegal wildlife trade.[4]

Illegal trade in wildlife is happening at a scale that poses an immediate risk to both wildlife and to people and their livelihoods. An even greater effort is required, and new approaches need to be taken, if we are to adequately address this risk, in-

cluding through: employing more formidable and coordinated enforcement responses at Global, regional, subregional and national levels; making better use of modern enforcement techniques and technologies; attracting additional financial and human resources at national and international level, and through more effectively suppressing the demand that is driving illegal trade.

Strong and clear political messages from the highest possible levels are also required to combat the illegal trade in wildlife.

The 40th anniversary of CITES on 3 March 2013, which coincides with the 16th meeting of the Conference of the Parties in Bangkok, offers an ideal opportunity for Parties to take stock of their law enforcement efforts to date, to agree on enhanced enforcement measures, and to send strong and clear political messages on combating the illegal trade in wildlife.

ORGANIZED CRIME IS INVOLVED IN WILDLIFE CRIME

Wildlife crime is a growing problem worldwide.

INTERPOL[5] and the United Nations Commission on Crime Prevention and Criminal Justice[6] have both recognized the increasing involvement of organized crime[7] syndicates in wildlife crime—syndicates that: carry out detailed planning; have significant financial support; understand and utilize new information technology, and are often well armed.

These syndicates engage in the international management of shipments and do not hesitate to use violence or threats of violence against those who try to stand in their way. They constantly adapt their tactics to avoid detection and prosecution, making national borders increasingly irrelevant. And such tactics are particularly evident with illegal trade in African elephants and rhinos.

In doing so, these syndicates exploit people in rural communities in some of the poorest countries of the world, corrupt officials and kill and injure enforcers, which poses a serious threat to the stability, economy, natural resources, and cultural heritage of these countries. These criminals are laundering their ill-gotten gains and in some instances using them to finance armed conflicts and other criminal activities. This in turn undermines good governance and the rule of law. They must be stopped.

Yet, all too often, the serious nature of wildlife crime is not sufficiently recognized and the resources devoted to addressing the threat are inadequate. Wildlife crime carries a lower risk of detection and prosecution, and often has relatively low penalties, making it an attractive target for criminal gangs. Stronger penalties and more effective enforcement measures are required.

In order to counter these criminals, it is critical for the enforcement community to have access to intelligence that will enable them to identify emerging trends in a timely manner, to address current trends, to plan for future activities, and to deploy the best available techniques and technologies.

THE MASSIVE SCALE OF WILDLIFE CRIME

The effectiveness of CITES implementation at a national level is severely challenged by the extent of illegal trade. The CITES Secretariat does not place a value on illegal wildlife trade but it notes that others have valued it at anything between USD 5–20 billion[8] and USD 8–10 billion[9] a year (excluding timber and marine wildlife).

The estimates of the extent of wildlife crime is further reinforced by the published results of short-term intensive wildlife enforcement actions that are taken by organizations such as INTERPOL[10] and the World Customs Organization,[11] as well as domestic operations such as "Operation Crash" in the United States of America.[12] Further, according to data submitted by CITES Parties to the Elephant Trade Information System (ETIS), large-scale ivory seizures, defined as seizures of more than 800 kg of ivory, are at an all time high. Such seizures serve as a useful proxy measure for assessing the involvement of organized crime in the trade.

The species affected by illegal trade are not only those in which international commercial trade is prohibited (Appendix I), such as the tiger, but also those in which such trade is regulated to ensure sustainability, such as the Queen conch (Appendix II). The Congressional Research Service Report for Congress of February, 2, 2009, identified some of the most lucrative illicit wildlife commodities as including tiger parts, caviar, elephant ivory, rhino horn, and exotic birds[13] and reptiles—excluding marine and timber species.[14]

The depth of analysis of wildlife crime is poor in comparison to that of other areas of illicit trade—such as the analysis of the illicit trade in drugs through the UNODC World Drugs Reports.[15] UNODC is now working on a series of environmental crime

reports, with a focus on wildlife crime. There is a need for a more systematic and thorough global analysis of the illicit trade in wildlife.

However, a more detailed and thorough analysis is available on the illegal killing of, and trade in, African elephants. This is achieved through the four global monitoring and reporting systems for elephants and trade in elephant specimens recognized under CITES, namely:

- The programme for Monitoring the Illegal Killing of Elephants (MIKE), managed by the CITES Secretariat;
- The Elephant Trade Information System (ETIS), managed for CITES by TRAFFIC to track illegal trade in ivory and other elephant specimens;
- Annual reports of CITES Parties on the authorized trade in specimens of CITES-listed species, including legal trade in all elephant specimens, compiled by UNEP–WCMC and available online through the CITES Trade Data Base; and
- The African and Asian Elephant Database, housing information on elephant population numbers and range, maintained by IUCN through the SSC African Elephant and Asian Elephant Specialist Groups.

These four monitoring and reporting systems are working closely together to deliver timely, integrated, evidence-based reports to the CITES Parties to inform their decisionmaking.

The CITES Parties and the Secretariat also derive valuable information from multiple other sources, including from intergovernmental bodies involved in tackling illegal wildlife trade, and from nongovernment organizations taking an active interest in these issues.

CITES' SERIOUS AND INCREASING CONCERN WITH ILLEGAL TRADE IN ELEPHANTS AND RHINOS

Last year, we witnessed seriously escalating levels of illegal trade in elephant ivory and in rhino horn, which is pushing these species toward extinction. Such trade is putting money in the hands of criminals—including those involved in armed conflicts. It is also depriving local people of livelihoods in many instances, and robbing countries of their natural resources and cultural heritage, as well as of potential revenue[16]—not to mention the costs associated with taking enforcement measures. It must be stopped and elephant and rhino range States need further support to achieve this objective.

Illegal killing and trade in African elephants of serious and increasing concern

The latest analysis of the MIKE and ETIS data is currently being completed for the 62nd meeting of the CITES Standing Committee in July 2012 and the documents will be publicly released on the CITES Web site in the coming weeks, in advance of the meeting.

Consequently, all of the relevant data and analysis cannot yet be fully shared but the report will be provided to the committee immediately upon release. The following key findings that emerge from the analysis can however be shared today:

MIKE

- The currently escalating levels of illegal killing across the entire African elephant range are of serious and increasing concern;
- The number of elephants killed illegally in 2011 is likely to run into the tens of thousands;
- Poaching levels are now clearly increasing in all African subregions;
- The levels of illegal killing exceed what can be sustained in all four African subregions in 2011, with elephant populations now in net decline;
- The Central African subregion continues to display the highest levels of elephant poaching;
- The ongoing increase in levels of illegal killing of elephants started in 2006, with 2011 displaying the highest levels of poaching since MIKE records began; and
- The rise in levels of illegal killing and the dynamics surrounding it are worrying, not only for small and fragmented elephant populations, but also for previously secure large populations.

At the site level: areas suffering from higher levels of poverty experience higher levels of elephant poaching.

At the county level: governance emerges as the single most important national-level correlate of elephant poaching, with higher elephant poaching levels where governance is weak.

At the global level: demand for ivory, which is widely recognized to be a key factor driving the illegal killing of elephants, is clearly on the increase. The observed increases in the levels of illegal killing of elephants are closely mirrored by trends in levels of consumer spending in major ivory consuming States.

ETIS

- Three of the five years in which the greatest volumes of ivory were seized [17] and reported to ETIS since 1989 occurred in 2009, 2010, and 2011, with figures still being compiled for 2012;
- Successive years of peak seizure volumes is not a pattern previously observed in the ETIS data and it stands as a very worrying indication that illegal trade in elephant ivory continues to surge in an unabated manner;
- There is value in using large-scale ivory seizures as a proxy measure for assessing the involvement of organized crime in the trade, with 2011 ending with more large-scale ivory seizures than any previous year in the ETIS data;
- The trend in large-scale ivory seizures closely matches the poaching trend reported by MIKE;
- The criminal syndicates behind these large movements of ivory are believed to be highly adaptive and the emergence of new trade routes in the ETIS data are likely to be evidence of evolving tactics;
- Very few large-scale ivory seizures actually result in successful followup law enforcement actions, including investigations, arrests, convictions, and the imposition of penalties that serve as deterrents; and
- Unregulated, or insufficiently regulated, domestic ivory markets are enabling the laundering of elephant ivory from illegal sources.

The ETIS data suggests that demand is principally coming from Asia, with the main destinations being China and Thailand, with East African ports remaining the paramount exit point for illegal consignments of ivory.

Overall, MIKE and ETIS are independently detecting very similar patterns at different points in the illegal ivory supply chain. This should give confidence as to the reliability of results being produced by the two monitoring systems.

Cameroon mass killing incident

In February 2012 the CITES Secretariat expressed its grave concern over reports of the poaching of close to 450 elephants in Bouba Ndjida National Park in northern Cameroon.[18]

The CITES Secretariat also worked through the existing networks of all of its partners in the International Consortium on Combating Wildlife Crime (see below) to alert all relevant national authorities of the incident in an effort to seize the contraband before it could be traded and thereby prevent the perpetrators profiting from their crimes.

Governments of the region were offered support to find, and bring to justice, the criminals responsible and to locate and seize the poached ivory. Potential transit and final destination countries were also been urged to remain extremely vigilant and to cooperate with one another.

It was reported that elephants had been slaughtered by groups from Chad and the Sudan over several weeks, taking advantage of the dry season. The poached ivory is believed to be exchanged against money, weapons, and ammunition to support conflicts in neighboring countries.

The Secretariat contacted the Ministers for Forests and Wildlife from Cameroon, Chad, the Central African Republic, the Democratic Republic of the Congo and the Sudan offering support to help galvanize enforcement efforts and transboundary antipoaching mechanisms in Africa.

The response from the Ministry of Environment, Conservation and Tourism of the Democratic Republic of the Congo suggested the organization of a regional conference that would bring together the Ministers responsible for environment, defence, Customs and police, to put in place cross-border mechanisms against the illegal trade in ivory and to discuss measures to prevent the recurrence of annual poaching activities by organized groups. This suggestion is being further explored by the CITES Secretariat, in consultation with interested States, taking into consideration the role of existing structures such as the Central Africa Forests Commission (COMIFAC) and the outputs of the Central African Workshop on Wildlife Trafficking and Dismantling Transnational Illicit Networks (see below).

Gabon meeting for stronger local and regional approaches

The Central African Workshop on Wildlife Trafficking and Dismantling Transnational Illicit Networks,[19] which took place from 2–5 April 2012 in Libreville, organized by the United States of America's Embassies in Gabon and the Central Afri-

can Republic, in collaboration with the Government of Gabon, was an important step toward creating stronger local and regional approaches and collaborative platforms to combat wildlife poaching and trafficking. The CITES Secretariat participated in the meeting.

African Elephant Range States Meeting

In April 2012, the African elephant range States came together for the Fourth African Elephant Meeting, held in Nairobi, Kenya, under the auspices of the CITES MIKE Programme. At the meeting, the range States recognized the seriousness of the ongoing escalation in levels of illegal killing of elephants and the illegal trade in ivory, as well as the need for an urgent and escalated response at all levels.

The range States further recognized the need for substantial resources, from both within and outside the range States, to address the emergency. The range States reiterated their commitment to the implementation of the African Elephant Action Plan [20] while calling for donors to support its implementation through the African Elephant Fund as well as MIKE and ETIS.

Rhinoceroses under serious threat

CITES does not have the same monitoring systems for rhinos as it does for elephants. However, given the limited number of rhinos and that the majority of the remaining animals are in South Africa (about 80 percent), reliable data on illegal killing is available. Comprehensive reports are being submitted to the 62nd meeting of the CITES Standing Committee on a range of actions being taken by the CITES Secretariat and others to combat the illegal trade in rhino horn, which will be also provided to the committee.

In 2007 there were 13 rhino poached in South Africa. This number rose to 448 in 2011—with poaching levels reaching 220 so far this year, with 166 arrests, meaning that levels of poaching are likely to exceed 600 in 2012.[21]

In 2011, a subspecies of the black rhino was declared extinct in the wild in West Africa and we also witnessed that Vietnam lost its last Javan rhino, which is understood to have been killed by poachers.

Based upon available information, the demand for rhino horn is principally coming from Asia, with the major destination appearing to be Vietnam, where, according to a report commissioned by the CITES Secretariat, increasing levels of demand have been fueled by rumors of rhino horn being a cure for cancer, and with the horn being increasingly used in a manner akin to a recreational drug, such as "rhino wine" to improve male sexual performance, and to cure the effects of over consumption, such as to cure a hang over—none of which form part of the traditional usage of rhino horn.[22]

In parallel to organized crime being involved in rhino poaching and trade, there are clear indications that organized crime syndicates are also active across the European Union to acquire and trade rhino horns. This has prompted EUROPOL to launch a specific action on the illegal trading of rhino horns within the European Union.

In addition, theft of rhino horns from museums, auction houses or at antique or taxidermist shops has occurred in the European Union. Since 2011, the agency has recorded 56 successful and 10 attempted thefts. Criminals stole horns from museums and private collections in 15 countries, with many of the thefts believed to be linked to an organized criminal group "who are known to use intimidation and violence to achieve their ends." The group is believed to be active in Asia, North and South America and Europe.[23]

In the United States of America seven people were arrested on charges of trafficking in endangered black rhinoceros horn in February 2012, as part of "Operation Crash," a multiagency effort to investigate and prosecute those involved in the black market trade of endangered rhinoceros horn.[24]

In South Africa, persons from Mozambique and Vietnam seeking to smuggle rhinoceros horn out of the country were given long custodial sentences—sending out a powerful message to those who seek to engage in illegal wildlife trade. These convictions reflect the combined efforts of enforcement officials, prosecutors, and the judiciary in South Africa where the whole system worked to bring these criminals to justice.

There are also technical exchanges between government officials from South Africa and Vietnam, and the Secretariat is working to enhance international cooperation between range, transit and consumer States, namely China, Thailand, South Africa and Vietnam.

It is clear that the increased levels of rhino poaching and rhino horn thefts has an impact on several continents and that a well-coordinated law enforcement

response, as well as high-level political responses, will be required to effectively addresses this trend.

With an estimated 25,000 rhinos left in the wild, these current rates of illegal killing could drive the species to extinction throughout the world during the lifetime of our children.

THE NEED FOR COLLABORATION IN FIGHTING ILLEGAL WILDLIFE TRADE

Fighting poaching and illegal trade in wildlife is about fighting serious crime, especially when dealing with species that attract high returns such as elephant and rhinos. There is a need for collaboration and joint work at multiple levels, including: among range, transit, and consumer States; among international entities involved in the fight against wildlife crime; among States at the regional and subregional level; and among multiple enforcement authorities at the national level.

Taking enforcement action is a national responsibility. And the men and women who work to protect elephants and rhinos in their habitats every day do extraordinary work under extremely difficult conditions. We applaud the tireless efforts of these officials, who are serving in the front line. Yet, despite all of these courageous efforts, poaching, and illegal trade continue to increase.

The fight to save these species extends well beyond their habitat. The actual site where an animal is poached can be the start of a long chain of criminality—a chain that may stretch from forests, through rural villages, to large cities, across provincial and national borders, via land, air and sea ports or crossing points, until the animals tusks or horns are finally delivered to clandestine markets, dealers and consumers, often many thousands of kilometers from where the animal was killed.

Antipoaching personnel acting alone can do little to break these links further up that chain. But Customs and Police can—and that is why the coordinated approach across agencies is critical, both nationally and internationally.

Given the nature and scale of the risk associated with the illegal trade in wildlife, it is now acknowledged that a more organized and sophisticated response needs to be taken by the law enforcement community to tackling the problem.

RESPONSES TO THE CURRENT SITUATION

Coordinated and formidable enforcement support through ICCWC

In recognition of this pressing need, five international organizations joined forces in late 2010 to create the International Consortium on Combating Wildlife Crime (ICCWC).[25] ICCWC exists to support those officers serving in the front line in carrying out their essential duties—and in doing so to work with regional wildlife enforcement networks such as the ASEAN Wildlife Enforcement Network (WEN) and South Asian WEN—networks that have benefited greatly from support from the United States of America through the State Department and other agencies such as the Department of Justice. To date there are no such networks in Africa, and Central Africa in particular may benefit from such a network.

ICCWC seeks to ensure that perpetrators of serious wildlife crimes will face a more formidable and coordinated response, as distinguished from the present situation where the risk of detection and punishment is all too low. It also seeks to deploy modern techniques and technologies that are applied in different areas to tackling wildlife crime, such as controlled deliveries and the use of wildlife forensics. It also seeks to "follow the money" and address asset forfeiture and corruption.[26]

ICCWC comprises the CITES Secretariat, INTERPOL, the United Nations Office on Drugs and Crime (UNODC), the World Bank and the World Customs Organization (WCO). The CITES Secretariat chairs the Consortium.

CITES is encouraged by the level of commitment to tackling wildlife crime that has been demonstrated by each participating organization, including the strong personal commitment shown by each executive head—Secretary General Noble of INTERPOL, Executive Director Fedotov of UNODC, President Zoellick of the World Bank and Secretary General Mikuriya of WCO.

The Consortium came together in Shanghai, China, last year to provide training in controlled deliveries for Customs, police and prosecutors from close to 20 countries and across Africa and Asia.[27] This workshop built the capacity of participants to use this effective enforcement technique to target and identify criminals who engage in transnational smuggling of wildlife contraband. The Consortium also convened the heads of Customs and police from across the 13 tiger range States on tiger crime in early 2012[28]—meetings led by the WCO and INTERPOL respectively. UNODC has also led the development of an ICCWC Wildlife and Forest Crime Toolkit, the national implementation of which is being explored with several States.

At international level, bold steps are being taken to practice what is being preached regarding better coordination, which is to the benefit of national authori-

ties and regional and subregional networks. Further technical, financial, and political support is required to continue this effort.

The same level of cooperation is required at the national level if we are going to seriously tackle wildlife crime. And while it takes considerable effort, it is being done, as is evident from the efforts being made in South Africa and the United States of America. Recent significant moves toward national collaboration are also evident in China through the establishment of the National Inter-Agency CITES Enforcement Collaboration Group (NICECG) of China, which has just completed a major nationwide enforcement operation.[29]

CITES implementation has also recently been brought to the fore at the highest political level. In the joint statement issued after the fourth round of the U.S.-China Strategic and Economic Dialogue held from 3 to 4 May in Beijing, article 47 states that: "We decide to jointly support the wildlife law enforcement efforts and to combat the smuggling of endangered and protected species. China and the United States will attend the Special Investigation Group Meeting held from 20 to 21 June 2012 in Nanning, China, led by ASEAN–WEN. At the meeting, wildlife investigators and forensic experts will identify and recommend improved enforcement and inspection efforts."[30]

ICCWC is also working to raise the profile and awareness of wildlife crime among politicians, diplomats, policymakers and decisionmakers, as well as the judiciary, so that they may better understand why this area deserves to be a high priority for law enforcers and why they should devote further human and financial resources to it.

The threat posed by wildlife crime was brought to the attention of the United Nations Security Council by the Executive Director of UNODC, Yury Fedotov, in his briefing on "Emerging Challenges to International Peace and Security" in November of last year.[31]

ICCWC is taking the fight against wildlife crime to another level through sharing data, analysis, intelligence, enforcement techniques and resources. Further support is required to enhance this collective effort.

Moving beyond seizures—linking the entire "enforcement chain"

As reported through ETIS, and noted above, very few large-scale ivory seizures actually result in successful followup law enforcement actions, including investigations, arrests, convictions and the imposition of penalties that serve as deterrents. This comment applies to wildlife crime more generally.

While they are essential, enforcement efforts to stop wildlife crime must not just result in seizures—they must result in prosecutions, convictions, and strong penalties to stop the flow of contraband. The whole "enforcement chain" must work together. And this is why the work of ICCWC is so essential in supporting States and regional and subregional networks, as the ICCWC partners collectively deal with the entire enforcement system. The recent training by ICCWC (led by WCO) in controlled deliveries is an excellent example of the sorts of measures that are required to track down the criminal syndicates.

Increasing financial resources

In light of the scale of wildlife crime, and the risks to wildlife and people associated with this crime, the financial resources to tackle wildlife crime are clearly inadequate. ICCWC is working with the donor community, as well as with governments, agencies, and institutions that may have the money and know-how to assist range, transit, and consumer States, and to supply the logistics that many of them need so badly.

All Parties to CITES have also invested their own resources in establishing Management Authorities and putting into place necessary legislation and enforcement measures, some of which require additional support from the international community.

African Elephant Conservation Fund

The United States of America has been active in its support for the African Elephant Conservation Fund,[32] which has benefited from appropriations from the United States Congress, and its support is greatly appreciated and continues to be desperately needed. It can help support the sorts of specific measures that are referred to below.

African Elephant Fund

The African Elephant Fund has also been established[33] in support of the implementation of the African Elephant Action Plan,[34] a plan supported by all 38 range States of the African elephant, and further support is sought for the fund. The

Action Plan includes as its first priority objective: "reduce illegal killing of elephants and illegal trade in elephant products."

Global Environment Facility

The Global Environment Facility (GEF) does not serve as a financial mechanism for CITES, making it extremely difficult to secure GEF funding in support of CITES and enforcement actions in particular. This situation does not reflect the importance of tackling wildlife crime and is being considered by the CITES Standing Committee,[35] which is addressing whether GEF should serve as a financial mechanism for CITES. Any change to existing arrangements would require decisions by the CITES Conference of the Parties and the GEF Assembly.

The CITES Secretariat raised the issue of providing additional funding to tackle wildlife crime in a presentation to the Council of the GEF, in November, 2011.[36] Making GEF a financial mechanism for CITES would open up additional financing opportunities for Parties to enforce the Convention.

In the meantime, the CITES Secretariat has worked with South Africa to develop a CITES-related GEF project that will support the use of modern forensics in tackling poaching of rhinos and the illegal trade in rhino specimens. The project has been signed off by the Chief Executive Officer of GEF and will be considered by the GEF Council in June, 2012.

The World Bank

The World Bank has been very active in mobilizing resources for wildlife crime issues, including illegal timber trade and tiger conservation, and in perusing major initiatives to "follow the money," which is vital to ensure that criminals do not benefit from the proceeds of their criminal activities.

Foundations, the private sector and nongovernment organizations

The CITES Secretariat is also seeking to mobilize support from foundations and the private sector to support enforcement actions, and in particular to support the use of modern forensic techniques.[37]

The nongovernment sector has been very active in raising financial resources in support of elephants and rhinos.

Creative and innovative capacity-building

The CITES Secretariat has created affordable capacity-building through the open CITES Virtual College.[38] The recent release of the updated "Enforcement module" has been of great benefit to enforcement officials, as is evident from the feedback from the Royal Thai Customs,[39] which introduced CITES to 60 Customs officials through the Virtual College.

Some very specific issues needing further attention

A number of specific, and important, issues will come to the attention of CITES Parties, the Standing Committee and the Conference of the Parties for their consideration over coming months, including: domestic controls over ivory sales; the absence of reporting from some range States on African elephant issues; the need for enhanced legislation in some States; and the need for better controls at known ports being used as exit ports for illegal shipments.

There are also opportunities to work with States to consider new regional and subregional wildlife enforcement networks, such as for Central Africa.

Further technical and financial support at international and/or national levels is required to address such issues.

THE 40TH ANNIVERSARY OF CITES—"THE WASHINGTON CONVENTION"

The 40th anniversary of the adoption of CITES on 3 March, 2013[40] presents an ideal opportunity to further evaluate the extent of illegal trade in wildlife, to agree upon any further measures to combat such trade that the Parties may wish to initiate, to request the GEF to serve as a financial mechanism for CITES,[41] and to send very strong and clear political messages on combating the illegal trade in wildlife.

End Notes

[1] See: http://www.cites.org/eng/disc/sec/SG.php.

[2] In some parts of the world, such as Japan, CITES is referred to as "the Washington Convention."

[3] See CITES Trade Data Dashboards: http://dashboards.cites.org/.

[4] Including through its strong support for the implementation of CITES, Congress appropriations for the African Elephant Conservation Fund, support for the establishment of regional and

subregional Wildlife Enforcement Networks in Southeast Asia, South Asia, and Central America and the establishment of the Coalition Against Wildlife Trafficking by the State Department in 2005.

[5] See: http://www.cites.org/eng/news/pr/2010/20101108__Interpol.shtml.

[6] See: http://www.cites.org/eng/news/sundry/2011/20110421__res__UNCCPCJ.php.

[7] See U.N. Convention against Transnational Organized Crime: http://www.unodc.org/documents/treaties/UNTOC/Publications/TOC%20Convention/TOCebook-e.pdf.

[8] See Congressional Research Service Report: http://opencrs.com/document/RL34395/.

[9] See Global Financial Integrity Report: http://transcrime.gfintegrity.org/.

[10] See Operation TRAM: http://www.interpol.int/layout/set/print/News-and-media/News-media-releases/2010/PR014 and Operation RAMP: http://www.interpol.int/layout/set/print/News-and-media/News-media-releases/2010/PR089.

[11] See Operation GAPIN: http://www.wcoomd.org/reports/?v=1&lid=1&cid=2&id=277.

[12] See: http://www.justice.gov/usao/cac/Pressroom/2012/030.html.

[13] See for example: http://newswatch.nationalgeographic.com/2012/01/17/the-worlds-most-traded-wild-birds-senegal-parrots-color-morphs-and-the-wild-caught-bird-trade/.

[14] See: http://opencrs.com/document/RL34395/.

[15] See: http://www.unodc.org/unodc/en/data-and-analysis/WDR-2010.html.

[16] The loss of revenue from illegal logging alone is estimated by the World Bank to be over USD 10 billion per year, with the value of illegally harvested timber being estimated at a minimum of USD11 billion. See World Bank Study on "Justice for Forests" at: http://siteresources.worldbank.org/EXTFINANCIALSECTOR/Resources/Illegal__Logging.pdf.

[17] This trend refers specifically to large scale ivory seizures (i.e., seizures of >800 kg of ivory >1,765 lb).

[18] See: http://www.cites.org/eng/news/pr/2012/20120228__elephant__cameroon.php.

[19] See: http://www.state.gov/r/pa/prs/ps/2012/03/187006.htm.

[20] See: http://www.cites.org/common/cop/15/inf/E15i-68.pdf.

[21] See: http://www.environment.gov.za/.

[22] See paper to be presented to the 62nd meeting of the CITES Standing Committee.

[23] See: https://www.europol.europa.eu/content/press/europol-and-ireland-identify-organised-crime-group-active-illegal-trading-rhino-horn-9.

[24] See: http://www.justice.gov/usao/cac/Pressroom/2012/030.html.

[25] See: http://www.cites.org/eng/prog/iccwc.php.

[26] The CITES Secretariat participated in the side event on "Corruption, Environment and the U.N. Convention Against Corruption (Marrakesh, October 2011) and the resulting UNODC publication. CITES paper available at: http://www.unodc.org/documents/eastasiaandpacific//indonesia/publication/Corruption__Environment__and__the__UNCAC.pdf.

[27] See: http://www.cites.org/eng/news/sundry/2011/20111219__cd__workshop.php.

[28] See: http://www.cites.org/eng/news/pr/2012/20120214__tiger__bkk.php.

[29] See: http://www.cites.org/eng/news/pr/2012/20120509__certificate__cn.php.

[30] See: http://www.state.gov/r/pa/prs/ps/2012/05/189287.htm.

[31] See: http://www.unodc.org/unodc/en/speeches/security-council-briefing-23-nov-2011.html.

[32] See: http://www.fws.gov/international/DIC/pdf/Afe__fs.pdf.

[33] See: http://www.cites.org/eng/news/pr/2011/20111221__cites__za__elephant.php.

[34] See: http://www.cites.org/common/cop/15/inf/E15i-68.pdf.

[35] See: http://www.cites.org/eng/com/sc/61/E61-16.pdf.

[36] See: http://www.cites.org/eng/news/SG/2011/20111108__GEF.php.

[37] See: http://www.cites.org/eng/news/pr/2012/20120209__innovative__finance.php.

[38] The CITES Virtual College has experienced almost global access with 4,900 unique visitors from 168 countries and territories representing 78 different language groups. See: https://eva.unia.es/cites/.

[39] See: http://www.cites.org/eng/news/sundry/2012/20120503__vc__thailand.php.

[40] This coincides with the opening of the 16th meeting of the Conference of the Parties to CITES to be held in Bangkok.

[41] In the event the Parties take a decision to make such a request.

The CHAIRMAN. Well, thank you very much, Mr. Secretary. We appreciate it. We appreciate your leadership and what CITES is trying to do. I know it is difficult. That was interesting about the financial mechanism. I will sort of follow up on that in a moment.

Let me begin. I want to try to bear down on a couple of things here.

Dr. Douglas-Hamilton has said that he thinks the single thing that might have the greatest impact and that would really, "save the elephant," is to have the biggest consumer country, China, unilaterally reinstate the import ban. Could you speak to that, Secretary General? Do you concur that that would have the single greatest impact?

Mr. SCANLON. Chair, the major consumer states of ivory appear to be China and Thailand. With respect to rhino horn, it appears

to be Vietnam that seems to be the primary end destination for rhino horn.

Issues such as whether or not to open up trade or not we leave within the realm of the parties to determine. There were the two one-off sales, as you are aware, in terms of elephant ivory following the ban in 1989. We will be presenting a report to our standing committee in July of this year. It will be released within the next week or two which will include a thorough analysis of where we are at at the moment with respect to illegal trade and illegal killing in elephants. Clearly, the issue of demand has to be tackled. If we can curb demand, then we can curb supply. But in terms of what measures the parties decided or individual parties may want to put into place, I would leave it to them.

The CHAIRMAN. Well, Dr. Hamilton, there was a ban in place for a number of years. Correct? How many years did we have the ban in place?

Dr. DOUGLAS-HAMILTON. It was the best part of 20 years.

The CHAIRMAN. And there was a ban globally on any kind of importation. Was there not?

Dr. DOUGLAS-HAMILTON. That is correct. But it was relaxed twice to allow some sales of stockpiles from countries that did not have a poaching problem.

The CHAIRMAN. When was it relaxed?

Dr. DOUGLAS-HAMILTON. Two one-off sales of raw ivory were made, the first was in 1999 and the second in 2008.

The CHAIRMAN. And it was relaxed with respect to a few countries only?

Dr. DOUGLAS-HAMILTON. Yes, the first sale included Botswana, Namibia, and Zimbabwe who sold to a single buyer, Japan, the second sale took place in 2008 when Botswana, South Africa, Namibia, and Zimbabwe sold to China and Japan.

The CHAIRMAN. They were allowed to export it?

Dr. DOUGLAS-HAMILTON. They were allowed to sell their ivory stocks to only two countries, China and Japan. And China, in fact, came on board at the last moment. They applied to be given that special buyer status.

The CHAIRMAN. Who signed off on that? Who granted that permission?

Dr. DOUGLAS-HAMILTON. That was granted by the standing committee of the CITES Convention.

The CHAIRMAN. So CITES, in effect, has the ability to come back and reverse that. Does it not?

Dr. DOUGLAS-HAMILTON. I do not know that they do. I think it is all in the hands of the CITES parties.

The CHAIRMAN. Since we have CITES here, Secretary General, since CITES relaxed it, could CITES tighten it up again?

Mr. SCANLON. Thank you, Chair. Yes. The ban was put in place in 1989. There were two what were called one-off sales. They have been completed. So the ban on the legal trade in ivory remains in place. There were two what are called one-off sales because they were for existing stockpiles. It was approved by the Conference of the Parties, and then it was only approved in terms of sales to two states, as Iain has stated, Japan and China. If trade were to be

reopened, it would require another decision of the Conference of the Parties.

The CHAIRMAN. So what you are saying is that the only thing that was relaxed was the one-off sale.

Mr. SCANLON. Yes. There were two one-off sales.

The CHAIRMAN. Two one-off sales took place to two countries, Thailand and China.

Mr. SCANLON. Japan and China.

The CHAIRMAN. Japan and China. Excuse me.

So it appears as if that has, indeed, whetted the appetite.

Mr. SCANLON. I would say there are differing opinions on that, Chair. There are some who are very strongly of the view that it has whetted the appetite and has opened up trade. There are others who have quite a contrary view who do not see a correlation between it. So I would say there are mixed views on that. The Secretariat will express itself in its paper to the standing committee next——

The CHAIRMAN. Well, the bottom line remains that you have two countries, maybe three, that stand out for their illegal activities: China, Thailand, and Vietnam. Thailand and China as to the elephant and Vietnam as to the rhino. Correct?

Mr. SCANLON. In terms of end states, China and Thailand on all the analysis we do seem to be the largest end states, not the only ones, but the primary end states of illegal trade in ivory. And our analysis suggests Vietnam is the primary end state in terms of illegal trade in rhino horn.

The CHAIRMAN. My experience in law enforcement, certainly dealing with drugs and other issues, but also on this committee in the 1980s when we did a lot of work on narcotics globally that led us to do a lot of work on the banking structure and on some of these opaque issues which are very damaging, shows you have to approach this comprehensively. I do not think there is one mandate. But certainly China getting tougher on the importation—I mean, if you can sell openly and people are buying and trading and everybody knows what is going on, and there is no penalty, you have a problem. So it seems to me that those countries are going to have to join in to the enforcement effort.

Is there something more that they could do?

Mr. SCANLON. Thank you, Chair. Just with respect to China, they put in place quite significant enforcement-related measures. I have visited there several times and have met most of the enforcement authorities. They probably have one of the world's largest management authorities with 122 staff.

The reason why we are aware that China is such a destination is because of the success of Chinese customs in making large-scale seizures because the data we rely upon is the data that comes from the state that actually carries out the seizure, and China has been very effective in closing down a number of its ports. That is why we are seeing now a number of the syndicates trying to go through Cambodia or Lao PDR or Malaysia to get to China because of the effective enforcement action in China at the border.

They have also just late last year put in place a coordinated enforcement mechanism, and just a few months ago, they mobilized around 100,000 enforcement officers across the country to carry out

a major enforcement activity. So I would say they are fully engaged in the enforcement initiative.

I think the area we have to focus on here—and we are in discussion—with China is with respect to domestic controls and whether the domestic controls that allowed legal trade in ivory have loosened and we need to get them tightened up in a way that does not allow the laundering of illegally traded ivory through the legal market. And that is an area where I think we are in dialogue in terms of a way of strengthening that.

The CHAIRMAN. Well, I want to come back in a few minutes to the front line of enforcement. I mean, there are certain different lines here and tiers. I know Senator Coons, who has been with us since the beginning, has a scheduling conflict, so I want to allow him to ask a few questions here without any regard to time. Take your time and ask what you need to.

Senator COONS. Thank you, Senator Kerry.

The CHAIRMAN. I would just note it is sort of interesting that we have three Democrats here trying to preserve the Republican Party symbol. [Laughter.]

Senator Coons, go ahead.

Senator COONS. The chairman leaves me uncharacteristically speechless. [Laughter.]

Thank you, Chairman, and thank you to the panel.

I just wanted to follow up briefly with some questions since I have an opportunity to meet with folks who might be relevant to these few questions.

In the reading, I see that AFRICOM, the United States command for Africa, is working with the Botswana defense forces on providing some of the communications and other logistical support and capabilities to better address poaching. I wondered, either Dr. Hamilton or Mr. Cardamone, if you had any input or advice on whether that is a model that is worthy of replication, whether you think AFRICOM has been contributing significantly to the antipoaching efforts. There are other regions obviously. We have centrally focused here on central Africa where there are much less well developed national defense structures and they have much more pressing challenges.

So I would be interested in what you think AFRICOM can and should be doing on supporting national efforts by our African allies, and then second, if I could, just USAID and its efforts both in habitat preservation and in conservation. I would be interested in whether the CARPE program offers the infrastructure to coordinate efforts in the Congo basin. So if you would in order, please, Dr. Hamilton and Mr. Cardamone, on what AFRICOM and what USAID can and should be doing.

Dr. DOUGLAS-HAMILTON. I think it has been very effective what has happened in Botswana. It is one of the reasons that Chobe is one of the very few of these sites that are looked at under the MIKE program that have very low poaching levels. They have not only the Botswana army dedicated, but they have help from the U.S. forces as well.

I think it would be very helpful to have more involvement especially in East Africa. There has been a huge amount of money poured into central Africa and quite rightly so because it was the

worst-hit area. But we are now seeing levels of poaching in East Africa that formerly were typical of central Africa, and we have just got to stop that. If we could have much more help with training maybe from the U.S. forces and, indeed, intelligence and surveillance and any of the resources that they could marshal, it would be a great help.

Senator COONS. Mr. Cardamone.

Mr. CARDAMONE. I think AFRICOM's ability to train forces and assist forces that can interdict and prevent this trafficking is very valuable and helpful not only to address the very real problem of poaching but the long line that leads back to regional and national security. By taking the product out of action, you take the money out of the system as well. Addressing militant groups and insurgent forces and other entities that are working counter to U.S. interests is certainly primary among what AFRICOM is trying to do, and this is a way to sort of starve the beast.

Senator COONS. Dr. Douglas-Hamilton referenced DARPA and the potential benefits of being able to better track not just elephants, but also poached elephant ivory. My impression from your testimony is that the illicit pathways by which poached ivory makes it from Africa to the markets of Thailand or China are relatively well known. Would it be advantageous in fighting poaching and the trade in illegal ivory to have more sophisticated capacity to track specific tusks or pathways for the illegal trade? Mr. Scanlon or Mr. Cardamone, would you care to comment on that?

Mr. SCANLON. Thank you, Senator. Absolutely. We are working very closely with parties on using more modern forensic techniques in wildlife crime, DNA testing. We work with the South African Government in particular to see whether or not they can enhance their in-house capacity because we need to know where the stock is coming from, and if we can track it from destination to home, it will be advantageous. We are also looking at other technologies. We have also raised the discussion with China as well and other states in the Asian region with respect to using modern techniques for tracking wildlife contraband which would make it much easier to actually carry out enforcement measures.

Senator COONS. I found Dr. Douglas-Hamilton's paraphrase of the expression, "if the buying stops, the killing can too," quite compelling and intend to raise this particular issue with national leaders in East Africa on my upcoming visit.

Thank you so much for your testimony here today.

The CHAIRMAN. Thanks a lot, Senator Coons.

Senator Udall.

Senator UDALL. Thank you, Chairman Kerry. I really appreciate you holding this hearing and focusing on this issue because I believe it is a very, very important one.

I just recently returned from Africa on a trip that was focused more on PEPFAR and HIV/AIDS. And it is incredible what we are doing there, but that is another side part of the picture.

But we had an opportunity, when there was a national holiday, to spend a couple of hours in a game park up in northern Namibia, Etosha, and saw these just magnificent creatures that are there. And I really identify with what Secretary Scanlon said. Very, very poor countries where individuals are gaining a living—you can call

it ecotourism or sustainable range management or whatever, but they are out there on the ground living, and as a result of these animals, they are able to stay in the country rather than go into the shanty towns where you just have this abject poverty.

So I wanted to focus a little bit. So it was incredible just to be there and see that and have that experience and see the creatures and know that people—this is part of their livelihood. And these poachers are taking that away from them, and I think it could cause real instability there on the ground.

I would like to focus a little bit—and Senator Kerry did a good job on a couple of the issues, but focus a little bit more on the law enforcement side of this. It seems to me—and, Dr. Hamilton, I wanted you to talk a little bit about this. If you had very strong wildlife penalties, elevating wildlife penalties, and then you had strong prosecution, you could nip this at the bud. Now, granted, it has grown to the point where you have 200 armed horsemen moving from Sudan and so you need a significant counterforce to do something about that. But is there a problem in terms of the penalties? Is there a problem in terms of enforcement? And then what do the witnesses here at the table believe we can do about that in order to plug that hole? Because I think you start there with that issue.

Please, Dr. Hamilton.

Dr. DOUGLAS-HAMILTON. There is a big problem on the penalties. They are, in general, across Africa far too low, and the enforcement of those penalties that exist is far too weak. I can speak to Kenya in particular where there is a plan under the new constitution to bring in much more severe penalties, and I know the Kenya Wildlife Service and the NGOs are pushing to have this law introduced much earlier. But it is crucial that magistrates should be given the message and the power to punish properly, which they do not have at present. The same is true elsewhere in Africa, and there are few countries that have strong law enforcement in that respect.

Senator UDALL. All the countries where we have the big problem in terms of the elephants being wiped out do not have very strong penalties and do not have very good enforcement?

Dr. DOUGLAS-HAMILTON. Well, I am not aware of every single case, but there is always great latitude for magistrates to take initiative, and they need to be given great political direction. So if this point is raised at the highest levels with African governments in discussion, then it could be put on the agenda, and I think it is really important that the U.S. Government and the Foreign Relations Committee should take every opportunity to do that.

Senator UDALL. And I think many of us are interested in doing that.

Secretary Scanlon.

Mr. SCANLON. Thank you, Senator. And, yes, one thing we have noticed is sometimes a seizure is seen as a success. I mean, a seizure is part of the enforcement chain, but you have to go beyond a seizure. You have to investigate. You have to prosecute and you have to penalize. And so what we are trying to push is that seizure is an important part of the enforcement process, but the whole enforcement chain needs to be engaged from the customs or the

police right through to the prosecutors through to the judiciary. This goes to the whole issue of rule of law and good governance.

The other thing we are finding is that quite often those who are prosecuted are, if you like, at the wrong end of the chain. They are those that are in the front line of poaching, perhaps those that are not driving this illegal trade. They are the ones that are being engaged at a low rate to actually involve themselves in poaching and illegal trade. We need to actually catch the kingpin. We need to find out who is it where that is actually driving this trade and ordering the purchase of these illicit items.

That is why we have put in place through this consortium I mentioned before training in what is called controlled deliveries. It has been used in dealing with illegal trade in narcotics whereby you do not seize the contraband when you identify it. You track it to home so you can find out who, in fact, ordered the ivory and get that person, not the person lower down the chain. So we are trying to use more effective enforcement techniques that have been used in fighting the war against drugs, et cetera and apply them to wildlife crime.

South Africa is a very good example of a state that has taken very strict measures with respect to wildlife crime, and they have, over the past few months, incarcerated nationals of Mozambique for over 20 years for smuggling in rhino horn and nationals of Vietnam for over 10 years for smuggling in rhino horn. They are very hard with respect to anyone that is coming to steal their wildlife, and they have put in place the sort of measures, the sort of coordinated measures, through the National Crime Bureau of INTERPOL that are necessary at a state level to really clamp down and send a strong message: you steal our wildlife, you are going to jail. So we use South Africa as a good example albeit, with all that effort, they are still really struggling to deal with this illegal trade in rhino horn.

Senator UDALL. Do each of these countries that are having a problem in terms of the elephants being wiped out have the capability you are talking about in terms of getting the kingpin?

Mr. SCANLON. I would say "No." And the analysis we have done shows that the highest rates of illegal killing are those states that had the weakest governance. So where you have the weakest governance, you find the highest levels of illegal killing. And as we were talking about earlier—this whole issue of governance and rule of law and having systems in place—where it is weak, we see high levels of killing.

Senator UDALL. Well, I am going to stop because Senator Risch has showed up, Chairman Kerry, and we are very excited about the idea that a Republican has showed up to at least question. We do not know what Senator Risch's position will be, but I am going to yield the floor at this point.

Senator RISCH. Thank you so much. You guys have been doing all you can to make us elephants extinct, that I thought I should come up.

I do have a serious question. You mentioned the rule of law and strong governance as being helpful, maybe even critical in controlling the illegal trade. And I think that is probably true in every-

thing, whether it is narcotics or whether it is piracy of intellectual property or what have you.

Who are the bad actors? Where do you find the countries where they can take the product in and rework it to whatever they do with the ivory to put it into the stream of commerce and are protected by the government or essentially by the culture there? Who are the bad actors in this regard?

Mr. SCANLON. Thank you, Senator. I think as a general statement, we can say that the risk of detection with wildlife crime is lower than for other crimes. The penalties associated with wildlife crime are lower than other crimes, and the risks of incarceration are lower than others. So that is pretty a general statement.

And we then see examples where wildlife crime is perhaps taken more seriously, and I just gave South Africa as an example where very long custodial sentences were given to individuals stealing the wildlife in South Africa.

I would say it is a bit of a mixed bag in most parts of the world with respect to the sorts of measures that are in place.

One thing we have noticed is what I said before, that seizure is sometimes seen as a success. Seizure is, in fact, a failure. That animal is dead. You have seized the contraband, but the person who wanted it is still wanting it. That is why we have put in place this training in controlled deliveries and other more effective techniques in dealing with crime, whether it is wildlife crime or not, because we have to get to the perpetrators, those who are actually driving the demand. And I would say in those countries where the demand is driven, they have quite strong laws. In China, for example, it used to be they had the death penalty as the highest penalty for wildlife crime. It is now life imprisonment as the highest penalty that can be imposed for wildlife crimes, and other states vary.

In Thailand, I know they are looking at their legislation. They do have a problem with domestic controls over ivory. They have a legal domestic market. It is not well regulated. It needs to be tightened. We are in discussion with them on that. These are the sorts of things that are very targeted where we, as the Secretariat, tend to work with the state to try and lift them up to a level that would be more in keeping with the objectives of the convention.

Senator RISCH. You are not able to identify a particular hot spot in the world, though. You referred to it as a kind of checkered and mixed bag. You do not have one particular area that you can put your finger on and say, look, this is an area we really need to concentrate on.

Mr. SCANLON. There are certain areas we have to concentrate. I think the main end market for rhino horn seems to be Vietnam. I think we need to, at a political level and at an operational level, really enhance our efforts there because we need some very strong political signals coming with respect to this being unacceptable and really enhance the effort being made at an operational level because they have made no seizures there, I think, since 2008. Yet, all the evidence coming from South Africa and other countries is that this is a prime destination.

With respect to other states, I think if we look at Africa, I think they are the states that we will all be familiar with that have weaker systems in terms of their rule of law and governance. And

as you said, Senator, it is not just wildlife crime. It is other types of crime as well that perhaps are not getting the attention that they deserve. Again, we try and work with these states to lift them up.

There was one state in Africa, Nigeria, that was the subject of a trade suspension under CITES for 6 years because of its inadequate legislation and lack of enforcement effort. That was just lifted at the last standing committee in August of last year following the enactment of new legislation and the establishment of a new enforcement authority.

So the parties to CITES do intervene where they see a systematic lack of effort to put in place legislation or enforcement measures. Somalia is subject to a trade suspension for all trade at the moment, and there is one other state subject to a trade suspension for lack of legislation, Mauritania. So there are certain states that have been identified by the parties and have been subject to recommended trade suspension for failure to fully comply with the convention.

Senator RISCH. Has anybody else got a comment on that aspect of the issue?

Mr. CARDAMONE. Yes. I would just like to say that I fully support Mr. Scanlon's idea that you have to go to the person at the top. Who is driving the trade? What is the demand and who is that person or who is that syndicate? And interdicting just the low-level poachers is not going to get at the problem.

The major difficulty in determining who the head of that syndicate is, is the ability to hide behind legal structures throughout the world in various jurisdictions around the globe, and that is either through a shell corporation that hides its money in a secret bank account that also hides behind a trust, a nominee trust or a foundation. So there are layers upon layers upon layers of opacity in the financial system and in the corporate structures that enable these syndicates to hide behind. And I think that addressing this opacity is the thing that the international community can do as far as an attempt to cut off the money supply.

Senator RISCH. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator. I appreciate it.

You mentioned earlier—well, let me ask a quick question. On the seized material, how much of that finds its way back into the market? Do you have any sense of that, Dr. Hamilton?

Dr. DOUGLAS-HAMILTON. I really do not.

The CHAIRMAN. Do you, the CITES folks, have a sense of that? Where does it go? What happens to all this? I saw in the video enormous stocks of tusks, of seized material, but knowing the way things work in a lot of those places, I am wondering, Does that stay in the evidence room? Is it destroyed? What happens to it?

Dr. DOUGLAS-HAMILTON. Sometimes it gets destroyed. We had a burning of ivory in Kenya recently, which was a consignment that had been seized in Singapore and it had come from Nairobi. But that ivory was not Kenya ivory. It had come from all sorts of other countries, and Kenya had been used, because of its efficiency in transport, as a transit point.

So that ivory eventually was surrendered back to Kenya, and the countries of origin were identified through detective work and

through looking at the DNA profile of some of the DNA found on the ivory. And it was agreed amongst all those parties that they should burn that ivory and destroy it, which was a very good solution and it sent out a strong signal.

The CHAIRMAN. Well, does that need to become the norm? Should there be a part of the convention that should require that all stocks are assembled and in fact destroyed? Because if there is a secondary value, seizing it and then selling it or putting it into the black market under the table or otherwise does not do you much good. You still have the same incentive there to go after it.

Dr. DOUGLAS-HAMILTON. I think it would be an excellent idea, but one would need perhaps to tie some recompense to those countries so that the stocks to be destroyed, nevertheless, attract an equivalent amount of money in aid that could be put into elephant conservation.

The CHAIRMAN. Well, that is an interesting idea.

We do have our Reward bill which we are working on, bipartisan, and I hope maybe we can frame something into that.

Mr. Secretary General, you also talked about the need to send strong messages here and you talked about the three states where you ought to do that: the range state, the transit state, and then finally the consumer state. We have talked a bit about the consumer state and what we may be able to do there.

Clearly, it is critical to highlight the need for China, Thailand, Japan, Vietnam, and other countries to raise the level of enforcement and a penalty, and I think we need to put this on the agenda at ASEAN and other meetings, No. 1.

No. 2, what other messages do you have in mind that might make a difference at each of those state levels, in the range state, transit state, and consumer state?

Mr. SCANLON. Thank you, Chairman. One of the great strengths of CITES is it is a very pragmatic and very operationally focused convention. So it works very much at ground level trying to actually achieve things.

One of its weaknesses has been the higher level political engagement, and with some of these issues, if we do not get very high-level political engagement and very strong political signals, it is very hard at the operational level. So one of our objectives the last few years has been to try and lift this debate, not lose the operational side, but lift the debate into a higher political sphere so that in countries that are consumer or transit countries, at the highest political level the message is unequivocal. This is not going to be tolerated. You will be punished severely if you are found breaching this convention and the national legislation that implements it. So we are working with all states, consumer, range, and transit states, and trying to bring them together at a higher political level to have that discussion about what they are going to do in terms of sending these messages.

We do, Chairman, have an opportunity at our next Conference of the Parties in March of next year to have a higher level ministerial session whereby we can bring together higher political figures to actually send these very strong signals. So that is an obvious opportunity, but we are in conversation with states.

I should say we are also doing that at the operational level, and there are good exchanges, I know, at the operational level between South Africa and Vietnam, for example, on rhino trade. But we are really strongly of the view, working through the sort of the fora you have just mentioned, ASEAN and other fora, to actually get this on the agenda and send a message will have a significant impact, a positive impact.

The CHAIRMAN. And anybody. You talked about the high return for minimum investment with respect to a couple of those things. On the front line, on the range state, if 200 people can get on their horse in transit countries and come raging in with their AK–47s and massacre 400 of these animals, we have a fundamental problem in terms of security forces, law enforcement, army, whatever it is. What, if anything, can be done to augment that capacity? Could that happen through the African Union? Could that happen through some other kind of coordinated force or something? It seems that some minimal level of increased deterrent force would send a pretty strong message.

Dr. Hamilton.

Dr. DOUGLAS-HAMILTON. I think any forum should have it raised. The point is that this elephant crisis is just not on many people's radar until now, neither in the States nor in Africa. With increased awareness and raising this point, all these fora should be used. But it will not avoid the need for the nitty-gritty, which is to build up forces on the ground to engage local people and get them on our side and to use everything in our armories to solve this elephant problem.

The CHAIRMAN. We are going to have three votes in the Senate, which generally finds a way to end our hearings one way or the other, in about 5 minutes. So we have a moment here for colleagues to weigh in with additional questions and a little leeway.

As I said in my opening comments, we are inundated. We have got a lot going on. There are a lot of people out of work. We have got a lot of deficit issues, budget issues. I mean, there is a lot going on. People are consumed.

The trick here, though, is not to lose sight of the connectedness of all of these things. This is not just about elephants. It is not just about poaching in one place. The dots connect here to the whole issue of failed states, governance, lack of law enforcement, preying on people, the sort of random violence that comes as a consequence of this, the enormous sums of money. Criminal syndicates are walking away with billions of dollars out of this. And one of the things that I saw full square in the 1980s when we began to look at Noriega's bank of preference and ran across Osama bin Laden's name was that this is all interconnected. The opaqueness is used by all of these illicit entities, including terrorist groups, to move their money, to avoid accountability, to stay outside of governing structures. And all of those entities that are outside of those governing structures are depleting the capacity of states to function and to do what they are supposed to do.

So I think that this is worth raising the heat on it a little bit because those same thugs who can come in there and do that are also going to rape, pillage, plunder, move narcotics, facilitate somebody's ability to get money illicitly and may wind up blowing up

a bunch of people in some community square. And so I think it is important to fight back against failed statism, against the absence of governance, and I view this as a component of that. Am I wrong or what would you say to that, both of you involved on the enforcement side?

Mr. CARDAMONE. Yes, I think that is right. It is not an Africa problem. It is a global problem because of all the connections you have just laid out. And what facilitates that is the opacity in the system.

Justice Brandeis a long time ago said sunlight is the best disinfectant, and he was talking in another era about a different issue, but that comment holds to this. Without international effort, international focus, without global political will, this problem will not go away. Neither will the problems of terrorism or transnational crime because the connective tissue is the opacity in the financial system, and until organizations like the G20 and others really focus on this, we are going to be talking about this problem for quite a long time.

The CHAIRMAN. Do you want to comment, Mr. Secretary General?

Mr. SCANLON. Just briefly, Chair. And I think the interconnections you have talked about are supported by what we observe through the convention. It is supported by what INTERPOL is observing and has passed resolutions on, and it is also what is observed by the U.N. Commission on Crime Prevention and Criminal Justice and the resolutions that they have passed on the topic.

The CHAIRMAN. Dr. Douglas-Hamilton, you mentioned DARPA and the possibility of thinking out of the box. Can you just fill that in a little bit more for us?

Dr. DOUGLAS-HAMILTON. I think that DARPA have the intellectual resources, quite extraordinary ones. I know some of the people there, and we have discussed ideas for making the dream elephant collar or for putting up gunshot detectors in all the hills and integrating this into a system that is a sort of command and control system but at a local level where it is very easy to get the information fed back to a quick reaction force. In a way, antipoaching is like a minor guerilla war. Part of it is you have to reach out to hearts and minds, other parties. You have got to beat in the field. And for that, the more technical support we can get, the better.

The CHAIRMAN. Well, give the committee just a shorthand, 1-minute version of the one, two, three things that you think will make the greatest difference here that need to be followed up on.

Dr. DOUGLAS-HAMILTON. I think No. 1 is the antipoaching in the field, which we have covered fairly well.

No. 2 is controlling the transit points which have been dealt with well by the Secretary General and where we need again more tracking mechanisms for following ivory and rhino horn because we have got this huge gap of the middlemen that do not get arrested, prosecuted, and put away. We do not even know who they are in many cases. We know the demand is on one side and the supply is on the other.

And finally, demand. I believe that if China were to take bold leadership, it would be hugely in their own interests. At the moment, they are getting a terrible reputation for their environmental record in Africa by having fingers pointed as being the

prime instigators of illegal ivory and rhino horn trading. And it is a tiny, little trade that matters nothing to China compared to their other interests in building and developing.

So finally I would end there.

The CHAIRMAN. When you say the tracking of the ivory, are there mechanisms? Do we have any ability to track the ivory now?

Dr. DOUGLAS-HAMILTON. There are gadgets that can be used at a certain level. The problem is that they have to be embedded within the ivory. There is also DNA tracking which is an extremely promising field that needs a lot more work. You can trace ivory back to its origins through the DNA. But if we have little sensors, they can be used. It is a question of at which stage they get located. But I think again the technical abilities of having smaller and smaller sensors are there. It is just that we need to apply whatever might be available to this field.

The CHAIRMAN. Well, it seems to me—this may be the wackiest idea ever, but it seems to me that it would be pretty appealing to some big game hunters, instead of killing the elephants, tranquilize them, embed them, and you wind up doing a service in the same process.

Dr. DOUGLAS-HAMILTON. Funnily enough, we had a program like that. We called it "green hunting," and the idea was to use the undoubted energies of hunters for conservation to what I would say is a more ethical use, to dart an elephant and use it for science and law enforcement.

The CHAIRMAN. Sure. You get the whole feedback of the entire hunt, et cetera, but you could leave them feeling pretty good about the future.

Anyway, let us pursue these things and we will pursue them.

Senator Risch, do you have any more you want to ask? Senator Udall, go ahead.

Senator UDALL. Thank you, Senator Kerry. And I echo what you said. I think it was very eloquently said.

I just want to come back to this law enforcement side where you have this total inequality. I mean, when you have 200 armed, heavily armed, people moving out of Sudan down into Cameroon, they get into a national park there in Cameroon and kill 200 to 450 elephants out of a total of maybe 600, and then they take the ivory and move back up and it is part of their whole syndicate, if someone or entity or government does not confront that kind of activity, I mean, it is going to continue, and you are going to see the elephant populations decimated in a variety of different places, whether it is Cameroon or the Central African Republic or others.

And so is there the capability there? If we know that these heavily armed militias, or whatever you want to call them, are moving across country borders to engage in this kind of killing, is there a force to confront them and to push them back? Because it would seem to me if that happens a couple of times, it is not going to happen again if they are very decisively encountered and confronted and pushed back. I do not know who would be the best here.

Dr. Hamilton.

Dr. DOUGLAS-HAMILTON. I would like to answer for our own neck of the woods, which is East Africa. It is not the same situation. You cannot have a roaming gang like that traversing through Kenya

and getting away with it. And sometimes I feel that what we have going in Kenya is a little bit taken for granted, that everybody says, oh, well, Kenya is doing very well. They do not really need any help, which I would have bought until a year ago when these CITES MIKE figures showed us that actually our levels of poaching were like central Africa. So I think it is a different situation, and that the roaming bands that just goes hither and thither across borders is very much a central and west African phenomenon tied up with Lord's Resistance Army and heaven knows what irredentist movements.

Senator UDALL. Mr. Secretary General.

Mr. SCANLON. Senator, very briefly. What we did do in response to the incident was we activated all of the networks we have through INTERPOL, World Customs, and U.N. Office of Drugs and Crime to try and seize their contraband so that at least these criminals got no financial gain for their act. But we are also working with all countries of the region to look at how we can bring them together collectively, possibly through a wildlife enforcement network in the same way that has been supported by the United States and other parts of the world so they can start sharing intelligence collectively and support one another in these endeavors.

And the Government of Cameroon did ultimately deploy its defense forces to this park to expel the poachers. So they did act, albeit it was after the event, but we are hoping that that will set a precedent for any potential incidents in the future.

But I think regional or subregional support is necessary and through this consortium we have with INTERPOL, World Customs, U.N. Office of Drugs and Crime, we think we can lend them the sort of support they might need to improve their support.

Senator UDALL. And I think it was the case here that the rangers in the park did not have any weapons, were not armed at all, and here you have a heavily armed force that moves in and takes that kind of activity. So you need to think at a whole different level in terms of law enforcement when it comes to some of these things that are going on.

But we really appreciate your lifetime commitment to this, Dr. Hamilton. You have been working so hard, and we really appreciate the Secretary General and Mr. Cardamone here working on this. And I do not know if you have any additional thoughts on what I talked about. Thank you very much. I really appreciate it.

The CHAIRMAN. Folks, the vote is now on and we need to proceed to the floor in order to take part in that.

But I want to thank you for coming in today. I think this has been really helpful, educational, and important, and I think it sets out some interesting avenues for us to pursue, both in terms of just diplomacy and work between countries, but also some specific initiatives that we may be able to take and certainly some conversations that we can have with leaders in other countries in order to try to keep the focus moving in the right direction.

So, Dr. Douglas-Hamilton, thank you for your life's work on this effort. We really appreciate it and respect it, and we are going to continue to stay focused on this, I can assure you.

Thank you. Thank you all for being with us.

We stand adjourned.

[Whereupon, at 12:12 p.m., the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

RESPONSES OF DR. IAIN DOUGLAS-HAMILTON TO QUESTIONS SUBMITTED FOR THE RECORD BY SENATOR JAMES E. RISCH

Question. Much of your written testimony discussed declining elephant populations in Kenya and parts of central and western Africa. However, in numerous southern African countries elephants are frequently culled because of significant overpopulation problems.

- Can you explain why elephants are thriving in southern African countries that allow hunting while they are not doing as well in areas where hunting is limited or banned such as Kenya?

Answer. It used to be true that in the Kruger National Park in South Africa and in the national parks of the former Rhodesia elephants were culled, but this is no longer the case. South African scientists consider that culling at present is not needed to control elephant numbers in the Kruger National Park (though it is not ruled out as a last resort option for the future). Tracking studies have shown they can emigrate to neighbouring countries.

Well-managed hunting can certainly result in increasing wildlife populations, especially where there is adequate community on privately owned land, but it has not saved South Africa's rhinos, nor has it saved elephants in many countries in Africa which still permit hunting.

Elephants are currently thriving in parts of southern Africa for many reasons, principally due to adequate funding for wildlife protection, and an absence of the formidable sort of poachers found further north. This could change once the elephant reserves in the rest of Africa are exhausted and the only region left to satisfy ivory demand would be the hitherto immune parts of Southern Africa. So long as demand for ivory exceeds supply no elephant population in Africa will be safe whether or not sport hunting exists.

Question. It is my understanding that Kenya banned hunting in 1977. Numerous studies have found that creating an incentive to coexist with wildlife has been a central reason why so many populations of species are now thriving, especially elephants, rhinos, and lions. Of the 23 southern African nations that have regulated hunting, a trend of positive species population growth has been reported. The growing population of white rhino has been one of the most notable success stories. However, in countries like Kenya, where wildlife utilization by indigenous people is extremely limited and where sport hunting does not exist, wildlife population levels continuously decline and are low.

- Do you believe that the ban on hunting in Kenya has exacerbated the poaching problem because local people do not have an economic incentive to protect wildlife?

Answer. I do not believe that the ban on hunting in Kenya has exacerbated the poaching problem. It is not true that in Kenya wildlife populations continuously decline. In many protected areas, both private and public they have thrived, most particularly elephants in the years following the ivory trade ban. Recent higher levels of illegal killing have not been caused by an absence of sport hunting, but by a sudden rise in ivory prices.

While I do not dispute that in many places well-managed sport hunting can contribute to thriving wildlife populations, elephants also declined in many countries that had an active hunting industry, such as such as Central African Republic in the 1970s and 1980s. Likewise, in East Africa in the neighboring countries of Tanzania and Kenya, the first permits hunting and the second does not. Yet levels of illegal killing of elephants, from MIKE records, and trade seizures, reached record levels in both countries in 2011, regardless of hunting policy.

So while hunters can play a useful role in promoting conservation in those countries where hunting is legal, and where communities get a benefit, hunting is not a panacea that can easily be exported to solve all of Africa's wildlife poaching problems.

RESPONSES OF JOHN E. SCANLON TO QUESTIONS SUBMITTED BY SENATOR JAMES E. RISCH

Question. Mr. Scanlon, it is my understanding that CITES has a quota that allows for the trade of five black rhinos per year. Do you believe that this trade is sustainable, and can you please explain the conservation benefits that this trade quota provides to local communities?

Answer. When adopting the Convention text in March 1973, States explicitly recognized "the ever-growing value of wild fauna and flora from aesthetic, scientific, cultural, recreational and economic points of view" in the Convention's Preamble.

The earliest Resolution of CITES Parties that is still in effect today concerns the trade in hunting trophies of species listed in Appendix I, which was adopted in 1979 [Resolution Conf. 2.11 (Rev.)]. This resolution provides guidance on the uniform interpretation and application of the Convention with regard to trade in hunting trophies to ensure that their exportation is not detrimental to the survival of the species.

The Parties have also collectively adopted export quotas for Markhor hunted in Pakistan, Black rhinoceros in Namibia and South Africa, and Leopard in 12 African countries, with other States having adopted voluntary export quotas for hunting trophies of Appendix II listed species.

More specifically, Namibia and South Africa were each authorized by the Conference of the Parties to CITES to establish an annual export quota of hunting trophies of five adult male black rhinoceroses (*Diceros bicornis*) through Resolution Conf. 13.5 (Rev. CoP14). This Resolution of the Conference of the Parties, adopted in 2004 and revised in 2007, was approved by consensus.

The black rhino population of Namibia stood at 1,435 individuals at the start of 2008 (see document CoP15 Doc. 45.1[1]), and by the end of 2010 this figure had increased to 1,750 (IUCN Red List, 2011), representing an annual rate of increase of 6.8 percent. An export quota of trophies from five animals represents under 0.3 percent of the Namibian black rhino population in 2010 and is well below the current rate of increase.

South Africa had a black rhino population of 1,488 animals at the start of 2008, which increased at an annual rate of over 8.7 percent per annum to 1,915 animals at the end of 2010. The quota of five trophies from animals per year represents less than 0.3 percent of the population and is well below the current rate of increase.

Namibia committed to invest all proceeds from rhino hunting to the Game Products Fund, and for those funds to be used in community conservation projects (see document CoP14 Inf. 43[2]). Similarly, advice received on the sustainable use of rhinoceroses in South Africa suggests it has generated revenues for nature conservation authorities, created additional jobs, brought in additional revenues from abroad and provided conservation incentives to private landowners (see documents CoP13 Doc. 19.3 and 19.4[3]).

Resolution Conf. 8.3 (Rev. CoP13) of the Conference of the Parties on Recognition of the benefits of trade in wildlife recognizes, inter alia, that the sustainable use of wild fauna and flora, whether consumptive or nonconsumptive, provides an economically competitive land-use option and that the returns from legal use may provide funds and incentives to support the management of wild fauna and flora to contain the illegal trade.

The Parties are the ultimate source of interpretation and implementation of the Convention. Through their decisions, the Parties to CITES have recognized that: trophy hunting of species within appropriately set quotas falls within the ambit of the Convention; that the sustainable use of wild fauna and flora, whether consumptive or nonconsumptive, provides an economically competitive land-use option; and that commercial trade may be beneficial to the conservation of species and ecosystems and/or to the development of local people when carried out at levels that are not detrimental to the survival of the species in question.

Question. Do you believe that poaching is less prevalent in African countries that have community-based natural resource management programs that include managed hunting?

Answer. While enforcement measures are essential, when taken alone such measures are unlikely to eradicate poaching and illegal wildlife trade.

Data from the CITES programme for Monitoring the Illegal Killing of Elephants (MIKE) show that sites with a better law enforcement capacity tend to experience lower levels of poaching. However, the data also demonstrate that elephant poaching is higher in areas of high infant mortality and low food security (see document SC62 Doc. 46.1), highlighting the close relationship between the well-being of local communities and the health of elephant populations, and suggesting that there may

be a greater incentive to poach elephants in areas where human livelihoods are insecure. The causality of these relationships is sometimes referred to in the context of community-based natural resource management (CBNRM). Namibia is often cited as an example of the success of CBNRM programmes that include hunting as a central income generation activity for conservation and local communities alike.

Well-managed CBNRM programs are ecosystem management tools that can positively impact on conservation and provide a way in which local people can become involved in CITES implementation. The application of CBNRM, however, must be consistent with the obligation of a Party to effectively implement the Convention and to ensure that CITES trade is legal, sustainable, and traceable. Under such circumstances, the use of CBNRM becomes a CITES implementation tool that has as its central component the building of local people's capacity to conserve, sustainably use, and derive equitable benefit from, the wild animals and plants that surround them.

The relevance of CBNRM to the conservation and sustainable use of CITES-listed species in exporting countries was extensively discussed at an international symposium organized by the Austrian Ministry of the Environment and the European Commission in Vienna, Austria, in 2010. The proceedings are available at http://pubs.iied.org/pdfs/14616IIED.pdf.

Question. Can you please explain the difference between the legal trade in ivory under CITES and the illegal trade? Does the legal trade in ivory provide conservation and economic benefits to the species and countries involved?

Answer. The aim of CITES is to ensure, through a globally recognized system of permits and certificates, that the international trade in wild fauna and flora is legal, sustainable, and traceable. The Convention establishes an international legal framework together with common procedural mechanisms for the general prohibition of international commercial trade in species threatened with extinction (Appendix I), and for an effective regulation of international trade in species not necessarily now threatened with extinction (Appendices II and III).

Before any Party grants an export permit for specimens of species in Appendices I or II, its Scientific Authority must advise that the proposed export will not be detrimental to the survival of the species (the so-called "nondetriment finding" in Article III, paragraph 2(a), and Article IV, paragraph 2(a), of the Convention), which includes international trade in rhino hunting trophies and the sale of elephant ivory in certain limited circumstances. Another important precondition for issuing a CITES permit and certificate is the determination by the Management Authority that the specimens were obtained in a lawful manner (i.e., in conformity with the laws of the State for the protection of fauna and flora).

Article VIII, paragraph 7 of the Convention requires each Party to submit an annual report on its CITES trade, containing a summary of information on, inter alia, the number and type of permits and certificates granted, the States with which such trade occurred, the quantities and types of specimens, and the names of species as included in Appendices I, II, and III. CITES now has records of over 12,000,000 authorized trade transactions in its data bases that can all be readily searched, for example through the CITES Trade Database Dashboards. This reporting requirement further helps to ensure the legality, sustainability and traceability of CITES trade.

By definition, illegal trade in CITES listed species is unregulated (i.e., outside the law); it is not conducted on the basis of any scientific finding; and it goes unreported. Such illegal trade is difficult to accurately detect, trace, quantify or control. It violates the Convention and relevant national laws and is also highly likely to be unsustainable, thus posing risks to the conservation and sustainable use of wild species. Furthermore, illegal trade deprives local people of legitimate development opportunities and governments of potential revenue, and entails significant human and financial costs associated with law enforcement operations. As the benefits of illegal trade accrue to criminals, such trade has been described as the "theft" of a State's natural wealth or resources and its cultural heritage.

In the case of illegal trade in ivory and other elephant specimens, the CITES monitoring programme ETIS (Elephant Trade Information System) collects and analyses global data on seizures and confiscations. The most recent information, presented in document SC62 Doc. 46.1,[4] show a worryingly high and increasing trend in illegal trade in ivory from Africa to Asia.

Current levels of poaching of high-profile species such as the African elephant and African rhinoceroses can influence the debate on the conservation benefits of trade in trophies, and concern over illegal trade may prompt some to take more cautious positions on sustainable use. The hunting community can assist with efforts to address illegal trade—efforts which will ultimately be in their own best interests.[5]

The legal ivory sales conducted under the supervision of CITES in 2008 generated revenue of USD 15,469,391 which, as stipulated by the CITES Conference of the Parties, were used exclusively for elephant conservation and community conservation and development programmes within or adjacent to elephant range States, as described in document SC58 Doc. 36.3.

End Notes

[1] http://www.cites.org/eng/cop/15/doc/E15–45–01.pdf.
[2] http://www.cites.org/common/cop/14/inf/E14i-43.pdf.
[3] http://www.cites.org/eng/cop/13/doc/E13-19-3.pdf and http://www.cites.org/eng/cop/13/doc/E13-19-4.pdf.
[4] http://www.cites.org/eng/com/SC/62/E62-46-01.pdf.
[5] See also the speech of the CITES Secretary-General to the CIC at: http://www.cites.org/eng/news/SG/2011/20110512__SG__CIC.php.

PREPARED STATEMENT OF GINETTE HEMLEY, SENIOR VICE PRESIDENT, CONSERVATION STRATEGY AND SCIENCE, WORLD WILDLIFE FUND AND TOM MILLIKEN, ELEPHANT AND RHINO LEADER, TRAFFIC

Mr. Chairman, Mr. Ranking Member, and members of the committee, thank you for the opportunity to testify on the global implications of poaching in Africa. My name is Ginette Hemley, Senior Vice President for Conservation Strategy and Science for World Wildlife Fund-US. My testimony today is offered on behalf of World Wildlife Fund-US and TRAFFIC North America and incorporates significant technical inputs from Tom Milliken, Elephant and Rhino lead for TRAFFIC. It is also reflects the views of the broader WWF and TRAFFIC networks around the globe. WWF is the largest private conservation organization working internationally to protect wildlife and wildlife habitats. WWF currently sponsors conservation programs in more than 100 countries with the support of 1.2 million members in the United States and more than 5 million members worldwide. TRAFFIC, a joint program of WWF and IUCN—The World Conservation Union, is the world's leading wildlife trade monitoring organization. It is a global network, with 25 offices around the world, working to ensure that trade in wild plants and animals is not a threat to the conservation of nature. Over the past 35 years, TRAFFIC has gained a reputation as a reliable and impartial organization and a leader in the field of conservation as it relates to wildlife trade.

INTRODUCTION

Poaching and illegal wildlife trade is one of the greatest current threats to many of Africa's most charismatic, valuable and ecologically important species. In my testimony, I will focus in particular on a couple of species that have seen a dramatic upsurge in poaching in the last couple of years: African elephants and rhinos. Products made from the parts of elephants and rhinos are in great demand in Asia for purported medicinal purposes (e.g., rhino horn) or as a demonstration of enhanced wealth and status (e.g., ivory or rhino horn carvings). Growing wealth in Asia, particularly in China, has resulted in a steep increase in Asian consumers with the means to purchase such products. At the same time, the poachers supplying these products have shifted from local criminals armed with spears or shotguns to the entrance of a new set of highly organized and heavily armed gangs, often including militia and military personnel, that violate international borders, carry AK–47s and rocket-propelled grenades, and possess strong connections to transnational criminal networks. In many parts of Africa and Asia, poachers and wildlife traffickers can operate largely with impunity due to weak law enforcement, poor capacity, governance shortfalls, and a failure of governments to recognize wildlife crime as the serious crime that it is.

The combination of these factors make poaching and illegal wildlife trafficking a high profit, low risk endeavor, particularly as growing wealth in Asia and a growing demand for luxury wildlife products has caused the value of both ivory and rhino horn to soar. Recent years have seen a dramatic upsurge of poaching and illegal trade of high-value wildlife products. Rhino poaching in South Africa has risen from approximately 13 in 2007 to 448 in 2011—more than a 3,000 percent increase.[1] Additionally, 2011 saw more large-scale ivory seizures than any year since records

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[1] http://wwf.panda.org/?uNewsID=203098.

began over 20 years ago.[2] Tens of thousands of African elephants are killed every year to supply the market, with an average of 18 tonnes seized per year over the past 20 years and annual highs of over 32 tonnes seized. While seizures are smaller, rhino horn is worth far more than elephant ivory—rhino horn is priced higher than cocaine pound for pound. Illicit traders can make more profit from smuggling a kilo of rhino horn than they would make from smuggling any illicit drug, and the risks are minimal in comparison. It is estimated that 3,000 kg of illicit rhino horn reaches Asian markets each year.

As a result of soaring demand and poor capacity for law enforcement, wildlife populations of many key African species threatened by poaching and trade are plummeting, and many African countries are witnessing the rapid decimation of their wildlife—a potentially valuable resource on while to build sustainable growth and eventually bring greater stability to conflict-torn and impoverished regions of the continent.

AFRICA'S NEW POACHING CRISIS: ELEPHANTS

WWF has over 40 years of experience in elephant conservation. Through WWF's African Elephant Program, we aim to conserve forest and savanna elephant populations through both conservation projects and policy development. WWF works with elephant range state governments, local people and nongovernmental partners to secure a future for this powerful symbol of nature. TRAFFIC tracks illegal trade in elephant ivory using records of ivory seizures that have occurred anywhere in the world since 1989. The Elephant Trade Information System (ETIS), one of the two monitoring systems for elephants under CITES, is managed by TRAFFIC and currently comprises over 18,000 elephant product seizure records from some 90 countries, the largest such collection of data in the world. TRAFFIC will be conducting a comprehensive analysis of these data later this year for the 16th meeting of the Conference of the Parties to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Elephants are important keystone species, and their future is tied to that of much of Africa's rich biodiversity. African elephants help to maintain suitable habitats for many other species in savanna and forest ecosystems, directly influencing forest composition and density and altering the broader landscape. In tropical forests, elephants create clearings and gaps in the canopy that encourage tree regeneration. In the savannas, they can reduce bush cover to create an environment favorable to a mix of browsing and grazing animals. Many plant species also have evolved seeds that are dependent on passing through an elephant's digestive tract before they can germinate; it is calculated that at least a third of tree species in west African forests rely on elephants in this way for distribution of their future generations.

African elephants once numbered in the millions across Africa, but by the mid-1980s their populations had been devastated by poaching. An international ban on the sale of ivory, put in place in 1989, helped to slow the rate of decline significantly for the past two decades in many parts of Africa. The status of the species now varies greatly across the continent. Some populations have remained in danger due to poaching for meat and ivory, habitat loss, and conflict with humans. In Central Africa, where enforcement capacity is weakest, estimates indicate that elephants in the region declined by more than 50 percent in the 12 years between 1995 and 2007,[3] primarily due to poaching. This is in spite of the global trade ban in ivory trading, in place since 1989. Elephants in Central Africa are also heavily impacted by the existence of large, unregulated domestic ivory markets, especially those still functioning in Kinshasa, Democratic Republic of Congo (DRC) and Luanda, Angola. In other parts of Africa, populations have remained stable or grown. However, recent trends indicate that whatever gains were made over the past 25 years may be in the process of being reversed as a new wave of poaching is emerging, which is unprecedented in its intensity since the global ivory trade ban went into force and which is threatening to wipe out elephants in many of the areas where they still remain.

Escalating Ivory Trade and Large-Scale Ivory Seizures

Illegal trade in ivory has been steadily increasing since 2004. The increases were rather modest initially, but since 2009 the upward escalation has surged. Looking at 23 years of data, 3 of the 5 years in which the greatest volumes of ivory were

[2] http://www.traffic.org/home/2011/12/29/2011-annus-horribilis-for-african-elephants-says-traffic.html.

[3] Decline based on IUCN Elephant Specialist Group African Elephant Status Reports from 1995 and 2007 http://www.african-elephant.org/aed/pdfs/aed1995.pdf#nameddest=cafrovw and http://www.african-elephant.org/aed/pdfs/aesr2007c.pdf.

seized globally occurred in 2009, 2010, and 2011. Successive years of high-volume, illegal trade in ivory is not a pattern that has been previously observed in the ETIS data. This represents a highly worrying development and is jeopardizing two decades of conservation gains for the African Elephant, one of Africa's iconic flagship species and an animal that the U.S. public feels adamant about protecting. Requiring greater finance, levels of organization and an ability to corrupt and subvert effective law enforcement, large-scale movements of ivory are a clear indication that organized criminal syndicates are becoming increasingly more entrenched in the illicit trade in ivory between Africa and Asia. ETIS recognizes seizure volumes of 800 kg or more as the threshold for defining a large-scale ivory seizure. This type of seizure is becoming more frequent in the data, with more than half of the large-scale ivory seizures that have happened since 2000 occurring in the last 3 years. In 2011, there were 14 large-scale ivory seizures, involving an estimated 24.3 tonnes of ivory, more than any previous year in the ETIS data and reaching a double-digit figure for the first time in over two decades. This annual volume equates to ivory being sourced from at least 2,500 dead elephants. Virtually all large-scale ivory seizures involve container shipping, a factor that imposes considerable challenges to resource-poor nations in Africa.

Large-scale movements of ivory exert tremendous impact upon illegal ivory trade trends. Unfortunately, very few large-scale ivory seizures actually result in successful investigations, arrests, convictions and the imposition of penalties that serve as deterrents. International collaboration and information sharing between African and Asian countries in the trade chain remains weak, and forensic evidence is rarely collected as a matter of routine governmental procedure. Finally, the status of such large volumes of ivory in the hands of Customs authorities in various countries, which generally do not have robust ivory stock management systems, remains a problematic issue and leakage back into illegal trade has been documented.

Year	No. of large-scale ivory seizures	Wt. of large-scale ivory seizures (kg)
2003	3	4,421
2004	2	2,750
2005	2	4,742
2006	6	16,442
2007	2	2,152
2008	0	0
2009	8	19,303
2010	6	9,797
2011	14	24,300

Table 1: Number of large-scale ivory seizures and volume of ivory represented in raw ivory equivalent by year, 2003–2011 (ETIS data, 17 April 2012).

Trade Routes Out of Africa

In terms of ivory trade flows from Africa to Asia, East African Indian Ocean seaports remain the paramount exit point for illegal consignments of ivory today, with Kenya and the United Republic of Tanzania as the two most prominent countries of export in the trade. This development stands in sharp contrast to ivory trade patterns previously seen whereby large consignments of ivory were also moving out of West and Central Africa seaports. Whether the shift in shipping ivory from West and Central African Atlantic Ocean seaports reflects a decline in elephant populations in the western part of the Congo Basin remains to be determined, but the depletion of local populations is steadily being documented throughout this region, according to the IUCN's Species Survival Commission's African Elephant Database. Data on elephant poaching from the Monitoring Illegal Killing of Elephants (MIKE) program, the other site-based monitoring system under CITES, also show that illegal elephant killing has consistently been higher in Central African than anywhere else on the African Continent. Now, however, poaching is seriously affecting all parts of Africa where elephants are found.

End-Use Markets in Asia

In terms of end-use markets, China and Thailand are the two paramount destinations for illegal ivory consignments from Africa. Whilst repeated seizures of large consignments of ivory have occurred in Malaysia, the Philippines and Vietnam since 2009, these countries essentially play the role of transit countries to China or Thailand. Directing large shipments of ivory to other Asian countries for onward shipment is an adaptation by the criminal syndicates to the improved surveillance and law enforcement action in China and Thailand where targeting of cargo from Africa

has increased. Importation into other Asian countries allows the shipping documents to be changed, concealing the African origin of the containers in question. In the case of Vietnam, which shares a long terrestrial border with China, ivory is being smuggled overland into China. ETIS data also suggest that Cambodia, Laos, and most recently Sri Lanka are now rapidly emerging as new trade routes into China and Thailand, reflecting further adaptations by the criminal networks behind this trade.

Thailand has one of the largest unregulated domestic ivory markets in the world and consistently fails to meet CITES requirements for internal trade in ivory. Recently, interdictions of several large shipments of ivory have occurred at Thailand's ports of entry, resulting in over 8.3 tonnes of ivory being seized since 2009. This development is welcomed, but there is almost no evidence of similar law enforcement pressure on the hundreds of retail ivory vendors in the country's marketplace which effectively exploit legal loopholes in Thailand's legislation to offer tens of thousands of worked ivory products to tourists and local buyers. An initial attempt by the Thai Government to address these legal deficiencies and provide a basis for stricter market regulation has been blocked by industry insiders, and the view that remedial measures in Thailand will only result if sanctions are imposed under CITES or an application of the Pelly amendment is increasingly taking hold as the only hope for breaking the current impasse. The ETIS data underscore the global reach of Thailand's ivory markets as more than 200 ivory seizure cases have been reported by other countries regarding illegal ivory products seized from individuals coming from Thailand over the last 3 years.

Without any doubt, ivory consumption in China is the primary driver of illegal trade in ivory today. But, in contrast to Thailand, the Chinese Government recognizes ivory trafficking as the country's greatest wildlife trade problem and law enforcement officials are making almost two ivory seizures every single day, more than any other country in the world. Regardless, strict implementation of China's domestic ivory trade control system seriously faltered in the wake of the CITES-approved one-off ivory sale held in four Southern African countries in late 2008. Various observers to China, including TRAFFIC monitors, have found government-accredited ivory trading retail outlets persistently selling ivory products without the benefit of product identification certificates, which previously were an integral discriminating feature in the Chinese control system. The ability of retail vendors to sell ivory products without product identification certificates means that they do not become part of China's database system, which is designed to track ivory products at the retail level back to the legal stocks of raw ivory at approved manufacturing outlets. This circumvention creates the opportunity to substitute products from illicit sources of ivory into the legal control system. It is expected that China will be reporting on its legal control system to the next meeting of the CITES Standing Committee in July 2012, as well as a recent law enforcement initiative taken in early May 2012 that reportedly resulted in 1.3 tonnes of ivory being seized within the country.

China remains the key for stopping the growing poaching crisis facing Africa's elephants. Whilst Chinese CITES authorities are engaged on ivory trade issues and law enforcement is certainly taking place on an unprecedented scale, China's demographics appear to be swamping the impact of such actions. Within the country, stricter internal market monitoring and regulation are needed, and investigative effort directed at fighting the criminal syndicates behind the ivory trade needs to be scaled up as a dedicated, ongoing concern. At the same time, Chinese nationals based throughout Africa have become the principle middleman traders behind the large illegal movements of ivory to Asia. The advent of Asian criminal syndicates in Africa's wildlife trade stands as the most serious contemporary challenge and China needs to actively collaborate with African counterparts to address the growing Chinese dimension in Africa's illegal trade in ivory and other wildlife products.

The evidence is steadily mounting that African Elephants are facing the most serious crisis since the ivory trade ban under CITES was agreed to in 1989. Data from MIKE show an increasing pattern of illegal killing of elephants throughout Africa, and the ETIS data demonstrate an escalating pattern of illegal trade—one that reached new heights in 2011. Those working on the ground throughout Africa are seeing an alarming rise in the number of elephants being illegally killed, even in areas that have been until recently relatively secure and free from large-scale poaching, such as southern Tanzania and northern Mozambique.[4] They are also

[4] http://namnewsnetwork.org/v3/read.php?id=180566; http://www.sanwild.org/NOTICEBOARD/2011a/Elephant%20poachers%20use%20helicopter%20in%20Mozambique%20National%20Park.

Continued

witnessing a disturbing change in the methods used by the poachers, who are frequently well armed with automatic weapons, professional marksmen and even helicopters. In most of the cases, poachers are better equipped than the park supervisors and guards. In some instances, they are better equipped even than local military forces.

IVORY & SECURITY: THREATS TO STABILITY & ECONOMY GROWTH

Poaching, by definition, entails armed individuals, often gangs, operating illegally in wildlife habitats which, in many cases, are protected areas that attract tourists and contribute to the economic development of many African countries. Where poaching is particularly entrenched and pernicious, armed militias from one country temporarily occupy territory in another country, destroying its wildlife assets and posing serious national security threats on many levels. Every year, throughout Africa, dozens of game scouts are killed by poachers while protecting wildlife.

The increase of large scale (>800kg) ivory seizures is evidence of the growing involvement of organized crime in the illicit trade in wildlife. Illegal wildlife trade is often conducted by well-organized criminal networks that are undermining efforts to strengthen the rule of law and governance in many countries. Illegal wildlife trade in the 21st century has an estimated value of $7.8–$10 billion per year, a figure which, if correct, would make it the fifth-largest illicit transnational activity worldwide, after counterfeiting and the illegal trades in drugs, people, and oil.[5] Illegal trades in timber and fish commodities rank sixth and seventh respectively. In terms of its size, wildlife trade outranks the small arms trade. It also has connections to these other illegal activities—guns, drugs and ivory may be smuggled by the same criminal networks and using the same techniques and smuggling routes. The White House recognized the importance of addressing the issue in the President's National Strategy to Combat Transnational Organized Crime and Converging Threats to National Security, released in July 2011, which highlighted environmental crimes as being among the top five most lucrative criminal activities.

Middleman ivory traders often direct poaching activity and engage in targeted efforts to corrupt law enforcement and wildlife protection efforts. In some cases, organized Asian criminal syndicates, which are now increasingly active in Africa, work with local economic and political elites to subvert control systems and operate with relative impunity. The trends in both the MIKE and ETIS data sets are highly correlated with governance shortfalls and corruption. In other words, where poaching of elephants and illegal trade in ivory is most acute, poor governance is likely to be a serious operating factor. A related issue is the theft of government ivory stocks, a persistent problem in many African countries. Just last month (April 2012) in Mozambique, 266 pieces of elephant ivory, representing over one tonne of ivory, were stolen from the government ivory store in the Ministry of Agriculture building in Maputo. Overall, illegal trade in ivory produces a broad corrupting influence on governments.

Poachers who profit from killing elephants and harvesting illegal ivory may also have ties to criminal gangs and militias based in countries such as Sudan (in the case of Central Africa) and Somalia (in the case of East Africa). Longstanding historical ties between slave trading, elephant poaching and the tribes that now form Sudan's Janjaweed militia (which has been responsible for many of the worst atrocities in Darfur), mean that illegal ivory may well be being used as powerful currency to fund some of the most destabilizing forces in Central Africa. It is in parts of West and Central Africa where the situation is most dire and severe poaching is already resulting in the local extinction of elephant populations. This fact—and the connection between wildlife crime and regional security—has been dramatically driven home in recent months due to several high-profile poaching incidents involving large-scale massacres of elephants, violations of international sovereignty and the need for military engagement, both by Central African governments and the U.S. military.

Democratic Republic of Congo: Garamba National Park

Garamba National Park is located in northeastern DRC, on the border with South Sudan. For many years this park was supported by WWF to protect the last remaining population of northern white rhino, as well as the park's elephants. The park was invaded many times by both sides during the long civil war in Sudan, and poaching by well-armed militias was common. The result was a steady decline in rhino populations from at least 500 in the 1970s to the last observation in the wild

HTM; http://www.savetheelephants.org/news-reader/items/selous-the-killing-fields-40tanzania41.html.

[5] http://transcrime.gfintegrity.org/.

several years ago. As a result of the ongoing poaching, Northern White Rhino are now considered extinct in the wild. Garamba NP is still home to one of the few remaining elephant populations in DRC. An analysis of elephant trends in DRC shows that there are probably only a handful of remnant populations of elephants in that country numbering more than 500 individuals and that the country's total elephant population is less than 20,000 and declining rapidly—down from an estimated 100,000 as recently as 50 years ago.[6] Garamba NP is now comanaged by DRC's national park agency and Africa Parks Network, a Dutch NGO. Due to their efforts and the improved security following the tentative peace in Southern Sudan, the situation in the Park has seen a steady improvement in recent years and a reduction in poaching. This was true up until March 15 of this year. On that day, a foreign helicopter entered DRC airspace and 22 elephants were killed by a marksman, firing from the helicopter and killing the elephants with a single shot to the top of the head. While the actual slaughter was not witnessed, a Russian manufactured Mi-17 troop-carrying helicopter was photographed in the vicinity at the same time. The helicopter was illegal and of unknown origin.

Cameroon: Bouba N'Djida National Park

The most notorious and well-reported incident this past winter was the killing of at least 200 and perhaps upward of 400 elephants in northern Cameroon this past winter.[7] In early February 2012, bands of heavily armed poachers illegally crossed from Chad into northern Cameroon's Bouba N'Djida National Park and, over the course of 2 months, massacred hundreds of the park's elephants for their tusks. The poachers, believed to have come from Sudan and perhaps Chad with ties to the Janjaweed, traveled over 1,000 miles on horseback and disregarding international borders to systematically target the elephants of Bouba N'Djida NP. The park guards were ill-equipped, unarmed and few in number, and the Sudanese militants were able to operate with impunity for weeks. The Cameroonian Government was slow to react and recognize the severity of the problem, and repelling the invaders eventually required the involvement of the Cameroonian military, resulting in casualties on both sides and the seizure of both ivory and weapons. The crisis provoked the engagement of the U.S. military, including an in-person meeting between the President of Cameroon and the U.S. General Carter F. Ham, Commander of U.S. AFRICOM.

Central African Republic: Dzanga-Sangha Reserve

Over the past year, similar poaching attempts have been made by Sudanese militants targeting elephants in Central African Republic's Dzanga-Sangha Reserve. Gangs of armed horsemen have also attempted on at least two occasions to enter the Dzanga-Sangha protected area complex, home to the majority of the remaining elephants in Central African Republic (CAR). The first attempt in the fall of 2011 was successfully repelled by the CAR army (not without casualties) after WWF and other partners on the ground alerted the government to the imminent threat. The most recent attempt by the poachers is ongoing at the time of this testimony. In early May 2012, WWF became aware of the presence of about three dozen Sudanese raiders in CAR and determined that they were moving toward the Dzanga-Sangha Reserve. At least 8–10 elephants have been killed outside of the park, and operations to capture and repel the invaders by the CAR military are currently underway. Both Cameroon and the Republic of Congo are coordinating in the effort and have stationed troops along their borders with CAR to prevent the poachers from moving into their territory.

Despite the repeated threats, not a single elephant was poached in Dzanga-Sangha in 2011, the first such achievement in many years, due in large part to strong protection efforts that have been developed over several years by WWF and its governmental and nongovernmental partners, including the support of the U.S. Agency for International Development (USAID), through its Central African Regional Program for the Environment (CARPE). Another major factor helping to secure the park has been the cross-border cooperation that has been developed between park guards of the three bordering countries—CAR, Cameroon and Republic of Congo—each of which contain a portion of the Sangha River Tri-national landscape (of which Dzanga-Sangha is the CAR portion). Park guards engage in regular communication, joint patrols and joint law enforcement, so that information is rapidly shared and potential poachers can be pursued across border.

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[6] http://www.bonoboincongo.com/2009/02/01/how-many-elephants-are-left-in-dr-congo/.

[7] http://www.usatoday.com/news/world/environment/story/2012-03-16/cameroon-elephants-poaching/53564500/1.

Success Stories

The success in Dzanga-Sangha demonstrates that Central African countries can combat these environmental and security threats posed by transnational wildlife crime when governments engage and prioritize the issue, when enough capacity is in place to respond effectively, and when countries cooperate on a regional and transboundary basis. Such regional cooperation can also help to foment stronger regional ties on other issues and reduce regional tensions, as evidenced by the fact that countries that were in conflict with each other not long ago are now engaged in joint security missions to protect their shared wildlife resources. These wildlife resources, if properly protected, can form the basis for future economic growth in these impoverished, rural regions of the continent. In several African countries, this is already happening.

In Namibia, community-run "conservancies" in which local communities own and manage their own wildlife resources and derive profits from ecotourism opportunities and sustainable use of wildlife have contributed to new attitudes toward wildlife, rebounding populations of such charismatic species as rhinos and tigers, and—just as importantly—an exponential increase in the economic benefits that communities receive from their wildlife, including income and employment. Due to joint-venture lodges and related eco-tourism opportunities, community conservancies now generate upward of US$6 million annually for rural Namibians—up from an insignificant amount in the mid-1990s. These successful programs receive critical support from USAID and, more recently, the Millennium Challenge Corporation, as well as WWF and others. In Central Africa, a similar story can be told about Rwanda's Virunga National Park—Africa's oldest national park and one of its most important in terms of biodiversity. It is also the continent's best known park, because it is home to the last remaining mountain gorillas. Gorilla-based tourism is a huge economic engine: the annual revenue earned directly from gorilla tourism in the Virungas is now estimated at US$3 million. When combined with the additional income received by, for example hotels and restaurants, the total figure may exceed US$20 million shared between Rwanda, Uganda, and the Democratic Republic of Congo (DRC). In Rwanda alone, the number of tourists visiting the country from 2010 to 2011 increased 32 percent and tourism revenues rose an amazing 12.6 percent, from $200 million to $252 million in 2011—much of it due to mountain gorillas and other eco-tourism opportunities.

Wildlife-based tourism in Central Africa is still in the early stages compared to the Virungas. Nevertheless, in the Dzanga-Sangha Reserve of CAR, WWF is already making significant progress to secure gorilla-based tourism as a long-term conservation tool and revenue generator for local communities. The program is seeing remarkable successes: compared to 2010, 2011 saw 14 percent more tourists visiting the park, and tourism revenue increased a full 44 percent, enough to pay park salaries. Tourism has been growing in Cameroon, with a government target to increase the number of foreign visitors to 500,000 in 2012, up from the 350,000 who visited in 2006. According to government figures, the sector currently contributes more than 4 percent of Cameroon's GDP and provides over 14,000 jobs. The current poaching crisis threatens to destabilize this economic engine by fomenting instability and driving away tourist dollars. More gravely, the crisis threatens to permanently rob many of these countries of a good portion of their future economic potential by rapidly eradicating their wildlife populations.

Role of the U.S. Government

U.S. Government support is playing a critical role in helping to keep the poaching crisis at bay and build on successes, such as those in Dzanga-Sangha. Through the CARPE program, USAID is supporting biodiversity conservation and sustainable development efforts in 12 large landscapes throughout Central Africa, including the Sangha River Tri-national. USAID receives important support in those efforts from the U.S. agencies, such as the Fish and Wildlife Service, the Forest Service and NASA, as well as over 50 governmental, nongovernmental and local partners, including WWF.

Through the Department of State, the U.S. Government has also been at the forefront of international efforts to dismantle and bring a halt to the illegal wildlife trade. In 2005, the Department of State launched the Coalition Against Wildlife Trafficking (CAWT). The Department of State has also helped to form regional wildlife enforcement networks in Southeast Asia, South Asia, and Central America. In April 2012, the U.S. Embassies in Gabon and the Central African Republic—in partnership with the Government of Gabon—brought together law enforcement, government officials, and conservationists to share best practices to curb illicit wildlife trafficking in Central Africa. The Central African Sub-Regional Workshop on Wildlife Trafficking and Dismantling Transnational Illicit Networks was held April 3–

5, 2012, in Libreville, Gabon and cochaired by the Governments of Gabon and the United States, which issued the following joint statement: "Heavily-armed poachers operating in Central Africa—who have attacked law enforcement and military personnel—have become a threat to the national security of Central African countries. Furthermore, poaching and wildlife trafficking are largely intertwined with other criminal activities of transnational illicit networks that contribute to the insecurity and instability of economies globally and hinder sustainable development strategies, including efforts to preserve national resources and the promotion of eco-tourism as a source of revenue for governments and local communities."

The cochairs also recommended the creation of a regional wildlife enforcement network to combat wildlife trafficking and dismantle cross-border illicit networks. WWF believes that an agreement to create such a regional network, signed by Central African heads of state and actively supported by key partners, including the United States, will help to elevate wildlife crime as an important issue, increase the seriousness with which it is treated in the region, enhance the collaboration between Central African governments on park protection and law enforcement, and promote much needed capacity-building, including the training and recruitment of more and better "eco-guards" throughout the region.

In addition to this existing involvement by the U.S. Government, we see the recent engagement by AFRICOM and the U.S. military around threats to regional security in Central Africa from transnational organized wildlife crime as a very welcome development. More can be done in terms of training and intelligence sharing to build the capacity of eco-guards and law enforcement and to improve the ability of African governments to prevent, prepare for and respond to the ongoing threats to their wildlife resources and their territorial integrity. In DRC, where much of the poaching of elephants and other wildlife is done by DRC nationals belonging to militias or army units, helping to increase awareness of the costs and penalties surrounding wildlife crime and to better manage and inventory ammunition and weapon stockpiles are potential remedies. The proliferation of arms is a major contributing factor to the mounting losses of elephants and other species, and steps to curtail their spread will help stem some of the tide. Legal systems in several countries also need to be strengthened and made to work so that wildlife crime is prosecuted fully and effectively alongside other serious crimes and no longer warrants merely a "slap on the wrist."

AFRICA'S OTHER POACHING CRISIS: RHINOS

In addition to the poaching crisis affecting elephants in West, Central and Eastern Africa, a concurrent and related crisis is affecting rhinos in Southern Africa and threatens to spread to the rest of the continent. South Africa is experiencing an unprecedented surge in rhino poaching, up from 15 rhinos poached per year in the early 2000s to 448 rhinos poached in 2011. The trend has continued in 2012, with eight rhinos poached on a single day in January, the highest one-day death toll recorded. The situation is all the more shocking because South Africa is recognized to have the most well developed park system in Africa, with the highest capacity and best enforcement. The country is home to roughly 80 percent of the world's remaining rhinos, making it the main target for poachers.

The reason for the spike in rhino poaching is surging demand for rhino horn in Vietnam, where many believe that the horn has medicinal properties and a recent rumor that ingesting it can cure cancer. Due to rising prosperity in Vietnam, wealthy buyers have driven up prices and demand for rhino horn to a level where it is now being sourced not just from live rhinos in South Africa, but also from trophies, antiques, and museum specimens in the United States and Europe. Rhino horn is now worth more than its weight in gold or heroin. While trade in rhino horn is illegal in Vietnam, possession is not. Rhino horns are officially permitted in Vietnam only as personal effects, not for commercial purposes (under CITES rules) and not to be traded or used post-import. Under the terms of the export permit from South Africa, horns are not to be used for commercial purposes. However, there does not appear to be any effort in Vietnam to clamp down on illegal trade in rhino horn. In fact, for any Vietnamese person legally importing a rhino horn trophy that was legally hunted in South Africa, the Vietnamese Government will actually levy a 3 percent tax on the value of the imported horn based on its street price as ground up medicine. Vietnamese are not known for trophy hunting, and it is illegal for any private individual to own a gun in the country, suggesting that the large majority of legally imported horns are actually intended for illegal purposes.

Much like ivory poaching, rhino horn poaching and trading operations are associated with organized and well-armed criminal networks, some with access to high-powered weapons, helicopters, and night vision goggles. These paramilitary type

operations can easily outgun wildlife rangers, and profits are now so high that even those charged with protecting rhinos are becoming corrupted and facilitating the poaching. There is no sign of abatement in poaching rates, in spite of military support and intervention in Kruger National Park, the primary site of the poaching surge. Many African nations fear their rhinos will be targeted next, particularly if South Africa manages to prevent further slaughter and the poachers seek out easier targets. Kenyan officials are particularly concerned that Kenya's rhinos will be targeted. In fact, Kenya is already seeing an increase in poaching losses and their losses as a percentage of their total rhino population are far worse than those in South Africa.

In October 2010, the U.S. Department of State and WWF funded TRAFFIC to facilitate an international exchange mission on rhino horn trade between the South African and Vietnamese Governments, during which five South African officials visited Vietnam. In September 2011, five Vietnamese officials completed the exchange by visiting South Africa. The exchange revealed a good deal of mutual understanding. The two governments have drafted but have yet to sign a MOU on joint efforts to combat rhino horn trafficking. In September 2011, TRAFFIC facilitated an international workshop on rhino horn trafficking in Johannesburg, South Africa, under CAWT with funding from the U.S. State Department and the U.K. Department for Environment, Food and Rural Affairs (DEFRA). The Vietnamese Government participated along with other Asian and African nations and experts and recognized the challenges and concerns of African countries. The action plan produced from the workshop has been distributed to the participating governments. The South African Government is working with their African Government counterparts to share best practices, particularly in Kenya, and implement the plan of action created.

In spite of these constructive steps, the situation on the ground has not improved: the price of black market rhino horn continues to skyrocket and rhinos continue to be killed at record rates in Southern Africa. Vietnam is coming under increasing criticism through CITES processes and in the international conservation community because of the perception that it is driving the slaughter of rhinos in South Africa and that the government is not taking the situation seriously. If the situation continues to escalate and strong actions are not taken by Vietnam to reduce demand and prevent the trade, pressure will build for measures to be taken against the country through CITES mechanisms, and the Vietnamese will come under harsh criticism at the Sixteenth Meeting of the Conference of the Parties (COP) to CITES in March 2013.

RECOMMENDATIONS

Large-scale poaching and the illegal trade in ivory, rhino horn, and other wildlife products must no longer be seen as niche issues of concern only to environmentalists. Wildlife crime needs to be treated with the same seriousness and level of attention that we give to other transnational organized crime, such as drugs, weapons, and human trafficking, given the critical links to security and governance issues in many countries, particularly in Africa.

What is needed now is a concerted effort to greatly raise the profile of the illegal wildlife trade and to take this high profit/low risk crime and turn it on its head, so that it becomes a crime of high risk and low profit. This requires enhanced enforcement, more prosecutions, stiffer penalties and public commitments by those with power and influence to ensure wildlife crime is treated as a serious offense on par with other transnational crimes, such as drug trafficking. It also requires concerted efforts to reduce the demand, particularly in those countries that are currently the largest consumers of illegal wildlife products—primarily China, Thailand, and Vietnam.

As one of the world's foremost leaders in wildlife conservation and CITES, the United States Government should use its considerable diplomatic influence and technical capacity to work with the primary consumer countries mentioned above to shut down the illegal trade. The current levels of illegal trade in ivory and rhino horn not only pose the greatest threat to the species in more than two decades, it completely undermines 20 years of work and investment by CITES and its member nations. Recent wide-scale enforcement efforts by China are encouraging and must not be one-off activities—they must be institutionalized and sustained. Thailand must commit to and enact major legislative and enforcement reforms to control its internal ivory market. And Vietnam must take action at all levels to enforce the CITES rhino trade restrictions and launch public initiatives to reduce demand. These countries must be held to accountable to CITES and the global community.

To drive needed action, the United States should consider application of the Pelly amendment and the sanctions process that law offers in cases where CITES continues to be seriously undermined. The Pelly amendment has been used sparingly but successfully in the past to achieve swift reforms in countries where endangered species trafficking was completely out of control, specifically for the illegal trade in tiger and rhino parts in Taiwan, China, South Korea, and Yemen. Each of those countries made major positive wildlife trade control improvements as a result of action under the Pelly amendment and parallel action through CITES. The ivory and rhino trade today is as serious as any wildlife trade issue in the past and warrants equally serious measures.

Because the illegal wildlife trade overlaps with and potentially undermines a number of U.S. development goals in Africa and Asia, the U.S. Government should elevate it as a priority on related agendas. The administration should explicitly include international wildlife crime in its transnational organized crime strategy, released in July 2011. The State Department has already issued strong statements making these connections—more and higher-level statements elevating the seriousness of wildlife trafficking would be extremely helpful. One existing mechanism to help address the issue is CAWT, a U.S State Department-created initiative that aims to highlight and coordinate wildlife trade at the highest levels internationally. This good initiative should be continued and reenergized.

The U.S. Government should also work to improve intelligence sharing and cooperation in evidence-gathering between nontraditional partners such as Department of Defense, National Security Agency and CIA with environmental enforcement bodies such as USFWS, the State Department's International Narcotics and Law Enforcement (INL) office, Interpol's Environmental Crime Division, CITES, and Wildlife Enforcement Networks (WEN), such as ASEAN WEN, that are supported by the State Department. Better sharing of intelligence leads to more effective law enforcement.

It is also important for the U.S. Government, particularly through the U.S. Fish and Wildlife Service and USAID, to maintain and (where possible) enhance its support for urgently needed park and wildlife protection efforts in Central Africa and other areas, through support for park rangers and park guards and law enforcement training programs. As outlined above, these vital front-line protection efforts have made a huge difference in some areas, and support should be expanded to other areas now at risk. Where suitable, collaborations with DOD/AFRICOM should be explored, whether through training opportunities or logistical support.

On specific initiative that the United States should continue to help advance, following on the successful workshop cochaired by the governments of the United States and Gabon in February 2012, is the creation of a regional wildlife enforcement network in Central Africa to combat wildlife trafficking and dismantle cross-border illicit networks. Such an agreement, signed by Central African heads of state and actively supported by key partners like the United States, will help to elevate wildlife crime as an important issue, increase the seriousness with which it is treated in the region, enhance the collaboration between Central African governments on park protection and law enforcement, and promote much-needed capacity-building, including the training and recruitment of more and better "eco-guards" throughout the region.

In general, WWF and TRAFFIC agree with the conclusions of the Congressional Research Report issued in February 2009 entitled "International Illegal Trade in Wildlife: Threats and U.S. Policy,"[8] which identified key issues the U.S. Congress should consider to strengthen the ability to combat illegal trade in wildlife parts and products including:

(1) Funding levels for U.S. wildlife trade inspection and investigation capacity;

(2) Assessing the role of U.S. foreign aid to combat wildlife trafficking;

(3) Supplementing legislative provisions to encourage private-sector involvement in controlling wildlife trade;

(4) Evaluating trade sanction laws relative to foreign countries with weak enforcement of wildlife laws;

(5) Incorporating wildlife trade provisions into free trade agreements (FTAs); and

(6) Addressing the domestic and international demand for illegal wildlife through public awareness campaigns and nongovernmental organization partnerships.

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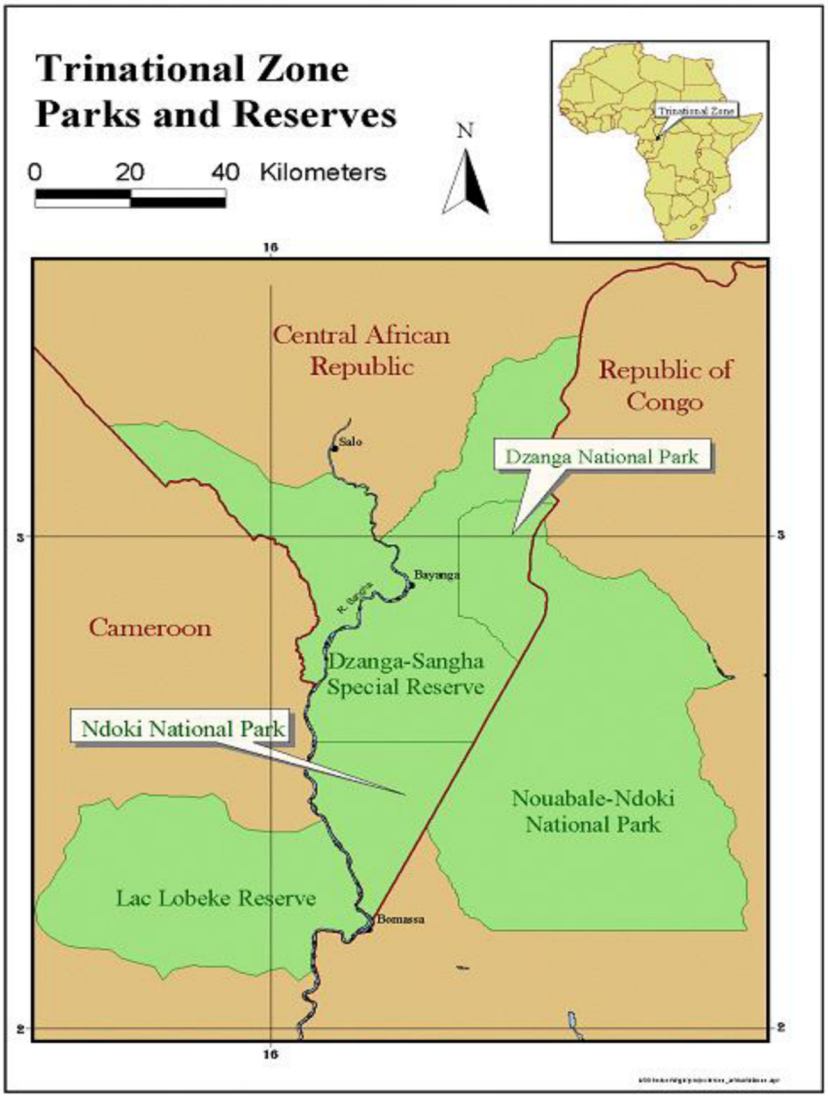
[8] Wyler, Liana Sun and Pervaze A. Sheikh. 2009. "International Illegal Trade in Wildlife: Threats and U.S. Policy," Congressional Research Service, February 2 2009, p. 12.

We are once more at a crisis moment for Africa's elephants and rhinos. Addressing it will require outspoken, high-level leadership and concerted efforts on the ground, through diplomatic channels, and through all the available channels of law enforcement. As the established global leader on the conservation of these charismatic at-risk species, the United States Government has a central and pivotal role to play in this endeavor.

Mr. Chairman, on behalf of WWF and TRAFFIC, I thank you for the opportunity to provide testimony to the committee. Our organizations and their international networks are engaged on these issues on a daily basis, and we look forward to working with both Congress and the administration to address this crisis.



THREE ADDITIONAL ITEMS OF TESTIMONY FROM DR. IAIN DOUGLAS-HAMILTON

ITEM 1: THE AFRICAN ELEPHANT SPECIALIST GROUP

One of the best sources of information on the status of African elephant populations is the African Elephant Specialist Group (AfESG) of the International Union of the Conservation of Nature (IUCN).

The AfESG is part of the IUCN's Species Survival Commission (SSC). The SSC is a volunteer network of scientists, comprised of over 100 different taxonomic and thematic specialist groups. The SSC network of experts provides the sound science upon which governments and nongovernmental organisations can base their conservation policies.

The AfESG is one of the most active of the IUCN/SSC Specialist Groups (see attached Terms of Reference). It provides professional, independent advice to conservation agencies, governments, nongovernmental organisations and other relevant parties inside and outside Africa on matters associated with the conservation and management of the African elephant.

AFRICAN ELEPHANT SPECIALIST GROUP TERMS OF REFERENCE

Mission

To promote the long-term conservation of Africa's elephants throughout their range.

Objectives

1 . To compile and synthesise information on the conservation and status of the African elephant across its range.

2. To provide and improve technical information and advice on the conservation of Africa's elephants to the following:

(a) Range State government agencies;

(b) Nongovernmental organisations, including both international and African-based organisations;

(c) Intergovernmental organisations;

(d) Nonrange state governments.

Special effort will be made to target outputs in a manner that meets the needs of the above.

3. To promote and catalyse conservation activities on behalf of Africa's elephants to be carried out by the above.

4. To build capacity through the exchange of ideas, information and technical expertise among the members of the group.

Activities

1. To review the status of elephant populations in Africa.

2. To maintain, update, and improve the African Elephant Database and, ideally, to publish a report every 3 years.

3. To undertake analyses of relevant data to assess conservation priorities.

4. To provide technical information to assessments of the impact of human activities (including legal and illegal off-take, changing land use patterns, and changes in relevant national and international policies and legislation) on Africa's elephants.

5. To contribute technical information to evaluations of the effectiveness of different management actions.

6. To advise governments on options for conservation action through interactions on both national and regional bases.

7. To improve technical support for the development, promotion, and implementation of conservation strategies.

8. To facilitate coordination and cooperation in conservation-related research on Africa's elephants to ensure that lessons learned can be disseminated and applied as widely as possible.

9. To produce a peer-reviewed journal, Pachyderm, publishing articles on elephants and rhinoceroses.

10. If funding allows, to hold a meeting of members every 2 years to facilitate information exchange and collaboration between members.

11. To form task forces, as required, to examine technical issues in detail.

12. In order to serve the public demand for information on Africa's elephants, to liaise with the IUCN/SSC to ensure that the information on the Specialist Group Web site is accurate.

13. To liaise as closely as possible with the IUCN/SSC Asian Elephant Specialist Group.

ITEM 2: PREPARED STATEMENT OF DR. HOLLY DUBLIN, CHAIR, IUCN/SSC AFRICAN ELEPHANT SPECIALIST GROUP TO THE FOURTH AFRICAN ELEPHANT RANGE STATE MEETING CONDUCTED UNDER THE AUSPICES OF THE CITES MIKE PROGRAMME IN AFRICA AT UNEP-GIGIRI, KENYA, 26–27 APRIL 2012

I am very sorry not to be able to attend this week's important meeting, the first gathering of African elephant range States that I have missed in over 25 years. I always enjoy meeting up with old and new colleagues, and regret that unavoidable commitments have meant I cannot join you this week.

I regret this all the more so as this is such an important time to gather and discuss the current situation for Africa's elephants. A worrying dynamic is emerging and many policy processes are underway.

I want to draw particular attention to the joint report to the CITES Standing Committee from the IUCN Specialist Groups, CITES, TRAFFIC and UNEP–WCMC, which was just discussed. This represents the second such report we have compiled, and emphasizes even further the importance of considering together the available data all along the ivory supply chain. The on-going increase in illegal killing appears to be at its highest level since 2006, according to the latest MIKE analysis. Equally, the increasing frequency of large-scale seizures of illegal ivory is of great concern. These worrying changes are also reflected in the information we are collecting through the members and networks of the African Elephant Specialist Group. But worrying, too, is the apparent reticence of our Members and networks to share the specifics of this information more freely with the Authorities in countries where poaching appears to be serious and on the rise and I am concerned about the factors that may be driving this apparent fear of retaliation or persecution.

It is important that we take time to consider the long-term future, in particular the increasing scale of demand, which may well outstrip the supply of ivory available through either legal or illegal channels in the future. With that in mind, I would encourage the Members of IUCN present to consider cosponsoring a Motion to the 5th World Conservation Congress in September this year. Once adopted, such a Resolution could unite IUCN Members, Commission Members, the Secretariat and IUCN's partners in the effort to develop a common, high-level strategy aimed at reducing demand and enhancing protection of elephant populations. This Resolution would need to go beyond the African Elephant Action Plan and draw attention to the current trends and the need for actions from all players—not just leaving the burden for the African Elephant Range States to try and resolve alone—a challenge which currently seems beyond our grasp.

The context is complex and still reflects divergent views and different interests. But if everyone were to have their way—having sustainable elephant populations in Africa will require a shared vision and a highly strategic and collaborative investment of time and resources. Without this we will all lose what we cherish the most—our goose that lays the golden eggs—the icons of Africa—our elephants.

As you now move into the next session on this topic, I would urge you to seriously consider the fact that virtually everything that has been tried to date is not working. We can no longer rely on our traditional ways of trying to gain control of this situation. Circumstances have changed and the dynamic is a new one, requiring innovation and new approaches. Our approaches of almost 40 years ago can no longer stand up to the challenge.

You must come together and work to find fair, honest, positive and creative solutions that everyone can get behind. IUCN and the African Elephant Specialist Group stand by—ready to help, as always. Going forward we, as IUCN, can probably best do this if we are directed by a strongly worded Resolution—A CALL TO ACTION—directed to IUCN and the entire international community at the World Conservation Congress in September this year.

I very much look forward to hearing about the progress on some of the most pressing issues you will address during the course of this meeting.

Thank you and good luck with the work before you.

ITEM 3: A MOTION, COSPONSORED BY THE U.S. DEPARTMENT OF STATE, WITH THE TITLE "CONSERVATION OF AFRICAN ELEPHANTS" SUBMITTED FOR CONSIDERATION TO THE IUCN WORLD CONSERVATION CONGRESS AT ITS FIFTH SESSION IN JEJU, KOREA, 6–15 SEPTEMBER 2012.

Sponsor

□ Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, Germany, IUCN Membership Number St—59.

CoSponsors

□ Department for Environment, Food and Rural Affairs, United Kingdom, IUCN Membership Number St—290

- Nature Kenya, IUCN Membership Number NGO—24695
- Zoologische Gesellschaft Frankfurt von 1858—Hilfe für die bedrohte Tierwelt—IUCN Membership Number NGO—69.
- Namibia Nature Foundation, IUCN Membership Number NGO—1080
- Wildlife Conservation Society, IUCN Membership Number NGO—195
- Deutscher Naturschutzring, IUCN Membership Number NGO—65
- Department of State, United States, IUCN Membership Number St—1042

CONSERVATION OF AFRICAN ELEPHANTS

ACKNOWLEDGING that the African elephant is a keystone species, providing a charismatic focal point for conservation action in Africa;

APPRECIATING that conservation efforts have resulted in population increases in some range States over the last two decades, while populations have decreased in other range States;

RECOGNISING that African elephants can provide significant benefits to national economies, as well as to local communities;

NOTING that the measures taken by the Convention of International Trade in Endangered Species of Wild Fauna and Flora (CITES) to bring the illegal trade in elephant products under control still require significant commitments from elephant range States, transit countries, and from all ivory consuming States;

ACKNOWLEDGING that the African elephant range States adopted the African Elephant Action Plan that address actions to be taken to effectively conserve and manage elephants across their range in Africa;

APPRECIATING the establishment of the African Elephant Fund to support the implementation of the African Elephant Action Plan; and the contributions made by donors;

RECOGNISING the serious and increasing levels of threat currently facing elephants, including illegal international and domestic trade in ivory, human elephant conflict, habitat loss and fragmentation, illegal killing for ivory and meat, lack of institutional and enforcement capacity and local overabundance;

CONCERNED that poaching pressure is now increasing across all subregions in Africa, as shown by the 2011 analysis of data from the MIKE (Monitoring of Illegal Killing of Elephants) programme and that large scale poaching by organized criminals transnationally is rising steadily and is having serious impact on elephant populations;

CONCERNED that illegal ivory trade is increasing, in particular, large-scale shipments of illegal ivory, as shown by the 2011 analysis of data from the Elephant Trade Information System (ETIS);

APPRECIATING the awareness-raising activities on the illegal ivory trade undertaken by range States, consuming countries, international organizations, partnerships, and NGOs;

CONCERNED that current levels of poaching may not be sustainable and could result in unacceptable losses of biodiversity, leading to elephant population declines and corresponding declines in economic opportunities for range States to benefit from their heritage;

CONCERNED that the loss of elephants from ecosystems has a negative impact on many other species;

RECOGNISING IUCN's role over many years in providing sound technical and scientific analyses as well as convening and supporting policy processes to facilitate dialogue on African elephant conservation;

The World Conservation Congress at its fifth session in Jeju, Korea, 6–15 September 2012:

1. Calls on all African elephant range States to prioritize the protection and conservation of elephant populations and to ensure that appropriate incentives for conservation, adequate legislation, and deterrent penalties are in place and implemented to achieve this goal; and calls on African elephant range States to ensure that local communities reap benefits as well as bearing the costs of living with elephants;

2. Calls on all ivory consuming States to ensure that adequate policy, legislation, law enforcement and deterrent penalties are in place and implemented to control domestic ivory markets;

3. Requests the Director General and the Species Survival Commission's African Elephant Specialist Group (AfESG) to work with the Secretariats of CITES and CMS, Interpol, UNODC, the World Bank, Lusaka Agreement Task Force (LATF),

Association of Southeast Nations Wildlife Enforcement Network (ASEAN–WEN), International Consortium on Combating Wildlife Crime (ICCWC), FAO, UNDP and UNEP to convene a high-level meeting as soon as possible, and well in advance of the 16th Meeting of the Conference of the Parties (COP) to CITES, with the aim of recommending urgent measures needed by African elephant range States and consumer States to address the concerns relating to the conservation of the African elephant, and to carry these recommendations forward to range States and consumer States, and to the 16th COP to CITES;

4. Further requests TRAFFIC and the AfESG to work with the CITES Secretariat and the African Elephant Fund Steering Committee to present to the high-level meeting the latest results of research on the status of the African elephant and the ivory trade, in particular from the African and Asian Elephant Database, the two CITES elephant monitoring systems, MIKE and ETIS, and the status of implementation of the African Elephant Action Plan;

5. Calls on African Elephant range States, especially those with declining populations of elephants to prioritize the allocation of funds to address elephant conservation and management, with a specific focus on increasing levels of law enforcement.

6. Further calls on the global community to contribute to the African Elephant Fund to support the implementation of the African Elephant Action Plan; and

7. Requests the Director General to report back on progress to the 6th Session of the World Conservation Congress.

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