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Battling Financial Crime & Illegal Wildlife Trade

Wild animals are being killed and butchered in their millions and sold around the world for their horns, teeth and other body parts. Financial institutions, working with law enforcement and other organisations, have a crucial role to play in disrupting the financial flows associated with this awful business.

The statistics are shocking. Illegal wildlife trade is estimated to be worth up to \$23bn a year, according to a 2016 joint report from the UN Environment Programme and Interpol. That makes it the world's fourth most lucrative trafficking industry after drugs, humans and weapons.

The Zoological Society of London (ZSL), a leading campaigner against this unpleasant business, outlines what it means for the animals involved. There was a 30% decline in the African savannah elephant population between 2007 and 2014, most of which were slaughtered for ivory.

Around 100 tigers are poached every year, and there are now fewer than 4,000 left compared with 100,000 a century ago; 1,028 rhinos were lost in South Africa in 2017

alone, killed for their horns; and it is estimated that more than 1 million pangolins, the only scaled mammal, have been killed and illegally traded in the past 15 years for its meat and scales, "making the pangolin the most heavily trafficked mammal on the planet", says ZSL.

The multi-billion dollar mass trafficking of wildlife is cruel, robs countries of animals from their natural habitats, spreads disease and is driving some species to extinction. It undermines the economies of developing countries as they are stripped of their natural resources. The trade makes everyone poorer as it denies them an inheritance to the world's rich biodiversity. Furthermore, the money the criminals make is laundered through the global financial system and used to fund other crimes and terrorism.

The Fight Back

So what is being done to combat the trade? Action is being taken at many levels. Globally, it is regulated through the 1975 Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) to which 183 countries are signatories.

The CITES secretariat, which works closely with the United Nations, has announced that the theme of the UN's World Wildlife Day on 3 March 2020 will be "Sustaining all life on earth". CITES' Secretary General Ivonne Higuero says the day will raise awareness of the threats to wildlife provide "a good opportunity to call on governments around the world, civil society, private sector and individuals to take actions to help conserve wildlife".

TRAFFIC, a non-governmental organisation dedicated to tackling illegal wildlife trade, and whose headquarters are, appropriately, in the David Attenborough Building in Cambridge, tries to understand how poachers, traffickers and organised criminal gangs operate. Then, working with enforcement agencies, it uses that knowledge to disrupt the complex wildlife smuggling networks.

In November 2019, a study carried out by TRAFFIC and commissioned by the CITES secretariat documented illegal trading in thousands of marine turtles and their parts in Indonesia, Malaysia and Vietnam. Around 2,300 whole turtles, live and dead, were seized in 163 law enforcement incidents in those three countries between 2015 and 2019, plus 91,000 eggs, 3,000 shells and 1.7 tonnes of meat. The study identified the smuggling routes and illegal trade hotspots.

Kanitha Krishnasamy, TRAFFIC's Southeast Asia Director and the study's co-author, says that "unless immediate, collaborative actions are taken" marine turtles face "a bleak future". The report made several recommendations, including improved enforcement of existing laws to restrict trade in turtles, closing legal loopholes and better monitoring, detection and law enforcement in the marketplace.

The media plays a vital role in supporting organisations trying to curtail wildlife trafficking. For example, the Financial Times Seasonal Appeal for Christmas 2019 is in partnership with ZSL. The appeal takes the form of numerous reports in the FT on ZSL's fight against the trade and a donation page on the newspaper's website. Editor Lionel Barber writes that the crime "is a fast track to extinction for some of the most endangered animals on our planet".

Focus On Money Laundering

Choking the ability of poachers and traders to move money is an essential component in stopping this trade. A growing recognition of this, and an acknowledgment of the important role banks and other financial institutions can play in disrupting the flow of finance from these illicit activities, has brought together conservation organisations, governments and global corporations to work collaboratively as a combined, combative force.



United for Wildlife, spearheaded by the Duke and Duchess of Cambridge and the Duke and Duchess of Sussex, is one of the most preeminent. It has implemented numerous projects to protect animals from poachers, to reduce market demand by changing mind-sets and to disrupt supply chains. One of its projects is the bank-led Financial Taskforce whose aim is to stop wildlife traders using the global banking system to transfer and launder their income.



The Taskforce, convened by the Duke of Cambridge at London's Mansion House in October 2018, includes among its 38 signatories banks like Credit Suisse, Standard Chartered, HSBC, ANZ, Commercial Bank of Africa, ABSA and Citigroup. It also includes technical experts such as TRAFFIC, the UN Office on Drugs and Crime and the Environmental Investigation Agency.

They have all agreed to share resources and intelligence to disrupt poachers' illegal income from animal products such as elephant tusks, rhino horns and pangolin scales.

The Taskforce's Vice-Chairman is David Fein, Standard Chartered's General Counsel. He makes the point that wildlife trafficking should not be seen solely as a conservation issue, but as "a transnational organised crime with links to modern slavery, and the trades in narcotics and arms". Without greater vigilance by banks to choke off their money supplies, the fight against this sort of activity cannot be won.

ANZ, the Australian multinational banking group, is also a Taskforce member. In a recent article for the bank's bluenotes digital magazine, its financial crime experts Steve Cumber and Kim Downs explain why the Taskforce is important, and how "global banks and financial institutions have an important role to play in combatting the crime".

Another organisation with a similar name but a much broader remit is the Financial Action Task Force (FATF), the Paris-based inter-governmental body set up 30 years ago to co-ordinate global measures to combat money laundering and terrorist financing. It has entered the fight against the illegal wildlife trade with vigour. Under its Chinese presidency – which runs from July 2019 to June 2020 – FATF President Xiangmin Liu hosted a regional meeting in Beijing, China, to discuss how to tackle wildlife trade as a financial crime. Major banks such as China Construction Bank and Standard Chartered attended the meeting.

FATF says it will work with various entities, including the People's Bank of China (the country's central bank) and the United for Wildlife Financial Taskforce, to produce a report in 2020 on "how public-private partnerships and international cooperation can help to identify and disrupt the illicit proceeds of this devastating criminal activity".

FTI Consulting, as a leading expert in anti-money laundering (AML) measures, is closely involved in the fight against wildlife trafficking. We provide financial institutions, including some of the Financial Taskforce signatories, with world-renowned advice and cutting-edge capabilities in all aspects of AML controls, compliance, risk management and investigations.

Investigate and Prosecute

The measures taken by organisations across the globe to curb illegal trade in wild animals and their body parts are commendable. Unfortunately, as is usual with most kinds of crime, the actions taken are not enough. Criminals are adept at finding ways around whatever obstacles are put in their way.

Yet there are many reasons to believe their activities can be severely curtailed, especially if banks ratchet up their

anti-money laundering controls. As Standard Chartered’s David Fein said when his bank signed the Mansion House Declaration, “by following the money, financial institutions can help map the criminal networks and provide law enforcement with vital intelligence to support their investigations and prosecutions”.

I fully agree with him. Financial institutions must use all the tools and experience at their disposal to continue the fight against wildlife traffickers.



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