Green crime continues to take an ever-growing toll on the environment, as well as on society as a whole. Global efforts to combat this scourge remain largely ineffectual, but a combination of trusted and complete data and public-private sector collaboration can offer us a real chance to succeed against the criminal networks perpetuating this heinous form of crime.
Green crime

Green crime – including environmental crime, wildlife crime and any actions that flout regulations designed to prevent harm to the environment – has far-reaching and devastating implications for wildlife and the environment, but also for society as a whole. This form of crime is contributing to significant biodiversity loss across the globe, with far-reaching consequences for every country.

In light of the pervasive and costly nature of green crime, environmental crime was listed as a predicate offence under the 6th EU Anti-Money Laundering Directive (6AMLD) and as a priority by the FATF for 2020-2022. The FATF also released its first report on illegal wildlife trade in 2020, with recommendations around best practices for the private sector, law enforcement agencies and financial intelligence units.

Despite these efforts, the collective global response to green crime remains ineffectual and lags, for example, global collaboration and regulatory action taken to combat money laundering and the financing of terrorism.

A comprehensive and targeted global approach to tackling green crime is urgently needed. Comprehensive, reliable data, coupled with a strong focus on public-private sector collaboration, will be crucial to future success in this critical area.

Source: https://cites.org/eng/prog/iccwc/crime.php

Wildlife crime

The International Consortium on Combating Wildlife Crime (ICCWC) defines a ‘wildlife crime’ as the taking, trading (supplying, selling or trafficking), importing, exporting, processing, possessing, obtaining and consumption of wild fauna and flora, including timber and other forest products, in contravention of national or international law.

The type of information included in Refinitiv screening products relates to:

- Intentionally killing, injuring or taking any wild bird, wild animal or species protected by law
- Intentionally taking, damaging or destroying a nest, egg or habitat
- The unlawful poaching or trafficking of endangered or protected animals
- Trafficking in elephant ivory, rhino horns, tiger products
- Illegal, unreported and unregulated fishing

Environmental crime

Europol defines environmental crime as covering the gamut of activities that breach environmental legislation and cause significant harm or risk to the environment, human health or both.

The type of information included in Refinitiv screening products relates to:

- The intentional or negligent unlawful action of causing harm to the environment, substantial damage to the quality of air, the quality of soil or the quality of water
- Injury or death to humans, animals or plants in contravention of national or international environmental laws and regulations (e.g., pollution, dumping of industrial waste, dumping or illicit trade in hazardous waste, smuggling of ozone-depleting substances and illegal logging).
Scale and complexity

Neither the scale nor the complexity surrounding green crime should be underestimated. Environmental crime has an estimated worth of 258 billion USD\(^1\), and wildlife trafficking has been valued at up to 26 billion US$ per annum\(^2\). These figures position green crime amongst the top five most lucrative global crimes – alongside crimes such as drug trafficking, counterfeiting crimes, and human trafficking. Moreover, INTERPOL figures show that green crime has increased by more than 5% every year over the last decade\(^3\).

A host of interconnected factors have served to thwart efforts to develop an effective and co-ordinated global response to green crime. Countries often differ in how they define green crimes and consequently, their law enforcement responses also differ. The lack of a uniform legal framework enables criminals to exploit loopholes in certain countries and split their activities across jurisdictions.

Even if prosecuted, green criminals often receive lenient sentences, such as fines or short-term imprisonments. This is especially true if the scope of green crime-related legislation in a particular jurisdiction is limited and does not explicitly define this type of crime as serious in nature. Given the highly lucrative nature of green crime, such penalties have proven to be ineffectual as deterrents.

Further factors complicating the green crime response landscape include:

- A lack of co-ordination between law enforcement agencies and financial intelligence units (FIUs). A recent study by the FATF showed that many countries are not carrying out financial investigations into illegal wildlife trade offences in line with the scale and threats emanating from these crimes\(^4\).
- A casual approach to due diligence checks: Research by Refinitiv\(^5\) shows that 41% of third-party relationships within global supply chains are not subject to due diligence checks, even at the onboarding stage. Furthermore, 60% are not subject to ongoing monitoring, creating an ideal opportunity for green criminals to hide within complex third-party supplier, vendor or partner networks.
- Bribery has often been recognised as a key enabling factor for green crime and can be present at multiple stages of these crimes, including in the sourcing, transit and/or export stages for wildlife trafficking. Contrary to popular perception, this bribery not only involves low-level police officers or park rangers, but can extend to higher-level politically exposed persons (PEPs) such as diplomats, elected officials, senior customs officials and the military\(^6\). Public officials may be more easily able to evade law enforcement scrutiny in countries with weak institutions, especially if they can avoid effective customer due diligence checks mandated by the FATF and local regulatory bodies.
- Illegal wildlife items are often disguised as souvenirs and can be sold to unwitting consumers who may not even know they are in violation of relevant laws.
- Wildlife trafficking is often fuelled by claims that illegal wildlife products possess medicinal qualities. This in turn drives demand.

---

1. INTERPOL/UNEP, December 2016.
2. https://www.wwf.sg/get_involved/illegal_wildlife_trade/#:~:text=Wildlife%20trafficking%20is%20the%20world's,US%2426%20billion%20per%20year
Both data and collaboration are needed

Fighting back against green criminals requires the right data as well as public-private sector collaboration. If organisations are to play their part in combatting green crime, they first need access to trusted and complete data to help them to analyse third-party networks holistically and screen relevant individuals and entities in line with applicable regulations.

Refinitiv® World-Check® delivers market-leading risk intelligence data to help organisations to identify relationship networks between companies and individuals as well as map and understand the ownership hierarchies of relevant entities across the globe. Our World-Check database contains tens of thousands of records which relate to green crime. These span more than 10,000 locations across 170 countries.

Whilst highly structured, quality AML reference data is a critical tool needed to dismantle criminal networks, global efforts to combat green crime are unlikely to succeed without significant collaboration between the public and private sectors. Collaborative efforts should also extend to the involvement of regulators and other relevant stakeholders.

In line with this fundamental belief, Refinitiv – along with the World Economic Forum and EUROPOL – was instrumental in launching the Global Coalition to Fight Financial Crime in 2018. With the express purpose of raising global awareness around financial crime, including green crime, and promoting information sharing between the public and private sectors, the coalition aims to strengthen the global anti-money laundering regime.

Refinitiv has also partnered with United for Wildlife, a consortium of conservation organizations, governments and global corporations working to tackle the issue of illegal wildlife trade.

By effectively using vast and risk-relevant databases and working with public and private sector stakeholders, we can begin to empower organisations to strengthen their due diligence regimes, uncover hidden risks and expose the criminal networks perpetuating green crime.
A case in point

Shining the spotlight on a specific case study can illustrate the complex, multinational nature of green crime. One such case involves an alleged wildlife trafficking syndicate, which has reportedly been operating in Southeast Asia, China and South Africa since at least 2003.

Sources suggest the syndicate initially operated out of Thailand and Laos, trafficking rhino horns, elephant tusks, lion and tiger bones, bear bile and more, before reportedly expanding to include a narcotics trafficking network and illegal prostitution rings. Operations are said to be run through a range of front companies, including hotels, night clubs, cafes and gold trading businesses.

Wildlife smuggling routes

This so-called Hydra syndicate is said to maintain close ties to other wildlife trafficking networks, including the Xaysavang Network, whose leader has been wanted by the US State Department since 2013 for allegedly smuggling ivory, rhino horns and pangolin scales, amongst other items, from Africa to Asia. The US State Department has offered a reward of up to US$1 million for information leading to the dismantling of the Xaysavang Network, alleging that it also operates front companies to facilitate smuggling.

7 https://www.nationalgeographic.com/animals/article/thai-court-dismisses-case-against-suspected-poaching-kingpin
8 https://www.state.gov/transnational-organized-crime-rewards-program-2/xaysavang-network/
9 ibid
Over the last few years, there have been numerous arrests of senior leaders and associates of these syndicates. A common theme has been the involvement of airport customs officials who it is reported have been bribed by the syndicates to ignore deliveries of animal parts harvested from protected wildlife species.

In one case involving the ‘Hydra’ syndicate, an airport quarantine officer in Bangkok was arrested by Thai police after allegedly accepting rhino horns from a Chinese national, before passing the horns on to the Hydra syndicate. The airport quarantine official, the Chinese mule and a relative of the leader of Hydra are reportedly still facing charges. The alleged leader was initially arrested for financing and importing the rhino horns but later released without charge owing to a lack of evidence.

Xaysavang Network’s self-proclaimed deputy leader was also arrested and convicted in South Africa for exporting rhino horns from South Africa to Laos via Thailand. The scheme involved hiring individuals to pose as hunters who, at the time, were allowed by law to kill one rhino per year and take the head as a personal trophy. Trophies were ‘legitimized’ by legal export certificates – obtained fraudulently under false pretences – from the Convention on International Trade in Endangered Species (CITES) before the horns were shipped out of South Africa.

Airport customs officials in Bangkok were then reportedly bribed to allow smooth passage of the rhino horns without scrutiny. Unfortunately for the deputy leader, the scheme unravelled by chance at the Bangkok airport, when a CITES certificate was closely scrutinised by Thai customs officials who did not believe that a 20-year-old Thai woman was a genuine rhino hunter in South Africa. This eventually led to the deputy leader’s arrest, and conviction in South Africa. After two successful appeals, the sentence was reduced and in 2018, he obtained early release and was deported to Thailand. The Xaysavang Network is said to have additionally benefitted from their association with members of a transnational criminal enterprise indicted for their role in trafficking rhino horns and elephant ivory from Uganda, the Democratic Republic of the Congo, Guinea, Kenya, Mozambique, Senegal and Tanzania to customers in the United States and Southeast Asia.

14 ibid
Conclusion

Wildlife trafficking syndicates are spread across continents and comprise a wide range of criminal actors, and can be facilitated by members of police forces, elected public officials and customs officers, to name but a few. These syndicates frequently operate in countries characterised by high levels of corruption, vague or weak laws surrounding wildlife crime, and limited resources to pursue effective prosecution.

Moreover, syndicates often use legal front companies with complex ownership structures to obscure their crimes and maintain a wide network of customers spread across multiple countries and jurisdictions.

World-Check’s extensive research infrastructure allows Refinitiv to capture relevant risk data, including that relating to green crime, using reputable public domain data. This in turn means that we can empower organisations to identify entities and individuals allegedly involved in or connected to green crime as part of ongoing due diligence efforts.

This combination of trusted and comprehensive data, supported by increased collaboration between the public and private sectors, offers us our best chance to share resources, understand complex criminal networks, form a more holistic picture of potential risk and ultimately fight back against those who seek to perpetuate green crime.