



Wildlife Justice  
Commission



# Bringing down the Dragon: A synopsis of China's largest ivory smuggling case

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# Acknowledgement

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AUTHOR	Jenny Feltham
CO-AUTHOR	Hendelene Prinsloo
PRODUCTION	Carina Mensching
DESIGN	batweb.es



## Purpose

**This briefing paper** outlines China's largest ever ivory smuggling case and identifies the enabling factors that facilitated the network's criminal operations. The enablers in this case are systemic issues that are relevant to many other wildlife trafficking cases, and key among them is the element of corruption.

**This case demonstrates** the complexity of transnational organised wildlife trafficking, while breaking down the criminal scenario into the enabling components is useful to understand why the network was so successful and able to operate with impunity for so long.

**By detailing the inner workings** of this criminal network, this briefing paper aims to provide useful insights and examples of good practices for law enforcement efforts to combat organised wildlife trafficking.

# Case details

In December 2020, the Guangzhou Intermediate People’s Court in China convicted 17 members of a criminal network that was found to be responsible for smuggling at least 20.22 tonnes of elephant ivory from Nigeria to China between 2013 and 2019. The defendants included 16 Chinese nationals and one Malaysian national, while a further two Chinese nationals who were fugitives at that time have since been arrested and are currently facing trial. The sentences received ranged from two years up to life imprisonment with the confiscation of all personal assets, and individual fines up to RMB 5,000,000 (USD 770,273). It is China’s largest ever ivory smuggling case, not only in terms of the quantity of ivory involved, but also the number of people arrested from the same network, and the size of the penalties.<sup>1</sup>

The Chen family from Shanting Town in Putian city, Fujian province was at the heart of this criminal network (hereafter referred to as the Chen organised crime group (OCG), which was led by the father, Chen Jiancheng, and his two sons, Chen Chengguang and Chen Chengzong. It was a trans-national organised crime network consisting of members working along the whole Africa-China supply chain, with contacts inside and outside of China, and in customs. The Chen OCG displayed various structural and operational characteristics typical of sophisticated traditional organised crime groups. By exploiting multiple techniques, national and international business norms to hide their identities and involvement in crime, and utilising cooperative partnerships with others in customs

clearance, transportation, and sales, the Chen OCG operated from at least 2013 until their eventual arrests in March 2019.

The first seizure connected to the network was made in July 2013 at Shatian port in Guangdong province, China. Customs officers detected 4.46 tonnes of ivory and 7.57 kg of rhino horn concealed in two shipping containers, which were packed in wooden crates and hidden behind layers of timber planks. The three Chens were identified as the owners, but they managed to escape from China overland to Malaysia before authorities were able to arrest them.

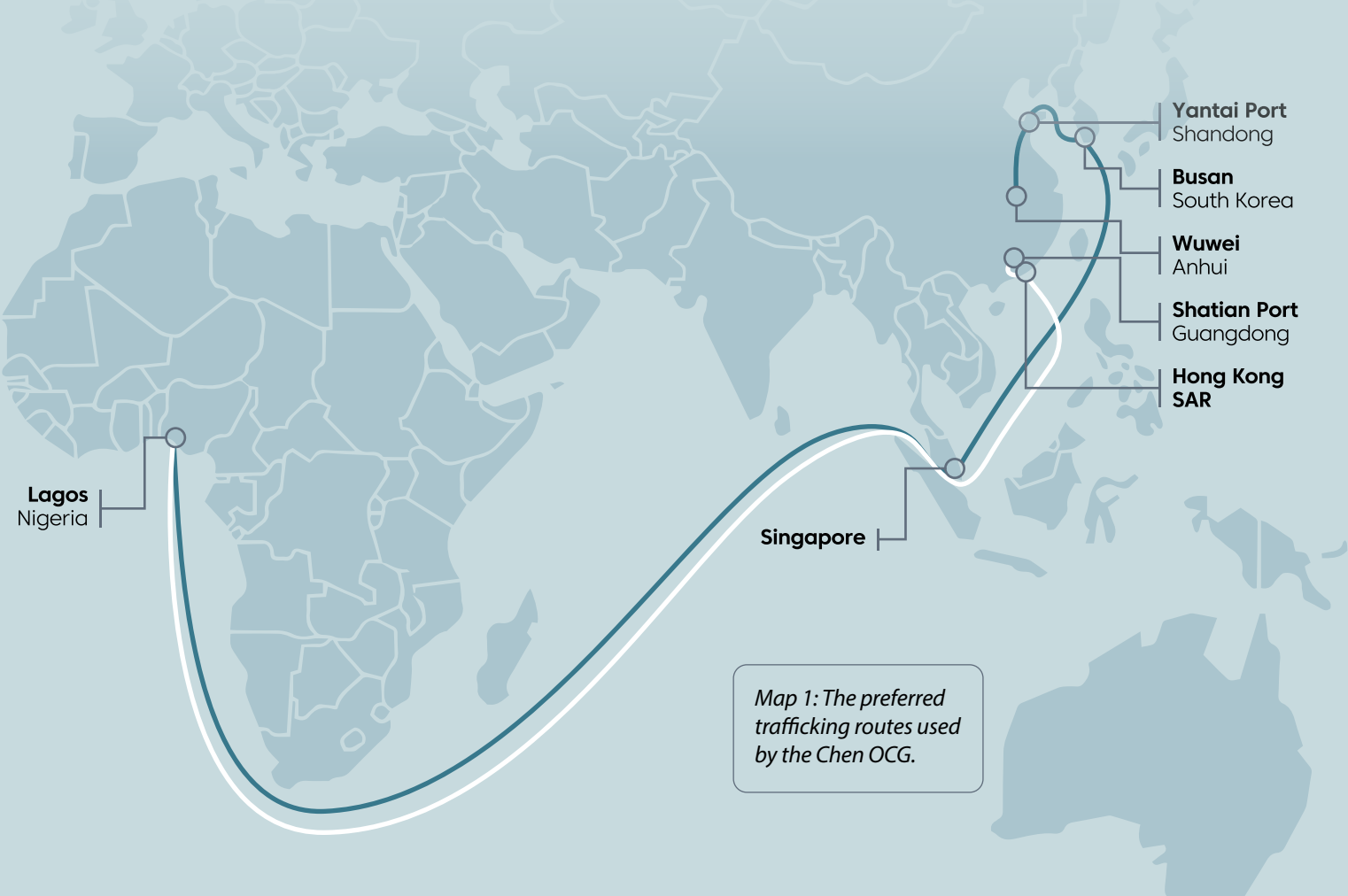


Image 1: The repeated concealment method used by the Chen OCG involved custom-built wooden crates to conceal the ivory, which were hidden in shipping containers behind layers of stacked timber planks.

Credit: @Beijing News

From Malaysia, the Chens continued their ivory smuggling business with new partners, modus operandi, and fake Malaysian passports that allowed them to repeatedly travel back to China undetected. Two further ivory shipments were confirmed to have been successfully smuggled by the Chen OCG from Nigeria to China via Singapore and South Korea: 8.29 tonnes in August 2017 and 7.48 tonnes in February 2018. After entering China,

the shipments were transported by road to Anhui province, where they were stored at the Changfeng Cable Factory premises while awaiting sale to buyers. There were two ivory seizures made outside of mainland China that are also suspected to have been linked to the network: 2.26 tonnes of ivory, rhino horns and leopard skins in Hong Kong in August 2013 and 4.79 tonnes of ivory in Malaysia in 2017.



## TRAFFICKING ROUTES

2013	Nigeria	→	Hong Kong SAR	→	China (Shatian)
2017 2018	Nigeria	→	Singapore	→	South Korea (Busan) → China (Yantai - Wuwei)

<sup>1</sup> <http://legal.people.com.cn/n1/2021/0108/c42510-31993983.html>



**China introduced** a complete ivory trade ban that came into effect from 31 December 2017, which was followed up with strict enforcement by Chinese authorities. The Chen OCG began to struggle to sell their ivory in 2018, and it appears that the ivory shipment of February 2018 was stranded for more than a year in storage due to the government's ivory crackdown. Around this time, ivory stockpiling also began occurring in neighbouring countries in Southeast Asia as the crackdown caused difficulties in smuggling shipments across the border into China.

**November 2018** signalled the unravelling of the network when Chen Chengzong was found and arrested while dining at a restaurant in China. This was a turning point in the investigation, and four months later, on 30 March 2019, police followed up by arresting 20 suspects and seizing 2,748 pieces of ivory weighing 7.48 tonnes at the Changfeng Cable Factory. The arrests included network members along the whole supply chain. Chen Jiancheng and Hu Juqiang, a senior ivory buyer in Nigeria, evaded arrest and were wanted persons, both becoming subjects of an INTERPOL Red Notice. They were both later arrested and escorted back to China through collaboration with Ghanaian and Malaysian law enforcement partners, where they are currently facing trial.

**In further investigations** following the arrests, authorities made various seizures of rhino horn products that the Chen OCG had previously sold to buyers. According to China Customs Anti-Smuggling Bureau (ASB), arresting the suspects and seizing a substantial volume of contraband was a highlight of the case, and the difficulties faced by the group to distribute the ivory in China following the trade ban assisted the investigators.

**Law enforcement authorities** carried out extensive, in-depth investigations into the Chen OCG over several years, including big data analysis as well as lifestyle and financial investigations, enhanced by international cooperation. They targeted not only the network members located in China, but also Chinese nationals who were committing crimes in other countries, and foreign nationals committing crimes in China.

**However**, while Chinese law enforcement authorities are achieving important results such as this, other key countries along the supply chain also need to step up their efforts to avoid the potential displacement of crime to other locations or other criminal groups rising to fill the void. Broader and more consistent use of intelligence analysis, advanced investigation techniques, strong penalties, asset forfeiture, international cooperation, and addressing corruption is needed to ensure a cohesive and coordinated global response to address these crimes.

## Crime-enabling factors

The Wildlife Justice Commission identified the following 10 crime-enabling factors underpinning the Chen OCG's operations.

- 1 Established business operations in a susceptible country:** Nigeria had ideal conditions for the Chen OCG to exploit, with their established business settings and access to corrupt actors. They already had the contacts, business infrastructure, and transportation lines to utilise to commit the trafficking crimes, which allowed their criminality to go undetected for at least seven years.
- 2 Corruption:** Corrupt customs officers and freight forwarding agencies played a crucial role in the transportation of illegal wildlife products across the supply chain.
- 3 Family-led criminal group:** The Chen OCG was centred on a family-oriented approach to reduce the risks of leaks, disloyalty, and cheating, while also minimising the risk of a network member becoming an informant for law enforcement should detection occur. This structure is consistently seen in other forms of serious organised crime.
- 4 Financial flows:** The Chen OCG relied on the formal banking system to launder its money by transferring the illegally obtained funds through third party bank accounts of family members.
- 5 Corporate layering:** The Chen OCG misused several cover companies with connections to import-export businesses to move their illicit wildlife shipments and launder illicit funds.

**6 Use of concealment methods:** The Chen OCG used their established timber business in Nigeria as a cover to smuggle ivory, and wooden crates and timber planks as the concealment method. Analysis of major ivory seizures shows that timber continues to be the dominant concealment method used for ivory.

**7 Multiple transit points:** The Chen OCG used longer, more expensive shipping routes with multiple transit points, to re-export shipments with "new" bills of lading and obscure the originating port in Africa. They also took advantage of the fact that transshipment hubs do not have the capacity to inspect every container, by sending shipments to Hong Kong, Singapore, and South Korea.

**8 Multiple clearing agents:** The Chen OCG used multiple clearing agencies and consignees, suggesting that they had to submit fraudulent documents for customs clearance along the shipping route.

**9 Illegal border crossings and fake passports:** Chen Jiancheng and Chen Chengzong obtained fake Malaysian passports to enable them to enter China undetected using a false identity. It was found that Chen Chengzong had entered China 21 times between 2015 and 2019 using his fake passport.

**10 Purchasing shipping containers:** The Chen OCG chose to purchase their shipping containers instead of renting them. A similar modus operandi has been used by other criminal networks involved in similar smuggling crimes, as it can enable the installation of secret compartments inside the container and help avoid scrutiny should a rental agreement expire.



# Corruption

**Corruption is one of the main enablers** for criminals involved in wildlife trafficking across the supply chain, and it is one of the biggest obstacles to effective law enforcement. Corruption frequently occurs in the process of applying for licences, permits, or other documents, or at border control or other inspection points where officials may be influenced or bribed to become complicit or “turn a blind eye” to illegal activities. Corrupt support can also extend to warnings about police activity, payments for protecting or not prosecuting traffickers, selling back seized goods, or in the private sector, bribing individuals or businesses associated with the trade of bulk products to facilitate illegal activities.

**In addition** to the use of concealment methods, the Chen OCG relied heavily on bribing officials and used freight forwarding agencies with corrupt connections at customs to enable the passage of their shipments. The ASB investigation found evidence of payments made to corrupt officials through both bank transfers and cash payments.

**Cong Huajun** was a branch-level manager in charge of logistics at Yantai Customs in Shandong province, and it was reported that he had worked

for Malaysian businessman Chua Siew Tuang since 2012, clearing his timber shipments and charging high customs clearance fees. Cong Huajun partnered with Zhang Chao, who owned both the Yantai Chaoshun and Yantai Shunyou freight forwarding agencies, and also conspired with Liu Tao, who was a shareholder in the Yantai Tianhong International Freight Forwarding Company, to assist with customs clearance and transportation. Liu Tao had worked in the import/export business for many years and was responsible for the declaration and transportation of products for Chua Siew Tuang. According to the ASB investigation, Cong Huajun had colluded to import 25 batches of products for Chua Siew Tuang, for which he used his personal bank account to receive the reimbursements, then gave half of it in cash to Liu Tao for his share of the payment for customs clearance and domestic transportation.

Although Cong Huajun was the only customs officer arrested in this global trafficking network, it is highly likely there were additional officers in Nigeria, Singapore, South Korea, and possibly Hong Kong, who were used to facilitate the transportation of shipments along the trafficking route.

# Good practices for law enforcement

**The Wildlife Justice Commission** commends the Chinese law enforcement authorities for their efforts in disrupting and dismantling the Chen OCG and has identified several good practices that can be highlighted from the ASB’s investigation. These practices played a crucial role in the eventual successful outcome of the case and are essential tools to tackle wildlife crime that is occurring in a highly organised manner.

## Intelligence analysis and advanced investigation techniques



**Chinese law enforcement authorities** carried out extensive, in-depth investigations into the Chen OCG over several years, including big data analysis, phone extractions and analysis, lifestyle and financial investigations. This array of techniques enabled authorities to piece together details of the large, complex case and build an irrefutable brief of evidence that ensured successful prosecution of the group. Greater utilisation of intelligence analysis and advanced investigation techniques across the supply chain is essential to effectively combat transnational organised wildlife crime.

## International cooperation



**China issued INTERPOL Red Notices** for two suspects as part of the investigation into the Chen OCG. Red Notices are issued for fugitives wanted either for prosecution or to serve a sentence, and are a request to law enforcement worldwide to locate and provisionally arrest the suspect, pending extradition or other legal action. In the Chen case, the Red Notice instigated international cooperation with Ghana for the arrest and deportation of Hu Juqiang. In Malaysia, Chen Jiancheng had surrendered and was escorted back to China via the China-Malaysia bilateral law enforcement cooperation mechanism.

## Asset forfeiture



**The most effective way** to disrupt and dismantle transnational organised wildlife crime is to remove the financial incentive that makes it an attractive crime type. This can be done by identifying the funds and assets that are the proceeds of crime during an investigation, which can then enable the confiscation and forfeiture of money and property that has been illegally gained. The ASB conducted lifestyle investigations of the Chen OCG, identifying that the family maintained a significant level of wealth despite suffering previous financial losses

through ivory seizures. Financial investigations identified payments made for ivory sales and calculations for shipment costs. Criminal proceeds and instrumentality forfeiture routinely occur as part of the sentencing process in China, and in this case the court ordered the seizure of all personal assets of two of the network's organisers, Chen Chengzong and Lin Zhiyong, in addition to their prison sentences.

### Strong penalties



**Accompanying the success** of investigation, prosecution, and conviction in China is the heavy sentencing which seeks to address the higher-tier of organised wildlife crime, rather than targeting lower-level players such as poachers who are often easily replaced. This case was served with the heaviest penalty issued for wildlife trafficking in China in the past decade, with two of the network organisers sentenced to life imprisonment and the confiscation of all their personal assets. During the trial, the prosecutor highlighted that the number of participants in the case, the volume of ivory, the amount of money involved, the length of time committing the crime, and the severity of the crime was exceptional, which may account for the court's heavy sentencing. Although life sentences for wildlife crime are rare, sentences of 10-15 years imprisonment are regularly issued in China.

### Addressing corruption



**Corruption is the single greatest advantage** that trafficking networks have over law enforcement authorities investigating wildlife trafficking. Whether that support extends to warnings about police activities, payments for protecting or not prosecuting traffickers, selling back seized goods, or facilitating the movement of wildlife products across borders, all these activities create an uneven playing field. In order to level that playing field, corruption in the trade must be addressed through the collection of intelligence and evidence to identify and expose these corrupt actors. The arrest and sentencing of customs officer Cong Huajun for his role in facilitating the movement of the Chen OCG's ivory shipments into China is a positive step in this direction. However, Cong Huajun represented just one corrupt actor in a global trafficking network. Intelligence and evidence sharing on other corrupt actors identified during the investigation is crucial to systematically address corruption across the supply chain.

## Law enforcement and legal experts fighting transnational organised wildlife crime.



[www.wildlifejustice.org](http://www.wildlifejustice.org)

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