

THE SECOND AFRICAN ELEPHANT DISASTER:

**HOW THE IVORY TRADE REPEATED ITS TECHNIQUES
TO CIRCUMVENT "IVORY CONTROLS" FOR 40 YEARS
WHILE CITES FAILED TO LEARN FROM HISTORY**

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"Ivory is not used to protect the health of humans or to produce medicines. But people in our country and in others are now losing their lives, not just their livelihoods, because of ivory. It is too big a sacrifice that our people should die so that a few people beyond our borders can make a living."

Costa Mlay, Director of Wildlife, Tanzania, July 1989

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This paper is written in a personal capacity by the author who spent years working undercover as well as campaigning for the protection of African elephants. Its purpose is to provide an historical perspective on the failed attempts at controlling ivory trade. It is the author's opinion that a failure to recognise this history has resulted in disastrous decisions at CITES causing the current elephant disaster.

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"He saw ivory poaching as a cancer that afflicted all classes from peasant to policeman, small-town merchant to middleman, whore to game warden. Poaching respected no one and no place. It attacked a weakness, gained a grip, and gathered so much impetus and strength that it had now destroyed the rotting remains of the moral fabric that had once hugged this country in a tight and breath-squelching embrace."

Nick Gordon describing Costa Mlay, Director of Wildlife, Tanzania.
"Ivory Knights" (Chapmans 1991)

INTRODUCTION

In the last forty years there have been two periods of uncontrolled poaching of hundreds of thousands of African elephants. Both have resulted in the murder of hundreds of wildlife rangers, the death of hundreds of poachers, and the dangerous fuelling of corruption and criminality in some of the poorest countries in the world.

The first in the 1980s was a period when the international community through the Convention on international Trade in Endangered Species (CITES) attempted to set up an ivory control system to allow international and domestic sales of ivory. It was said it was necessary for countries with elephants to be able to sell their ivory to raise conservation funds. As part of this system large stockpiles of ivory were registered by CITES and subsequently legalised.

This system helped to increase the power of the criminal networks which owned the newly legalised stocks while pushing out many honest traders. Its failure as a system, and indeed as a concept, is well documented. By the time the Government of Tanzania proposed a CITES Appendix 1 listing (banning international trade) for the African elephant in 1989, its own governance was in disarray with a growing criminal network across the region. If science needs any further evidence of the abject failure of the idea, it lies in the carcasses of almost a million African elephants gunned down during this period and the well funded birth of sophisticated international ivory criminal networks.

The second period of uncontrolled poaching has come after years of ivory trade proponents pushing the international community for renewed trade. The proponents of this are some southern African countries with arguably stable elephant populations. Giving them support behind the scenes are IUCN, WWF and TRAFFIC, all of

which, to this day, continue to back the concept that ivory trade can be controlled. It would be foolhardy and exceedingly naïve to believe that the criminals whose networks were developed during the 1980s are not pulling some of the strings.

Given the evidence of the first elephant disaster, it is extraordinary that the international community decided in 2008 to allow a sale of ivory to China and Japan, especially given the known facts that traders in both countries had been involved in illegal ivory before and since the 1989 ban. This decision by the CITES Standing Committee kick-started a poaching spree across Africa, once again putting many human lives in danger and causing suffering to some of the poorest communities as national governance was threatened. Since this appalling decision, an African elephant has been killed by a criminal provided with a gun about every fifteen minutes.

As this paper is being written new “registrations” of ivory are being carried out, trade continues in major consumer countries and CITES continues to deliberate on future ivory controls. Paperwork legitimising ivory from governments or CITES continue to provide additional mechanisms for smugglers to launder their ivory. Many of the current weaknesses in national ivory systems in China, Hong Kong, Thailand and other countries hardly differ from those publicly identified in the 1980s.

As an anti-corruption officer said to me during the first elephant disaster, these so called “control” systems leak like a sieve and could not have been developed without deliberate loopholes. Thirty years on, globalisation has increased the ability of criminal networks to exploit weaknesses in transport systems. It is impossible to seriously control trade in a commodity such as ivory.

According to the UN Office on Drugs and Crime (UNODC) about ninety percent of all trade is in maritime containers of which 500 million are shipped annually. Of these, only 2% are actually inspected. Despite efforts with the World Customs Organisation (WCO) to design the Container Control Programme (CCP) it is clear the criminal networks will continue to have the upper hand. Especially when ivory will not be enforcement’s top priority.

With these odds, if ivory continues to be traded internationally and domestically, the elephant conservation efforts in most African countries will continue to be destroyed because of a few southern African countries claiming to sell ivory for their own conservation efforts.

If CITES refuses to learn from the past, understand and learn from its terrible mistakes, it exposes itself to public ridicule. History has taught us all that criminal ivory traders have always been many steps ahead of CITES, increasing their wealth and influence. Failing once in the 1980s should have been enough. Failing to learn from that, ignoring the precautionary principal and risking African elephants and human lives again in 2008 is unforgivable. But continuing to ignore the facts, hiding behind “no causal evidence” language reminiscent of tobacco company lawyers fighting to sell their cancer sticks for as long as possible, CITES will become irrelevant.

In 1989 the Parties were concerned when Zimbabwe and Botswana threatened to leave CITES after the Appendix 1 vote in committee. In 2016 CITES must recognise its failures and work hard to prove its relevance to the 29 African countries, 26 of them representing 70% of all African elephant range states, backing a total international and domestic ivory ban to end the ivory trade once and for all.¹

THE CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES (CITES)

It is always important to remember that CITES only has jurisdiction in countries which are a party to CITES and with international trade. Although CITES can advise countries how to run their domestic business, this is not mandatory. It is also crucial to remember that corruption within government institutions such as CITES management authorities, customs and the police, increases as the wealth of the criminal networks increase. It is no secret that corruption is a major obstacle to legal trade in all commodities.

CITES is an agreement between 182 countries and the delegates are national diplomats, civil servants, biologists and traders. The language of diplomacy rarely allows for accusations against other countries or individuals even when there is common knowledge or evidence of corruption. In part, the process itself allows this corruption to breed within the convention without challenge.

Criminal traders benefit from different rules and laws in different countries. Ivory traders often help governments devise laws and they are aware of how they can take advantage of the different legislation in relevant countries.

¹ <http://www.africanelephantcoalition.org/>

Crucial to all of this is paperwork from CITES or national authorities legitimising ivory. In the 1980s CITES permits provided legitimacy to a trade already overwhelmed by corruption, lies and deceptions. These permits provided the criminal traders with the means to smuggle poached ivory with far less risk and multiply their fortunes. The registration and legalisation of 359 tonnes of ivory in Burundi and Singapore in 1986 provided enormous numbers of CITES permits, each one could be used to launder many times the ivory it covered. On the street in Hong Kong it was said the permits were more valuable than the ivory. It is reported that today the ivory photo ID cards issued in China are sold on the black market.²

History clearly shows that in the last 40 years the illegal ivory trade has required some legitimised trade to survive. Not only does this provide the documentation to legitimise poached ivory, which in turn provides the money to kill elephants, but it also sends out a public message that it's alright to buy.

CITES criteria for listing species on Appendix 1 are out of date. In a globalised world the actions of any country can cause repercussions in another. It is clear the promotion of ivory sales by a small but vocal number of southern African countries, and sales of their stockpiles in 1999 and 2008, has led to a catastrophic decline in African elephant populations in many other countries, as well as human misery, murder and an attack on their governance. Yet CITES does not consider such repercussions in its criteria for Appendix 1 listing. As a convention on international trade, it is time for CITES to develop new criteria fitting the realities of the modern globalised world.

As a reaction to the elephant disaster unleashed by CITES decision to allow ivory sales to China and Japan, piecemeal ideas have attempted to reel-in the worst offenders. To achieve this CITES gave certain countries time to develop National Ivory Action Plans (NIAPs). While accepting it is important to know the extent of ivory in each country (registrations), this process has allowed some countries to continue "legal" trade and perpetuated the perception it is alright to buy ivory.

Thailand, with a huge known market for smuggled African ivory, has "registered" 220 tonnes of ivory from "domestic" elephants which continues to be traded. This is an incredulous amount, claimed to be owned by 44,000 citizens! It represents further failure by CITES and the likely birth of a new ivory laundering system.

² Ivory Worship by Bryan Christy (National Geographic Oct 2012)

CITES ATTEMPT AT IVORY CONTROL IN THE 1980s

A Hong Kong ivory trader³ explained that he had been visited by a very important man in the Hong Kong ivory business in 1986. He had wanted money. He was collecting funds to help ensure the 89 tonnes ivory stockpile in Burundi would be legalised by CITES. This trader believed the same had happened to get the Singapore stockpile of 270 tonnes legalised. In this way he claimed three of the criminal traders had got very rich, the Poon family profiting \$7.5million overnight. The other two were the Lai family and notorious ivory trader KT Wang.⁴ He claimed these traders used their control of legalised ivory stockpiles and the CITES permits accompanying them to manipulate the market and push legitimate ivory traders out of business.

The CITES Ivory Control Unit later admitted it had received funds from ivory dealers in Hong Kong and Japan. In a press release the CITES Secretary General claimed to have brought the ivory trade under control and admitted important dealers in illegal ivory had offered to pay them to legalise their ivory.⁵ Burundi and Singapore's stockpiles were legalised by the CITES Secretariat in September 1986.⁶

Burundi

Burundi had been central to the poaching of elephants and the human tragedies associated with it since the mid 1970s. Its one remaining elephant (at the time) miraculously avoided the wrath of AK47s as poachers wiped out herds in Zaire (now the Democratic Republic of Congo), Tanzania, Zambia and Kenya. Between 1975 and 1988 at least 2,000 tonnes of ivory was smuggled into Burundi.⁷

In 1986, Burundi's major ivory dealer, Zulfakar Rahemtullah, owned 60 of the 89 tonnes to be "registered" by the CITES Secretariat. After attempting to bribe the Secretariat he was referred by them to a consultant, Ian Parker. For a fee of 3% Parker agreed to help Rahemtullah get the Burundi stock legalised. Parker explained Burundi would have to send a letter to join CITES, agree to adhering to the ivory control system and explain they wanted to register the ivory. In the capital Bujumbura, Rahemtullah bribed officials to send the letter.⁸

³ Pers Comm. Trader X "To Save An Elephant" (Doubleday 1991) p44.

⁴ "To Save An Elephant (Doubleday 1991) p120.

⁵ UNEP Press Release May 1986. Quote Eugene LaPointe, CITES Secretary General.

⁶ "System of Extinction" (EIA 1989) p8.

⁷ "System of Extinction" (EIA 1989) p31.

⁸ "System of Extinction" (EIA 1989) p8.

In September 1986 Parker, on behalf of the Burundi government, registered 17,800 tusks from poached elephants. The value of \$40-\$50/kg increased to \$100/kg overnight once the Secretariat legalised the "registered" stock and provided CITES permits for the stockpile. Some of these stocks were later bought by Japanese traders for \$170-\$300/kg. Rahemtullah and others, having increased their wealth with this amnesty windfall of around \$20 million, sent their middlemen and transport out to neighbouring countries to pay poachers in Zaire and Tanzania.

Over the next two years ivory flooded in and out of Burundi to other countries on the ivory trail. On 27th December 1986 almost 29 tonnes was recorded entering Dubai, three months after the CITES amnesty. Shipments continued to this entrepot and others.⁹ The Burundi government collapsed and did not join CITES.

In November 1988 the new Burundi government joined CITES with a further promise that 5,066 confiscated tusks (29.8 tonnes) could be sold. However, by the time tender was put out in June 1989, despite recommendation for the sale by the CITES Secretariat, some major importing countries had already banned imports and there were no tenders - the sale was a total failure.¹⁰

Burundi is now (2016) part of the African Elephant Coalition made up of 29 African countries calling for all populations to be on Appendix 1 and whose mission is to have a viable and healthy elephant population free of threats from international ivory trade.

Singapore

Singapore, being outside CITES, had become an important staging post for poached ivory after 1983. Hong Kong criminal traders had set up there to circumvent CITES restrictions. In 1984 imports increased to around 93 tonnes, 164 tonnes in 1985, and in anticipation of an amnesty for poached ivory it increased to 285 tonnes in 1986. It is understood that, outside the impending amnesty, a further 223 tonnes was imported from Tanzania, probably to take advantage of the CITES permits which would facilitate laundering.

In a similar deal to the one in Burundi, the CITES Secretariat sent one of its staff to register the 270 tonne stockpile and legalise it, on the condition Singapore joined CITES. This privately owned stockpile doubled its value overnight consolidating the position of

⁹ Airwaybill No 071-02957849 Ethiopian Air Flight ET 8864 27/12/86

¹⁰ CITES Doc 7.25 Ivory Stocks in Burundi and Djibouti

three notorious poached ivory syndicates: The Poons, the Lais and KT Wang.¹¹

The ownership of the CITES permits and the stockpile consolidated the position of these three syndicates allowing them to dominate the trail of poached ivory from Africa to Hong Kong and Japan. They used this domination in a number of ways including¹²:

1. They withheld the stockpile from the market-place manipulating ivory prices upwards, driving many legal ivory traders out of business. Ivory prices increased 100% between 1986 and 1988, increasing demand and fuelling poaching.
2. Using profits gained from the CITES registration and amnesty they created carving businesses in the UAE, Taiwan and grew their operations from Singapore.
3. By carving registered stock in Singapore they used weak legislation in Hong Kong which allowed import of worked ivory without permits.¹³ Instead they applied the permits to new poached ivory smuggled into Singapore via Malaysia or by container to provide "insurance" for shipments to Hong Kong.
4. By smuggling registered stock to Hong Kong in containers, with permits available in case it was inspected, they operated a risk free smuggling route. The permits were used again and again with poached ivory.
5. By using companies already established in Singapore to continue to circumvent CITES. One method was to buy "ivory fragments" for bead manufacture for \$20/kg with documentation from Hong Kong. The CITES Management Authority expected 5% wastage and yet it could be as high as 40%. Worked ivory from poached elephants was imported from the UAE and Taiwan and re-exported to Hong Kong (after Hong Kong had closed its "worked ivory loophole) using the balance (up to 35%) on the permits.¹⁴
6. By exploiting the fact that Singapore did not require permits for worked ivory. Imports from the UAE and other countries entered Singapore, sometimes via intermediary countries to conceal the origin.

Singapore still allows the sale of ivory claimed to be from pre-1990 stock.¹⁵ However, given the fact that Singapore was a major hub for poached ivory pre 1990, it is doubtful little, if any, of this stock came from an elephant that died of natural causes.

¹¹ "To Save An Elephant" (Doubleday 1991) p120

¹² "System of Extinction" (EIA 1989) p42.

¹³ "To Save An Elephant" (Doubleday 1991) Mr Hang p51.

¹⁴ "To Save An Elephant" (Doubleday 1991) p122.

¹⁵ <http://blog.wwf.sg/endangered-species/2016/06/ivory-illegal-singapore/>

WEAKNESSES IN IVORY CONTROL REPEATED OVER THE YEARS

It is extraordinary how little seems to have been learned by “experts” advising CITES and national governments. The first rule is that the criminal traders are always steps ahead of any new legislation or enforcement, increasing opportunities when certain routes are being closed down.

It seems useful to list a few of the publicly known methods to increase profits and fuel poaching from the 1980s which are still being commonly used today.

1 Registration of stock and its subsequent legalisation increases the value of ivory, providing increased profit to dealers who illegally obtained ivory.

Then: The Burundi, Singapore and other stockpiles of ivory in the 1980s provided millions of dollars profit to the illegal traders. It also provided cover for the laundering of newly obtained poached ivory into their markets.

Now: In Hong Kong, perhaps the world’s largest ivory laundry, the registered stockpile (pre1990 ban) has continued to be used as a cover for laundering ivory for over 25 years.¹⁶ *“When ivory was outlawed in 1989 we registered our stocks with the Hong Kong government... all materials were registered, but the record was not in detail. They only record the weight (quantity) of my raw materials and finished products. So I can simply exchange with anything. After I sell an (ivory) item, I can use illegal ivory to make another item to top up my stock again.”*¹⁷

The same process has been used in China, Thailand, Vietnam and most other ivory markets with “registered” stock. Through CITES National Ivory Action Plans ivory continues to be registered either for trade (Thailand) or providing expectation of future trade.

2 Increased profits to criminals allow them to dominate the trade setting up new operations and fund corruption throughout the chain.

Then: Owners of the Singapore stockpile in 1986 used profits to increase their network and set up ivory carving factories in countries such as UAE, Taiwan and South Korea.

¹⁶ The Hard Truth (WWF-HK 2015) p13

¹⁷ Trader A The Hard Truth (WWF-HK 2015) p13

Now: The enormous flow of poached ivory from Africa to East Asia has increased the profits of some of the most unscrupulous ivory criminals. They have used their profits to expand their operations throughout Africa. *"At the present time, Asian criminal networks, often in collaboration with local political and economic elites, completely dominate the supply of raw ivory out of Africa. This is exacerbated by increasing evidence of direct Chinese involvement in Africa-based ivory processing operations in many countries including Angola, Congo, Ivory Coast, Democratic Republic of Congo, Mozambique, Nigeria, South Africa and Zimbabwe."*¹⁸

3 Container traffic is gigantic and the ability of enforcement staff to inspect is only 1-2% of shipments. Poached ivory can arrive in any destination.

Then: In 1989 it was estimated that only 1% of container traffic entering Hong Kong was inspected. It was possible to reduce this tiny risk by bribing officials. Smuggled poached ivory could easily enter Hong Kong.¹⁹

Now: "The port of Hong Kong handles more than 20 million TEUs (twenty-foot equivalent units) every year and it is only possible to inspect less than one per cent of all incoming cargo and detect only one out ten illegal wildlife shipments (Cordon & Mulqueeny, 2014)".²⁰ Smuggled poached ivory can easily enter Hong Kong (and all other destinations).

4 Withholding stock increases prices which fuels poaching of elephants.

Then: After the 1986 ivory amnesty of Singapore's 270 tonne stockpile the three main owners of the stock (all Hong Kong traders) withheld supplies from other traders, pushing up prices and fuelling poaching in Africa.

Now: Chinese and Japanese companies bought the 115 tonnes of ivory sold by Botswana, Namibia, South Africa and Zimbabwe in 2008. In China the government marked up the ivory 650% and instituted a ten year plan to release only 5 tonnes into the market annually. Prices rocketed and poaching increased across Africa.²¹

¹⁸ East African networks smuggle ivory across Africa (BBC Online 7th July 2016) based on TRAFFIC report to CITES.

¹⁹ "System of Extinction" (EI A 1989) p13

²⁰ The Hard Truth (WWF-HK 2015) p10

²¹ Ivory Worship by Bryan Christy (National Geographic Oct 2012)

5 Paperwork/permits are more valuable than the ivory they relate to because they can be used repeatedly until required to prevent confiscation by enforcement officials.

Then: The trade in illegal ivory relies upon some legal trade to provide cover. In Hong Kong in the late 1980s CITES permits were said to be more valuable than the ivory they related to because they could be repeatedly used to “legitimise” poached ivory.

Now: Because it is easy to smuggle poached ivory into the markets, paperwork “legitimising” ivory is valuable. It is reported that ivory photo ID cards in China are a valuable commodity available on a secondary market to apply to smuggled ivory.²²

6 Different national legislation is used to the advantage of traders when moving ivory around.

Then: In the 1980s the main hubs for ivory in Singapore, Hong Kong, Japan, Taiwan, UAE, South Korea, Malaysia, the EU and the USA all had different legislation. Some allowed worked ivory without permits while others allowed raw ivory without permits. CITES deliberated on its own permit system only applying it to raw and cut pieces over half a kilogramme. These different laws provided the experts in the trade – the ivory traders – with opportunities to bypass any new legislation in one country and maximise opportunities and profits.²³

Now: Legislation and ivory systems differ throughout the world. In Hong Kong whole tusks and larger cut pieces require marking with a serial number but smaller items do not. In China a photo ID system is in place. Both China and Hong Kong have registered stock through which poached ivory can be laundered. However, if greater restrictions are put in place it will be important for traders to use registered stocks in another country. Thailand has recently registered an incredible 220 tonnes of so-called “domestic ivory” claimed to be owned by 44,000 people. Reports suggest it is already being traded.²⁴ This would provide a new opportunity for traders in the region to launder poached ivory. Other neighbouring countries such as Vietnam and Laos could also become significant.

²² Ivory Worship by Bryan Christy (National Geographic Oct 2012)

²³ “System of Extinction” (EI A 1989)

²⁴ “Ivory trade – A New Thai Laundry” by Dave Currey

7 To maintain the market it is important to ensure the public perceive that it is alright to buy ivory and that controls have been relaxed.

Then: It was recognised that any pronouncement about ivory would affect the consumers. As soon as the perception that ivory was not acceptable because of the slaughter of elephants, major consuming markets recorded sudden lack of interest in the commodity. Major markets shut down.

Now: In 2002 the Chinese government warned CITES that the sale of ivory to Japan in 1998 had been the main reason behind the increase in ivory smuggling. It stated "*Many Chinese people misunderstand the decision and believe that the international trade in ivory has been resumed.*" It has since taken huge publicity campaigns to dent the consumer market in China. Additionally the attempts by a handful of southern African countries to continue to sell ivory is exploited by ivory traders and confuses the public.

CONCLUSION & RECOMMENDATIONS

It is clear all attempts to control trade in ivory over the last 40 years have tragically failed. The only period of relative calm for elephants, when conservation budgets could be spent on new innovative programmes rather than anti-poaching, was after the Appendix 1 decision by CITES in 1989.

Subsequent attempts to re-open "legal" trade have caused:

- 1 Uncontrolled poaching of elephants.
- 2 Build up of sophisticated weaponry and gangs in some African elephant range states.
- 3 The deaths of hundreds of people including wildlife rangers and poachers.
- 4 The strengthening of East Asian criminal networks across Africa.
- 5 Depletion of conservation funds because of their focus on anti-poaching efforts.
- 6 Depleted tourist revenue in areas worst hit by poaching.
- 7 Weakening of governance in many African countries as ivory money has been used to corrupt officials.

It is clear the period to emulate must be the 1990s when ivory was seen as an unacceptable commodity and the African elephant was (briefly) on Appendix 1.

To achieve this:

- 1 CITES must review its criteria for listing on Appendix 1 to take into account the repercussions of trade from one country on others.
- 2 All populations of African elephants must be placed on Appendix 1.
- 3 Domestic markets must be closed immediately. In recognition of the criminal nature of the ivory industry it would be counter-productive to recompense traders for current stocks.
- 4 National Ivory Action Plans developed by countries with the support of CITES must never allow trade in registered ivory.
- 5 Registration of ivory must be for the purpose of containing all ivory, not to provide any form of legality. Ideally all registered ivory, once enforcement information has been gathered from it, should be destroyed.
- 6 Parties to CITES, especially those involved in failed decisions on elephants resulting in terrible loss of human and animal life, should set up a fund to recompense those countries most affected by their decisions.
- 7 "Experts" must be made accountable for failures. To continue to take advice from those behind such appalling and predictable mistakes would exacerbate the failure to learn from history.
- 8 International campaigns should focus on the unacceptability of ivory and make it clear that it has no future.



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