

**TESTIMONY OF ROBERT DREHER, ASSOCIATE DIRECTOR, U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR, BEFORE THE U.S. HOUSE OF REPRESENTATIVES, COMMITTEE ON NATURAL RESOURCES, SUBCOMMITTEE ON FISHERIES, WILDLIFE, OCEANS AND INSULAR AFFAIRS, REGARDING U.S. FISH AND WILDLIFE SERVICE'S PLAN TO IMPLEMENT A VIRTUAL BAN ON THE COMMERCIAL TRADE IN ELEPHANT IVORY AND THE CONSEQUENCES OF THAT POLICY**

**June 24, 2014**

**Introduction**

Good afternoon Chairman Fleming, Ranking Member Sablan, and Members of the Subcommittee. I am Robert Dreher, Associate Director of the U.S. Fish and Wildlife Service (Service), within the Department of the Interior (Department). I appreciate the opportunity to testify before you today to discuss the current wildlife trafficking crisis, which includes an escalating mass slaughter of elephants in Africa. If it is not stopped, the world may well lose wild populations of African elephants forever.

To combat wildlife trafficking, the Service is working toward implementing a near complete ban on commercial trade in elephant ivory. Given the escalating threats to African elephants, we believe that a near complete ban on commercial elephant ivory trade is the best way to ensure that U.S. domestic markets do not contribute to the decline of this species in the wild. The United States is among the world's largest consumers of wildlife, both legal and illegal. It is difficult to determine the exact market value of black market items such as illegally trafficked wildlife goods; however, we know that the U.S. remains a significant ivory market, and we must continue to be vigilant to prevent this from masking the illegal ivory trade. By stopping illegal ivory trade at home and assisting elephant range states and consumer countries around the world, we can have a significant positive impact on elephant conservation. These actions will affirm and enhance U.S. leadership and support diplomatic efforts to encourage additional efforts to combat illegal ivory trade in consumer nations.

**The Poaching Crisis and Illegal Ivory Trade**

African elephants once numbered in the millions throughout Africa, but by 1990, uncontrolled hunting for their ivory tusks had driven the wild population to fewer than 500,000. This rapid population decline led to a ban on international ivory sales and trade in 1990 through the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Following the 1990 ban, populations of African elephants began to recover in some countries. However, a recent resurgence of elephant poaching in Africa, is again threatening this iconic species. Populations of both savannah and forest elephants have dropped precipitously, and poaching occurs across all of Africa. Africa's elephants are being slaughtered for ivory at rates not seen in decades due to increased demand for ivory in consumer countries. Some of this increase in the demand for ivory is attributed to improved economic conditions in traditional ivory markets such as China and other parts of East and Southeast Asia. In these markets, ivory carvings rate high as a status symbol for economic elites, and as more Asian consumers have the

financial resources to purchase ivory, the demand for ivory is significantly increasing. Continued poaching at current rates threatens the existence of elephants in the wild.

Wildlife trafficking was once a local or regional problem, and has now become a global crisis, as increasingly sophisticated, violent and ruthless criminal organizations have branched into wildlife trafficking. What was once predominantly a crime of opportunity committed by individuals or small groups is now committed by international criminal cartels that are well structured and highly organized. These cartels are capable of illegally moving orders of magnitude more in wildlife and wildlife products. This lucrative business has been tied to drug and cartels, militant groups, and human trafficking organizations, all of which are destabilizing influences in many African nations. These organized criminal enterprises are a growing threat to wildlife, the world's economy and global security. There is also a terrible human cost associated with these losses. For example, during the past few years, hundreds of park rangers have been killed in the line of duty in Africa.

The United States continues to play a major role as a significant consumer and transit country for illegally traded elephant ivory, and we must be part of the solution. At this crucial moment, the United States has the opportunity to exercise leadership on this urgent issue and encourage other countries to step up efforts to combat wildlife trafficking.

### **U.S. Fish and Wildlife Service's Role in Addressing Wildlife Trafficking**

The Service provides key leadership and capacity in addressing wildlife trafficking. For decades, we have worked in countries across the globe to conserve imperiled wildlife and address illicit wildlife trade through our Office of Law Enforcement and International Affairs program. We have a four-tiered approach to combat wildlife trafficking, including: law enforcement; technical assistance; CITES; and demand reduction.

#### Law Enforcement to Target and Stop Illicit Trade

The Service is the primary Federal agency responsible for enforcing U.S. laws and treaties that address international wildlife trafficking and protect U.S. and foreign species from unsustainable trade. Working with limited budgets and a special agent workforce of 205 agents which has not grown since the late 1970s, the Service has disrupted large-scale trafficking in contraband wildlife "commodities" that range from elephant ivory and rhino horn to sturgeon caviar and sea turtle skin and shell. Service special agents use both overt and clandestine investigative techniques to detect and document international smuggling and crimes involving the unlawful exploitation of protected native and foreign species in interstate commerce.

Since the mid-1970s, the Service has deployed a force of uniformed wildlife inspectors at major ports of entry across the nation to check inbound and outbound shipments for wildlife. These 124 officers ensure that wildlife trade complies with the CITES treaty and U.S. laws. They also conduct proactive inspections of air cargo warehouses, ocean containers, international mail packages, and international passenger flights looking for smuggled wildlife.

The Service operates the world's first and only full-service wildlife forensics laboratory – a lab

that is globally recognized as having created the science of wildlife forensics. Guidance from the lab, for example, provided an easy way for officers in the field to distinguish elephant ivory from other types of ivory, such as mammoth or walrus ivory. The Service continues to support a FY 2015 budget request to expand research at our lab to make it easier to determine the origin or geographic source of illicit wildlife material, particularly for species threatened by current patterns of illegal trade. Such work enhances our ability to provide law enforcement and justice officials with evidence to more effectively prosecute wildlife crime.

Service enforcement officers and forensic scientists have provided specialized training to wildlife enforcement counterparts in more than 65 different countries since 2000. These capacity-building efforts have included teaching criminal investigation skills to wildlife officers from sub-Saharan Africa at the International Law Enforcement Academy in Botswana on a yearly or twice-yearly basis.

Wildlife trafficking is increasingly a transnational crime involving illicit activities in two or more countries and often two or more global regions. Cooperation between nations is essential to combating this crime. With assistance from the State Department and USAID, we have created the first program for stationing Service law enforcement special agents at U.S. embassies as international attachés to coordinate investigations of wildlife trafficking and support wildlife enforcement capacity building. The first attaché began work in March 2014 in Bangkok, Thailand. We anticipate placing four additional attachés in key regions by the end of FY 2014, including Asia, South America, and two in Africa.

One example of the Service's law enforcement efforts in combating wildlife trafficking is Operation Crash. This Operation is a continuing, multi-district investigation into all aspects of the illicit trade in rhino horns led by the Service, Office of Law Enforcement's Special Investigations Unit and the U.S. Department of Justice. More than 200 federal, state, and local law enforcement officers in 40 states and 10 foreign countries have assisted the investigators and prosecutors working on Operation Crash. Since February 2012, 21 individuals have been apprehended and charged with numerous offenses such as conspiracy, smuggling, money laundering, tax evasion, and making false documents as well as violations of the Endangered Species Act (ESA) and Lacey Act. Defendants have been sentenced to significant terms of imprisonment and the forfeiture of millions of dollars in cash, gold bars, rhino horn, and luxury vehicles and Rolex watches. In *United States v. Zhifei Li*, the ring-leader of a smuggling scheme was responsible for smuggling more than \$4.5 million worth of illegal wildlife and wildlife products, including 30 rhinoceros horns and carved objects made from rhinoceros horn or elephant ivory was sentenced to 70 months in prison and \$3.5 million forfeiture.

Another example is a recent case, *U.S. v. Victor Gordon*, where our investigation documented the large-scale smuggling of newly acquired ivory from West Africa disguised to "pass" as old ivory and antique tribal carvings and resulted in the seizure of over one ton of elephant ivory. U.S. businessman Victor Gordon, the owner of an African art and antiques store in Philadelphia, pleaded guilty to smuggling elephant ivory from Africa via JFK – ivory that he then sold to buyers as "antiques." On June 4, 2014, he was sentenced to 30 months' imprisonment, to be followed by 2 years of supervised release. As part of that sentence, the court ordered Gordon to pay a fine of \$7,500 and to forfeit \$150,000, along with the approximately one ton of elephant

ivory that was seized by agents from Gordon's Philadelphia store in April 2009.

### Technical Assistance and Grants to Build In-Country Capacity

The Service has a long history of providing technical assistance and grants to build in-country capacity for conservation of wildlife species. Through the Multinational Species Conservation Funds, the Service provides funding in the form of grants or cooperative agreements to projects benefiting African and Asian elephants, rhinos, tigers, great apes, and marine turtles in their natural habitats. A substantial portion of the funding awarded through the Multinational Species Conservation Funds is invested in projects aimed at combating wildlife crime through improved law enforcement, anti-poaching patrols, demand reduction, and economic alternatives. Several of the Service's global and regional programs, including Africa, Asia, and the Western Hemisphere, also directly address wildlife conservation efforts, including combating wildlife crime.

Through the Wildlife Without Borders – Africa Program, a technical and financial partnership with USAID, the Service has supported the development of innovative methods to conserve wildlife and fight wildlife crime in Central Africa, including improvement of investigations, arrest operations, and legal follow-up. A number of projects are geared toward building in-country capacity and providing technical assistance to reduce the poaching of African elephants. The Service is committed to working with in-country partners to halt and reverse this trend, most notably in Gabon, where two-thirds of the forest elephants in Minkebe National Park have been killed since 2004, a loss of more than 11,000 elephants.

### CITES and Illegal Wildlife Trade

CITES, an international agreement among 180 member nations, including the United States, is designed to control and regulate global trade in certain wild animals and plants that are or may become threatened with extinction due to international trade. As the first nation to ratify CITES, the United States has consistently been a leader in combating wildlife trafficking and protecting natural resources. Without regulation, international trade can deplete wild populations, leading to extinction. The goal of CITES is to facilitate legal, biologically sustainable trade, whenever possible. But in some cases, no level of commercial trade can be sustainably supported.

Though a longstanding priority for CITES Parties, the focus on combating elephant poaching and illegal ivory trade is more intense than ever before. In March 2013, at the most recent meeting of the Conference of the Parties (CoP16), eight countries—China, Kenya, Malaysia, the Philippines, Tanzania, Thailand, Uganda, and Vietnam—that were identified as significant source, transit, or destination points for illegal ivory trade agreed to develop time-bound action plans to actively address illegal ivory trade.

Also at CoP16, the CITES Parties recognized the importance of addressing the entire crime chain by adopting several decisions to ensure that modern forensic and investigative techniques are applied to the illegal trade in ivory. The CITES Parties agreed to provide more effective control over domestic ivory markets and government-held stockpiles, and to promote public awareness campaigns, including supply and demand-reduction strategies. The decisions agreed upon at CoP16 to address the elephant poaching crisis were a significant step in the right direction. The

United States played a major role in the development of these decisions and actions, and is committed to playing a significant role in their implementation, including ensuring that countries are held accountable for failure to take meaningful actions to curb elephant poaching and illegal ivory trade.

### Reducing Consumer Demand for Illegal Wildlife Products

Most of the international conservation work funded by the Service has focused on on-the-ground protection of habitat and wildlife, including enforcement efforts, with the Service providing approximately \$10 million annually to enhance and support wildlife conservation throughout Africa and Asia. In addition, the Service supports government and non-government partners with public awareness and demand-reduction campaigns in Asian consumer nations.

Over the years, the Service has also worked to educate and inform U.S. consumers about the role they play in wildlife trafficking and the impacts of this illegal activity on animal and plant species around the world. These efforts have ranged from partnering with nongovernmental organizations on a long-running “Buyer Beware” campaign and commissioning our law enforcement officers to present outreach programs on wildlife trafficking at the local, State, and national levels, to using airport billboards and social media to engage the public on this issue.

Using our extensive network and experience, we are developing a strategy for the Service’s role in addressing consumer demand. This includes working with the private sector and governments in key consumer countries, including the United States, to build public awareness about the impacts of illegal trade on wildlife and, the potential penalties for engaging in such activities. The Service is also taking other actions to encourage attitudinal and behavioral shifts, all leading to measurable reductions in demand for illegal wildlife products.

### **U.S. Ivory Crush**

As part of our effort to combat illegal ivory trafficking, on November 14, 2013, the United States destroyed its 6-ton stock of confiscated elephant ivory, sending a clear message that we will not tolerate wildlife crime that threatens to wipe out the African elephant and a host of other species around the globe. The destruction of this ivory, which took place near the Service’s National Wildlife Property Repository on the Rocky Mountain Arsenal National Wildlife Refuge near Denver, Colorado, was witnessed by representatives of African nations and other countries, dozens of leading conservationists, and international media representatives.

This ivory crush sparked a new sense of possibility and collaboration—that we can work together effectively to halt this crisis before it is too late. This action signaled the United States’ commitment to combat wildlife trafficking, and was carried out, in part, to encourage other nations to do the same. Following the U.S. ivory crush, a number of other governments destroyed most of their stockpiles of seized ivory, including China, France, Chad, Belgium, and Hong Kong. We now are in a much better position to work with the international community to push for a reduction of ivory stockpiles worldwide, and crack down on poaching and illegal trade.

## **President's Executive Order on Wildlife Trafficking**

The Administration recognized that if illicit wildlife trade continues on its current trajectory some of the world's most treasured animals could be threatened with extinction. In response to this crisis, on July 1, 2013, President Obama issued Executive Order 13648 to enhance coordination of U.S. Government efforts to combat wildlife trafficking and assist foreign governments with capacity building.

The Executive Order establishes a Presidential Task Force on Wildlife Trafficking charged with developing and implementing a National Strategy for Combating Wildlife Trafficking. The Task Force is co-chaired by the Department of the Interior, Department of Justice, and Department of State, and includes a dozen other departments and agencies. Drawing on resources and expertise from across the U.S. Government, we are working to identify new approaches to crack down on poaching and wildlife trafficking and to more efficiently coordinate our enforcement efforts with interagency and international partners. The Executive Order also establishes an Advisory Council on Wildlife Trafficking comprised of individuals with relevant expertise from outside the Government to make recommendations to the Task Force.

## **National Strategy for Combating Wildlife Trafficking**

In accordance with the Executive Order, the Presidential Task Force produced a National Strategy for Combating Wildlife Trafficking. The National Strategy establishes strategic priorities and guiding principles to help focus and strengthen the U.S. Government's efforts to combat wildlife trafficking, and to position the United States to exercise leadership on this urgent issue. The strategic priorities include: (1) strengthening the enforcement of laws that protect wildlife; (2) reducing demand for illegal wildlife and wildlife products; and (3) working in partnership with governments, local communities, non-governmental organizations, the private sector, and others to enhance global commitment to combat wildlife trafficking.

The Service is integrally involved in all of these priorities, but I would like to highlight a few areas of particular importance in our efforts to stem illegal wildlife trade.

## **Administrative Actions to Address the Current Poaching Crisis**

The United States has several laws and regulations in place that can help to address the poaching crisis. African elephants are listed as threatened under the ESA and are also protected under the African Elephant Conservation Act (AECA). Nations across the world regulate trade in this species under CITES. Under these U.S. laws, it is generally illegal to:

- Import African elephant ivory.
- Export it without CITES documents.
- Buy or sell unlawfully imported African elephant ivory in interstate commerce.

Asian elephants are listed as endangered under the ESA. Import, export, and interstate commerce in ivory and other parts and products are generally prohibited.

Though there is some ivory trade in the United States involving antiques and legally acquired ivory imported prior to the 1989 AECA ivory import moratorium, we believe a substantial amount of elephant ivory is illegally imported and enters the domestic market. It is extremely difficult to differentiate legally acquired ivory from ivory derived from elephant poaching. Our criminal investigations and anti-smuggling efforts have clearly shown that legal ivory trade can serve as a cover for illegal trade. In addition to the Victor Gordon case noted above, Service and state wildlife officers seized more than two million dollars-worth of illegal elephant ivory from two New York City retail stores in 2012.

Following the release of the National Strategy, the Service has taken steps toward implementing a near complete ban on commercial trade in elephant ivory. The first of these steps was the issuance of Director's Order 210, which re-affirmed enforcement of the AECA moratorium and addressed how the Service would enforce importation under the ESA antiques provision.

Following the issuance of Director's Order 210 on February 25, the Service met with a wide array of stakeholders, including individuals and groups representing antiques dealers, auction houses, musical instrument makers, museums, and orchestras. As a result of these constructive meetings, we revised the Director's Order to address several of their concerns, allowing a broader class of noncommercial items to be imported into the United States and clarifying how we intend to enforce the ESA antiques provision, while still maintaining our goal of ensuring that the United States is not contributing to poaching of elephants and illegal trade in ivory.

In addition to the provisions in the Director's Order, we improved our ability to protect elephants, rhinos, and other CITES-listed wildlife by publishing a final rule revising our CITES regulations, including "use after import" provisions that limit sale of elephant ivory within the United States. Under this new rule, which becomes effective on June 26, 2014, items such as elephant ivory imported for noncommercial purposes may not subsequently be sold within the United States. For African elephant ivory imported prior to 1990, when the African elephant was listed in CITES Appendix I and commercial international trade was generally prohibited, the burden is now on the seller to demonstrate that this ivory was imported prior to 1990. These regulations were previously published as a proposed rule with opportunity for public comment.

In the coming months, we will also publish a proposed rule to revise the ESA special rule for the African elephant (50 CFR 17.40(e)). This action, which will include proposed limitations on the interstate sale of African elephant ivory, will also include a public comment period. Using our authority under the ESA, we will also propose limiting the number of elephant sport-hunted trophies that an individual can import to two per hunter per year.

The combined result of these administrative actions would be the elimination of most commercial trade (import, export, and interstate and intrastate sale) in elephant ivory, with certain narrow exceptions. Taking these measures will establish U.S. leadership and support diplomatic efforts to encourage additional efforts to combat illegal trade in consumer nations. The United States is one of the world's major consumers of illicit wildlife products, and we must lead by example. These actions are also consistent with recent CITES recommendations adopted at CoP16.

### Assess and Strengthen Legal Authorities

While the Service is pursuing administrative actions to address the poaching crisis, the National Strategy also calls on Congress to consider legislation to recognize wildlife trafficking crimes as predicate offenses for money laundering. This action would be invaluable to the Service's law enforcement efforts because it would place wildlife trafficking on an equal footing with other serious crimes. It would also provide our special agents with the same tools to investigate serious crimes that other federal law enforcement agencies have. This legislative change would help take the profit out of the illegal wildlife trade and end the days of wildlife trafficking being a low-risk, high-profit crime. Strong penalties provide a deterrent and assist the U.S. Government in unraveling complex conspiracies and combating trafficking. Offenders facing significant penalties are more likely to become key cooperating defendants than those facing a light penalty.

### Save the Vanishing Species Semipostal Stamp

The National Strategy recommends continuing the sale of the Save the Vanishing Species Semipostal stamp. This stamp, which went on sale on September 20, 2011, has been providing vital support for the Service's efforts to fight global wildlife trafficking and poaching. More than 25.5 million stamps have been purchased by the American public online and at their local post offices, generating more than \$2.5 million for conservation. This money has been used to support 47 projects in 31 countries in Africa, Asia, and Latin America to conserve elephants, rhinos, tigers, marine turtles, and great apes. These funds have been leveraged by an additional \$3.6 million in matching contributions—making the stamp a key part of the United States' efforts to protect wildlife and address the ongoing worldwide epidemic of poaching and wildlife trafficking.

The continued sale of the Save the Vanishing Species Semipostal stamp is authorized by legislation enacted by Congress. However, the requirement to sell the stamp for at least two years has expired and the Postal Service has discontinued the sale of the stamp at this time. Continuing to sell the stamp would extend an opportunity for the American public to support wildlife conservation abroad by directly contributing money to help rhinos, tigers, elephants, sea turtles, and great apes.

### **Conclusion**

I would like to thank the Subcommittee for your support of our efforts to combat wildlife trafficking. I want to leave you by asking you to consider this moment in history—and the choice we must all make as human beings and global citizens. We have a chance here, and now, to build on this National Strategy to ensure a secure future for elephants, rhinos, and hundreds of other wild plant and animal species. How will we answer when our grandchildren ask why some of these magnificent creatures no longer exist in the wild? I want to be able to tell them that the Service did everything we could to keep these amazing species from vanishing from our planet. I look forward to working with your Subcommittee to make it a reality.

Thank you for the opportunity to present testimony today. I would be pleased to answer any questions that you may have.