

Whitehall Report 1-22

# Illegal Wildlife Trade and Illicit Finance in the UK

Alexandria Reid and Cathy Haenlein



Royal United Services Institute  
for Defence and Security Studies

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RUSI Whitehall Report, January 2022



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Published in 2022 by the Royal United Services Institute for Defence and Security Studies.



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RUSI Whitehall Report, January 2022. ISSN 1750-9432.

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# Acknowledgements

In June 2021, the G7 2030 Nature Compact, signed under the UK Presidency, tasked relevant ministers to respond to the Financial Action Task Force's proposed actions to identify, assess and address money-laundering risks relating to illegal wildlife trade. This independent research was commissioned and funded by the Home Office to support and inform the UK's response.

The authors would like to thank all interviewees, workshop participants and those who provided helpful feedback on earlier versions of this report. We are also grateful to RUSI colleagues Tom Keatinge, Dina Mansour-Ille, Demi Starks, Zenab Hotelwala, Sarah Hudson, Lauren Young and Malcolm Chalmers for their support in reviewing and refining the report.

The project's findings and recommendations were independently reached by the authors and were not influenced by the funder or any other stakeholder in any way.



# Acronyms and Abbreviations

<b>APHA</b>	Animal and Plant Health Authority
<b>ARIS</b>	Asset Recovery Incentivisation Scheme
<b>CEMA</b>	Customs and Excise Management Act
<b>CITES</b>	Convention on International Trade in Endangered Species of Wild Fauna and Flora
<b>COTES</b>	Control of Trade in Endangered Species Regulations
<b>CPS</b>	Crown Prosecution Service
<b>Defra</b>	Department for Environment, Food and Rural Affairs
<b>DNFBPs</b>	designated non-financial businesses and professions
<b>FATF</b>	Financial Action Task Force
<b>FCA</b>	Financial Conduct Authority
<b>GAIN</b>	Government Agency Intelligence Network
<b>ICCWC</b>	International Consortium on Combating Wildlife Crime
<b>IFAW</b>	International Fund for Animal Welfare
<b>ISOs</b>	investigative support officers
<b>IWT</b>	illegal wildlife trade
<b>JMLIT</b>	Joint Money Laundering Intelligence Taskforce
<b>JNCC</b>	Joint Nature Conservation Committee
<b>MoRiLE</b>	Management of Risk in Law Enforcement
<b>NECC</b>	National Economic Crime Command Centre
<b>NPCC</b>	National Police Chiefs' Council



<b>NRA</b>	national risk assessment
<b>NWCU</b>	National Wildlife Crime Unit
<b>OCG</b>	organised crime group
<b>PAW</b>	Partnership for Action Against Wildlife Crime
<b>PDG</b>	Priority Delivery Group
<b>PEP</b>	politically exposed person
<b>POCA</b>	Proceeds of Crime Act
<b>ROCU</b>	Regional Organised Crime Unit
<b>SAMLA</b>	UK's Sanctions and Anti-Money Laundering Act
<b>SAMLIT</b>	South African Anti-Money Laundering Integrated Task Force
<b>SAR</b>	suspicious activity report
<b>UKFIU</b>	UK Financial Intelligence Unit
<b>UKTCG</b>	UK Tasking and Coordination Group
<b>UKTR</b>	Timber and Timber Products (Placing on the Market) Regulations
<b>UNODC</b>	UN Office on Drugs and Crime
<b>UNTOC</b>	UN Convention against Transnational Organized Crime
<b>WCA</b>	Wildlife and Countryside Act
<b>WCCAG</b>	Wildlife Crime Conservation Advisory Group
<b>WCL</b>	Wildlife and Countryside Link
<b>WWF</b>	World Wide Fund for Nature

# Executive Summary

**T**HE UK IS a leading advocate of the need to ‘follow the money’ linked to illegal wildlife trade (IWT) on the international stage. Yet, to date, little focus has been placed on examining the UK’s domestic record in this area. This report is the first independent study to address the UK’s exposure and response to IWT-linked illicit finance, offering recommendations to bolster enforcement action.

Based on an open-source literature review, analysis of government enforcement data, a focused ‘call for evidence’ and 40 semi-structured interviews, the report assesses the UK’s record in relation to the Financial Action Task Force’s (FATF) 2020 call for action in three specific areas: action by affected countries to assess their exposure to IWT-linked illicit finance; to ensure legal powers exist to bring financial charges in relation to IWT offending; and to undertake greater numbers of parallel financial investigations in IWT cases.

On exposure to IWT-linked illicit finance, the report finds that the UK is currently failing to properly assess its role in laundering the proceeds of IWT. While the UK has clear processes to determine national wildlife crime priorities, there is no IWT-specific UK threat assessment or accurate understanding of the scale of IWT-related proceeds laundered in the UK. Insufficient effort is made to distinguish the movement of IWT *products* from *proceeds* – given that the latter may touch the UK, as a global financial centre, independent of domestic movements of physical goods. In light of these gaps, there is currently no reliable way to quantify the threat, allocate resources or provide guidance to law enforcement and the private sector. An official, national IWT threat assessment is needed to implement the risk-based approach recommended by the FATF.

In terms of legislation, the UK has a strong toolkit to prosecute IWT offences, and all powers necessary to tackle associated economic crime. These are provided by economic crime legislation, including the Proceeds of Crime Act 2002, the Criminal Finances Act 2017 and the Sanctions and Anti-Money Laundering Act 2018, among others. What is missing is the application of these powers in all relevant IWT cases, with a range of NGOs expressing concern over the low level of cases resulting in prosecutions or deterrent sentences. Despite the lack of a comprehensive official record of IWT convictions, research indicates that offenders are mainly issued with financial penalties, followed by suspended sentences. While the UK actively supports strict legislation and sentencing guidelines abroad, IWT is not treated with the same severity at home.

In terms of enforcement and parallel financial investigations, the report finds that suspicious activity reports (SARs) are virtually unused as a source of intelligence in IWT cases in the UK. This owes to the limited number of SARs where IWT is identified as the predicate offence and the low numbers of financial investigations initiated. Asset confiscation powers are underused, with

small amounts recovered. In 2020, just £2,455 was recovered from IWT cases – an extremely low amount compared to the country’s broader asset recovery record. Positively, the Home Office has pledged resourcing to build financial investigation capacity in the UK National Wildlife Crime Unit. However, the unit ultimately relies on frontline law enforcement agencies to lead investigations, and without the high-quality threat assessment needed for forces to justify a focus on IWT, it will continue to struggle to ensure that cases are initiated.

To address the gap between the UK’s support for financial action against IWT abroad and its record at home, the report offers a set of recommendations. These range from the need to conduct an official national IWT threat assessment to incentivising the application of financial investigation powers and improving public–private sector cooperation. Importantly, the report also calls for a detailed evaluation of sentencing, reviews of investigations that fail to result in appropriate charges, and improved collection of criminal justice statistics on IWT cases.

With all countries globally facing raised expectations in this area from the FATF, the UK – as a key financial centre and advocate of financial action against IWT abroad – must now take all opportunities to bolster its record at home.

# Introduction

**T**HE UK GOVERNMENT is a leading international voice in the counter-illegal wildlife trade (IWT) policy arena. This influence has been achieved through the hosting of two high-level global IWT conferences in London in 2014 and 2018; diplomatic efforts to ensure that IWT remains on the agenda of the G20, G7 and UN General Assembly; and the establishment of a multi-year grant scheme, the IWT Challenge Fund.<sup>1</sup> The leadership of the Royal Family in key global initiatives, including the United for Wildlife Financial and Transport Taskforces, has further raised the UK's profile in relation to international efforts to address IWT.<sup>2</sup>

Among the priorities advocated by the UK is the need to 'follow the money' linked to IWT. The 2018 London Declaration, for example, committed signatories to 'increase action to tackle the illicit financial flows associated with wildlife trafficking and related corruption, including the increase of use of financial investigation techniques'.<sup>3</sup> These calls to action have come alongside broader efforts to promote effective financial responses to biodiversity loss. In February 2021, the Independent Review on the Economics of Biodiversity ('Dasgupta review'), commissioned by HM Treasury, called for urgent transformative changes in how countries measure economic success to address the global environmental crisis.<sup>4</sup> The following month, the UK's Integrated Review of Security, Defence, Development and Foreign Policy made tackling climate change and biodiversity loss the country's top international priority.<sup>5</sup>

In this spirit, in June 2021, under the UK's presidency, leaders agreed to a shared G7 2030 Nature Compact to halt and reverse biodiversity loss by 2030.<sup>6</sup> Among other measures, the

- 
1. UK Government, 'London Conference on the Illegal Wildlife Trade, 12–13 February 2014: Declaration', <[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/281289/london-wildlife-conference-declaration-140213.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/281289/london-wildlife-conference-declaration-140213.pdf)>, accessed 27 September 2019; Department for Environment, Food and Rural Affairs (Defra) et al., 'Declaration: London Conference on the Illegal Wildlife Trade 2018', 12 October 2018, <<https://www.gov.uk/government/publications/declaration-london-conference-on-the-illegal-wildlife-trade-2018>>, accessed 27 September 2019. Since its inception in 2014, 85 projects have been funded through the IWT Challenge Fund in 52 countries worldwide.
  2. Royal Foundation of the Duke and Duchess of Cambridge, 'United for Wildlife Taskforces', <<https://royalfoundation.com/programme/private-sector/>>, accessed 27 September 2021.
  3. Defra et al., 'Declaration: London Conference on the Illegal Wildlife Trade 2018'.
  4. HM Treasury, *The Economics of Biodiversity: The Dasgupta Review* (London: The Stationery Office, 2021), p. 1.
  5. HM Government, *Global Britain in a Competitive Age: The Integrated Review of Security, Defence, Development and Foreign Policy*, CP 403 (London: The Stationery Office, 2021), p. 4.
  6. G7, '2030 Nature Compact', June 2021, <<https://www.g7uk.org/wp-content/uploads/2021/06/G7-2030-Nature-Compact-PDF-120KB-4-pages.pdf>>, accessed 8 October 2021.

Nature Compact commits all partners to strengthening their enforcement response to financial crime associated with IWT and other environmental crimes. It calls on G7 countries to respond to the Financial Action Task Force's (FATF) 16 IWT-specific recommendations, published in June 2020.<sup>7</sup> Together, these recommendations urge countries to act across three levels: to assess their exposure to IWT-linked illicit finance; ensure legal powers are available to bring financial charges in IWT prosecutions; and undertake more financial investigations in IWT cases. This Whitehall Report evaluates the UK's progress against these three overarching recommendations.

While the UK has been a key advocate of such action internationally, limited research has focused on its record domestically. This report aims to address this gap. Its main research question is: what is known about the UK's exposure to IWT-linked illicit financial flows, and how effective has the country been in identifying and disrupting these flows to date?

## Methodology, Structure and Definitions

This report is the first independent study to specifically address the UK's exposure and response to IWT-linked illicit financial flows. The analysis is based on primary and secondary research conducted between June and October 2021 in the form of: an open-source literature review; analysis of UK government data on investigations, prosecutions and other enforcement indicators; assessment of written responses to a widely publicised 'call for evidence'; and semi-structured interviews with key stakeholders. The analysis does not include the UK's Overseas Territories or Crown Dependencies.

Literature reviewed includes academic publications, government documents, law enforcement strategies, and reports by NGOs, intergovernmental organisations and the private sector, published between 2010 and October 2021. These were analysed to establish what is known about IWT and associated illicit finance in the UK, map the range of agencies involved in the response, and collate existing evidence on the effectiveness of the UK response. Acknowledging a limited focus in the literature, the authors analysed investigation and prosecution data provided by the Home Office and National Wildlife Crime Unit (NWCU), as well as an unpublished report analysing IWT-related suspicious activity reports (SARs) received by the UK Financial Intelligence Unit (UKFIU).

Supplementing this, the authors conducted 40 semi-structured interviews with academic experts in IWT and financial crime, and representatives of government agencies, private sector institutions and NGOs.<sup>8</sup> Interviewees were selected based on their practical experience and subject matter expertise in IWT and illicit finance. The authors invited all relevant UK government

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7. Financial Action Task Force (FATF), 'Money Laundering and the Illegal Wildlife Trade', June 2020, <<https://www.fatf-gafi.org/publications/methodsandtrends/documents/money-laundering-wildlife-trade.html>>, accessed 1 December 2021.

8. Of the 40 interviews conducted, 32% were with representatives of UK government departments, 23% with representatives of law enforcement agencies, 25% with civil society representatives and 20% with individuals in the private sector.

departments and law enforcement agencies with a major role in tackling IWT to contribute to the research. An online ‘call for evidence’ was disseminated in August and September 2021 via social media, a dedicated webpage and the Partnership for Action Against Wildlife Crime (PAW) mailing list.<sup>9</sup> A total of 35 written responses were received: 25 from civil society actors and 10 from UK-based financial institutions. Responses were coded and analysed alongside the sources above.

In May 2021, the UK became the first G20 country to request an independent assessment by the International Consortium on Combating Wildlife Crime (ICWC) using the Wildlife and Forest Crime Analytic Toolkit.<sup>10</sup> The authors reviewed a draft of that assessment during the research process, as well as the UK’s official response to the FATF’s 12-month review of action on its IWT recommendations, submitted in September 2021.

This report consists of three chapters, analysing the UK’s performance against the FATF’s three overarching recommendations on IWT. Chapter I analyses the effectiveness of UK efforts to assess the threat from IWT and illicit proceeds. Chapter II considers legislation available to prosecute IWT offences and associated economic crime in the UK. Chapter III covers strengths and weaknesses of the UK’s enforcement response, including the frequency of parallel financial investigations. The conclusion summarises key findings and presents recommendations to enhance the UK’s response.

In the absence of a globally agreed definition, IWT is understood here as a type of wildlife crime that includes actions such as the sourcing, smuggling, trading or trafficking of protected species of flora and fauna, including their derivatives, for financial gain. Wildlife trade is understood to be illegal when it violates national legislation or international legal frameworks, including the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) – the principal global framework to regulate international trade in endangered species. As noted, IWT is considered a specific type of ‘wildlife crime’ – a broader category defined by the NWCU as ‘any action which contravenes current legislation governing the protection of the UK’s wild animals and plants and other species in trade in the UK’,<sup>11</sup> whether for trade or non-trade purposes.

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9. For more information about the Partnership for Action Against Wildlife Crime (PAW), see HM Government, ‘Partnership for Action Against Wildlife Crime’, <<https://www.gov.uk/government/groups/partnership-for-action-against-wildlife-crime>>, accessed 14 December 2021.
  10. Defra and Rebecca Pow, ‘Assessment Launches to Appraise UK Wildlife and Forest Crime Legislation and Enforcement’, 2 March 2021, <<https://www.gov.uk/government/news/assessment-launches-to-appraise-uk-wildlife-and-forest-crime-legislation-and-enforcement>>, accessed 1 July 2021; UN Office on Drugs and Crime (UNODC), ‘Wildlife and Forest Crime Toolkit Report, United Kingdom of Great Britain and Northern Ireland’, August 2021, <[https://www.unodc.org/documents/Wildlife/UK\\_Toolkit\\_Report.pdf](https://www.unodc.org/documents/Wildlife/UK_Toolkit_Report.pdf)>, accessed 18 December 2021.
  11. National Wildlife Crime Unit (NWCU), ‘Strategic Assessment – UK Wildlife Crime 2020 - 2022’, November 2020, p. 3, <<https://www.nwcu.police.uk/wp-content/uploads/2021/01/Strategic-Assessment-UK-Wildlife-Crime-November-2020-public-version.pdf>>, accessed 17 October 2021.



# I. UK Efforts to Assess the Threat from IWT and Associated Illicit Finance

**T**HE ABILITY TO respond effectively to the financial aspects of IWT depends on a clear understanding of the trade itself. This chapter examines the UK's approach to measuring the threat from wildlife crime, including IWT and related illicit finance. It finds significant gaps in how the UK understands its position in domestic and international IWT supply chains, with insufficient effort made to distinguish between the movement of illegal wildlife *products* and *proceeds*. Currently, there is no accurate or reliable understanding of the threat posed by IWT in the UK. An official, national IWT threat assessment is needed to implement the effective risk-based approach recommended by the FATF.

## Assessing the IWT Threat to the UK

IWT affects the UK in multiple ways. To explore how the UK understands this threat, it is useful to consider the country's current wildlife crime assessment process. National wildlife crime priorities are established by the UK Tasking and Coordination Group (UKTCG), chaired by the National Police Chiefs' Council (NPCC) lead for wildlife crime. Decisions are informed by a biannual national wildlife crime strategic assessment produced by the NWCUC.<sup>12</sup> In generating this assessment, the NWCUC applies the Management of Risk in Law Enforcement (MoRiLE) tool to assess impact, harm and risk, thereby informing the prioritisation of counter-wildlife crime enforcement activity across the UK.<sup>13</sup>

The NWCUC's assessment also draws on recommendations by the Wildlife Crime Conservation Advisory Group (WCCAG). Chaired by the Joint Nature Conservation Committee (JNCC), the WCCAG brings together statutory agencies, NGOs and law enforcement actors to analyse priorities based on the known volume of crime against a species, conservation impact of the threat and suitability of an enforcement-led response (see Table 1).<sup>14</sup> Data considered in the assessment includes: Border Force transparency data (seizure incident records); Police National Database, Environment Agency and court records; legal trade data recorded by the Animal and Plant Health Authority (APHA); and civil society reporting, among others.

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12. NWCUC, 'Strategic Assessment – UK Wildlife Crime 2020 - 2022'.

13. MoRiLE is a structured methodology to support prioritisation of enforcement work and resourcing, providing a consistent approach to identifying priorities across law enforcement agencies nationally.

14. The Joint Nature Conservation Committee advises the UK government and devolved administrations on nature conservation. See Joint Nature Conservation Committee, 'Wildlife Crime Conservation Advisory Group (WCCAG)', <<https://jncc.gov.uk/our-work/wccag/>>, accessed 8 October 2021.



**Table 1:** Scoring Matrix Used by the WCCAG to Inform Recommended Wildlife Crime Priorities

Score	Impact on Favourable Conservation Status (FCS)	Enforcement Necessary	Complementary Actions
Level	(Impact)	(Enforcement)	(Action)
<b>4 – Very High Concern</b>	Criminality is a/the major factor detrimentally affecting conservation status.	Without enforcement the situation is highly unlikely to change. A key response.	Wide range of planned actions. Commitment from government and NGOs using a full suite of responses.
<b>3 – High Concern</b>	Criminality is having a significant detrimental effect on conservation status.	Enforcement is desirable and will have a significant effect on achieving the conservation objectives.	Significant action to tackle the problem. Commitment evidenced. National action plans or similar devised.
<b>2 – Medium–Moderate Concern</b>	Criminality contributes to the conservation status.	Enforcement would be a useful contribution to conservation objectives.	Active action to raise awareness contributes to the solution.
<b>1 – Minor Concern</b>	Criminality has a minor impact on FCS but other issues are of higher importance.	Enforcement would have a minor beneficial effect on conservation objectives.	Some minor action to heighten awareness but little else.

Source: Scoring matrix provided by the NWCU.

In turn, the wildlife crime strategic priorities identified in the assessment for 2020–22 inform the NPCC’s ‘Wildlife Crime Policing Strategy’ (2018–21), which is in the process of renewal. Both ‘conservation priorities’ and ‘non-conservation priorities’ are identified and recommended by the NWCU (the former apply where wildlife crime has the potential to seriously impact a species’ conservation status; the latter where conservation status is less affected but where high scores on the risk matrix speak to the need for an immediate UK-wide tactical response).<sup>15</sup>

Wildlife crime *conservation* priorities recommended by the NWCU for 2020–22 include bat crime, CITES issues, fresh-water pearl mussels and raptor persecution (with a focus on golden eagle, goshawk, hen harrier, peregrine falcon and white-tailed eagle).<sup>16</sup> The NWCU’s recommended *non-conservation* priorities are badger persecution and ‘poaching’ (including hare-coursing, deer and fish poaching).<sup>17</sup> In addition to these priorities, cyber-enabled wildlife crime is recommended as a UK wildlife crime priority for 2020–22.<sup>18</sup>

While the NWCU assessment process covers wildlife crime as a whole, there is no IWT-specific threat assessment for the UK, and thus no assessment dedicated to crime against wild flora and

15. NWCU, ‘Strategic Assessment – UK Wildlife Crime 2020 - 2022’, p. 4.

16. *Ibid.*

17. *Ibid.*

18. *Ibid.*

fauna committed specifically for the purposes of illegal trade. Instead, as a *type* of wildlife crime, IWT straddles several of the NWCU's identified priority areas. For example, the 'CITES' priority area includes illegal trade in CITES-listed species, while cyber-enabled wildlife crime may cover illegal advertising, sale and purchase of wildlife products online regardless of CITES status.

Notwithstanding these overlaps, IWT is predominantly perceived to fall within the 'CITES' priority area, to be addressed by 'increas[ing] the number of disruption activities and detections of illegal trade in CITES priority species'.<sup>19</sup> This is to be achieved, among other measures, by 'improv[ing] ... the quality of analytical assessments'. CITES 'priority species' are determined by a WCCAG sub-group, which draws on legal trade and seizure data, court and police records to assess the number of CITES-listed products illegally sourced in, transiting or destined for the UK (Table 2). The NWCU's recommended CITES priorities for 2020–22 include: the European eel (*Anguilla anguilla*); illegal trade in raptors; ivory (all ivory-bearing species); medicinal and health products; reptiles; and timber (with a focus on rosewoods and agarwood species, *Aquilaria*).<sup>20</sup> In 2020, the NWCU and WCCAG recommended that rhino horn be removed as a CITES priority, with 'no criminal activities [assessed to be] associated with this species that require an immediate and UK-wide tactical response'.<sup>21</sup>

Drawing on these priorities, the NWCU's 2020 Strategic Assessment concludes that 'the UK is implicated as both a transit and destination country for trade in illegal wildlife products, as well as being a source country in some cases (e.g., live raptors for the falconry trade)'.<sup>22</sup> Speaking to this, a total of 6,167 seizures involving CITES-listed species were made by Border Force in the UK between 2013–20 (Table 2).<sup>23</sup> In 2020, overall seizures of CITES-listed species declined significantly on previous years to a total of 494, likely due to coronavirus-related travel and inspection restrictions.

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19. National Police Chiefs' Council (NPCC), 'Wildlife Crime Policing Strategy: Safeguarding Our Wildlife, 2018-2021', p. 7. The UK government implements CITES through the Control of Trade in Endangered Species (COTES), which follows the 2018 EU Wildlife Trade Regulations.

20. NWCU, 'Strategic Assessment – UK Wildlife Crime 2020 - 2022', p. 4.

21. *Ibid.*, p. 13.

22. *Ibid.*

23. Home Office and Border Force, 'Border Force Transparency Data: February 2021', 26 February 2021, <<https://www.gov.uk/government/publications/border-force-transparency-data-february-2021>>, accessed 9 September 2021.

**Table 2:** Number of Seizure Incidents Recorded Between 2013–20

	2013	2014	2015	2016	2017	2018	2019	2020	Total
<b>Caviar and caviar extract</b>	24	22	31	20	28	41	27	4	197
<b>Live coral and coral derivatives</b>	18	14	22	16	21	7	11	8	117
<b>Ivory and items containing ivory</b>	43	40	183	161	176	108	54	45	810
<b>Live animals and birds</b>	14	23	13	12	13	12	10	6	103
<b>Live plants</b>	6	6	45	36	37	82	67	17	296
<b>Parts or derivatives of animals/birds</b>	128	140	180	220	168	167	189	119	1,311
<b>Parts or derivatives of plants</b>	15	35	27	69	171	189	247	192	945
<b>Timber or wood products</b>	142	33	26	18	401	433	117	80	1,250
<b>Oriental medicines containing endangered species*</b>	187	210	334	141	69	82	79	22	1,124
<b>Butterflies</b>	0	0	0	0	1	8	4	1	14
<b>Total number of seizures across all categories</b>	577	523	861	693	1,085	1,129	805	494	6,167

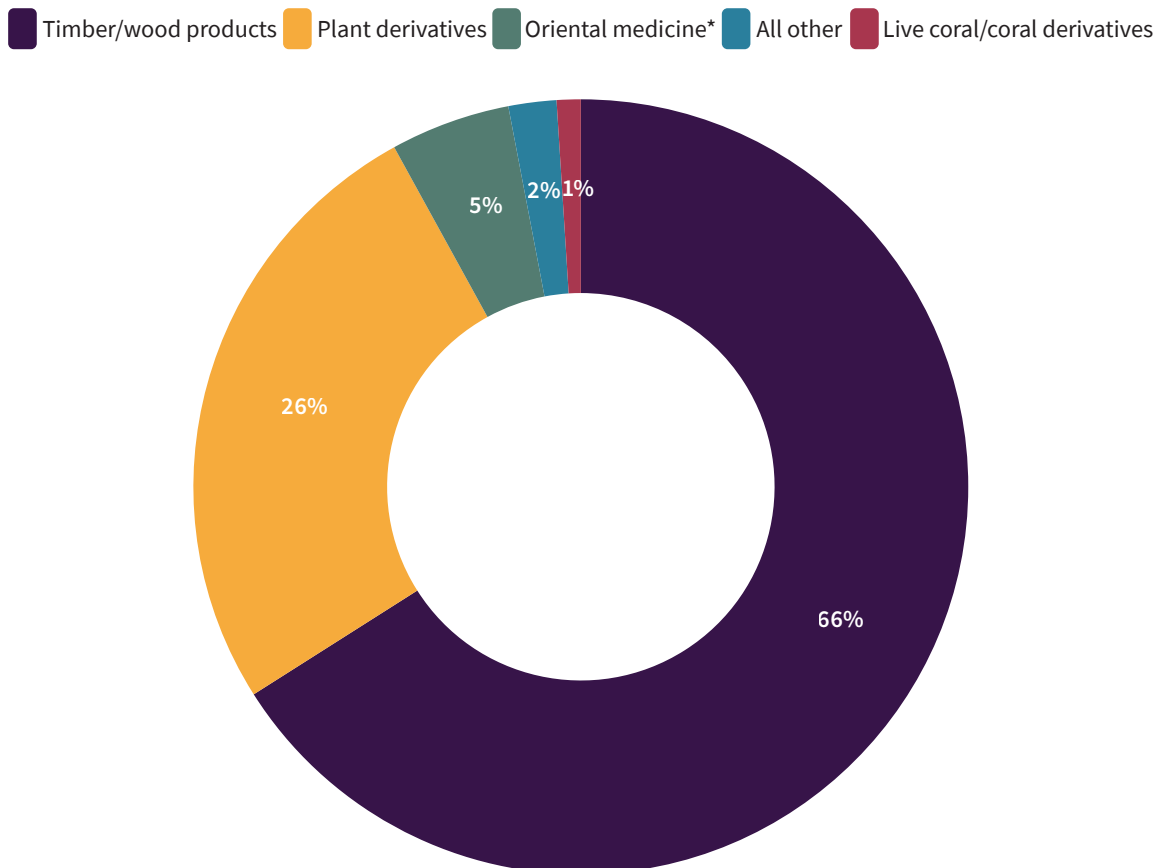
\* Includes ginseng, hoodia and herbal supplements.

Note: Data for Q4 2019 does not include seizures at Gatwick airport, due to a change in reporting systems.

Source: Home Office and Border Force, 'Border Force Transparency Data: February 2021', 26 February 2021, <<https://www.gov.uk/government/publications/border-force-transparency-data-february-2021>>, accessed 9 September 2021.

In practice, a seizure incident may involve several species or products, with quantities recorded in individual units, kilogrammes or litres.<sup>24</sup> Figure 1 shows the proportionate volume of kilogrammes seized across each category between 2013 and 2020. Timber and wood products account for the greatest number of kilogrammes seized (66%), followed by plant derivatives (26%) and oriental medicine (5%). In total, therefore, timber and wood products, oriental medicines and plant derivatives account for the highest proportion of seizures by both unit and kilogramme between 2013 and 2020.

24. For brevity, this report does not analyse units and litres seized. To access UK CITES seizure data in full, see Home Office and Border Force, 'Border Force Transparency Data: February 2021'.

**Figure 1:** Relative Volume of Seizures in Kilogrammes, 2013–20

\* Includes parts and derivatives of endangered species, as well as ginseng, hoodia and herbal supplements.

Source: Authors' own analysis based on Border Force Transparency Data.

Beyond intercepted illegal flows of CITES-listed species, the NWCU also points to cyber-enabled IWT as 'a substantial risk', while noting that the 'true extent of trade in CITES species on the internet is still not fully known'.<sup>25</sup> Indeed, although some scoping exercises have been attempted, no comprehensive UK cyber-enabled IWT risk assessment has been undertaken. This owes not only to resourcing limitations, but also to challenges associated with: the number of platforms and illegal wildlife products involved; the temporary nature of listings; the time-intensive nature of monitoring; the presence of 'scam' listings; the use of covert keywords; the changing behaviour of online buyers and sellers; and the use of both encrypted messaging

25. NWCU, 'Strategic Assessment – UK Wildlife Crime 2020 - 2022', p. 16; NWCU, 'Strategic Assessment', 2013, p. 14, <<https://www.nwcu.police.uk/wp-content/uploads/2014/04/NWCU-Strategic-Assessment-2013-final-v2.pdf>>, accessed 15 July 2021.

and offline conversations to arrange sales.<sup>26</sup> The recent introduction of the legal requirement to display 'Article 10' (CITES) trade permits in all online adverts for listed species has made identifying illicit adverts somewhat easier, but many of these challenges remain.<sup>27</sup>

Mindful of this intelligence gap, periodic online monitoring is undertaken by NGOs. Examples include a six-week observation study of 35 e-commerce marketplaces and three social media platforms by the International Fund for Animal Welfare (IFAW) in 2018, which recorded a total of 1,194 adverts for illegal wildlife products on UK-facing websites.<sup>28</sup> Identified adverts were found to contain a total of 2,456 suspected illegal specimens (see Figure 2). With just three sites found to be responsible for over 55% of recorded listings, this type of monitoring could have substantial value in mounting a more targeted enforcement response. The total value of the documented adverts was estimated at £741,676,<sup>29</sup> pointing to the scale of online IWT accessible to UK buyers and sellers.

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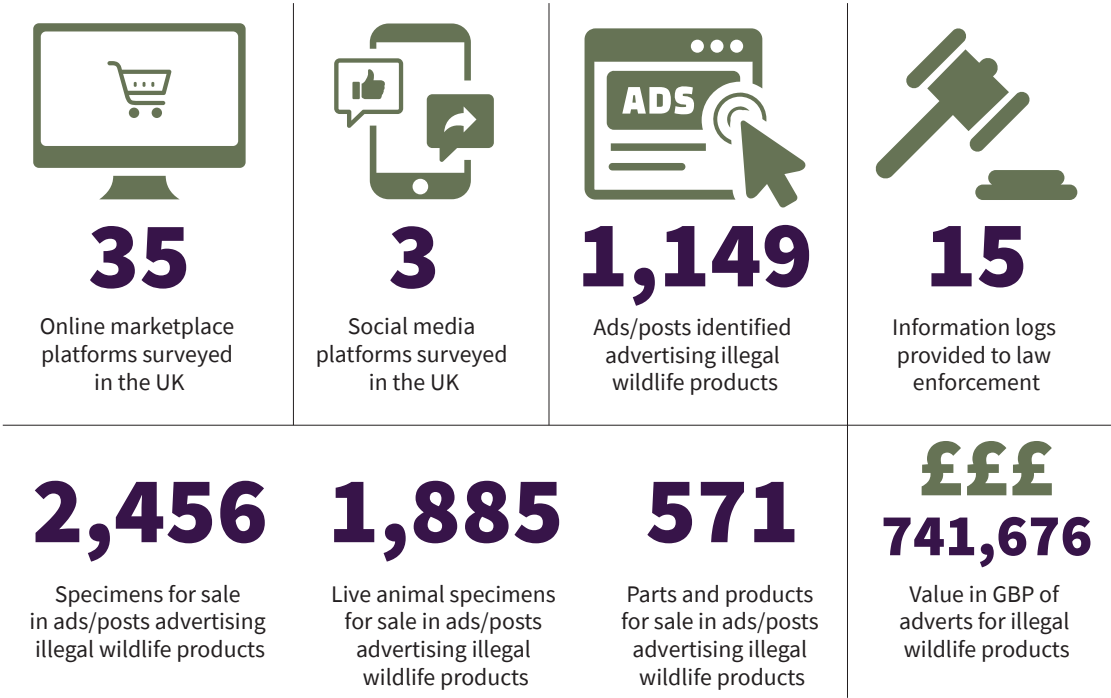
26. TRAFFIC, 'Offline and in the Wild: A Progress Report of the Coalition to End Wildlife Trafficking Online', 2021, p. 14, <[https://d1jyxxz9imt9yb.cloudfront.net/resource/335/attachment/original/Offline\\_and\\_In\\_the\\_Wild\\_-\\_Coalition\\_2020\\_Progress\\_Report\\_-\\_FINAL\\_3\\_March....pdf](https://d1jyxxz9imt9yb.cloudfront.net/resource/335/attachment/original/Offline_and_In_the_Wild_-_Coalition_2020_Progress_Report_-_FINAL_3_March....pdf)>, accessed 1 September 2021; authors' online interview with member of Cyber-Enabled Wildlife Crime Priority Delivery Group, 13 August 2021; CITES Decision 17.92 on Combating Wildlife Cybercrime at the CITES Conference of the Parties (CoP) 17 in 2016.

27. International Fund for Animal Welfare (IFAW), 'Disrupt: Wildlife Cybercrime', 2018, p. 17.

28. *Ibid.*, p. 25.

29. *Ibid.*, pp. 42–46.

Figure 2: Process and Results of Online Monitoring Conducted by IFAW in 2018



Source: Adapted from IFAW, ‘Disrupt: Wildlife Cybercrime’, 2018.

Yet, this data remains partial and does not represent the full picture of IWT as it touches the UK. Instead, in the absence of an official national IWT-specific threat assessment, experts widely agree that there is no accurate or reliable understanding of the scale of IWT and related proceeds in the UK.<sup>30</sup> Indeed, a range of issues with the current assessment process needs to be addressed for the UK to be able to effectively measure its exposure to IWT.

The first challenge relates to how IWT is defined and recorded. The Wildlife and Countryside Link – a coalition of UK-based conservation NGOs – has labelled the UK’s IWT recording and assessment processes as ‘inadequate and ineffective’,<sup>31</sup> highlighting a lack of comparability, relevance, accuracy and reliability of IWT data collected in the UK.<sup>32</sup> This issue is compounded

30. Written submission to authors from Tanya Wyatt, Northumbria University, 12 August 2021; authors’ online interview with David Roberts, University of Kent, 5 August 2021; Wildlife and Countryside Link (WCL), ‘Annual Wildlife Crime Report’, 2017, p. 14; WCL, ‘Wildlife Crime in 2019: A Report on the Scale of Wildlife Crime in England and Wales’, November 2020, p. 3; Hannah Mills, Sara Skodbo and Peter Blyth, ‘Understanding Organised Crime: Estimating the Scale and the Social and Economic Costs’, Research Report 73, Home Office, October 2013, pp. 10–11.

31. WCL, ‘Annual Wildlife Crime Report’, p. 14; WCL, ‘Wildlife Crime in 2019’, p. 2.

32. Justin Gosling, ‘The Recording of Wildlife Crime in England and Wales’, WCL, November 2017; authors’ online interview with David Roberts, University of Kent, 5 August 2021.

by the devolution of monitoring and enforcement responsibilities across the UK, resulting in overlapping mandates, different statutory reporting duties and variations in types of data collected. This results in a 'vicious circle', where IWT enforcement is under-prioritised and under-resourced due to insufficient documentation of the threat.<sup>33</sup>

Further, while seizure data is clearly useful in informing priorities, not all seizures are indicative of organised, profit-generating IWT. Some are likely instances of technical non-compliance due to ignorance, such as the organisation of imports without appropriate paperwork, which cannot always be taken as evidence of criminal intent.<sup>34</sup> There is also a significant likelihood that some seizures are mis-recorded, mis-identified or not captured at all.<sup>35</sup>

There are also inherent biases in seizure data, related to enforcement effort (the resources committed to looking for violations) and rate of seizure (the proportion of seizures relative to overall volumes of trade, both legal and illegal).<sup>36</sup> That numbers and volumes of seizures substantially increase when Border Force prioritises CITES enforcement activities – such as when the UK participates in global Interpol/World Customs Organization campaigns like Operation *Thunderball* – indicates that large volumes of IWT otherwise go undetected.<sup>37</sup> The gap between recorded and actual IWT in the UK is therefore likely to be significant.<sup>38</sup>

Nor does all IWT necessarily involve trade in CITES-listed species. Academics have raised concerns that a global tendency to focus on 'charismatic species', such as elephants or rhinos, overshadows the reality that most IWT involves lesser-known or 'uncharismatic' species that are largely invisible in public discourse.<sup>39</sup> Plants and timber receive comparatively little attention,

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33. Gosling, 'The Recording of Wildlife Crime in England and Wales', p. 4.

34. Authors' online interview with UK law enforcement officer, 12 August 2021.

35. Daniel W S Challender et al., 'Mischaracterizing Wildlife Trade and its Impacts May Misperceive Policy Processes', *Conservation Letters*, 2021, p. 5. Ongoing software updates require CITES seizures to be entered into both a legacy database (Centaur) and the new EPMS system. According to the ICCWC Assessment, this has at times led to confusion, with officials failing to enter seizure data onto the old system or incorrectly adding information to the new system.

36. Challender et al., 'Mischaracterizing Wildlife Trade and its Impacts May Misperceive Policy Processes', p. 5.

37. Border Force and Home Office, 'Thousands of Border Force Seizures in International Operation Against Wildlife Crime', 10 July 2019, <<https://www.gov.uk/government/news/thousands-of-border-force-seizures-in-international-operation-against-wildlife-crime>>, accessed 15 July 2021.

38. This point is publicly acknowledged by the UK government in Emily Fell et al., 'Understanding Organised Crime 2015/16: Estimating the Scale and the Social and Economic Costs', 2<sup>nd</sup> Edition, Research Report 103, February 2019, p. 83.

39. Tanya Wyatt, 'The Uncharismatic and Unorganized Side to Wildlife Smuggling', in Lorraine Elliott and William H Schaedla (eds), *Handbook of Transnational Environmental Crime* (Cheltenham: Edward Elgar, 2016), p. 165; Michael 't Sas-Rolfes et al., 'Illegal Wildlife Trade: Scale, Processes, and Governance', *Annual Review of Environment and Resources*, 2019, p. 204, <<https://www>.

despite evidence of high volumes of illegal trade in the UK and globally.<sup>40</sup> Figure 1 shows that plant derivatives represented 26% and 66% of the total kilogramme weight of CITES-related seizures made by Border Force between 2013 and 2020 respectively, yet they are not a wildlife crime priority.

In this regard, a more accurate IWT risk assessment process also requires consensus on whether illegal timber trade and fishing should be treated as IWT. Although trade in certain CITES-listed species of timber is prioritised, illegal timber trade is not strictly considered a ‘wildlife crime’ issue, but a question of supply chain due diligence to be addressed through measures such as the Timber and Timber Products (Placing on the Market) Regulations (UKTR).<sup>41</sup> Likewise, illegal fishing is not treated as an IWT issue domestically – although trade in certain marine species such as eels is considered IWT. Far from semantics, these conceptual parameters matter as they dictate which offences are assessed and therefore prioritised in operational activity.

## Illicit Finance Linked to IWT

The lucrative nature of IWT is a central tenet of the UK government’s public communications on IWT.<sup>42</sup> To give just one example, the UK government’s 2018 report, ‘A Green Future: Our 25 Year Plan to Improve the Environment’, notes that IWT is ‘the fourth most lucrative transboundary crime, with an estimated value of up to £17bn per year’.<sup>43</sup> Yet, significant knowledge gaps persist as to how the proceeds of IWT touch the UK. The 2020 NWCU strategic assessment points to ‘a considerable intelligence gap within the UK in relation to the distribution of illicit financial flow[s] from IWT’. This is despite the assessment pointing to evidence of ‘UK wildlife trade offences involving money laundering where illegal sale profits are hidden’.<sup>44</sup>

Some partial indications exist. In interviews conducted for this research, specialist UK law enforcement officers considered European eel trafficking and poaching and illegal trade in raptors to the Middle East to be the two highest-grossing IWT offences physically taking place in the UK (see Box 6). Cyber-enabled IWT, meanwhile, is known to generate significant proceeds;

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[annualreviews.org/doi/pdf/10.1146/annurev-environ-101718-033253](https://annualreviews.org/doi/pdf/10.1146/annurev-environ-101718-033253), accessed 1 October 2021; authors’ online interview with David Roberts, University of Kent, 5 August 2021.

40. Authors’ online interview with David Roberts, University of Kent, 5 August 2021; authors’ online interview with UK government policymaker, 3 August 2021; authors’ interview with specialist UK law enforcement officer 3, 13 August 2021; Jared D Margulies et al., ‘Illegal Wildlife Trade and the Persistence of “Plant Blindness”’, *Plants, People, Planet* (Vol. 1, No. 3, July 2019), pp. 173–82; NWCU, ‘Strategic Assessment – UK Wildlife Crime 2020 - 2022’, p. 30.
41. Illegal timber trade is regulated under the Timber and Timber Products (Placing on the Market) Regulations (UKTR).
42. Francis Massé et al., ‘Conservation and Crime Convergence? Situating the 2018 London Illegal Wildlife Trade Conference’, *Journal of Political Ecology* (Vol. 27, No. 1, 2020).
43. HM Government, ‘A Green Future: Our 25 Year Plan to Improve the Environment’, 2018.
44. NWCU, ‘Strategic Assessment – UK Wildlife Crime 2020 - 2022’, p. 29.



as noted above, in IFAW's single six-week observation study in 2018, adverts for suspected illegal wildlife products were recorded to an estimated value of £741,676.<sup>45</sup>

In the absence of further intelligence, however, the UK's 2020 national risk assessment (NRA) of money laundering and terrorist financing simply suggests that the country is a source, transit and destination country for illegal traded wildlife to 'varying degrees'.<sup>46</sup> It does so noting that 'the proceeds involved can in some cases reach significant amounts but typically involve lower levels of proceeds in the UK, with the potential to generate exponentially larger proceeds when shipped overseas and resold in the jurisdiction of the purchaser'.<sup>47</sup> No supporting evidence, however, is provided for this judgement. Based on one recent case (see Box 6), the NRA raises specific concerns that eel trafficking 'generate[s] millions in proceeds', with criminals described as typically using front companies that claim to be engaged in legitimate wildlife trade to launder proceeds.<sup>48</sup>

Unlike other crime types, there is no attempt to estimate the overall volume of proceeds laundered in the UK. Nor does the NRA quantify the social and economic costs of IWT to the UK. Despite explicitly acknowledging that 'criminal proceeds associated with IWT are generated in and moved through jurisdictions around the world, including the UK',<sup>49</sup> the NRA generally fails to sufficiently distinguish between domestic offences and those taking place internationally, the proceeds of which are laundered in the UK.

This is despite the fact that the NCA's 2020 National Strategic Assessment of Serious and Organised Crime specifically recognises the risk of bribery and corruption associated with politically exposed persons (PEPs) involved in IWT abroad to be an 'emergent threat' to the UK.<sup>50</sup> The UK's 2017–22 Anti-Corruption Strategy similarly notes that IWT is facilitated by corrupt actors, who launder their proceeds 'through international financial centres'.<sup>51</sup> Yet, understanding remains limited as to both the impact of international IWT-linked proceeds laundered in the UK and the role of the UK financial system in *enabling* IWT offences that cause substantial harm elsewhere.

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45. IFAW, 'Disrupt', pp. 42–46.

46. HM Treasury, *National Risk Assessment of Money Laundering and Terrorist Financing 2020* (London: The Stationery Office, 2020), p. 30.

47. *Ibid.*

48. *Ibid.*

49. *Ibid.*

50. National Crime Agency (NCA), 'National Strategic Assessment of Serious and Organised Crime', 2020, p. 58, <<https://www.nationalcrimeagency.gov.uk/who-we-are/publications/437-national-strategic-assessment-of-serious-and-organised-crime-2020/file>>, accessed 1 October 2021; written submission to authors from representatives of the Environmental Investigation Agency UK, 22 August 2021; written submission to authors from representatives of the Wildlife Conservation Society, 16 August 2021.

51. HM Government, 'United Kingdom Anti-Corruption Strategy 2017–2022', December 2017, p. 62, <[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/667221/6\\_3323\\_Anti-Corruption\\_Strategy\\_WEB.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/667221/6_3323_Anti-Corruption_Strategy_WEB.pdf)>, accessed 29 September 2021.

As a global financial centre, in general terms, the FATF considers the UK to be particularly ‘vulnerable and at risk of being used as a destination or transit location for criminal proceeds’.<sup>52</sup> During a 2018 debate in the House of Commons, then minister of state for the Foreign and Commonwealth Office, Mark Field, stated that he could ‘not give direct assurances’ that the proceeds of global IWT were not being laundered in the UK.<sup>53</sup> Interviews and written responses submitted as part of this research reveal that multiple financial institutions in the UK consider themselves to be exposed to IWT-related proceeds (directly or through correspondent banking relationships), although they struggle to accurately determine the exact level of the threat.<sup>54</sup>

Against this backdrop, a significant weakness in current government efforts to analyse the nature of illicit finance linked to IWT is that they focus almost exclusively on the proceeds of illegal trade physically taking place in the UK. These cannot accurately capture the UK’s exposure to illicit financial flows connected to IWT offences committed elsewhere. As a result, the UK’s 2020 NRA provides little guidance to law enforcement or the private sector on how to prioritise IWT compared to other predicate offences.<sup>55</sup> This is a significant issue because domestic economic crime enforcement and supervision resources, as well as private sector compliance strategies, are aligned to levels of risk identified in the NRA.<sup>56</sup>

## Accounting for the Diversity of IWT Value Chains Relevant to the UK

A nuanced understanding of the types of offences and offenders involved in IWT value chains touching the UK is crucial. As stressed above, IWT encompasses a broad range of species, products, geographies and supply chains, each potentially involving different actors and different volumes of proceeds. An improved understanding of the risk to the UK from IWT and associated illicit finance depends on a nuanced disaggregation of this threat.

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52. FATF, ‘Anti-Money Laundering and Counter-Terrorist Financing Measures: United Kingdom Mutual Evaluation Report’, December 2018, p. 5.

53. Hansard, ‘Illegal Wildlife Trade’, Vol. 648, debated on Tuesday 30 October 2018, <<https://hansard.parliament.uk/Commons/2018-10-30/debates/28EABFFD-9E69-4D13-9E1A-0D4302CFB595/IllegalWildlifeTrade>>, accessed 20 September 2021.

54. Written submission to authors from representative of financial institution (FI) 1, 18 August 2021; written submission to authors from representative of FI 2, 19 August 2021; authors’ online interview with two representatives of FI 3, 6 August 2021.

55. Authors’ telephone interview with representatives of FI 3, 6 August 2021; written submission to authors from representative of FI 2, 19 August 2021; authors’ telephone interview with civil society actor, 30 July 2021.

56. FATF, ‘Anti-Money Laundering and Counter-Terrorist Financing Measures: United Kingdom Mutual Evaluation Report’, p. 36.

A useful analytical framework in this regard is offered by Tanya Wyatt, Daan van Uhm and Angus Nurse.<sup>57</sup> Based on fieldwork and a review of the wider literature, they suggest a taxonomy that categorises actors into a) disorganised criminal networks, b) organised crime groups (OCGs) and c) corporate crime groups, although they stress the importance of understanding the overlaps and forms of cooperation between these actors at key points in certain supply chains. This framework could provide the basis for a more sophisticated risk assessment process. For example, a recent analysis of illegal plant trade in the UK found a complex array of interchangeable actors at different stages of the supply chain, with different actors trading in live specimens versus derivative products.<sup>58</sup> Some individuals dealing in the former were classified as ‘hobbyists’, while others were ‘highly professional’ illegal traders for whom plant trafficking represents a significant source of income.<sup>59</sup> By contrast, the illegal sourcing and sale of products containing illegal derivatives was found to be driven by ‘legitimate’ registered businesses.<sup>60</sup>

Wyatt, van Uhm and Nurse’s first category of ‘disorganised networks’ appears to apply to multiple scenarios in the UK. These include cyber-enabled IWT, where individuals sell products through specialist forums, online groups, social media and e-commerce sites.<sup>61</sup> Disorganised networks are categorised as such because their interactions are ‘more fleeting and less stable than a group’, with cooperation opportunistic and sporadic.<sup>62</sup>

It should be noted, however, that some offenders may *appear* to be ‘disorganised’ precisely because law enforcement resources have not been applied to collect and analyse intelligence to understand IWT networks.<sup>63</sup> Instead, they may be part of Wyatt, van Uhm and Nurse’s second category of offenders: OCGs. In 2016, 19 OCGs, involving 134 individuals, were officially linked to wildlife crime in the UK, predominantly poaching, raptor persecution and CITES-related offences.<sup>64</sup> Yet, considering the inadequate resourcing of intelligence collection, this is unlikely

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57. Tanya Wyatt, Daan van Uhm and Angus Nurse, ‘Differentiating Criminal Networks in the Illegal Wildlife Trade: Organized, Corporate and Disorganized Crime’, *Trends in Organized Crime* (Vol. 23, No. 4, 2020), pp. 350–66.

58. Anita Lavorgna and Maurizio Sajevo, ‘Studying Illegal Online Trades in Plants: Market Characteristics, Organisational and Behavioural Aspects, and Policing Challenges’, *European Journal on Criminal Policy and Research* (Vol. 27, 2020), pp. 451–70.

59. *Ibid.*

60. *Ibid.*

61. Authors’ online interview with specialist UK law enforcement officer 1, 13 August 2021.

62. *Ibid.*; Wyatt, van Uhm and Nurse, ‘Differentiating Criminal Networks in the Illegal Wildlife Trade’.

63. Authors’ online interview with specialist UK law enforcement officers 1, 2 and 3, 13 August 2021; authors’ online interview with two senior economic crime policymakers, 27 July 2021; European Union Action to Fight Environmental Crime (EFFACE), ‘The Illegal Wildlife Trade: A Case Study Report on the Illegal Wildlife Trade in the United Kingdom, Norway, Colombia and Brazil’, 2015, p. xii.

64. European Parliament, ‘Wildlife Crime in the United Kingdom’, 2016, p. 13, <[https://www.europarl.europa.eu/RegData/etudes/IDAN/2016/578963/IPOL\\_IDA\(2016\)578963\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2016/578963/IPOL_IDA(2016)578963_EN.pdf)>, accessed 1 September 2021. More recent figures are unavailable.

to represent the full picture, with the Home Office concluding in 2019 that the extent to which OCGs are involved in wildlife crime in the UK is unknown.<sup>65</sup>

As long as this intelligence gap persists, IWT is unlikely to become a more significant priority at the strategic or operational level. Indeed, IWT is not currently treated as a domestic priority in terms of serious and organised crime because the threat level is unsubstantiated.<sup>66</sup> Reflecting this, Table 3 records the limited number of mentions of wildlife crime and IWT in the UK's Official National Strategic Assessments of Serious and Organised Crime between 2016 and 2021.

**Table 3:** Mentions of Wildlife Crime or IWT in UK Official National Strategic Assessments of Serious and Organised Crime

Year	Mentioned?	Details
2021	No	
2020	Yes	'There continue to be reports of PEP-related bribery and corruption from various regions, in particular parts of Africa and Eastern Europe. ... The involvement of PEPs in the illegal wildlife trade is an emergent threat'.
2019	Yes	Wildlife crime is mentioned as one of several forms of organised acquisitive crime, but no analysis is provided on the scale or harm caused.
2018	No	
2017	Yes	'The illegal International Wildlife Trade is serviced by UK criminal activity, with online traders commonly facilitating the illicit CITES trade in/via the UK [sic]'.
2016	Yes	Wildlife crime is recognised as a 'Band 3' form of organised acquisitive crime (namely, a low-priority threat).

Sources: NCA, 'National Strategic Assessment of Serious and Organised Crime 2020', p. 58; NCA, 'National Strategic Assessment of Serious and Organised Crime 2019', 2019, p. 34, <<https://nationalcrimeagency.gov.uk/who-we-are/publications/296-national-strategic-assessment-of-serious-organised-crime-2019/file>>, accessed 1 October 2021; NCA, 'National Strategic Assessment of Serious and Organised Crime 2017', 2017, p. 36, <<https://www.nationalcrimeagency.gov.uk/who-we-are/publications/32-national-strategic-assessment-of-serious-and-organised-crime-2017/file>>, accessed 1 October 2021; NCA, 'National Strategic Assessment of Serious and Organised Crime 2016', 2016, p. 8, <<https://www.nationalcrimeagency.gov.uk/who-we-are/publications/353-national-strategic-assessment-of-serious-and-organised-crime-2016/file>>, accessed 1 September 2021.

65. Fell et al., 'Understanding Organised Crime 2015/16', p. 83. The 2013 iteration of the same study likewise concluded the scale of organised wildlife crime could not be estimated due to data limitations.

66. NCA, 'National Strategic Assessment of Serious and Organised Crime 2015', 23 June 2015, <<https://www.nationalcrimeagency.gov.uk/who-we-are/publications/352-national-strategic-assessment-of-serious-and-organised-crime-2015/file>>, p. 27; authors' email correspondence with representatives of UK law enforcement agency, 20 August 2021.

Meanwhile, corporations – Wyatt, van Uhm and Nurse’s third category of offenders – are rarely seen by government as being involved in IWT in the UK.<sup>67</sup> This reflects a failure to recognise that IWT is ‘far more structured and intertwined with the legal sphere than current rhetoric suggests’.<sup>68</sup> Businesses are particularly likely to be involved in IWT where commodities ‘need to be processed before [being] sold and when illegal wildlife needs to be laundered into the legal market’.<sup>69</sup> More broadly, the existence of parallel legal supply chains creates opportunities to launder species using fraudulent permits, declare wild species as captive bred and under- or over-report legitimate trade. This draws into focus the difficulties of assessing the volume of proceeds derived from IWT where businesses or individuals also engage in legal trade, with licit and illicit profits co-mingled.<sup>70</sup>

This represents a substantial gap. As part of a service-based economy, UK companies and consumers import significant volumes of finished mass-produced products potentially containing IWT-risk commodities. Here, it is highly likely that the financial sector is abused to launder the proceeds of crime where IWT offences occur in the upstream supply chain. Furniture and other products made of wooden parts are particularly high risk, as are certain fashion and cosmetics products.<sup>71</sup> Depending on how IWT is conceptualised, the types of business implicated are broad, ranging from pet shops and plant nurseries to fashion houses, commodity traders and furniture retailers.<sup>72</sup>

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67. Wyatt, ‘The Uncharismatic and Unorganised Side to Wildlife Smuggling’; Matthew Hall, ‘The Roles and Use of Law in Green Criminology’, *International Journal for Crime, Justice and Social Democracy* (Vol. 3, No. 2, 2014).

68. Wyatt, van Uhm and Nurse, ‘Differentiating Criminal Networks in the Illegal Wildlife Trade’.

69. Wyatt, ‘The Uncharismatic and Unorganised Side to Wildlife Smuggling’; authors’ online interview with three TRAFFIC wildlife crime experts, 12 August 2021; written submission to authors from representatives of the Wildlife Conservation Society, 16 August 2021.

70. FATF, ‘Money Laundering and Environmental Crime’, July 2021, p. 28; FATF, ‘Money Laundering and the Illegal Wildlife Trade’, June 2020, p. 7.

71. European Commission, ‘Timber Regulation’, <[https://ec.europa.eu/environment/forests/timber\\_regulation.htm](https://ec.europa.eu/environment/forests/timber_regulation.htm)>, accessed 12 September 2021.

72. Egmont Centre of FIU Excellence and Leadership (ECOFEL), ‘Financial Investigations into Wildlife Crime’, January 2021.

**Box 1:** Legal Trade, Fraudulent Permits and IWT

The entire system of legal trade in wildlife depends on the proper issuance and use of the relevant paperwork to accompany the import and export of the species concerned, with permit fraud therefore a key concern in both the UK and international context.

Previously, the APHA received support from an embedded police officer who proactively evaluated 'legal' CITES trade recorded in the 'Unicorn' database to identify possible irregularities and request inspections. This position is currently vacant, with an essential asset in identifying IWT thus presently unavailable. This is particularly important because the UK's exit from the EU has created the need to obtain CITES permits for trade that was previously within the Common Market. Interviewees expressed concern that the change in regulations has resulted in new vulnerabilities, including the possibility of established businesses making misdeclarations.

*Sources: UNODC, 'Wildlife and Forest Crime Toolkit Report, United Kingdom of Great Britain and Northern Ireland', p. 123; Defra and Animal and Plant Health Authority (APHA), 'Trading or Moving CITES-Listed Specimens Through UK Ports and Airports', last updated 5 March 2021, <<https://www.gov.uk/guidance/trading-cites-listed-specimens-through-uk-ports-and-airports>>, accessed 1 August 2021; authors' online interview with David Roberts, University of Kent, 5 August 2021; authors' online interview with two UK foreign policy experts, 4 August 2021; authors' online interview with a senior UK economic crime policymaker, 10 August 2021.*

In this context, some experts argue that the UK's efforts to galvanise action by labelling IWT a 'serious and organised crime'<sup>73</sup> have led to a lack of conceptual clarity and failure to account for 'disorganised' and corporate actors involved in IWT at home.<sup>74</sup> The NPCC's Wildlife Crime Policing Strategy for 2018–21, for example, states that IWT is a 'specialised area of organised crime' across the globe, with 'multiple Organised Crime Groups working to a common purpose [sic]'.<sup>75</sup> It does not, however, explain whether this characterisation is true to the UK specifically.

Similar statements appear in multiple UK policy documents, which describe IWT as an organised crime type worth billions a year globally, but do not consider the type of actors – organised, 'disorganised' and corporate – operating in the UK context.<sup>76</sup> The UK's 2018 Serious and Organised Crime Strategy considers wildlife crime to be 'a serious criminal industry fuelled

73. CITES, 'London Conference on the Illegal Wildlife Trade and the United for Wildlife Symposium', SC65, Inf. 14, Enforcement Matters Agenda Item 27, Submitted by the United Kingdom, 2014, p. 2, <<https://cites.org/sites/default/files/eng/com/sc/65/Inf/E-SC65-Inf-14.pdf>>, accessed 2 September 2021.

74. Massé et al., 'Conservation and Crime Convergence?', p. 37.

75. NPCC, 'Wildlife Crime Policing Strategy', Background, Clause 1.5.

76. HM Government, 'A Green Future', p. 111; Defra, 'The UK Commitment to Action on the Illegal Wildlife Trade (IWT) – An Update', March 2015, <[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/415562/iwt-commitment-action.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/415562/iwt-commitment-action.pdf)>, p. 1; NPCC, 'Wildlife Crime Policing Strategy', Background, Clause 1.5.

by corruption’ and commits to ‘strengthen[ing] networks of IWT law enforcement experts’.<sup>77</sup> It is unclear whether the strategy advocates for this action at the domestic or international level, or both.

In sum, a more nuanced, consistent and multi-level analytical approach is needed to help the UK understand its exposure to the movement of IWT products and proceeds. This will enable the UK government to conduct an official threat assessment of the type that meets FATF standards. It is highly unlikely that enforcement action will increase without a more robust evidence base on how IWT and associated illicit finance affect the UK.

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77. HM Government, *Serious and Organised Crime Strategy*, Cm 9718 (London: The Stationery Office, 2018), p. 81.

## II. Legal Powers to Tackle IWT in the UK

**I**N LINE WITH the FATF's second overarching recommendation, this chapter explores whether UK legislation provides all powers necessary to tackle IWT and associated illicit finance.<sup>78</sup> It finds that the UK has a strong toolkit to pursue both the underlying IWT offence and associated economic crime. However, most IWT offences result in low-level sentences under primary legislation, suggesting that IWT is still not considered, in practice, as 'serious' crime. The extent to which economic crime powers are effectively applied is explored in Chapter III.

### Legislation

The majority of IWT cases in the UK are prosecuted under the Control of Trade in Endangered Species (COTES) Regulations 2018 and Customs and Excise Management Act (CEMA) 1979. The UK government implements CITES through COTES 2018, which transposed into UK law the EU's Wildlife Trade Regulations.<sup>79</sup> These regulations are sometimes more stringent than CITES, with Annex A of the EU Regulations including all CITES Appendix I species and some Appendix II and III species for which the EU has chosen stricter measures.<sup>80</sup>

COTES offences are 'triable either way' (see Figure 3); that is, if they are heard as a summary offence in Magistrates Court, offenders may be imprisoned for a maximum of six months and/or ordered to pay an unlimited fine (for offences committed after 2015). Conviction on indictment in a Crown Court carries a maximum sentence of five years' imprisonment and/or an unlimited fine.<sup>81</sup> In deciding the appropriate mode of trial, the Crown Prosecution Service (CPS) considers a range of factors as 'likely to indicate that Crown Court trial would be more appropriate'. These include instances where multiple offences involve an Annex A species and where the offence involved other suspects, whether prosecuted or not.<sup>82</sup>

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78. FATF, 'Money Laundering and the Illegal Wildlife Trade', June 2020, pp. 27–29.

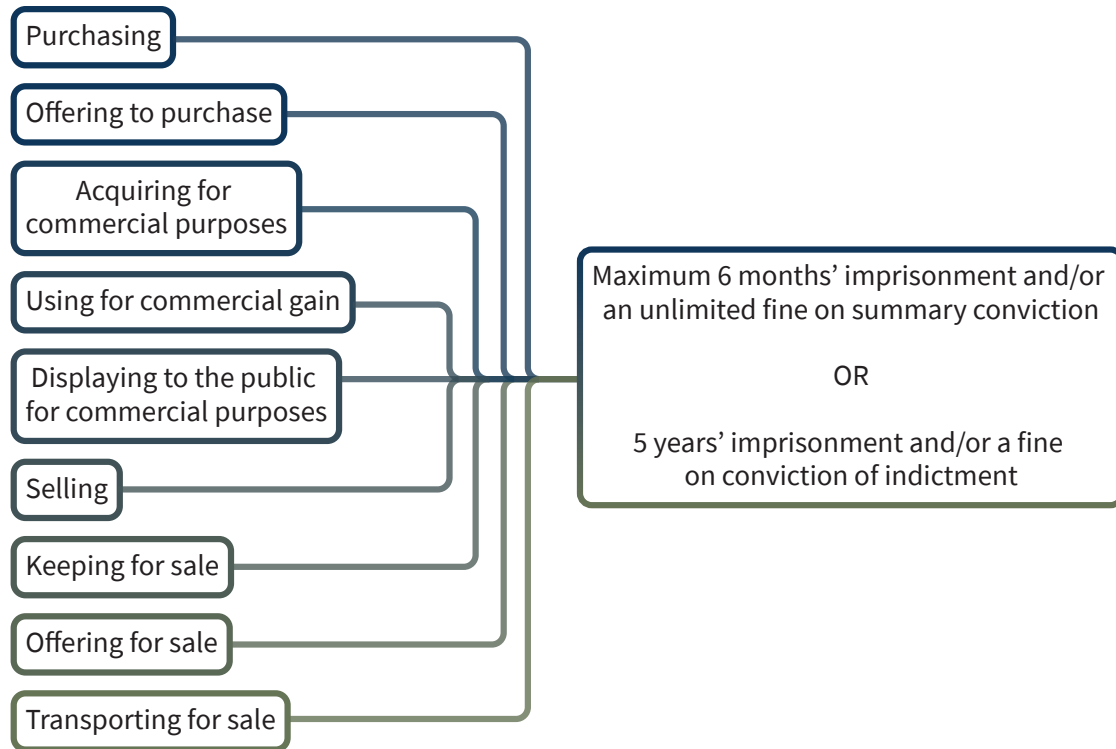
79. Control of Trade in Endangered Species Regulations 2018. CITES is implemented in the EU through a set of acts collectively known as the EU Wildlife Trade Regulations, which may be more stringent than Convention protections.

80. EU Commission, 'The Differences Between EU and CITES Provisions in a Nutshell', <[https://ec.europa.eu/environment/cites/pdf/differences\\_b\\_eu\\_and\\_cites.pdf](https://ec.europa.eu/environment/cites/pdf/differences_b_eu_and_cites.pdf)>, accessed 1 December 2021.

81. COTES 2018, Section 1.

82. CPS, 'Wildlife Offences', last updated 20 January 2020, <<https://www.cps.gov.uk/legal-guidance/wildlife-offences>>, accessed 12 August 2021.



**Figure 3:** COTES 2018 Schedule 1 IWT Offences

Source: COTES 2018.

IWT offences under Section 68(2) of CEMA, by contrast, are punishable on summary conviction by six months' imprisonment and a fine three times the value of the product, or a £20,000 fine, whichever is greater. Offenders convicted on indictment in a Crown Court face an unlimited fine and/or up to seven years' imprisonment (see Table 4). This means that at least some IWT offences under CEMA and COTES qualify as 'serious crimes' under the UN Convention against Transnational Organized Crime, as called for in the 2018 London Declaration and UN General Assembly Resolution 2013/40.<sup>83</sup>

83. 'Serious crimes' under UNTOC are punishable by at least four years' imprisonment. See UN, 'United Nations Convention against Transnational Organized Crime and the Protocols Thereto', 2004, p. 5.

**Table 4:** CEMA 1979: Non-Exhaustive Summary of Some Key IWT-Related Sections

Offence	Provision	Penalties
Export or shipping as stores contrary to any prohibition or restriction	Section 68(1)	Fine of three times the value of the product or 'level 3' fine (£1,000), whichever is greater
Being knowingly concerned in the exportation or shipment as stores or in the intended exportation or shipment of stores with intent to evade any such prohibition or restriction	Section 68(2)	Fine of three times the value of the product or £20,000, whichever is greater, and/or six months' imprisonment upon summary conviction  OR  Unlimited fine and/or up to seven years' imprisonment upon conviction on indictment
Offering smuggled goods for sale	Section 87	Fine of three times the value of the product or 'level 3' fine (£1,000), whichever is greater
Untrue declarations (knowingly or recklessly)	Section 167	£20,000 and/or six months' imprisonment on summary conviction, and/or unlimited fine, and/or up to two years' imprisonment upon conviction on indictment
Fraudulent evasion of duty	Section 170	Fine of three times the value of the product or £20,000, whichever is greater, and/or six months' imprisonment upon summary conviction  OR  Unlimited fine and/or up to seven years' imprisonment upon conviction on indictment

Source: CEMA 1979. See also UNODC, 'Wildlife and Forest Crime Toolkit Report, United Kingdom of Great Britain and Northern Ireland', pp. 68–73.

Yet, as Chapter I makes clear, not all IWT offences involve CITES-listed species. Some broader UK wildlife management legislation is therefore also relevant. For example, the Wildlife and Countryside Act (WCA) 1981 criminalises the selling of or 'exposing for sale' any live wild bird or egg, with similar protections afforded to indigenous wild plants and animals.<sup>84</sup> Most WCA 1981 offences are summary only, with a person found guilty liable to six months' imprisonment, an unlimited fine (for offences committed after 2015) or both.<sup>85</sup>

IWT offences have also previously been prosecuted under broader, non-wildlife specific legislation. In 2016, for example, an individual was charged with 'fraud by misrepresentation' under the Fraud Act 2006 for falsely advertising protected plants poached in the UK as 'artificially propagated' on eBay and Amazon.<sup>86</sup> In 2012–13, several high-profile rhino horn thefts from

84. CPS, 'Wildlife Offences'.

85. Wildlife and Countryside Act 1981.

86. NWCUC, 'Conviction – Trade in Wild Plant Bulbs – Cumbria', <<https://www.nwcu.police.uk/news/nwcu-police-press-releases/conviction-trade-in-wild-plant-bulbs-cumbria/>>, accessed 1 August 2021;

museums were prosecuted under the Theft Act 1968 (see Box 2).<sup>87</sup> In 2020, Aaron Halstead – the first person believed to be convicted twice under COTES – was issued a Serious Crime Prevention Order for dealing in Annex A species.<sup>88</sup>

**Box 2:** Rhino Horn Theft by the ‘Rathkeale Rovers’

In 2016, over a dozen members of the ‘Rathkeale Rovers’ – a group of criminals based in Ireland but operating internationally – were convicted for their role in museum burglaries in the UK between 2012 and 2013 involving rhino horn, among other antiquities, worth £57 million.

In September 2021, a further four members of the group were sentenced in a French court for smuggling rhino horn to China and Vietnam. The case began when French police conducted a traffic stop in September 2015 and seized four elephant tusks and €32,800 in cash.

A property search led to the seizure of a rhino horn weighing nearly 15 kg, then worth an estimated \$15 million at point of sale, according to French NGO Robin des Bois. The four defendants were sentenced to prison (two with suspended sentences) and fined a total of €316,000 (£270,000) in September 2021.

In 2017, a federal court in Miami sentenced Michael Hegarty, a senior member of the group, to 18 months’ imprisonment on separate charges of smuggling a rhino horn cup from the US to the UK.

*Source: Kim Willsher and Rory Carroll, ‘Eight Men Convicted in French Court for Trafficking Rhino Horn and Ivory’, The Guardian, 8 September 2021.*

This wide variety of legislation available to charge the IWT offence itself is complemented by an arsenal of economic crime powers that criminalise IWT as a predicate offence to money laundering and enable post-conviction asset confiscation under the Proceeds of Crime Act (POCA) 2002.<sup>89</sup> In addition, the Criminal Finances Act 2017 provides powers such as unexplained wealth orders and account freezing orders; the Bribery Act 2010 has extraterritorial reach; and the UK’s Sanctions and Anti-Money Laundering Act 2018 enables the use of unilateral sanctions ‘in the interests of national security’.<sup>90</sup> All such powers are potentially applicable to IWT offences affecting the UK.

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5,000 bulbs were poached, including CITES-listed snowdrops (*Galanthus nivalis*).

87. *Irish Times*, “‘Rathkeale Rovers’ Jailed Over Museum Rhino Horn “Plunder””, 5 April 2016.

88. Joseph Wilkes, ‘Taxidermist Who Posted Bragging Selfies with Stuffed Endangered Animals Jailed’, *Mirror*, 24 August 2020.

89. FATF, ‘Anti-Money Laundering and Counter-Terrorist Financing Measures: United Kingdom Mutual Evaluation Report’, p. 5.

90. Sanctions and Anti-Money Laundering Act 2018.

Further, greater prioritisation and conceptual clarity with regard to what constitutes IWT in the UK context could allow for broader administrative, civil and criminal legislation already available to be used more creatively and effectively. This includes the criminal sanctions available under the UKTR, as well as the Environment Act – which received Royal Assent in November 2021 – which makes it illegal for UK businesses to trade in certain ‘forest risk’ commodities if they have not been produced in line with local laws protecting forests and other natural ecosystems.<sup>91</sup> In addition, in 2022, the Law Commission will make recommendations to reform the UK’s corporate criminal liability regime, which may introduce new powers relevant to IWT offences committed by businesses operating in the UK.<sup>92</sup>

## Application of Relevant Legislation

It is clear, then, that the UK has all sufficient legislation to charge IWT offences and associated economic crime. What appears to be missing is the full application of these powers in relevant cases. Indeed, very few prosecutions are achieved relative to numbers of wildlife seizures in the UK. In 2020, the Wildlife and Countryside Link flagged a steady decline in prosecutions, citing a ‘concerning lack of progress’ under the current NPCC Wildlife Crime Policing Strategy.<sup>93</sup>

To explore this situation, a brief look at the institutional architecture for prosecuting IWT cases is required. Most IWT cases in England and Wales are handled by the CPS. Each of the 14 CPS Areas across England and Wales has a crown prosecutor assigned to act as a Wildlife, Rural and Heritage Crime Coordinator, with the aim of ensuring availability of the specialist knowledge to investigate and prosecute wildlife crime. Offences can also be prosecuted by Border Force if charges arise under CEMA; the Serious Fraud Office (in England and Wales) if the offence involves fraud, corruption or bribery; or HMRC if tax crimes are involved, among other institutions.<sup>94</sup> In Scotland, prosecutions are handled by the Crown Office and Procurator Fiscal Service’s Wildlife and Environmental Crime Unit; in Northern Ireland, they are managed by the Public Prosecution Service.

Institutions responsible for IWT prosecutions have a key role to play in encouraging the use of ancillary legislation. In England and Wales, when a CPS coordinator receives a wildlife file, they are advised to contact the relevant investigator or the NWCU to learn more about the investigation and, if relevant, to request further inquiries – including financial ones. Meanwhile, in 2018, the CPS published guidance on ‘Wildlife Offences’, which states that ‘prosecutors should consider asset recovery in every wildlife crime case in which a defendant has benefited from

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91. Environment Act 2021.

92. Law Commission, ‘Law Commission Seek Views on Corporate Criminal Liability’, 9 June 2021, <<https://www.lawcom.gov.uk/law-commission-seek-views-on-corporate-criminal-liability/>>, accessed 7 December 2021.

93. Jane Dalton, ‘Wildlife Crime Underworld Rampant, with Shockingly Low Conviction Rates, Warns Report’, *The Independent*, 6 November 2020.

94. FATF, ‘Anti-Money Laundering and Counter-Terrorist Financing Measures: United Kingdom Mutual Evaluation Report’, p. 25.

criminal conduct and should instigate confiscation proceedings in appropriate cases'.<sup>95</sup> More broadly, the Director of Public Prosecutions' guidance advises that charges should allow for confiscation orders in all appropriate criminal cases.<sup>96</sup>

It is difficult to assess the impact of this guidance, however, because there is no comprehensive record of wildlife crime convictions in the UK. Although the NWCU maintains an informal administrative dataset of relevant convictions, there is no statutory duty for it to do so. Further, the number of prosecuting agencies and potentially relevant laws make it difficult to follow cases through the criminal justice system.<sup>97</sup> Faced with this unclear picture, some NGOs maintain species-specific records, while the NGO TRAFFIC attempts to record all relevant CEMA and COTES-related convictions.

The NWCU documented 41 relevant convictions for IWT offences under COTES between January 2016 and July 2021.<sup>98</sup> As shown in Figure 4, there has been a downward trend in COTES convictions over time. Just under half (41%) of identified cases were heard in 2016 alone, with a significant decline from a peak of 17 convictions in 2016 to a total of just four in 2020.

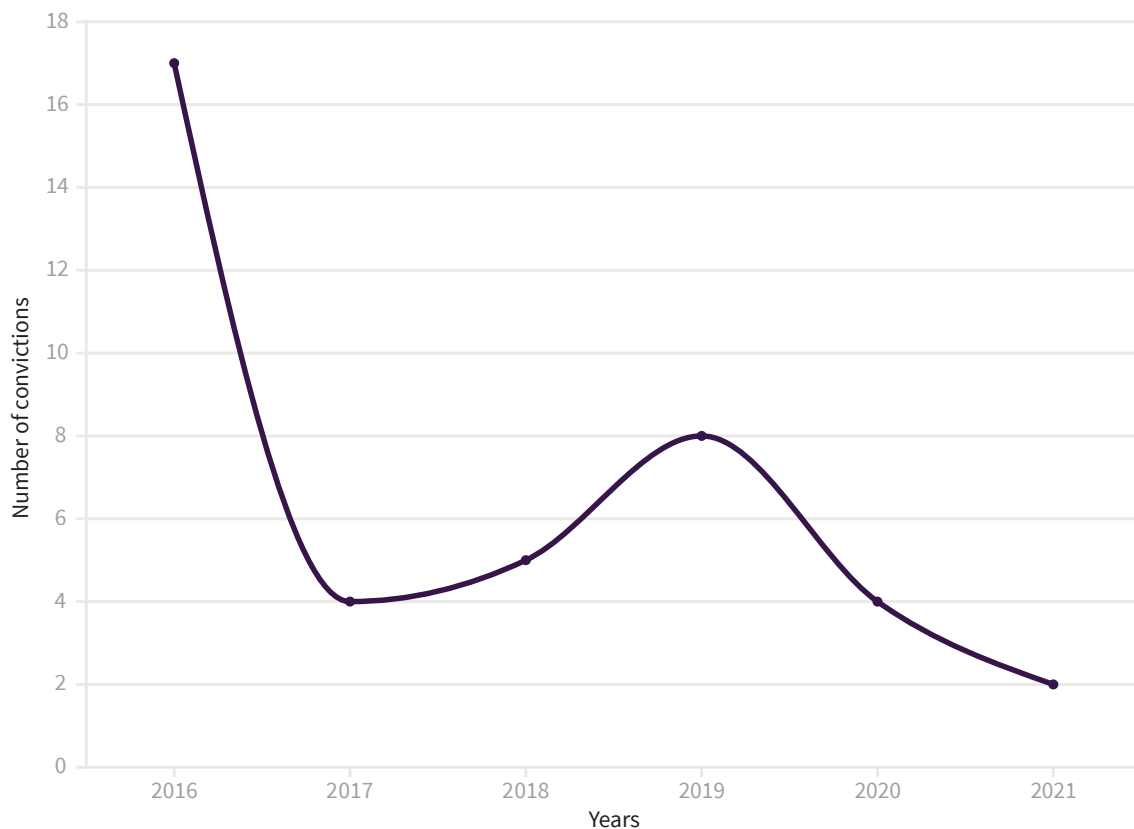
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95. CPS, 'Wildlife Offences'.

96. CPS, 'Director's Guidance on Charging', 6<sup>th</sup> Edition, December 2020, <<https://www.cps.gov.uk/legal-guidance/charging-directors-guidance-sixth-edition-december-2020>>, accessed 10 November 2021.

97. Freedom of Information requests on total numbers of wildlife crime prosecutions in the UK have historically been denied. See Gosling, 'The Recording of Wildlife Crime in England and Wales', p. 17.

98. Based on analysis of a NWCU administrative dataset provided via email by the Home Office on 26 July 2021 (2021 data to 26 July).

**Figure 4:** NWCU Record of COTES Convictions, 2016–21

*Note: Calendar years represent the year of conviction; 2021 data is for January–July only.*

*Source: Data provided by the Home Office, July 2021, based on an administrative dataset maintained by the NWCU.*

This data does not capture all relevant IWT convictions. For example, it does not account for cases prosecuted under CEMA or other relevant legislation. However, it is clear that COTES convictions are secured at a very low rate compared to the overall volume of seizures made in the UK in the same period (see Table 2).

Some recent studies have attempted to explore broader sentencing patterns in UK IWT cases. A 2016 World Wide Fund for Nature (WWF) review of 174 cases in England and Wales between 1986 and 2013 found sentencing patterns to be ‘lenient and somewhat inconsistent’, reflecting a domestic situation whereby IWT is not perceived as a ‘serious’ crime.<sup>99</sup> This somewhat dated analysis is supported by the UK ICCWC Assessment, which reviewed TRAFFIC’s database of COTES

99. World Wide Fund for Nature (WWF), ‘Sentencing Wildlife Trade Offences in England and Wales: Consistency, Appropriateness and the Role of Sentencing Guidelines’, September 2016, p. 47.

and CEMA convictions between 2013 and 2021 and found offenders to be overwhelmingly issued with financial penalties, followed by suspended sentences.<sup>100</sup> In that time, no maximum prison sentence has ever been issued where IWT offences are prosecuted under CEMA or COTES, even where offenders have made millions in criminal proceeds (see Box 6).

Based on its own sentencing review, the WWF warned that the UK risks being perceived as holding a ‘do as I say, not as I do’ attitude in relation to IWT.<sup>101</sup> Others have echoed this view, noting that the UK supports stricter legislation and sentencing guidelines abroad than are in place at home.<sup>102</sup> For example, in Kenya, under laws drafted with the support of the British High Commission, possession of a CITES Appendix I species is treated as a strict liability offence with heavy penalties available.<sup>103</sup> In the UK, by contrast, possession of Annex A or B species must be linked with intention/purpose to be prosecuted under COTES.<sup>104</sup>

In sum, it is clear that the UK has a strong toolkit to prosecute the underlying IWT offence and all powers necessary to tackle associated economic crime. Yet, the application of this wide legislative toolkit has lagged, with limited numbers of prosecutions and most IWT offences resulting in low-level sentences or fines. This situation – particularly as it relates to the application of economic crime powers – is explored in Chapter III, which considers the UK’s IWT enforcement record.

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100. UNODC, ‘Wildlife and Forest Crime Toolkit Report, United Kingdom of Great Britain and Northern Ireland’, pp. 153–55.

101. WWF, ‘Sentencing Wildlife Trade Offences in England and Wales’, p. 45.

102. Melanie Flynn, ‘Illegal Wildlife Trade Is One of the Biggest Threats to Endangered Species – and the UK Is a Key Player’, *The Conversation*, 4 December 2017.

103. HM Government, ‘The UK Commitment to Action on the Illegal Wildlife Trade (IWT) – An Update’, p. 10.

104. WWF, ‘Sentencing Wildlife Trade Offences in England and Wales’; EFFACE, ‘The Illegal Wildlife Trade’, p. xi.

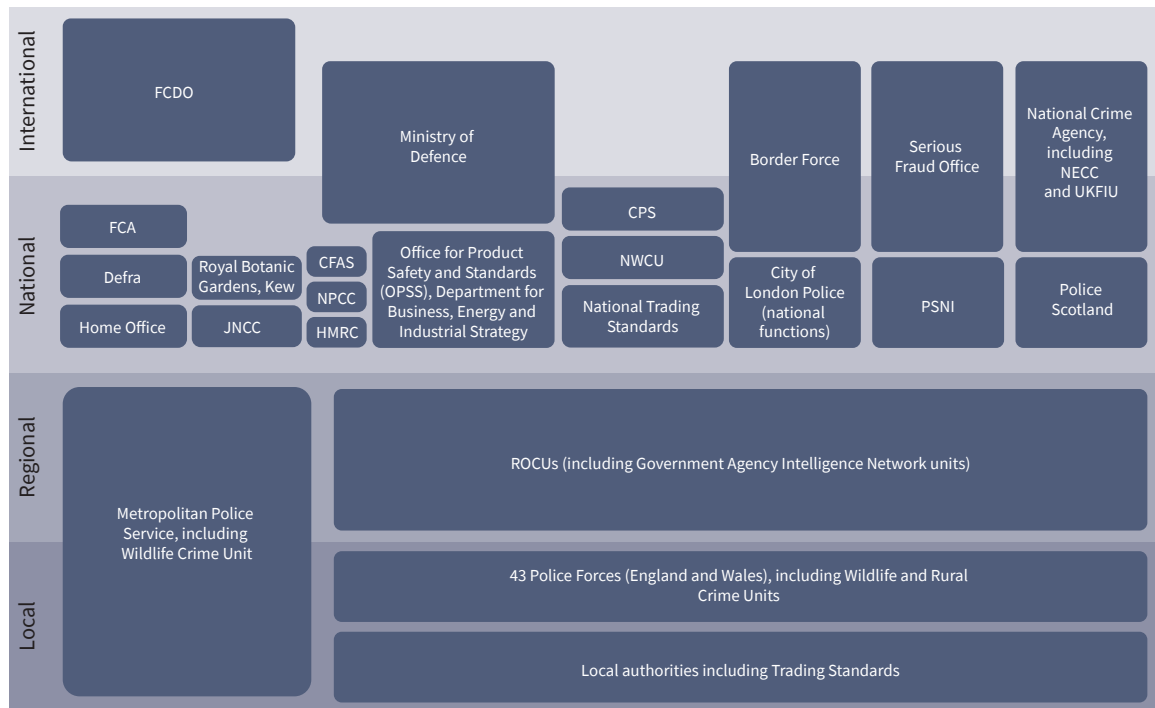
# III. Enforcement and Parallel Financial Investigations in the UK

IN LINE WITH the FATF’s third overarching recommendation, this chapter explores the UK’s record of conducting investigations – including financial investigations – in IWT cases and enforcing the legislation discussed in Chapter II. It examines the mix of administrative, civil and criminal enforcement approaches used to disrupt IWT in the UK, and finds that several factors hinder the initiation of financial investigations, including a lack of resources, the low priority assigned to IWT and the failure to exploit financial intelligence.

## Institutional Architecture

A range of agencies are involved in the enforcement response to IWT in the UK, from the NWCU to Border Force, police forces, regional organised crime units (ROCU) and the NCA (see Figure 5).

**Figure 5:** UK Government Agencies Involved in IWT Policymaking and Enforcement



Source: Author generated.



As noted, the NWCUC provides an intelligence, analytical and investigative support function across all wildlife crime priority areas. The NWCUC is led by a serving chief inspector, who manages 10 staff, including three investigative support officers (ISOs) who support police forces working on wildlife crime cases. ISOs are responsible for proactively contacting frontline law enforcement agencies to encourage the initiation of criminal inquiries based on NWCUC intelligence packages (see Box 3).

The NWCUC also provides intelligence and coordination functions for Priority Delivery Groups (PDGs) in place nationally to support wildlife crime priority areas.<sup>105</sup> These groups support prevention, intelligence and enforcement activity by setting SMART objectives, raising awareness (across law enforcement, partners and the public), increasing information sharing and coordinating enforcement activity.<sup>106</sup> PDGs are composed of government representatives and civil society experts, with a named plan owner and a lead for prevention and enforcement in place for each group, although some PDGs are more active than others.<sup>107</sup>

**Box 3: Ivory Fans: The NWCUC's Intelligence Referral Role**

In November 2017, the NWCUC contacted the Metropolitan Police Service Wildlife Crime Unit after two parcels containing carved ivory fans were seized by Border Force. The fans were assessed to be antique, with their sale therefore lawful. However, analysis of the sellers' e-commerce accounts revealed that sales had been made to customers in China, Hong Kong and the US without the required APHA re-export permit. The subsequent investigation established that at least 136 carved fans had been exported from the EU between January 2014 and November 2017, generating £145,259. Two offenders were sentenced to 28 months' imprisonment for exporting ivory contrary to CEMA 1979.

*Source: NWCUC, 'Two Men Sentenced for Illegally Exporting Carved Ivory Fans – Met Police', 2019, <<https://www.nwcuc.police.uk/news/nwcuc-police-press-releases/two-men-sentenced-for-illegally-exporting-carved-ivory-fans-met-police/>>, accessed 1 December 2021.*

Working alongside the NWCUC, Border Force has primary responsibility for the detection of imports and exports prohibited under CEMA, COTES and other relevant regulations. Targets for customs examination are ranked from 'A' to 'D' in priority, with CITES-related inspections currently assigned a category 'C' priority, meaning that enforcement action should be prioritised 'wherever available resource permits'.<sup>108</sup> Border Force also has a specialist CITES Enforcement

105. NWCUC, 'Priority Delivery Groups', <<https://www.nwcuc.police.uk/how-do-we-prioritise/purpose-process-and-responsibilities-of-a-priority-delivery-group/>>, accessed 11 October 2021.

106. *Ibid.*

107. The Cyber-Enabled Wildlife Crime PDG was relaunched in 2020 after a period of inactivity, for example. See also EFFACE, 'The Illegal Wildlife Trade', p. xi.

108. David Bolt, 'An Inspection of Border Force Operations at South Coast Seaports: January–May 2018', Independent Chief Inspector of Borders and Immigration, November 2018, pp. 39–42.

Team, staffed by 10 officers, with an additional seven officers available for targeted operations. Border Force has no authority to conduct ‘inland’ investigations; for this reason, all seizure incidents are shared with the NWCU and relevant police forces. Border Force’s Intelligence Directorate, for its part, does not proactively work on CITES issues; most interceptions are instead based on in-situ risk profiling.<sup>109</sup>

Individual police forces, meanwhile, are the operational agencies on the frontline of the UK’s response to wildlife crime. All police forces in England and Wales should have at least one wildlife crime officer (WCO), while each division of Police Scotland has a wildlife crime liaison officer and wildlife crime lead. As of March 2021, there were 770 WCOs in England and Wales and 133 covering Scotland.<sup>110</sup> Some police forces have larger, dedicated Wildlife and Rural Crime Units, such as the Metropolitan Police Service’s Wildlife Crime Unit (WCU).<sup>111</sup> PSNI’s wildlife crime liaison officer provides specialist support to frontline investigators, playing a similar role to NWCU ISOs.<sup>112</sup>

Seizures or incidents bearing indications of organised criminal involvement are referred by forces to the NCA or a ROCU. At a regional level, the latter are recognised as potentially important actors in the response, with the development of a ‘strong[er] link’ between ROCUs and wildlife crime PDGs included as an objective under the NPCC’s Wildlife Crime Policing Strategy 2018–21.<sup>113</sup> This relates, in part, to each ROCU’s housing of a Government Agency Intelligence Network (GAIN) team that brings together actors including HMRC, National Trading Standards, the Environment Agency and other bodies to share intelligence on organised crime.<sup>114</sup>

The GAIN model would appear to have significant relevance given the degree of cooperation required between regulatory and enforcement agencies to mount an effective IWT response. As described by one interviewee, an effective counter-eel trafficking strategy, for example, requires collaboration from the ‘riverbank managed by local police and the Environment Agency, through to the NCA and Border Force when a large-scale interception is made’.<sup>115</sup> Yet, despite some

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109. UNODC, ‘Wildlife and Forest Crime Toolkit Report, United Kingdom of Great Britain and Northern Ireland’, p. 52.

110. Defra and Pow, ‘Assessment Launches to Appraise UK Wildlife and Forest Crime Legislation and Enforcement’, 2 March 2021, <<https://www.gov.uk/government/news/assessment-launches-to-appraise-uk-wildlife-and-forest-crime-legislation-and-enforcement>>, accessed 1 July 2021.

111. For example, North Yorkshire, Lincolnshire and Derbyshire police services have Wildlife and Rural Crime Units.

112. Police Service of Northern Ireland (PSNI), ‘Animal and Wildlife Liaison Officer’, <[https://www.psni.police.uk/advice\\_information/animal-welfare/animal-welfare-and-wildlife-crime/](https://www.psni.police.uk/advice_information/animal-welfare/animal-welfare-and-wildlife-crime/)>, accessed 3 August 2021.

113. NPCC, ‘Wildlife Crime Policing Strategy’, Clause 5.2.

114. HMICFRS, ‘An Inspection of the Effectiveness of the Regional Organised Crime Units’, 18 February 2021, <<https://www.justiceinspectors.gov.uk/hmicfrs/publication-html/regional-organised-crime-units-effectiveness/>>, accessed 1 October 2021.

115. Authors’ online interview with specialist UK law enforcement officer 2, 13 August 2021.

evidence that ROCUs have become increasingly engaged in the detection of organised rural crime,<sup>116</sup> they do not appear to play a significant role in IWT investigations.

The NCA, for its part, houses the UKFIU and National Economic Crime Centre (NECC) – with the latter managing the Joint Money Laundering Intelligence Taskforce (JMLIT), a public–private partnership to exchange and analyse information on money laundering and wider economic crime threats.<sup>117</sup> Both the NCA and NWCUC manage liaison with international partners such as Europol and Interpol, including in relation to IWT. In 2019, the NWCUC and Europol co-hosted a pan-European meeting at London’s Natural History Museum to share best practice in the enforcement response to eel trafficking.<sup>118</sup> The transnational nature of many IWT offences makes such international cooperation indispensable.

## Record of IWT Investigations

Within this institutional architecture, the type, scale and location of an IWT offence dictates which law enforcement agency leads an investigation. The NWCUC is well regarded for its expertise but, by its own admission, its ability ‘to identify and investigate the most serious and organised [forms of] IWT is significantly impaired by lack of capacity’.<sup>119</sup> The NWCUC’s success in carrying out its proactive enforcement role therefore depends on the willingness of law enforcement partners to initiate IWT investigations. This same logic applies to the enforcement role held by Border Force.

This finding is supported by the analysis of NWCUC-collated administrative data in Chapter II, which shows only 41 IWT investigations initiated by law enforcement as having led to conviction for COTES offences between January 2016 and July 2021, the significant majority (90%) of which were investigated by individual police forces (see Figure 6). The Metropolitan Police Service alone was responsible for 37% (15 investigations) of the total sample – the highest of any single force. This likely owes to the specialisation and resourcing of its WCU, relative to comparable units in other forces. A further 22 IWT cases were led by other police forces, including Police Scotland, representing 54% of the sample.<sup>120</sup>

116. See ‘Rural Crime’ in CPS, ‘Wildlife, Rural and Heritage Crime’, <<https://www.cps.gov.uk/crime-info/wildlife-rural-and-heritage-crime>>, accessed 20 September 2021.

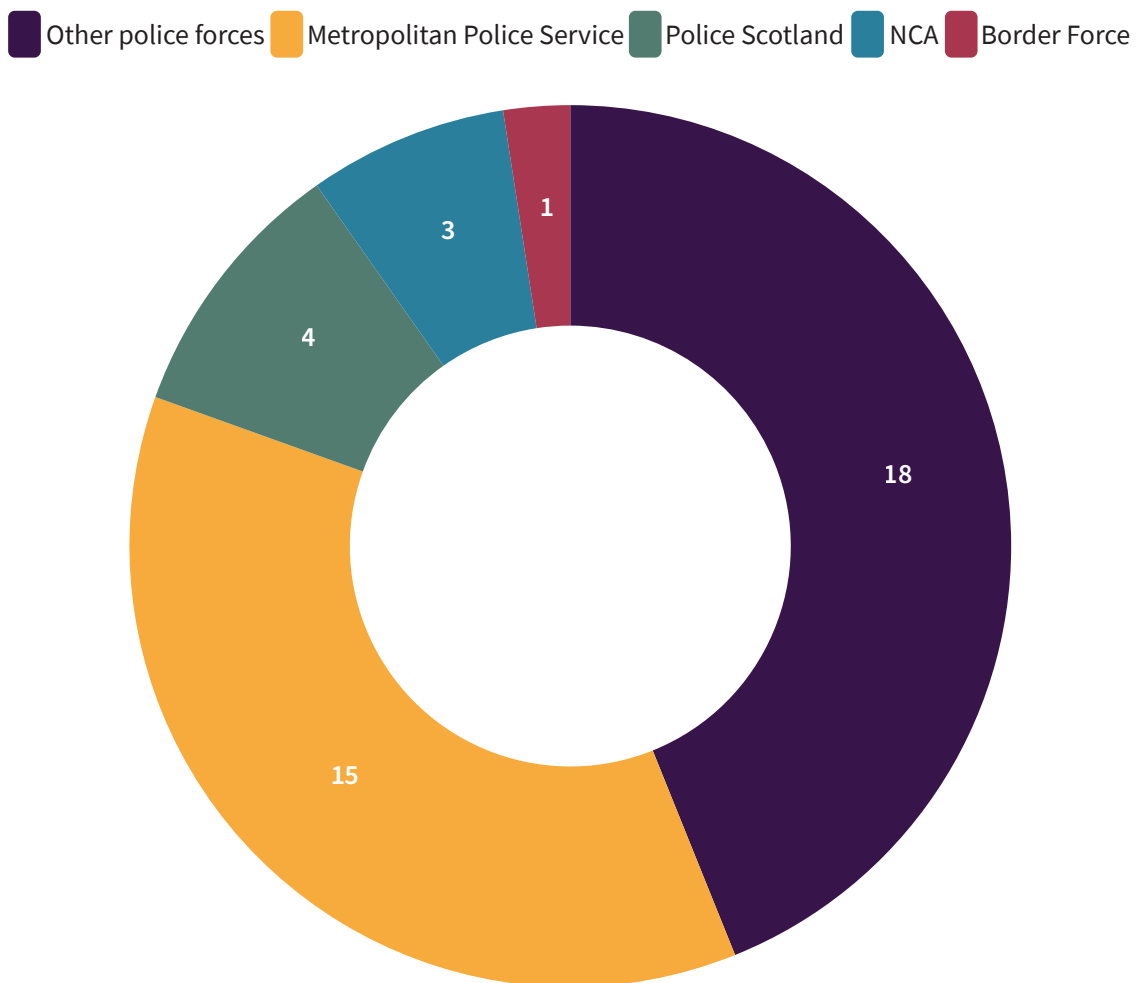
117. NCA, ‘National Economic Crime Centre’, <<https://www.nationalcrimeagency.gov.uk/what-we-do/national-economic-crime-centre>>, accessed 1 September 2021.

118. NWCUC, ‘NWCUC and Europol Meet to Combat Illegal Trade in Eels’, 26 June 2019, <<https://www.nwcuc.police.uk/news/nwcuc-police-press-releases/nwcuc-and-europol-meet-to-combat-illegal-trade-in-eels/>>, accessed 11 September 2021.

119. NWCUC, ‘Strategic Assessment – UK Wildlife Crime 2020 - 2022’, p. 29.

120. In England and Wales, the forces that led on the most IWT investigations were Norfolk, Thames Valley, Cumbria, Derbyshire and Gloucestershire.

**Figure 6:** Investigating Law Enforcement Agency in the 41 COTES Convictions Secured, January 2016 – July 2021



*Source: Data provided by the Home Office, July 2021, based on an administrative dataset maintained by the NWCU.*

It is also notable that the NCA has investigated only three IWT cases leading to successful COTES convictions since 2016. These relate to: a case of online illegal trade in CITES-listed species, including monkey skulls, in 2017 by Daniel Stocks; the case of Jeffrey Lendrum, a notorious bird trafficker intercepted at Heathrow Airport in 2018; and the case of Gilbert Khoo, who was arrested for eel trafficking in 2017.<sup>121</sup> At the operational level, interviews for this research suggest that

121. NWCU, 'Seafood Salesman Convicted of Eelegally Smuggling £53 Million Worth of European Eels Through the UK', <<https://www.nwcu.police.uk/news/nwcu-police-press-releases/seafood-salesman-convicted-of-eelegally-smuggling-53million-worth-of-european-eels-through-the-uk/>>,

most IWT-related referrals to the NCA are declined, receiving lower MoRiLE scores than other cases.<sup>122</sup> As discussed in Chapter I, at a strategic level, the NCA does not rank IWT as a priority based on current intelligence assessment (see Table 3); as such, nor is IWT a JMLIT priority.<sup>123</sup>

The limited uptake of referrals to the NCA is seen to hinder both the investigative process and access to financial investigation resources. In its 2020 Strategic Assessment, the NWCUC concludes that change is needed in the Unit's relationship with the NCA to improve enforcement outcomes:

In order for the UK to adequately tackle ... IWT ... there must be a more consistent coordinated approach between the NWCUC, Border Force and the NCA. A clear investigative pathway needs to be identified to ensure ... [that] NWCUC and Border Force investigators have formal access to the organisational capabilities of the NCA. This would ensure [that] serious and organised IWT can be effectively identified and investigative linkage between IWT and 'traditional' OCG's can be analysed. [sic]<sup>124</sup>

## Use of Financial Intelligence in IWT Investigations

The NWCUC's relationship with the NCA is particularly relevant to the initiation of financial investigations. Currently, the NWCUC has no in-house financial investigators and ISOs cannot directly access potentially relevant SARs in the initial stages of an IWT investigation.<sup>125</sup> This reflects a broader situation whereby SARs are virtually unused as a source of intelligence to initiate or support IWT investigations in the UK.<sup>126</sup>

To an extent, this is due to the limited number of relevant SARs received by the UKFIU. There is no SAR glossary code for IWT, which makes it challenging to accurately measure current levels of reporting, particularly given the wide range of IWT offences potentially involved.<sup>127</sup> Further, across IWT and other crimes, reporting entities often struggle to link their 'reason for suspicion' to specific predicate offences.<sup>128</sup> Nonetheless, a June 2021 search of keywords related to IWT

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accessed 1 September 2021; NWCUC, 'Wildlife Criminal Jailed for Rare Bird Eggs Importation Attempt', <<https://www.nwcuc.police.uk/news/nwcuc-police-press-releases/wildlife-criminal-jailed-for-rare-bird-eggs-importation-attempt/>>, accessed 1 September 2021; *BBC News*, 'Taxidermist Sold Pickled Lizards and Monkey Heads on eBay', 17 January 2017.

122. Authors' online interview with senior financial crime coordinator in a UK police force, 12 August 2021; authors' online interview with specialist UK law enforcement officer 2, 13 August 2021.

123. Authors' email correspondence with representatives of UK law enforcement agency, 20 August 2021.

124. NWCUC, 'Strategic Assessment – UK Wildlife Crime 2020 - 2022', p. 8.

125. Authors' online interview with senior representative of the NWCUC, 29 July 2021.

126. *Ibid.*; authors' online interview with senior wildlife crime officer in a UK police force, 17 August 2021. This situation is not exclusive to the UK but is the case in many jurisdictions internationally. See FATF, 'Money Laundering and the Illegal Wildlife Trade', June 2020, p. 49.

127. UKFIU, 'A Strategic Assessment of the Illegal Wildlife Trade and Suspicious Activity Reports', UKFIU/A/2020-21/02, June 2021 (unpublished).

128. Written submission to authors from representative of FI 2, 18 August 2021; authors' online interview with two representatives of FI 6, 13 August 2021; authors' online interview with

in the ELMER SAR database by the UKFIU identified at least 61 SARs received between 2015 and 2020 as related to IWT (see Figure 7).<sup>129</sup> To put this in context, the total number of SARs submitted to the UKFIU from April 2019 to March 2020 alone was 573,085.<sup>130</sup>

Of the 61 SARs submitted to the UKFIU, the greatest proportion (28%) were filed in 2020, revealing an upward trend since 2017, albeit still at very low levels in the context of total numbers of SARs submitted. In terms of origin, the majority (67%) were filed by financial institutions (see Table 5). However, the submission of SARs (albeit in smaller numbers) by designated non-financial businesses and professions (DNFBPs) demonstrates some degree of awareness of IWT as a money-laundering risk.

Over 70% of the SARs identified as related to IWT cited adverse media reporting as their 'reason for suspicion'. Indeed, many of the SARs submitted relate to transactions completed two to three years prior to the report being filed, suggesting that they may have been based on press releases or other media reporting publicising successful convictions.<sup>131</sup>

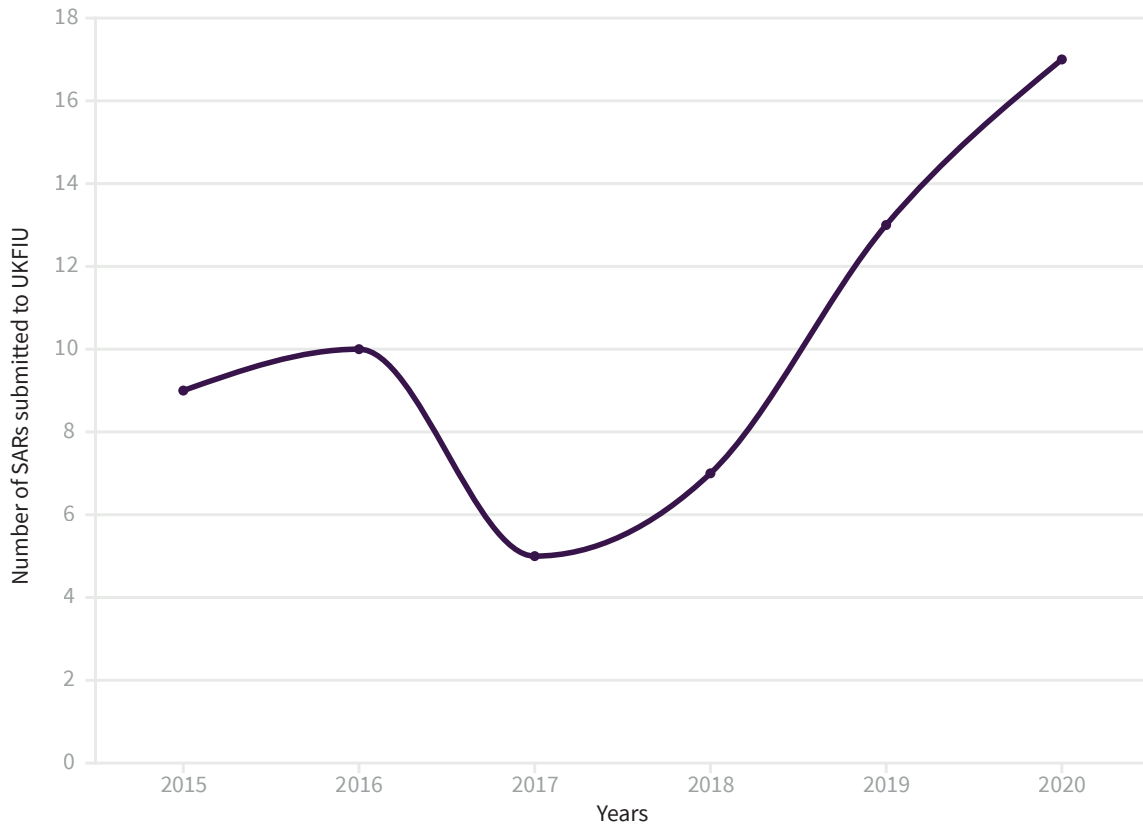
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representative of FI 7, 13 August 2021.

129. UKFIU, 'A Strategic Assessment of the Illegal Wildlife Trade and Suspicious Activity Reports'.

130. NCA, 'UK Financial Intelligence Unit: Suspicious Activity Reports Annual Report 2020', p. 2, <<https://www.nationalcrimeagency.gov.uk/who-we-are/publications/480-sars-annual-report-2020/file>>, accessed 2 September 2021.

131. UKFIU, 'A Strategic Assessment of the Illegal Wildlife Trade and Suspicious Activity Reports'.

**Figure 7:** IWT-Related SARs Submitted to the UKFIU, 2015–20

Source: UKFIU, 'A Strategic Assessment of the Illegal Wildlife Trade and Suspicious Activity Reports', UKFIU/A/2020-21/02, June 2021 (unpublished).

**Table 5:** Sectoral Breakdown of IWT-Related SARs Submitted to the UKFIU, 2015–20

Sector	Number of SARs Filed
Banking	41
Building society	1
Bureau de change	2
Other entities regulated by FSA	2
Insurance	2
Solicitor and legal	2
Money transmission	4
Security	1
Other	6
<b>Total</b>	<b>61</b>

Source: Data provided by the Home Office and UKFIU.

Against this backdrop, a number of representatives of financial institutions who contributed to this research pointed to the need to improve public–private sector information sharing in the UK.<sup>132</sup> Some expressed frustration that, despite the UK’s extensive broader work to promote public–private working, the JMLIT does not have an expert working group on IWT.<sup>133</sup> Evidencing the value of such collaboration, a representative of one financial institution described filing SARs related to £250,000 in potentially relevant transactions after the Metropolitan Police Service’s WCU shared intelligence on a bird-trafficking network in 2019.<sup>134</sup> In the words of another interviewee, without greater information sharing of this type, ‘honing in on what is particular to IWT in the UK from a financial perspective is practically impossible’.<sup>135</sup>

In an effort by civil society to address this gap, the United for Wildlife Financial Taskforce was established in October 2018. Over 40 financial institutions have now signed the Mansion House Declaration,<sup>136</sup> which commits them to identifying and reporting suspicious financial flows relating to IWT by acting on information bulletins provided by the Taskforce, among other actions.<sup>137</sup> Based on information shared by NGOs, the bulletins present key IWT typologies and red flags. This provides a mechanism for improved information sharing between civil society and the private sector, but the state of public–private sector cooperation in the UK remains highly limited.

Indeed, improvement in public–private sector cooperation will ultimately depend on the level of prioritisation of this issue by relevant government agencies. Should a forthcoming comprehensive IWT threat assessment conclude that IWT poses a significant threat to the UK, the JMLIT is the natural forum for public–private sector cooperation on this topic. There is also significant potential for the Financial Conduct Authority (FCA) and other UK economic crime supervisors to learn from global best practice.

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132. Written submission to authors from representative of FI 1, with follow-up information gathering via email on 18 August 2021; written submission to authors from representative of FI 2, 19 August 2021; authors’ telephone interview with representatives of FI 3 on 6 August 2021; authors’ telephone interview with civil society actor, 30 July 2021.

133. Written submission to authors from representative of FI 1, with follow-up information gathering via email on 18 August 2021; written submission to authors from FI 2, 19 August 2021; authors’ online interview with two representatives of FI 3 on 6 August 2021; authors’ telephone interview with representative of an NGO, 30 July 2021.

134. Written submission to authors from representative of FI 1, with follow-up information gathering via email on 19 August 2021.

135. Authors’ online interview with two representatives of FI 6, 13 August 2021. This viewpoint was shared by multiple private sector interviewees, including representatives of FI 1, FI 2, FI 3 and FI 5.

136. United for Wildlife, ‘United for Wildlife Taskforces’, <<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Funitdforwildlife.org%2Fwp-content%2Fuploads%2F2021%2F02%2FUfW-Taskforces-membership-1.docx&wdOrigin=BROWSELINK>>, accessed 19 October 2021.

137. United for Wildlife, ‘Financial Taskforce’, <<https://unitdforwildlife.org/projects/financial-taskforce/>>, accessed 19 October 2021.



One positive example can be seen in the case of the South African Anti-Money Laundering Integrated Task Force (SAMLIT). Partly modelled on the JMLIT, SAMLIT recently conducted a data-mining exercise and published an IWT typology report that has led to several cases being reopened.<sup>138</sup> In November 2021, FinCEN released a notice to the private sector to ‘enhance reporting and analysis’ of illicit financial flows related to environmental crime.<sup>139</sup> Finally, in 2020, the Australian Transaction Reports and Analysis Centre worked with the national Department of Agriculture, Water and the Environment to produce a report for the private sector including keywords and average values for products commonly trafficked in Australia.<sup>140</sup> Similar activities by relevant UK agencies could yield substantial value.

**Box 4:** Best Practice in a UK Financial Institution

Interviews and evidence gathered for this research show that financial institutions expend different levels of effort on monitoring and reporting on IWT. Amid this uneven picture, one UK-based member of the United for Wildlife Financial Taskforce provided several examples of best practice, including:

- The formation of an internal IWT taskforce with representatives from all business groups, including retail banking, insurance, credit and trade, among others.
- The production of a group-wide threat assessment to identify potential exposure to the proceeds of IWT.
- The sharing of case studies of suspicious activity linked to IWT via group-wide intranet.
- The conduct of a SIC-code analysis of all clients with merchant accounts, based on FATF red flags identifying industries likely to be exposed to IWT.
- The annual review of correspondent banking relationships through an IWT lens.

This activity contributed to the financial institution in question filing SARs suspected to be related to IWT.

*Source: Authors’ online interview with representative of FI 7, 7 August 2021, with further correspondence via email.*

138. SAMLIT, ‘Financial Flows Associated with Illegal Wildlife Trade in South Africa’, November 2021, <[https://www.fic.gov.za/Documents/SAMLIT\\_IWT%20Report\\_November2021.pdf](https://www.fic.gov.za/Documents/SAMLIT_IWT%20Report_November2021.pdf)>, accessed 7 December 2021.

139. US Treasury, ‘FinCEN Calls Attention to Environmental Crimes and Related Financial Activity’, 18 November 2021, <<https://www.fincen.gov/sites/default/files/2021-11/FinCEN%20Environmental%20Crimes%20Notice%20508%20FINAL.pdf>>, accessed 1 December 2021.

140. Australian Government, ‘Stopping the Illegal Trafficking of Australian Wildlife: Financial Crime Guide’, October 2020, <[https://www.austrac.gov.au/sites/default/files/2020-10/AUSTRAC\\_IWT%20Guide\\_October%202020.pdf](https://www.austrac.gov.au/sites/default/files/2020-10/AUSTRAC_IWT%20Guide_October%202020.pdf)>, accessed 17 February 2021.

## Asset Recovery

At the policy level, there is widespread acceptance of the public interest in locating and seizing the proceeds of crime.<sup>141</sup> Home Office POCA guidance issued in 2021 states that all relevant authorities should consider financial investigation and the full range of asset recovery tools from an early stage in all cases.<sup>142</sup> Yet, while the UK's 2018 FATF Mutual Evaluation Report notes that 'the UK recognises the importance of asset recovery and law enforcement agencies consistently pursue civil and criminal confiscation',<sup>143</sup> this research finds that this does not apply in the case of IWT.

Instead, given the low number of IWT investigations pursued and limited use of financial intelligence, asset recovery powers are significantly under-used. This has manifested in no recorded money-laundering charges in IWT cases and a minimal number of confiscation orders under POCA 2002. As Chapter II details, establishing the volume of proceeds generated by a crime is a significant factor in the decision to try a COTES or CEMA offence in Crown Court. Likewise, successful convictions under POCA rely on evidence about the value of potential illicit assets identified, making parallel financial investigations indispensable.

Only six (14%) of the 41 COTES convictions between January 2016 and July 2021 resulted in a POCA confiscation. As shown in Figure 8, amounts recovered from IWT cases peaked in 2017, at a total of £108,997, declining to £2,455 in 2020 – the last year for which complete data is available. These values are clearly extremely low compared to the likely overall value of IWT offences in the UK and the country's broader asset recovery efforts, with the UK reported in 2018 to have recovered £1 billion in total since 2014.<sup>144</sup>

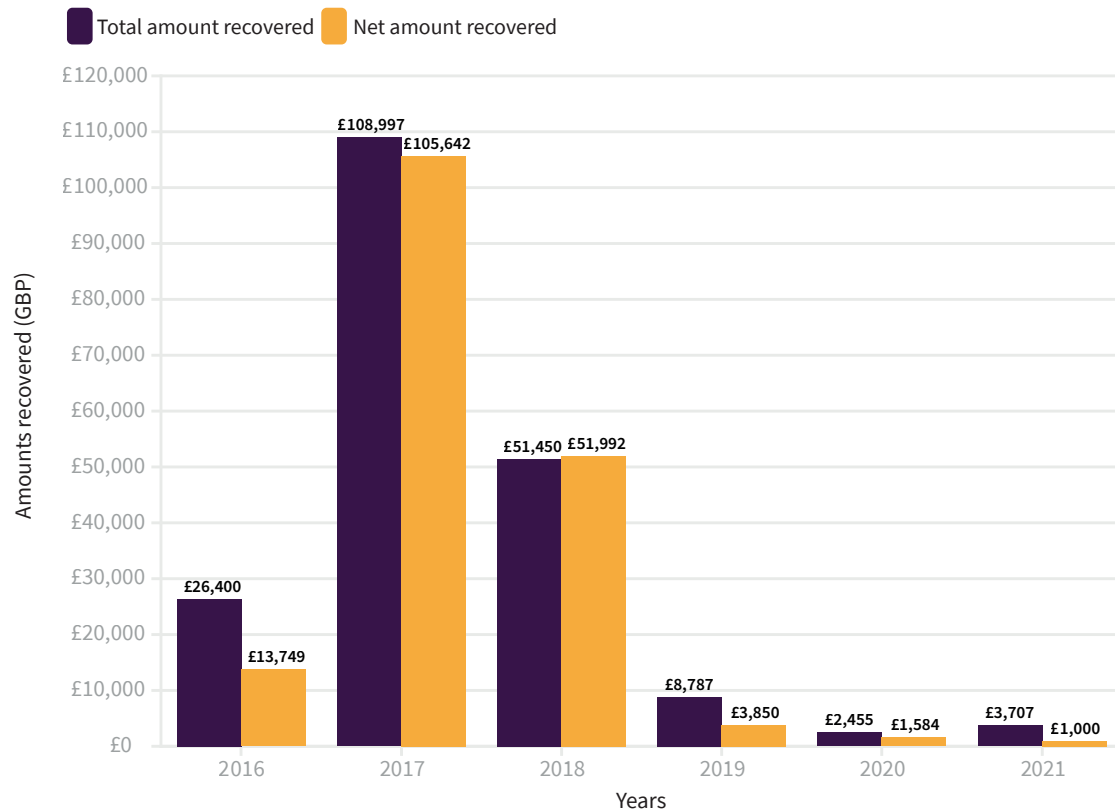
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141. HM Government, *Serious and Organised Crime Strategy*, p. 28.

142. Home Office, 'The Proceeds of Crime Act 2002 (POCA) Guidance Under Section 2a for Relevant Authorities', 28 June 2021, <[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1001245/June\\_2021\\_amended\\_s.2A\\_guidance\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1001245/June_2021_amended_s.2A_guidance_.pdf)>, accessed 5 September 2021.

143. FATF, 'Anti-Money Laundering and Counter-Terrorist Financing Measures: United Kingdom Mutual Evaluation Report', pp. 72–73.

144. *Ibid.*, p. 73.

**Figure 8:** Amounts Recovered in COTES Convictions, January 2016 – July 2021

*Note: Calendar years represent the year of conviction; 2021 data is for January–July only.*

*Source: Data provided by the Home Office, July 2021, based on an administrative dataset maintained by the NWCU.*

Of course, there are significant challenges involved in achieving POCA confiscations in IWT cases, as the case of Gilbert Khoo – a UK-based eel trafficker – demonstrates (Box 6). However, poor levels of asset recovery were also attributed by interviewees to: the unwillingness of primary law enforcement agencies to undertake or prioritise IWT investigations even in the case of large-scale seizures; the failure to exploit financial intelligence even when IWT inquiries are initiated; and the ‘wrong type of cases’ being brought before the courts.<sup>145</sup> On the latter point, some interviewees suggested that a more concerted focus on corporate offenders could result in the detection of higher-proceed-generating offences, with parallel legal supply chains creating significant laundering opportunities. Unexpectedly, POCA legislation has been used against developers engaged in bat crime more than any other wildlife crime priority area (see Box 5).

145. Written submission to authors from representatives of the Wildlife Conservation Society, 16 August 2021; written submission to authors from representatives of the Environmental Investigation Agency UK, 22 August 2021; authors’ online interview with three IWT experts in a UK NGO, 12 August 2021.

**Box 5: Bat Crime and POCA**

In 2016, property developer Isar Enterprises Ltd was issued a £5,737 confiscation order for knowingly destroying a brown long-eared bat roost. This represented the first time a successful POCA conviction was secured in a domestic wildlife crime case.

In 2018, in a separate case, property developers Christopher Wilson and David Stokes were fined a total of £3,350, charged costs of £1,190 and ordered to pay £2,500 for knowingly destroying roosts without the correct licences. In April 2018, Knightspur Homes was convicted on three counts of bat roost destruction and ordered to pay £5,285 under POCA.

In October 2019, Iain Russell Turner pleaded guilty to destruction of a Natterer's bat roost in Dorset and was ordered to pay a fine of £3,000, costs of £425 and a £3,720 POCA confiscation order.

Although these examples relate to wildlife crime cases, rather than IWT, they speak to the potential to use POCA to penalise offenders.

*Sources: NWCU, 'First Proceeds of Crime Act Order for Destroying Bat Roost', June 2016, <<https://www.nwcu.police.uk/news/nwcu-police-press-releases/first-proceeds-of-crime-act-order-for-destroying-bat-roost/>>, accessed 1 September 2021; Bat Conservation Trust, 'Conviction on Three Counts of Roost Destruction', 30 April 2018, <<https://www.bats.org.uk/news/2018/04/conviction-on-three-counts-of-roost-destruction>>, accessed 1 December 2021; NWCU, 'Two Men Sentenced for Destroying Bat Roosts in Dorset', February 2018, <<https://www.nwcu.police.uk/news/wildlife-crime-press-coverage/two-men-sentenced-for-destroying-bat-roosts-in-dorset/>>, accessed 1 December 2021. See also UNODC, 'Wildlife and Forest Crime Toolkit Report, United Kingdom of Great Britain and Northern Ireland', p. 90.*

**Box 6: Eel-Trafficking Prosecution**

In 2021, Gilbert Khoo received a two-year suspended sentence and 240 hours of community service for offences under CEMA 1979. Khoo was arrested after the NCA intercepted a consignment of European eels in transit from the UK to Hong Kong. The prosecution's evidence focused on trade conducted between 2015 and 2017, which consisted of 16 illegal consignments containing more than 5 million elvers, with an estimated value of over £5.3 million and an end retail value of over £53 million.

A POCA confiscation hearing established that Khoo had made £5.9 million in illicit proceeds from eel trafficking, but that just £23,533 in realisable assets were liable for confiscation at the time of conviction. The court ordered Khoo to pay this figure to the Crown within three months or face eight months' imprisonment.

*Source: FATF, 'Money Laundering and Illegal Wildlife Trade', June 2020, p. 66.*

## Looking Forward

Recognising some of these issues, in October 2021, the Home Office pledged an additional £750,000 over three years to increase NWCU enforcement capacity – to hire an analyst, intelligence officer, ISO and – crucially – a full-time ring-fenced financial investigator, to be based in the South West ROCU. This represents a significant proportional increase in resourcing, with the current annual NWCU budget standing at £583,080.<sup>146</sup>

Nonetheless, it is unreasonable to assume that a single financial investigator will be able to lead on all IWT cases in the UK that require a financial response.<sup>147</sup> By necessity, the incoming financial investigator will likely perform a role much like the NWCU's current ISOs: developing intelligence packages to be fed to the relevant law enforcement partner. The impact of additional NWCU resourcing will therefore continue to rely on the willingness of frontline agencies to take on IWT cases.

The question, then, is whether IWT cases will receive greater prioritisation across law enforcement in the future. As one senior investigator put it, 'you are always going to fall foul of the existing tasking process' because IWT cases are unlikely to be scored highly on MoRiLE assessments.<sup>148</sup> This is especially true where the proceeds of IWT are perceived to be relatively low compared to offences such as drug trafficking, making the use of finite financial investigation resources unattractive to some agencies.

It is therefore essential to consider how agencies can be incentivised to take up IWT cases and conduct parallel financial investigations. As a first step, there must be a more concerted focus on financial investigations and asset recovery in the next NPCC Wildlife Crime Strategy.<sup>149</sup> One interviewee also questioned whether recovered proceeds of IWT could be dedicated to high-profile biodiversity projects under the Asset Recovery Incentivisation Scheme, although how far this would act as sufficient incentive remains unclear.<sup>150</sup>

The difficulty of escalating IWT as an enforcement priority is a recognised issue. Progress on this issue is required for any sustained improvement in IWT investigation and prosecution rates. Here, the influence of police and crime commissioners is essential, as evidenced by their role in elevating the profile and resourcing of rural crime.<sup>151</sup> However, as noted by one interviewee, it

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146. WCL, 'Wildlife Crime in 2019', p. 3; WCL, 'Annual Wildlife Crime Report', 2017, p. 24.

147. Authors' online interview with senior financial crime coordinator in UK police force, 12 August 2021; authors' online interview with UK economic crime expert, 10 August 2021.

148. Authors' online interview with senior financial crime coordinator in UK police force, 12 August 2021.

149. Authors' online interview with senior representative of law enforcement agency, 29 July 2021.

150. Authors' online interview with UK economic crime expert, 10 August 2021. Under ARIS, a proportion of funds recovered under POCA are returned to law enforcement partners to invest in future asset recovery work, crime reduction schemes and community projects.

151. House of Commons Library, 'Wildlife Crime', Debate Pack, 18 March 2019, pp. 22–25, <<https://www.nwcu.police.uk/wp-content/uploads/2019/03/House-of-Commons-Debate-Pack->

'is perhaps harder for them to see how IWT directly affects their constituents'.<sup>152</sup> Little is likely to be achieved until an official national IWT assessment more accurately measures the scale, nature and gravity of the IWT threat. Without this, it is highly unlikely that IWT will rise as an enforcement priority.

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March-2019.pdf>, accessed 1 October 2021.

152. Authors' online interview with senior representative of law enforcement agency, 29 July 2021.



# Conclusions and Recommendations

**W**HILE THE UK has driven crucial global action to target economic crime linked to IWT, its domestic record in these areas remains under-explored. To address this gap – and fulfil commitments made in the G7 2030 Nature Compact – this Whitehall Report has assessed the UK’s performance against the FATF’s three overarching IWT recommendations made in June 2020.<sup>153</sup>

On the UK’s exposure to IWT-linked money laundering, this report finds that there is no reliable understanding of the scale of IWT and related proceeds in the UK. This owes to issues with data collection and management and the fact that, while the NWCU’s strategic assessment covers wildlife crime as a whole, there is no official UK assessment dedicated to IWT specifically. Despite the UK’s role as a global financial centre, the report finds key intelligence gaps around the nature of IWT-linked illicit financial flows as they impact the UK. The result is a vicious circle, with IWT enforcement under-prioritised and under-resourced due to insufficient evidence of the threat.

In terms of legislation, the report finds that the UK has a strong toolkit to prosecute IWT offences, and all powers necessary to charge associated economic crime. What is missing is the application of these powers in all relevant IWT cases. There is no official record of IWT convictions, and a range of NGOs have raised concerns about the low level of IWT investigations and prosecutions. The UK ICCWC Assessment and an earlier review of IWT sentencing found that offenders are mainly issued with financial penalties, followed by suspended sentences.<sup>154</sup> The UK actively supports strict legislation and sentencing guidelines abroad, but IWT is not treated with the same severity at home.

In terms of enforcement and parallel financial investigations, the report finds that SARs are virtually unused as a source of intelligence to support IWT cases. This owes to the limited number of relevant SARs where IWT is identified as the underlying predicate offence and the low numbers of financial investigations initiated in IWT cases. As a result, asset confiscation powers are under-used. Positively, the Home Office has pledged further resourcing to build NWCU financial investigation capacity. Yet, without the high-quality threat assessment needed for police forces to justify greater uptake of IWT investigations, the unit will continue to struggle to ensure cases are initiated.

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153. FATF, ‘Money Laundering and the Illegal Wildlife Trade’, June 2020.

154. UNODC, ‘Wildlife and Forest Crime Toolkit Report, United Kingdom of Great Britain and Northern Ireland’, p. 79.



To enable progress in each of these areas, a set of recommendations is offered with a tailored focus on the financial dimensions of IWT as they impact the UK. This is offered in addition to recommendations pertaining to all wildlife crime in the UK, available in the ICCWC Assessment.<sup>155</sup>

### **Recommendation 1: Conduct an IWT threat assessment**

Assessment processes must be underpinned by a clear definition of what constitutes IWT in the UK context, encompassing the movement of IWT products and, crucially, proceeds. To inform this, the UKFIU should lead a proactive data-mining exercise encompassing existing SARs, while intelligence on PEPs should be reviewed to enhance understanding of how the proceeds of IWT and associated corruption are laundered via the UK financial system. These efforts should feed into an official national IWT threat assessment, to inform an effective risk-based approach of the type recommended by the FATF. In line with the Economic Crime Plan, the NCA's National Assessment Centre is best placed to lead an IWT threat assessment, given the complex and disparate sources of intelligence involved.<sup>156</sup>

### **Recommendation 2: Improve the collection of criminal justice statistics on IWT cases**

A statutory duty to record all IWT cases should be established, guided by a clear definition of what constitutes IWT. Beyond prosecutions under COTES and CEMA, the duty should include a provision to monitor the extent to which POCA charges and confiscations are undertaken, with results scrutinised where recovery outcomes are poor. Measures should also be taken to ensure that Home Office codes for crime recording capture all forms of IWT offending.

### **Recommendation 3: Establish a national-level GAIN team to ensure a cross-system approach to IWT and related illicit finance**

The GAIN model offers significant potential in relation to IWT investigations given the level of cooperation required between regulatory and enforcement agencies. To this end, a national-level GAIN team should be set up to ensure cross-system IWT intelligence sharing, to include the Environment Agency, Border Force, NCA, NWCU, PSNI, Police Scotland, Metropolitan Police Service WCU, CPS, HMRC, Defra, Home Office, Department for Business, Energy and Industrial Strategy, and other agencies as appropriate.

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155. UNODC, 'Wildlife and Forest Crime Toolkit Report, United Kingdom of Great Britain and Northern Ireland'.

156. HM Treasury and Home Office, 'Economic Crime Plan, 2019 to 2022', 4 May 2021, <<https://www.gov.uk/government/publications/economic-crime-plan-2019-to-2022/economic-crime-plan-2019-to-2022-accessible-version>>, accessed 10 November 2021.

**Recommendation 4: Bolster public–private sector cooperation on IWT and related illicit finance**

In tandem with the process of conducting the official IWT threat assessment, a JMLIT expert working group on IWT should be established. Until then, the NWCU and other relevant agencies should seek to strengthen public–private sector cooperation on IWT to increase the quality and quantity of SAR reporting. To support the visibility and strengthen efforts to measure current levels of reporting, given the range of IWT offences potentially involved, a SAR glossary code should also be established.

**Recommendation 5: Enhance guidance to the private sector**

Supervisors, including the FCA, should raise awareness of the UK's exposure to the proceeds of IWT. These efforts should encompass the development of notices on how the UK is exposed to IWT that takes place internationally. In addition, regulated actors should be encouraged to undertake IWT risk assessments to identify and assess their exposure to IWT-related proceeds and to take appropriate mitigating measures as part of a broader risk-based approach.

**Recommendation 6: Incentivise parallel financial investigations**

All options should be exploited to ensure that financial investigations take place in relevant IWT cases, with the next NPCC Wildlife Crime Policing Strategy specifying a target number of financial investigations. To bolster key agencies' willingness to initiate financial investigations, the above-mentioned threat assessment should analyse links between offenders involved in IWT, economic and other serious crimes. Further research should establish the social and economic costs of IWT to UK citizens, potentially encouraging a greater role for Police and Crime Commissioners in elevating counter-IWT resourcing. Finally, steps should be taken to explore how the Asset Recovery Incentivisation Scheme can be best applied in IWT cases.

**Recommendation 7: Review investigations that fail to result in appropriate charges**

Regular reviews should be undertaken of IWT investigations that do not translate into appropriate charges (including money-laundering charges) and of prosecutions that result in acquittal. Such reviews should also analyse seizure records, querying why investigations are not initiated in suitable IWT cases. Periodic analysis should assess the record of use of financial intelligence in IWT investigations, as well as ancillary orders such as forfeiture, to identify obstacles and enable focused action to ensure their consistent and widespread future use.

**Recommendation 8: Conduct an evaluation of sentencing, including use of POCA**

A focused evaluation of the UK sentencing approach adopted for IWT and associated money-laundering offences should be undertaken, covering the use of POCA, maximum fines and longer custodial sentences. This is crucial to an enhanced understanding of why IWT offenders seldom receive maximum penalties and how far existing UK sentencing approaches are appropriate. Based on this evaluation, steps should be taken to ensure that the UK applies the same approach it advocates for internationally.

**Recommendation 9: Develop a dedicated strategy to support academic research to fill knowledge gaps**

Given the extent of evidence gaps around how IWT-linked illicit financial flows impact the UK, a strategic approach should be taken to fund relevant academic research to address pressing gaps. This should be geared to achieve practical outcomes through formal partnerships between researchers, NGOs, enforcement agencies and other stakeholders. For example, research should be undertaken to assess the exposure of UK DNFBPs to proceeds of IWT to increase suspicious activity reporting beyond the banking sector.

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