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Following the money of the illegal wildlife trade to stop the trade in endangered species and the laundering of profits



Law enforcement, customs and border officials and financial intelligence units have a vital role to play in combatting financial flows from the illegal wildlife trade according to the FATF report on *Money Laundering and the Illegal Wildlife Trade*.

Authorities responsible for responding to illegal wildlife trade seizures or crime scenes have a vital role to play in gathering financial intelligence. Similarly, financial intelligence units (FIUs) have an important role in analysing financial information provided, and providing guidance to the private sector on the types of suspicious financial activity that may indicate money laundering from the illegal wildlife trade.

Importantly, the FATF's report highlights that many countries are not carrying out financial investigations into illegal wildlife trade offences in line with the scale and threats from this crime. Moreover, there is a strong need for enhanced co-ordination between law enforcement working to combat wildlife and environmental crimes, and those working on financial investigations and anti-money laundering (AML).

This handout provides guidance to law enforcement agencies (LEAs) and financial intelligence units to enhance their capacity to carry out and support financial investigations into illegal wildlife trade offences by drawing on good practices from across the FATF Global Network.



IN BRIEF

Co-ordination



Financial investigations into illegal wildlife trade offences will require co-ordination across a wide range of authorities who may not typically work together, such as environmental crime investigators, financial intelligence units, anti-corruption authorities, or CITES management authorities.

It is important that authorities collect all available financial information from the outset of an investigation into the illegal wildlife trade (e.g. during the arrest of a suspect or the search of a relevant location).

Collection of information



There is a range of useful sources of financial information and intelligence, that can help detect money laundering of illegal wildlife trade. The below examples of useful financial information are based on common trends and techniques used by wildlife criminals to move and launder their funds, including misuse of **front and shell companies**, **purchase of high-value assets and goods** (e.g. real estate, luxury vehicles), and **payments through social media and mobile based platforms**.



Payment records



Information on company legal and beneficial ownership, business profile and assets.



Import/export information (invoices, bills of lading etc.) concerning suspected entities held by trade activity repositories or entity itself.

Useful financial intelligence to combat illegal wildlife trade

Tax information on companies, as many front companies for the illegal wildlife trade are also involved in tax evasion.



Travel entry information and/or customs declaration.



Telephone records obtained through court orders that may show phone calls, text messages, etc. related to banking activity.



LAW ENFORCEMENT AGENCIES AND FINANCIAL INTELLIGENCE UNITS, WHAT CAN THEY DO?

The FATF report *Money Laundering and the Illegal Wildlife Trade* highlights a number of proposed actions, as set out in the FATF Recommendations, to help law enforcement (LEAs) and financial intelligence units (FIUs) to put a stop to money laundering from the illegal wildlife trade.

LEAs and FIUs should identify and assess money laundering risks relating to illegal wildlife trade in their jurisdiction, and should put in place mitigation mechanisms.

- Such risk assessments should be done in conjunction with national policy-making agencies to ensure coherence between organisational strategies, and utilisation of anti-money laundering and environmental expertise across a range of authorities.

Allocate resources in line with identified money laundering risks related to illegal wildlife trade.

- LEAs and FIUs should ensure resources dedicated to “following the money” in illegal wildlife trade offences reflect the level of risk illegal wildlife trade financial flows pose their jurisdiction, in accordance with their risk assessments.

RELEVANT FATF RECOMMENDATIONS

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Money laundering offence

Recommendation 3

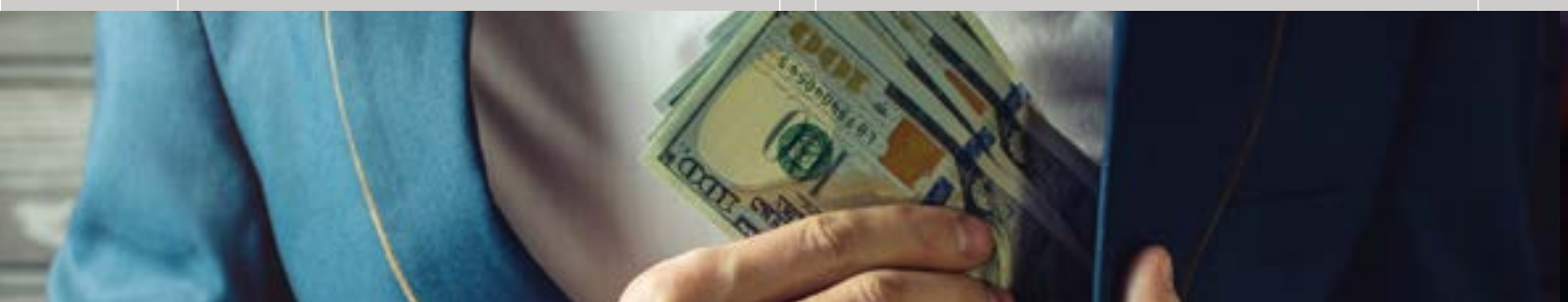
Countries should criminalise money laundering on the basis of the Vienna Convention and the Palermo Convention. Countries should apply the crime of money laundering to all serious offences, with a view to including the widest range of predicate offences.

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Responsibilities of law enforcement & investigative authorities

Recommendation 30

Countries should ensure that designated law enforcement authorities have responsibility for money laundering and terrorist financing investigations within the framework of national AML/CFT policies. At least in all cases related to major proceeds-generating offences, these designated law enforcement authorities should develop a pro-active parallel financial investigation when pursuing money laundering, associated predicate offences and terrorist financing. This should include cases where the associated predicate offence occurs



Conduct parallel financial investigations, pursue money laundering activity and seek to apply money laundering charges where feasible for criminal investigations into illegal wildlife trade offences.

- LEAs, in line with FATF Recommendation 30, should as soon as possible follow financial leads in illegal wildlife trade offences while investigating the predicate offence to uncover the full extent of criminality, detect previously unidentified persons and companies, and confiscate illegal wildlife trade proceeds before they can be dispersed.

Identify, freeze, seize and confiscate associated assets when investigating money laundering related to illegal wildlife trade.

- This includes identifying, freezing, seizing and confiscating assets that are not directly linked to the trafficked products themselves. This will diminish the profit motive and deprive criminals of facilitating property.

Consider establishing multi-agency co-ordination mechanisms that allow for the sharing of intelligence and information between AML and environmental authorities.

- The FIU, financial investigators and agencies involved in investigating wildlife crimes (including environmental agencies with investigative responsibilities), and prosecutorial authorities should be considered as members.

outside their jurisdictions. Countries should ensure that competent authorities have responsibility for expeditiously identifying, tracing and initiating actions to freeze and seize property that is, or may become, subject to confiscation, or is suspected of being proceeds of crime. Countries should also make use, when necessary, of permanent or temporary multi-disciplinary groups specialised in financial or asset investigations. Countries should ensure that, when necessary, cooperative investigations with appropriate competent authorities in other countries take place.

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Powers of law enforcement and investigative authorities

(Recommendation 31)

When conducting investigations of money laundering, associated predicate offences and terrorist financing, competent authorities should be able to obtain access to all necessary documents and information for use in those investigations, and in prosecutions and related actions. This should include powers to use compulsory measures for the production of records held by financial institutions, DNFBPs and other natural or legal persons, for the search of persons and premises, for taking witness



statements, and for the seizure and obtaining of evidence.

Countries should ensure that competent authorities conducting investigations are able to use a wide range of investigative techniques suitable for the investigation of money laundering, associated predicate offences and terrorist financing. These investigative techniques include: undercover operations, intercepting communications, accessing computer systems and controlled delivery. In addition, countries should have effective mechanisms in place to identify, in a timely manner, whether natural or

legal persons hold or control accounts. They should also have mechanisms to ensure that competent authorities have a process to identify assets without prior notification to the owner. When conducting investigations of money laundering, associated predicate offences and terrorist financing, competent authorities should be able to ask for all relevant information held by the FIU.

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Prosecutors and police should obtain additional training in how to carry out financial investigations into illegal wildlife trade, including the use of advanced investigative techniques (e.g. international controlled deliveries).

- International organisations such as the UN Office on Drugs and Crime provide training to support LEAs and FIUs in how to successfully conduct financial investigations into illegal wildlife trade offences.

Ensure reporting entities are aware of the risks of new technologies being exploited by illegal wildlife trade syndicates to launder the proceeds of crime and any relevant regional trends or typologies.

- Outreach by competent authorities to the private sector should emphasise the need to report to the FIU if there is suspicion of financial activity relating to illegal wildlife trade and disclose specific, operational information as permitted by domestic law and regulation.

Explore how to establish and promote public-private collaboration and information exchange to effectively identify and address money laundering linked to illegal wildlife trade.

- Given the importance of both financial and environmental expertise, it is important to consider how this collaboration can include a broad range of organisations, including from the non-profit sector.

