TESTIMONY OF DAN ASHE, DIRECTOR, U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR, BEFORE THE SENATE COMMITTEE ON FOREIGN RELATIONS, SUBCOMMITTEE ON AFRICAN AFFAIRS AND SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS,REGARDING THE ESCALATING INTERNATIONAL WILDLIFE TRAFFICKING CRISIS: ECOLOGICAL, ECONOMIC AND NATIONAL SECURITY ISSUES

May 21, 2014

Introduction

Good afternoon Chairman Coons, Chairman Cardin, Ranking Member Flake, Ranking Member Rubio, and Members of the Subcommittees. I am Dan Ashe, 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 escalating international wildlife trafficking crisis.

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. The Service's responsibilities include certain international conservation efforts, administered by our International Affairs program. The Service's Office of Law Enforcement, which is essential to wildlife conservation, also plays a key role in international conservation, including combating illegal wildlife trafficking.

The Wildlife Trafficking Crisis

Illegal wildlife trade is estimated to be a multibillion-dollar business involving the unlawful harvest of and trade in live animals and plants or parts and products derived from them. Wildlife is traded as skins, leather goods or souvenirs; as food or traditional medicine; as pets; and in many other forms.. Illegal wildlife trade is typically unsustainable, harming wild populations of animals and plants, and pushing endangered species toward extinction. Endangered animals and plants are often the target of wildlife crime because of their rarity and high economic value. Furthermore, wildlife trafficking negatively impacts a country's natural resources and local communities that might otherwise benefit from tourism or legal, sustainable trade.

Wildlife trafficking once was predominantly a crime of opportunity committed by individuals or small groups. Today, it is the purview of international criminal cartels that are well structured and highly organized, and capable of illegally moving orders of magnitude more in wildlife and wildlife products.This lucrative business may be tied to drug trafficking organizations and is a destabilizing influence in many African nations. What was once a local or regional problem has become a global crisis, as increasingly sophisticated, violent, and ruthless criminal organizations have branched into wildlife trafficking. Organized criminal enterprises are a growing threat to wildlife, the world's economy, and global security.

Thousands of wildlife species are threatened by illegal and unsustainable wildlife trade. For example, in recent months significant media attention has gone to the plight of the world's

rhinoceros species, which are facing increased poaching as demand for their horns increases in Asia. In some parts of Asia, rhino horn is considered to be a powerful traditional medicine, used to treat a variety of ailments. More recently, demand has shifted to less traditional uses, including as a cure for cancer or even as a hangover remedy, particularly in South East Asia. While there is little or no scientific evidence to support these claims, the dramatic rise in poaching to satisfy this demand is pushing rhinos toward the brink of extinction.

We have also seen a recent resurgence of elephant poaching in Africa, which is threatening this iconic species. Africa's elephants are being slaughtered for ivory at rates not seen in decades. Populations of both savannah and forest elephants have dropped precipitously, and poachingoccurs across all regions of Africa. There is also a terrible human cost associated with these losses. During the past few years, hundreds of park rangers have been killed in the line of duty in Africa.

Improved economic conditions in markets such as China and other parts of East and Southeast Asia are fueling an increased demand for rhino horn, elephant ivory, and other wildlife products. More Asian consumers have the financial resources to purchase these wildlife products, which are a status symbol for new economic elites. Although the primary markets are in Asia, the United States continues to play a role as a consumer and transit country for illegally traded wildlife, and we must be a part of the solution.

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. We have a moral obligation to respond, and there is a key role for the U.S. Government to play. The criminals have raised their game, and we must do the same. 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. Upon issuing the Executive Order, President Obama said, "We need to act now to reverse the effects of wildlife trafficking on animal populations before we lose the opportunity to prevent the extinction of iconic animals like elephants and rhinoceroses."

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. The Service, along with the co-chairing agencies, is engaging the Council's expertise in law enforcement and criminal justice, wildlife biology and conservation, finance and trade, and international relations and diplomacy to develop and advance this national strategy.

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

I would like to highlight the National Strategy for Combating Wildlife Trafficking and how we in the Service are strengthening our efforts to address this critical issue. But first, I would like to discuss the Service's ongoing efforts over the past few decades working across the globe to conserve imperiled wildlife and address illicit wildlife trade. We have a four-tiered approach to combat wildlife trafficking with our international partners. The approach focuses on: law enforcement; technical assistance; the Convention on International Trade in Endangered Species of Wild Fauna and Flora (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 shoestring budgets and a special agent workforce that 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 utilize 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. A wildlife smuggling investigation typically involves securing charges under both the Endangered Species Act (ESA) (a misdemeanor statute) and the felony wildlife trafficking provisions of the Lacey Act (where the Federal felony violation is predicated on the violation of another Federal, State, foreign, or tribal wildlife law). Such investigations also often document and secure felony charges for related crimes such as conspiracy, smuggling, money laundering, false statements, and wire fraud.

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 130 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. Discoveries by wildlife inspectors at the ports may lead to full-scale criminal investigations of wildlife trafficking.

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 evidence 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.

One example of the Service's law enforcement efforts in combating wildlife trafficking is Operation Crash. This Operation is an ongoing nationwide criminal investigation led by the Service that is addressing all aspects of U.S. involvement in the black market rhino horn trade.More than 200 federal, state, and local law enforcement officers in 40 states and 10 foreign countries have participated in Operation Crash over the last three years. Since February 2012, 21 individuals have been charged with numerous offenses such as conspiracy, smuggling, money laundering, tax evasion, bribery, and making false documents as well as violations of the ESA and Lacey Act. Nine convictions to date so far have resulted in several prison sentences along with the forfeiture of several luxury vehicles, gold bars, Rolex watches and several hundred thousand dollars in illegally obtained funds from dealing in rhino horn.
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. Investigations of transnational crime are inherently difficult, and among other endeavors, the U.S. Government places U.S. law enforcement officials overseas to help combat such transnational crime. In January 2014, with assistance from the State Department and USAID, the Service created the first program for stationing special agents at U.S. embassies as international attachés, to coordinate investigations of wildlife trafficking and support wildlife enforcement capacity building. In collaboration with our State Department colleagues, the Service secured the first positions ever for FWS experts to be posted in embassies in Bangkok and Dar es Salaam, where they will coordinate investigations of wildlife trafficking and support wildlife enforcement capacity building. Additional postings in key regions are planned in the coming year.

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,

which once numbered in the millions but are now estimated at fewer than 400,000 across the continent. 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. This includes a 5-year cooperative agreement with the Gabonese National Parks Agency totaling more than $3.1 million and matched by more than $3.3 million in additional leveraged funds in the first year.

In Latin America, the Service is working with partners to reduce the trafficking of species such as macaws and other parrots, jaguars, and reptiles through law enforcement training efforts in Mexico. Grant funding also supports the expansion of income-generating programs to communities in Colombia as an alternative to the illegal pet trade. Throughout Africa and Asia, funding is supporting conservation efforts to reduce the demand for ivory, rhino horn, tigers, pangolins, and other endangered wildlife by targeting government decision-makers, young people, and the business sector through awareness campaigns.

Through the Critically Endangered Animal Fund and the Amphibians in Decline Fund, projects around the world are protecting endangered animals and amphibians from poaching and illegal wildlife trade. From Snow Leopards in Pakistan to Peru's Lake Titicaca frogs, these two funds are supporting projects that are helping to save these animals.

This is a pivotal moment in the conservation movement. We are now witnessing a confluence of two forces—an alarming, unprecedented, and dramatic increase in the slaughter of wildlife coupled with dramatic increases in trafficking and poaching. Species decline is being exacerbated by the lack of law enforcement coupled with corruption, instability, and underlying poverty. These grants provide critical conservation support across the globe for numerous endangered species.

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. More than 35,000 species currently benefit from CITES protection. International trade in plants and animals, whether taken from the wild or bred in captivity, can pose serious risks to species. 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 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 all 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 do so.

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 in consumer nations in Asia in public awareness and demand-reduction campaigns.

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.

Working with our co-chairs, the Service will play a key role in efforts to reduce demand for illegally traded wildlife.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 to build public awareness about the impacts of illegal trade on wildlife, the potential penalties for engaging in such activities, and 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. We now are in a much better position to work with the international community to push for a reduction of ivory stockpiles worldwide, and to crack down on poaching and illegal trade. The ivory crush signaled the United States' commitment to combating wildlife trafficking and one of the goals was to encourage other nations to do the same. Following the U.S. ivory crush, a number of other countries and regionsdestroyed their illegal stockpiles of ivory, including China, France, Chad, Belgium, and Hong Kong.

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 and the implementation of international agreements 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.

<u>Administrative Actions to Address the Current Poaching Crisis</u>

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 also protected under the African Elephant Conservation Act. Nations across the world regulate trade in this species under CITES. Under these U.S. laws, it is generally illegal to:

- Import or export African elephant ivory for primarily commercial purposes.
- Import or export it for other purposes 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 are several laws and regulations in place to address illegal trade, a number of loopholes exist that are exploited by illegal ivory traders. 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 a Director's Order, which re-affirmed the African Elephant Conservation Act moratorium and the ESA definition of "antique." Though this Order was issued as a policy action, we intend to incorporate provisions

in the Order into our regulations through a public rule-making process, with opportunity for public comment.

In addition to the provisions in the Director's Order, we will improve 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, items such as elephant ivory and rhino horn imported for noncommercial purposes may not subsequently be sold in either intrastate or interstate commerce. These regulations were already 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 will also include a public comment period. We will also propose limiting the number of elephant sport-hunted trophies that an individual can import to two per person per year.

The combined result of these administrative actions would be the virtual elimination of all commercial trade (import, export, and interstate and intrastate sale) in elephant ivory and rhino horn, with certain narrow exceptions. Taking these measures will establish U.S. leadership and support diplomatic efforts to encourage demand reduction in consumer nations. The United States is one of the world's major consumers of illicit wildlife products, and we must lead by example. We also believe these actions are 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 identifies the need to analyze and assess in general the laws, regulations, and enforcement tools that are now, or could be, used to combat wildlife trafficking. The goal is to determine which are most effective and identify those that require strengthening.

In particular, the National Strategy 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 in the United States by the 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, rhinoceroses, 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' response to protecting wildlife and addressing 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 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.

Increasing Capacity to Address Wildlife Trafficking

The Service is requesting $3.0 million in increases for its Law Enforcement and International Affairs programs as part of the National Strategy for Combating Wildlife Trafficking. I urge the Congress to support the President's budget request so that we can increase our efforts to change the trajectory of wildlife trafficking before it is too late for some species. The current wildlife trafficking crisis 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. A key to preventing this is to strengthen the Service's capacities in a number of areas described below.

This increase would allow the Service's Office of Law Enforcement to begin to fully utilize its network of special agent/international attachés and build on past successes in combating global wildlife trafficking. Most of the FY 2015 Law Enforcement Operations requested increase would go to strengthening forensic capabilities needed to address wildlife trafficking, including illegal timbering, and expanding the capacity of the Special Investigations Unit so that it can maximize the scope and effectiveness of Service efforts to respond to the elephant poaching crisis and shutdown trafficking in elephant ivory.

Successfully addressing the wildlife trafficking crisis requires actions in both the sourcecountries and in the countries where demand for wildlife products drives poaching and illegal trade.The increase in the FY 2015 budget request would allow the Service's International Affairs programto work with key countries, such as Vietnam, China,Malaysia, and the Philippines ,where demand for illegal wildlife products is high, to mobilize their privatesectors in support of demand reduction campaigns. Funding would also be used to enablethe implementation of one pilot project at a major elephant reserve to adapt drug interdiction techniques to combatting wildlife trafficking.

Strong governance and effective implementation of international treaty obligations, in particular CITES, will also play a key role in curbing wildlife trafficking and supporting wildlife conservation. Equally important, U.S. consumers need to be aware of the laws that regulate

wildlife trade and the plight of wild animal and plant species threatened by illegal and unsustainable trade in order to reduce demand. The increase in the FY 2015 budget request would support the effective implementation of ivory trade action plans and other actions agreed to at CoP16, and enable theService to develop and implement a comprehensive outreach and education strategy targeting U.S.consumers of illegally traded wildlife.

Conclusion

I would like to thank the Subcommittees for your support of our efforts to combat wildlife trafficking. We look forward to continuing to work with you as we move from the National Strategy into the implementation phase. The Presidential Task Force is developing a detailed implementation plan—outlining proposed agency actions to better leverage federal resources, share data, and coordinate law enforcement and conservation efforts across government, both domestically and internationally. The implementation plan will also address the importance of public/private partnerships in combating wildlife trafficking, and identify clear opportunities to work on the ground with local communities and other members of the public. We are also engaging the Advisory Council on Wildlife Trafficking regarding implementation of the National Strategy. We will engage your Subcommittees, as well as other Committees as appropriate, as we move forward.

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 Subcommittees 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.