



Following the Money Trails of the Illicit Wildlife Trade - Trends and Typologies

Julian Newman

Julianne Newman@eia-international.org

www.eia-international.org

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environmental
investigation
agency

LIBERTY SHARED

CREATING AN ENVIRONMENT
SAFE FROM TRAFFICKING

Wildlife

Tackling Financial Flows from Illegal Wildlife Trade in East Asia

March 2021

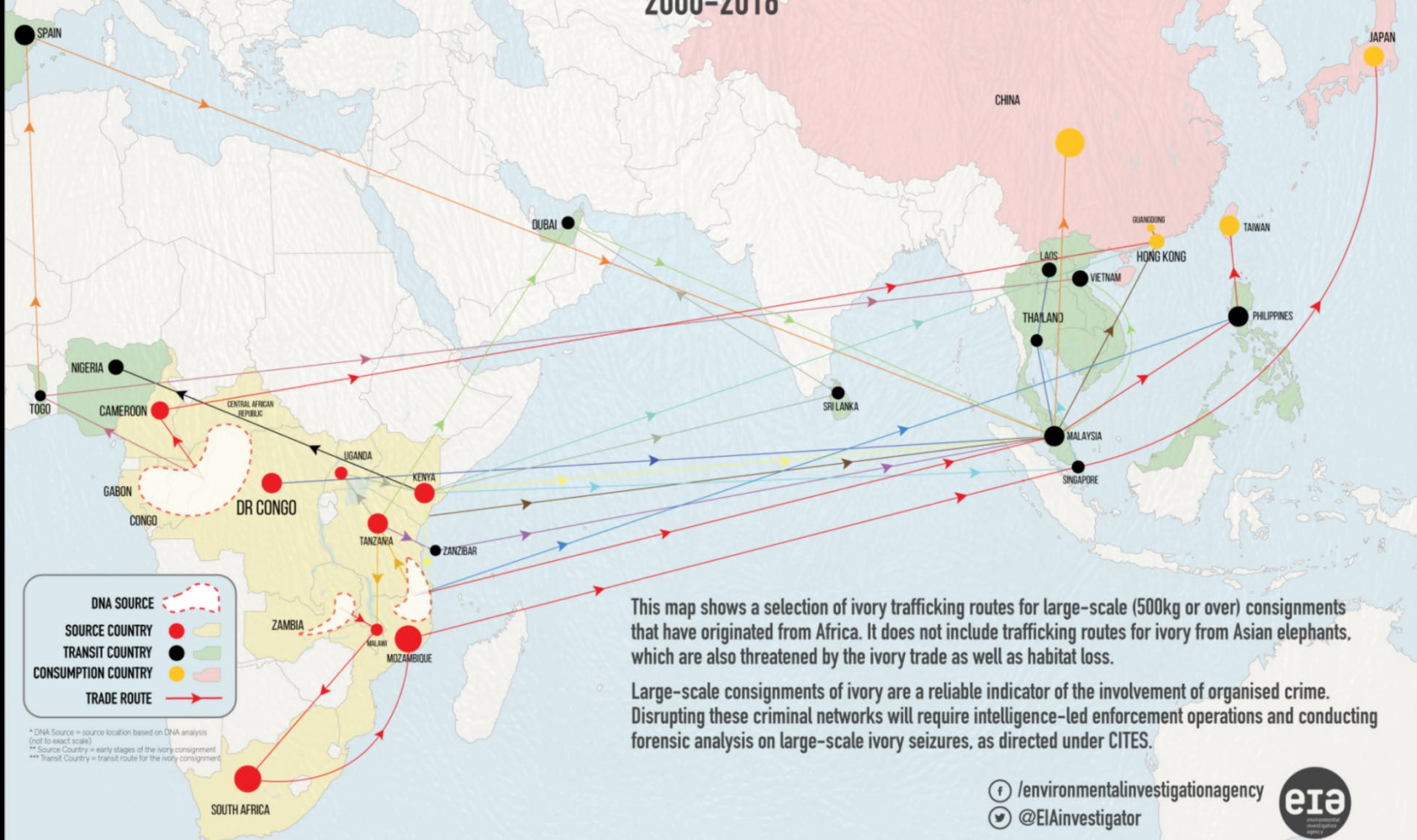


Scale of IWT

- Major form of transnational organised crime, estimated worth \$7 - \$23 billion a year.
- Truly global; UNODC report found almost 6,000 species seized between 1999 – 2018, traffickers from 150 countries.
- Top 3 species of fauna seized between 2014 – 2018 by value were elephants, pangolins and rhinos, collectively accounted for 56% of total value.
- Main markets for the 3 species found in East Asia, profits accrued
- Lack of focus on financial side IWT, missed opportunities to identify and sanction IWT networks
- FATF report 2020; only 13 out of 45 jurisdictions had received at least one STR on wildlife crime in the last 5 years.

IVORY TRAFFICKING ROUTES

2000-2016

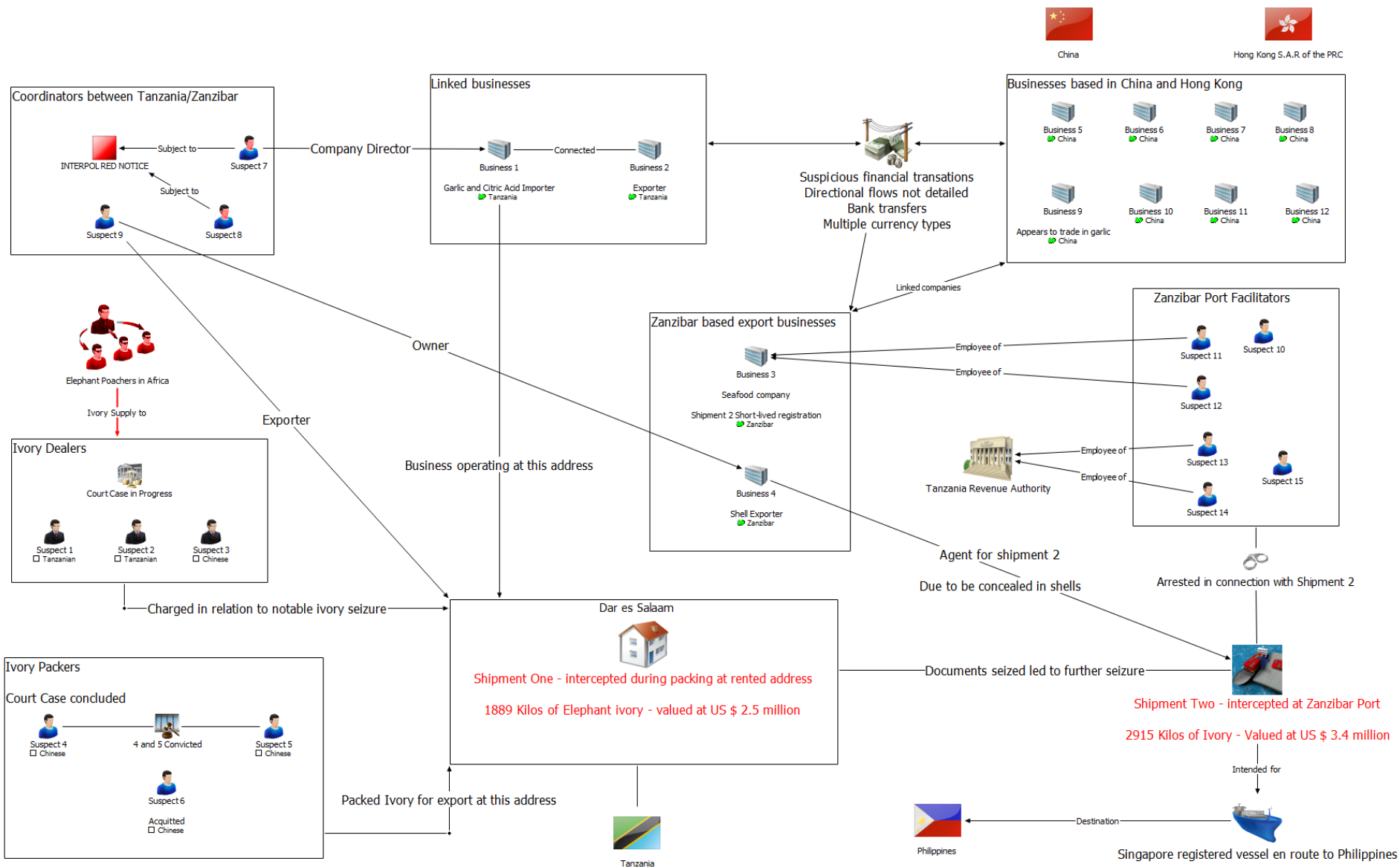


The role of each country (i.e. source/transit/consumer) is based on a selection of ivory trafficking routes that have been identified by EIA and mapped above. This map is not necessarily a true reflection of a country's entire role in the global ivory trade (i.e. some operate as both source and transit countries).

Case Study 1:

“The Mikocheni Raid”

Ivory tusk trafficking from Tanzania to
East Asia















China



Hong Kong S.A.R. of the PRC

Businesses based in China and Hong Kong



Business 5
🇨🇳 China



Business 6
🇨🇳 China



Business 7
🇨🇳 China



Business 8
🇨🇳 China



Business 9



Business 10
🇨🇳 China



Business 11
🇨🇳 China



Business 12
🇨🇳 China

Appears to trade in garlic
🇨🇳 China



Suspicious financial transations
Directional flows not detailed
Bank transfers
Multiple currency types

Case Study 2:

“The Shuidong Connection”

Trafficking of ivory tusks and pangolin
scales from Africa to China

Shuidong, Southern China

***“.... the
destination for
80 per cent of all
poached ivory
smuggled into
China from
Africa”***





OU HAIQIANG

欧海强

AGE:

38

HOME TOWN:

SHUIDONG, CHINA

DESCRIPTION:

SYNDICATE LEADER / INVESTOR



XIE XINGBANG

谢兴帮

AGE:

36

HOME TOWN:

SHUIDONG, CHINA

DESCRIPTION:

SYNDICATES FIXER IN TANZANIA / MOZAMBIQUE



WANG KANGWEN

王康文

AGE:

39

HOME TOWN:

SHUIDONG, CHINA

DESCRIPTION:

INVESTOR / BUYER'S AGENT



Shuidong, October 2017



**Elephant
poachers
\$80-100 /
kg**

**Ivory
collectors
\$200-300
/ kg**

**Ivory
buyers
buy at
\$720 / kg**

**Fixer
\$65,000 +**

**Money
changers
(*payment
schedules
vary*)**

**Customs
officers
\$30-70 / kg**

**Freight
agent
\$450,000**

**Investors
\$2.16 m
wholesale**

Shuidong group: outcome



Multiple arrests;

11 convictions

**Sentences
ranging from 6-15
years**

Findings

- Africa-Asia wildlife trafficking involves two main financial flows; funds from Asia to procure supplies (e.g., BOL price), funds from sale within Asia
- Use of front companies / businesses to mask illicit activity (e.g., marine products, timber)
- Common use of formal financial system e.g., account transfers from buyers to sellers in destination country
- Use of informal money changers important but poorly understood
- Financing of transportation / shipping documents important focus (role of freight agents)
- Ownership of consignments often shared to spread risk; investors sought
- Syndicates flexible and mobile
- Need to deploy financial investigations from outset

Trends

- Hotspots for pangolin / ivory smuggling in Africa moving East to West (e.g. Lagos port Nigeria)
- Comingling of tusks with pangolin scales in same shipments
- Use of transit countries, complex routes (switch BoLs)
- Increasing involvement in IWT of Vietnamese-led groups in Africa
- “Offshore” sales centres on China’s border e.g. Golden Triangle SEZ, Laos
- Increasing online sale of wildlife products
- Significant seizures of illegal wildlife still rarely lead to prosecution
- Reduced seizures during pandemic, increased poaching risk, stockpiling by traders