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**PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE  
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## **High Level Risk Forum**

### **Corruption and Wildlife Crime**

#### **5th OECD Task Force meeting on Countering Illicit Trade**

**28 - 29 March 2017  
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*This paper is submitted to the Task Force on Countering Illicit Trade by Ted Leggett on the topic of corruption and the illegal wildlife trade.*

*The report provides an overview of the efforts to define and measure the impact of corruption in wildlife trafficking. In noting the dearth of existing empirical evidence, this report recommends more systematic data collection on corruption and stronger transparency through electronic record keeping.*

*Members are invited to take note of these findings, and consider these recommendations for discussion and inclusion in future work for the TF-CIT's engagements on wildlife trafficking.*

Michael Morantz (Michael.Morantz@oecd.org), +33185556057

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## INTRODUCTION

*“For the criminals to succeed, customs officials must be bribed to look away; logging and hunting licenses forged; and poachers set free due to obstructed prosecutions. Thanks to corruption’s deadly touch, the natural wealth of countries is being stolen, efforts to eradicate poverty paralysed and development efforts greatly hindered. We are united in the belief that, by addressing corruption and bribery, we can deal a significant blow to all those involved in this transnational organized crime.”*

Source : 1. Joint Statement of UNODC Executive Director Yury Fedotov and CITES Secretary General John Scanlon at the Conference of Parties to the UN Convention against Corruption, St Petersburg, 3 November 2015:

1. As the quote above indicates, there is a strong belief among the responsible international leadership that corruption is a vital part of wildlife crime, but it is difficult to verify this position empirically. It is clear that some traffickers simply sneak their contraband across the border, avoiding any contact with law enforcement, and that others prefer to ensure that their shipments are shepherded through by complicit officials. What share of wildlife trafficking incidents are reliant on official corruption to succeed? Would eliminating corruption make wildlife trafficking impossible?
2. The measurement of corruption is a perennial problem, which starts with the definition. The United Nations Convention on Corruption does not define corruption, although it is colloquially described as “the illicit use of trusted office for private gain”. This broad definition encompasses a wide range of unrelated behaviour. Typically, a distinction is made between petty and grand corruption. Petty corruption is usually equated with the taking of bribes by a public official before either providing a service or withholding enforcement. Grand corruption involves a much wider range of activity, from bribe-taking on a larger scale (such as the receipt of kickbacks for awarding government contracts) to the tailoring of law or policy to favour business contacts (so called “state capture”). It is impossible to measure this diverse range of activity with a single indicator,<sup>1</sup> and quite challenging to measure many of its various components.
3. Petty corruption is generally measured through surveys of the public or businesses, asking whether respondents have paid a bribe in the previous year. Since the respondents are generally unhappy with having to pay for services that they are entitled to receive, many respond positively to these surveys. But where members of the public initiate the corrupt activity, or where more consequential matters are at stake, they are far less likely to glibly incriminate themselves. For this reason, it would be very difficult to measure the role of corruption in the conduct of wildlife crime through a survey.
4. The many forms of grand corruption are also very difficult to measure, particularly for international organisations compelled to focus on official data. Prosecutions for corrupt activity do occur, but are necessarily few, as they require substantial investment from the state to see through. The defendants are often powerful people with access to legal services, so litigation can be prolonged. In general, the deterrent threat is less in countries with fewer resources, and it is commonly perceived that the prevalence of corruption is highest in poor countries.<sup>2</sup> As a result, corruption convictions tend to be least common precisely in those areas where corruption is believed to be most prevalent and these data are prone to be condemned as “anecdotal”.

5. There are therefore two broad approaches to the question of the role of corruption in wildlife crime. The first is deductive, starting with established postulates about the nature of organised criminality and reasoning from there to specifics. The second is inductive, looking at individual instances of corruption and generalising from these examples. The balance of this paper looks at the role of corruption of wildlife crime through these two lenses.

### *A deductive approach*

6. All crime can be facilitated through corruption, but it plays a special role in international trafficking. There are two classes of contraband: material that is criminal on its face, and material whose legality is dependent on the way it was sourced and traded. Wildlife falls into the latter category (see Box 1), alongside goods like firearms and antiquities. This contraband is subject to a special vulnerability. In addition to being smuggled through stealth, it can be moved through mainstream commercial channels with the use of fraudulent paperwork.

**Box 1: The paperwork that regulates the international wildlife trade**

The international trade in wildlife is governed by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), to which 183 countries are party. Trade is regulated by a series of import and export permits, the nature of which depends on the conservation status of the species concerned. Appendix I species are threatened with extinction, so no commercial trade in wild caught specimens is permitted. Appendix II species are those where trade must be closely regulated in order to avoid jeopardising their survival. Appendix III species are protected in one country, which asks the assistance of the others in controlling the trade. To trade in species on any of these lists, Parties are required to issue permits certifying that the trade is not inconsistent with the CITES protections.

7. For example, although it is theoretically possible to move large samples of cocaine between countries legally, this is hardly ever done, and would attract a great deal of scrutiny. Rather, in almost every case, when cocaine is detected, it can be seized immediately and those in possession arrested. In contrast, the legal trade in protected wildlife is massive, with around one million registered international transactions annually.<sup>3</sup> Based on data from 120 countries, detections of illegal wildlife shipments occur far less frequently, on the order of tens of thousands of seizures each year.<sup>4</sup> In other words, with wildlife, legal trade is the norm, and detected illegal trade the anomaly, while with cocaine it is very much the other way around.

8. The difference between a legal protected wildlife shipment and an illegal one boils down to paperwork. While preparations are being made for an electronic permitting system,<sup>5</sup> at present, this documentation is literally a piece of paper, the format of which, although prescribed,<sup>6</sup> remains non-standard. In addition, the position of the person issuing this paperwork varies greatly between countries, and is left to each country to determine.<sup>7</sup> In some cases, the official is quite senior, while in others, less so.

9. Once this export paperwork is in hand, with the exception of a limited number of well-resourced and conscientious countries, officials on the receiving end are unlikely to challenge it. Except in cases of obvious fraud, challenging the legality of the shipment is tantamount to challenging the integrity of the issuing authority. Those most likely to pose this challenge are front-line customs inspectors in the destination countries, and the controversy sure to follow represents an ordeal few would be likely to voluntarily undertake.

10. The hesitancy to challenge ostensibly legal paperwork is also affected by the purpose of the permitting system. In most cases, the presumptive environmental damage takes place in the country issuing the export permit. This is in contrast to cocaine, where the damage inflicted by the contraband

flow is felt in the importing country when the drug is used. In other words, countries receiving illegal wildlife shipments only seize them out of a sense of global stewardship, not self-protection. Indeed, domestic commercial interests may be adversely affected by over-scrupulous enforcement of the wildlife protection regime.

11. For example, the international trade in timber, including protected species, is worth tens of billions of dollars each year. In countries that process timber and make export products out of wood, local businesses and thousands of jobs may be dependent on timeous delivery of the needed materials. Individual shipments may be worth hundreds of thousands if not millions of dollars, money that has already been paid out by domestic commercial concerns. Against these powerful interests the customs official must balance an international commitment to protecting wildlife species in another part of the world.

12. It is also true that many of the world's remaining wild areas are found in countries that have not developed them yet. Many of the best known forms of wildlife contraband, including ivory, rhino horn, tiger skins, and pangolins, come from developing countries, particularly in Africa, South Asia, and Southeast Asia. Most of these countries are poor, and, in some, the civil service may be paid poorly or erratically. These conditions render the officials responsible for issuing the necessary paperwork vulnerable to corruption.

13. The human capital available in developing countries may also be limited, which affects both the quantity and quality of the staff that can be procured for conservation. Wildlife protection departments may be small, under-resourced, and poorly monitored. They may lack the personnel, the transportation, or the expertise to assess claims made by wildlife traders about the origins or nature of wildlife exports. In this context, it can be very difficult to distinguish incapacity from corruption.

14. For example, the international controls on wildlife trade are species-specific. For some plants and animals, it takes an expert to distinguish between species, and it is unlikely that a junior official from a developing country would be able to make this distinction between every species in their country. This ambiguity provides plausible deniability to officials caught issuing questionable paperwork.

15. Given these parameters, the aspiring wildlife trafficker must choose between two means of moving the contraband internationally. He can treat it like cocaine, and attempt to conceal it in hidden compartments in shipping containers, or on commercial air couriers, or the like. If detected, of course, the guilty intent is obvious, and the material will be treated like cocaine. Or, he can acquire the paperwork through corruption, and ship the material as though it were legal, with some confidence that the export will pass unquestioned into the destination country.

16. There is plentiful evidence that some traffickers do attempt to import wildlife by stealth, since they are frequently caught doing so in source, transit, and destination countries. But the point in paying bribes is precisely to avoid detection, so it is difficult to determine how common this choice may be. Based on the incentives and deterrents described above, it is logical to deduce that corruption plays a significant role in the illegal wildlife trade.

### ***An inductive approach***

17. It is possible to list many instances in which corruption was implicated in wildlife trafficking. The significance ascribed to these cases remains somewhat subjective. Those listed below are offered as an illustration of the forms that this evidence can take and make it clear that, whatever its relative scale, many traffickers have chosen to co-opt officials rather than evade them.

18. Probably the best known single example of corruption in the illegal wildlife trade was that of a CITES director in Guinea between 2008 and 2013. This level corruption was only detected because of oversights committed by the Director. While CITES director issued permits for the export of over 100 chimpanzees and gorillas as “captive bred”, an exception to the general prohibition on commercial trade in the most vulnerable species. Captive breeding facilities for the most vulnerable species are meant to be registered with the CITES Secretariat, so these exports were questionable on the face of the paperwork. It later became clear that Guinea had no such facilities, and that the exports were illegal. As a result, in 2013, the CITES Standing Committee supported the recommendation to suspend Guinea from commercial trade in CITES listed species.<sup>8</sup>

19. It was not due to this behaviour that the suspect was eventually incarcerated, however. The suspect was only arrested in 2015, when was caught selling CITES paperwork that was retained on leaving office. The official was apparently operating out of a briefcase, offering to provide official, signed documentation for a fee to anyone wishing to export a protected species. The former director was only sentenced to 18 months and later received a presidential pardon.

20. Evidence of official corruption can also be derived from the interrogations of traffickers. For example, in 2013, a Lome shopkeeper was arrested in possession of some 700 kilograms of worked and raw ivory, including 60 whole tusks. When questioned, the shopkeeper candidly admitted to regularly bribing officials, and his cell phone contacts included a Minister, the President of the Supreme Court and another judge.<sup>9</sup>

21. Corruption can also be inferred from anomalous trafficking patterns. For example, in recent years a large proportion of detected illicit ivory shipments were found to have emanated from the port of Mombasa. Based on DNA evidence, it can be shown that Mombasa was preferred to ports much closer to the site of the original poaching, including sites as far away as southern Tanzania/northern Mozambique. The preference of Mombasa over more logistically convenient points of departure suggests that there are other reasons for preferring to ship from this port.

22. These concerns not apply exclusively to source countries. Import paperwork is also required for trade in the most protected species. This paperwork must certify that the specimen will not be used for primarily commercial purposes and that the import will be for purposes that are not detrimental to the survival of the species. But importers intent on commercial trade in protected species can gain the needed permits through fraud and corruption just as exporters can.

23. The need to bribe destination customs officials in destination countries was highlighted in the case of two suspects prosecuted in the United States. Between January 2010 and February 2012, two suspects bought rhino horns in the United States and smuggled them to Viet Nam. Testimony revealed that they had made payments to Vietnamese customs officials to ensure safe passage of the contraband.<sup>10</sup>

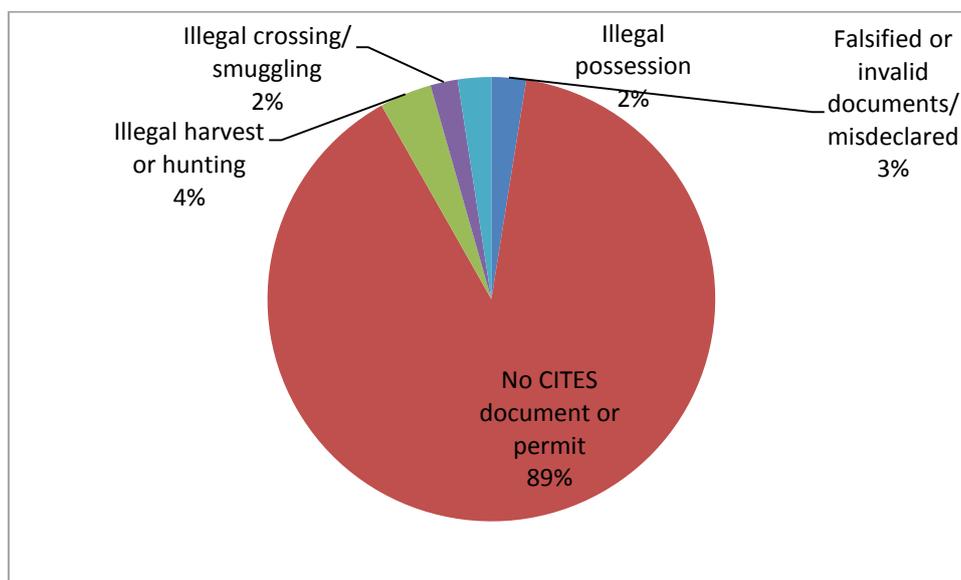
24. Corruption has also been found in domestic wildlife markets fed by illegal international trade. For example, in recent years, the Chinese wildlife authorities have shut down at least 10 officially designated ivory manufacturers and retailers who were found to be involved in the illegal trade in ivory.<sup>11</sup> In 2014, CITES reported that a review of the implementation of the mandatory card identification system in China resulted in “four designated ivory processors and 27 designated ivory retailers having their qualifications revoked.”<sup>12</sup> This represents 15% of all licensed processors and 19% of all licensed retailers.

25. These well-known examples show what can happen when the protection of wildlife is dependent on paperwork issued by corruptible officials. They do not, however, give any indication whether this problem is exceptional or widespread. There are other examples of full or partial trade suspensions after questionable permits were issued, but it remains unclear what share of the illegal wildlife trade is dependent on corruption.

26. For its first World Wildlife Crime Report, UNODC created a database of 164,000 wildlife seizures from 120 countries collected over the course of 15 years. This database, dubbed World WISE, contains fields in which the reason for the confiscation can be noted. Most countries do not routinely include this information in their seizure data, but a minority do, allowing some insight into the relative role of detected corruption compared to other reasons for making a seizure.

27. Unfortunately, many of the reasons given for seizures make reference to local legislation that covers a wide range of behaviour, or simply refer to violations of CITES, import/export, or foreign trade policy. Based on just under 13,000 seizures for which specific reasons could be discerned, cases of documents fraud or misdeclaration make up only a small share of the total (3%), with the overwhelming majority of seizures being made due to the complete absence of CITES paperwork.

**Figure 1: Reason for wildlife seizure (n=12,809)**



Source: UNODC World WISE

28. It's unclear what can be concluded from these data. It appears that the majority of seizure cases do not involve purchased paperwork, and that many may involve people ignorant of the regulations. But if official paperwork is generally unquestioned, then shipments involving corruption are unlikely to be seized. And a significant number of shipments were detected where the paperwork was so deficient that the fraud was apparent on its face.

**Toward better data on the role of corruption in the illegal wildlife trade**

29. The results above are somewhat unsatisfying, although not entirely unexpected, for the reasons outlined at the beginning of this article. Documenting corruption is hard, because action against corruption is lowest in those areas suffering from the highest levels of corruption. In the instance of the illegal wildlife trade, the situation is exacerbated by the fact that capacity to detect corruption is low in many of the key source countries, and that destination countries may lack the incentive to look beyond ostensibly legal paperwork. That said, there may be several ways to improve the data presently available.

30. At the CITES Standing Committee meeting in January 2016, an Illegal Trade Reporting Requirement was promulgated. The prescribed format<sup>13</sup> for this reporting has a column for “Reason for seizure” which contains four options:

- No CITES Permit
- Mis-declared
- Illegal crossing
- Other (please specify)

31. Based on the analysis above, it would appear that a greater variety of enumerated options would be required, including the possibility of suspected fraud or corruption. In fact, indications of corruption could very well merit their own column, as they may be present even when they are not the primary reason for the seizure. In addition, it would be important to document those seizures which were apparently made due to administrative errors or other reasons that do not imply criminal intent. The prescribed format does contain an optional column for charges brought, which could give some indication of suspected intent if completed.

32. In addition, the matter of corruption in wildlife crime is worthy of dedicated empirical study. One approach would be to collect as many independent examples of detected corruption as possible, arguing inductively from these specifics. Another would be look in greater depth at the structural issues that favour corruption as a means of facilitating trafficking. This could involve documentation of the capacity of individual authorities to detect and prosecute corruption in source countries, and field research with the inspecting officers in destination ports.

### ***Policy implications***

34. While it is presently impossible to estimate the share of wildlife trafficking that is facilitated by corruption, there are both structural reasons and plentiful detected incidents that indicate it plays a substantial role. Perhaps the single greatest vulnerability lies in the paperwork, and strengthening this documentation should be a priority. The efforts of the CITES Secretariat to move to an electronic permitting system should be applauded and supported. Although electronic permitting will not be impervious to corruption, it will be far more secure and traceable than the present paper-based system.

35. Universal electronic permitting would make possible a globally centralised permitting system, wherein all CITES records are maintained in a unified database. This would allow automatic notification of importing countries when an export is dispatched, and automatic reconciliation of export and import records. At present, these two sets of documents are often starkly at odds with one another. Traceability, accountability, and transparency are the enemies of corruption. All these values can be enhanced through electronic documentation.

36. A globally centralised system would also ease the infrastructural burden on developing countries. There is no need to maintain redundant systems in every participating jurisdiction. Cell phone prevalence is high in many developing countries, and the electronic interface could be tailored similar to many cell phone applications. Data could be made visible to the exporting authorities, the CITES Secretariat, and the importers at the same time.

37. Beyond this, a sound understanding the trafficking situation can assist in the targeted application of anti-corruption efforts. Vulnerable ports can be flagged for special scrutiny. Traffickers will adjust to hardened targets, of course, but careful monitoring can ensure that response is just as dynamic. The better our mapping of trafficking patterns, the more efficiently we can address corruption problems.

38. Toward this end, UNODC is offering World WISE, a global seizure database. Fuelled by CITES Illegal Trade reporting, World WISE has the potential to guide global wildlife enforcement efforts. It is the basis for a Sustainable Development Goal Target Indicator (15.7), aimed at reducing poaching and illegal wildlife trade. It can also provide clues as to where corruption is an issue, and where interventions are likely to have the greatest impact.

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<sup>1</sup> For example, the most commonly cited single indicator for corruption appears to be Transparency International's Corruption Perception Index. In recent years, two of the very lowest scoring countries have been Somalia and North Korea, a fragmented country dependent on international aid and a tightly controlled dictatorship isolated by international sanctions. The meaning of "corruption" in these two contexts is clearly very different, so a single indicator is inappropriate.

<sup>2</sup> Returning to Transparency International's Corruption Perception Index, the 20 countries listed as least corrupt are all rated as having "very high development" by the United Nations Development Program, and 15 of the 20 lowest rated countries are either deemed to have "low human development" or are so disordered as to have no recent data.

<sup>3</sup> See CITES CoP 16 Inf 35.

<sup>4</sup> UNODC World WISE database

<sup>5</sup> See CITES CoP 16 Decision 16.54, for example.

<sup>6</sup> CITES CoP 8 Resolution Conf 8.5.

<sup>7</sup> Article 9 of the Convention simply says "Each Party shall designate for the purposes of the present Convention one or more Management Authorities competent to grant permits or certificates on behalf of that Party." In countries with smaller volumes of wildlife exports, it remain possible for a relatively senior official to play this role, but in large volume countries, this responsibility is necessarily delegated to more junior officials.

<sup>8</sup> Notification to the Parties No. 2013/017, Geneva, 16 May 2013.

<sup>9</sup> Based on records maintained by the EAGLE Network

<sup>10</sup> See *United States v Jimmy Kha, Felix Kha, Mai Nguyen and Wade Steffen*. US District Court for the Central District of California, Case No 12-0398M.

<sup>11</sup> SC62 Inf. 8, p. 1.

<sup>12</sup> [https://www.cites.org/sites/default/files/eng/com/sc/65/E-SC65-42-02\\_1.pdf](https://www.cites.org/sites/default/files/eng/com/sc/65/E-SC65-42-02_1.pdf). Table 2, page 8.

<sup>13</sup> SC66 Doc. 30.2, p. 72