

# THE TRAFFIC REPORT



The E-newsletter of TRAFFIC North America



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## From the Director's Desk

Wildlife crime has been on my mind more than ever recently; it's hard to sleep at night after reviewing the latest figures on global seizures of elephant ivory or on rhino poaching in South Africa. The talk resonating in the media about conservation of flagship species tigers, rhinos and elephants includes phrases such as "massive surge in demand for endangered species in Asia" and "poaching for trade is out of control and off the charts." It looks like 2012 will break the record set last year in South Africa of 448 rhinos killed for their horns. There was more illicit ivory in trade last year than in any year since the 1989 ivory trade ban was established - this is shocking. It is evident to law enforcement experts and conservation groups alike that organized crime groups see the high profits and low risks in wildlife trafficking and have increased their illicit operations. And the connections clearly reach into North America, where there has been an increased detection of illegal ivory imports. We've even seen rhino trafficking crime rings being busted in the U.S.

## From the Director's Desk

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While it may seem that an unavoidable crisis is unfolding, there is a great deal of hope as we work to galvanize a major global push-back to overcome the surge in wildlife crime. TRAFFIC is supporting an international wildlife trade campaign launched by WWF in August 2012. The campaign calls for leveraging the resources of our respective global networks to coordinate action in delivering sustainable solutions and to get wildlife crime treated as a serious offense by governments and stakeholders. The outlook for improvement is promising, as we're hearing a willingness to collaborate from major enforcement organizations, including INTERPOL and the governments in Central Africa, South Africa, China, the UK and the U.S.

**TRAFFIC**  
the wildlife trade monitoring network

is a joint programme of



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More information about our wildlife trade campaign is included in this newsletter. Also, you will find a story on TRAFFIC's work in Mexico to help combat wildlife crime in the region in partnership with Mexican authorities and the U.S. Fish and Wildlife Service.

Thank you for reading our newsletter, and please forward it to colleagues and friends.

Crawford Allan  
*Regional Director*  
*TRAFFIC North America*

## Strengthening the Capacity of Wildlife Officials in Mexico

The capacity of Mexico's wildlife management and law enforcement officials received a boost during a national training workshop organized by TRAFFIC and held in Mexico City February 22-24. The training was done with the support of the U.S. Fish and Wildlife Service (USFWS) under the framework of the Wildlife Without Borders program.

Trainers promoted sustainable practices and the sound implementation of existing legal frameworks. Workshop participants were given information and support materials on national and international legal frameworks, national wildlife policies and management schemes. There were practical sessions on specimen identification and handling, to make the necessary tools and knowledge available to those in charge of ensuring the conservation of plants and animals from wild origin. The training was carried out in close collaboration with Mexico's General Attorney for the Protection of the Environment (PROFEPA) and the Wildlife Directorate of the Environmental Ministry (SEMARNAT).

The more than 30 leading experts who served as workshop instructors came from government agencies and the academic sector, including the National Commission for Knowledge and Use of Biodiversity (CONABIO), the National University of Mexico, NGOs and the Office of Law Enforcement of the USFWS. Participants included all 31 state delegations of SEMARNAT, representatives of eight state governments, and enforcement staff from over 20 PROFEPA delegations from around the country.

Because this was the first time that wildlife management officials and enforcement authorities came together for a joint training on this topic, the workshop also strengthened interagency coordination and synergies.

*Contribution by Adrian Reuter, TRAFFIC North America–Mexico*

## Environment Canada Holds First National Coral Workshop

The first National Coral Identification Workshop for Environment Canada's wildlife officers was held in Vancouver, B.C., March 6-8, 2012. Presentations were made by officers from various jurisdictions and by invited experts from the United States and Canada. Discussions covered the topics of coral trade in Canada and CITES regulations. To address the current challenges with identification and enforcement, the workshop offered identification training on precious, semiprecious and live corals.



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This workshop was the first joint output of the MOU between TRAFFIC and Environment Canada's Wildlife Enforcement Directorate. The MOU was signed in February 2009, the first of its kind between the directorate and a nongovernmental organization. Its purpose is to facilitate cooperation between the two organizations on furthering the implementation and enforcement of wildlife trade regulations in Canada. Per the MOU, the two organizations will undertake joint activities to raise awareness of wildlife trade-related issues, share technical expertise and train enforcement personnel.

The workshop, which was attended by 25 wildlife officers and coral experts, was well received.

*Contribution by Tanya Shadbolt, TRAFFIC North America–Canada*

## TRAFFIC Supports WWF Wildlife Trade

## Campaign

In August 2012, with strong support from TRAFFIC, WWF launched its first-ever global wildlife trade campaign. Under the slogan (in the US) “Stop Wildlife Crime: It’s Dead Serious,” the campaign seeks to mobilize international attention and resources to combat wildlife crime. Efforts will focus on poaching and trafficking in elephant ivory and rhino horn from Africa to Asia and on stemming the demand for endangered species products such as tiger parts in Asia.

A steady buildup of political will and programs to combat wildlife crime by governments and institutions—such as INTERPOL, World Customs Organization, United Nations Office on Drugs and Crime, CITES and the World Bank—has led WWF to believe that there is fertile ground for a campaign approach to coordinating and bolstering existing efforts by partners. In the face of the significant and rapid rise of the criminal enterprises that threaten conservation, TRAFFIC is dedicated to supporting the efforts of partners like WWF to meet the wildlife crime challenge.



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The campaign goals include developing policy and advocacy measures that achieve the treatment of wildlife crimes as serious crimes. To draw attention to the actions WWF is promoting to combat wildlife crimes, a series of events will take place in forums that include the UN, CITES CoP16, Central African Forest Commission, the Fuller Symposium on Conservation Crime. Several reports will be published, and we will support enforcement activities and promote awareness activities. WWF hopes the conservation community, governments and other partners will join them in this international push and coordinate efforts to seriously impact wildlife crime.

*Contribution by Crawford Allan, TRAFFIC North America–USA*

## Study Looks at Coral Use in Canadian Beading Industry

Coral has been used in the making of jewelry dating as far back as 25,000 years. Today, precious and semiprecious corals used in the jewelry and beading industry draw high prices and nearly global market demand. The Hawaiian precious coral industry has been estimated to generate US\$70 million per year in recent years, and Italy’s red coral industry has been estimated to generate more than US\$230 million per year.

The market for coral in the fashion industry is for both finished and unfinished jewelry products. Coral trade is profitable and extensive, providing ample incentive for continuing harvest. This demand has led to rapid depletion and overharvest of coral in some areas.

A study on the extent of the coral-for-jewelry trade was done in 2011 and early 2012 across five Canadian cities: Toronto, Montreal, Ottawa, Vancouver and Calgary. The information collected was used to estimate the extent of trade, to identify what species are in trade, and to indicate whether the trade should be a conservation concern. This study provides the first quantitative data on the extent of this trade in Canada.

The results identified six main coral groups in trade: Coralliidae spp. (red and pink coral), Antipatharia spp. (black coral), Scleractinia spp. (stony coral), Heliopora coerulea (blue coral), Melithaeidae spp. (sponge coral) and Isididae spp. (bamboo coral/sea bamboo). Close to 14,000 strands of coral beads were identified in a total of 44 beading supply shops and wholesaler outlets across the cities surveyed. Four of these coral taxa (Coralliidae spp., Antipatharia spp., Scleractinia spp. and Heliopora coerulea) are listed under CITES, and as such they require CITES permits to enter Canada. The other two coral taxa identified (Melithaeidae spp. and Isididae spp.) are not listed by CITES and so do not require CITES permits.

The majority of corals identified in trade (86% Isididae spp., 7% Melithaeidae spp.) are not listed by

CITES. Isididae spp. was found in every store surveyed, had the highest volume compared to other corals, and also varied the most in shape, size and colors available.

The study highlighted challenges with enforcement in Canada and the poor regulation of Isididae spp. and Melithaeidae spp. At this stage there is insufficient evidence to indicate whether the trade in precious and semiprecious coral beads is of conservation concern, as there is very little information on the harvest of the non-CITES-listed corals in trade. Nevertheless, there are indications to suggest this trade is not being regulated effectively.

The study also identified a lack of knowledge of corals in general on the part of both consumers and traders, some of whom could not even recognize the products as being corals. Educational and outreach materials are needed so consumers can make informed choices about their purchases.

*Contribution by Tanya Shadbolt, TRAFFIC North America–Canada*

## TRAFFIC Investigates Illegal Trade in Black Coral

This is the story of how one successful investigation into illegal trade in black coral led to the funding of TRAFFIC research that will further the goal of reducing that very trade.

On August 9, 2009, a business in Taiwan sent a shipment of 10 boxes labeled as “plastic of craft work” to a company in St. Thomas, Virgin Islands. The company based in Taiwan, Peng Chia Enterprise Co. Ltd., had been under surveillance for more than two years as part of an investigation known as “Operation Black Gold.” Partnering in the investigation were the U.S. Fish and Wildlife Service, NOAA and Customs officials. The “black gold” in this case was black coral—the real contents of the shipment falsely labeled as “plastic of craft work.”



Black corals (Antipatharia) are a group of deepwater, tree-like corals that encompasses about 150 known species in seven families. Since 1981, all Antipatharia species have been listed in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), Appendix II, which requires authorized permits for trade in the species. In the case cited above, the black coral had been sourced from a Chinese supplier, who illegally shipped the coral from Hong Kong to St. Thomas without the required CITES permits. After a U.S. Customs Contraband Enforcement team flagged the shipment as suspicious, wildlife officials moved in to seize the shipment and make arrests.

As a result, on June 23, 2010, the owners of Peng Chia were arrested and charged with falsifying documents and providing illegal black coral to jewelry manufacturing companies. On July 15, 2011, the company to which Peng Chia had supplied the illegal black coral, GEM Manufacturing LLC, pleaded guilty to violations of the Endangered Species Act and the Lacey Act, and in October 2011 they were ordered to pay fines totaling US\$1.8 million. (The black coral contained in the confiscated shipment had been worked into jewelry and other items that was worth more than US\$2.17 million.)

In May 2012, the National Fish and Wildlife Foundation (NFWF) granted some of the funds from the court settlement of Operation Black Gold to TRAFFIC to conduct an investigation into the illegal harvest and trade of black coral between Asia and the U.S. and its territories. The aim is to develop a better understanding of the dynamics of the trade—from source countries, to trade routes, to markets. The study will focus on priority hotspots where trade and harvest of black coral are the most extensive and most threatening to the conservation of the species. By exposing gaps in monitoring, control and surveillance of the harvest fisheries, the supply chain and the international trade, this TRAFFIC/NFWF study will highlight where new measures and actions may have a

positive impact on the conservation of black corals.

Black coral is termed a “precious coral”—and indeed its luster, fine texture, and resilience under the crafting process has increased consumer demand, which has in turn driven up prices. As its availability in the Caribbean has dwindled (due to overharvest for the tourism industry), harvest in Asia has expanded to maintain supply. Industry insiders say that the black market is significant and may total an incredible 50 percent of all trade.

Illegal trade seriously threatens the conservation of the black coral species. It undermines marine conservation efforts and the efforts of CITES to regulate harvest and trade. Complicating attempts to mitigate these threats is the serious lack of data on the scale and nature of the illegal trade. The complexities of the supply chain in the Operation Black Gold story—a business in one territory, sourcing in another, and supplying to a third—are just one example of the huge challenge this trade presents to the enforcement of wildlife trade laws and international protections. The TRAFFIC/NFWF study should shed new light on how best to advance the conservation of black coral.

### *Contribution by Ben Freitas, TRAFFIC North America–USA*

[1] U.S. Department of Justice. June 23, 2010. “Taiwanese couple sentenced to prison for illegally trading protected black coral.” <http://www.justice.gov/opa/pr/2010/June/10-enrd-733.html>

[2] Tsounis G, Rossi S, Grigg R, Santangelo G, Bramanti L, Gili J. 2010. The exploitation and conservation of precious corals. *Oceanography and Marine Biology: An Annual Review*, 2010, 48, 161-212. p. 171. [http://icta.uab.cat/99\\_recurso/1290691375991.pdf](http://icta.uab.cat/99_recurso/1290691375991.pdf)

[3] Prior to 2007, Peng Chia was issued CITES export permits by authorities in Taiwan to ship black coral, but since 2007, they had been unable to obtain permits because they were unable to produce a legitimate certificate of origin.

[4] *Ibid.* The majority of trade in processed black coral is for jewelry, although a large proportion of the exports are semi finished products (such as beads).

[5] Tsounis 2010. P. 184

[6] There are also substantial sustainability issues involving the legal component of the trade given the limiting of the scope of CITES, where in many countries around the world, worked jewelry of black coral being carried by travelers as personal-effects is generally exempt from requiring permits. While the carrying of curios by travelers can appear to hold minor challenges for the sustainability of species, black corals are widely available in popular traveler destinations, particularly in the Caribbean, where tourists can easily purchase worked coral.

[7] There are major challenges in identifying much of the products in trade, namely the high volume trade in beads for jewelry. There is also a challenge with black coral being bleached to make it resemble the more valuable gold coral and this is not regulated under CITES.

## **Responding to National Geographic’s “Ivory Worship”**

The October issue of National Geographic magazine features a cover story entitled “Ivory Worship”, by Bryan Christy, which spotlights the ongoing illegal trade in elephant ivory. TRAFFIC welcomes efforts to expose the challenges of the current crisis of illegal elephant ivory trade and poaching. But TRAFFIC experts believe this article contains numerous errors and misrepresentations, especially regarding the Elephant Trade Information System (ETIS) and the role two CITES-condoned “one-off sales” of legal ivory have played in escalating demand.

TRAFFIC would like to emphasize the critical role that robust statistical methods utilized by ETIS play in providing information to decision makers on underlying trends and characteristics of the ivory trade. Although this article criticizes ETIS, revelations presented by the author come directly out of the body of work that ETIS has delivered over the years. Conclusions drawn in this article overlook data-substantiated findings provided to the author by TRAFFIC and WWF, and instead support unsubstantiated speculations. The author also incorrectly states that TRAFFIC was allowed to remain at the closed session of the CITES Standing Committee in August 2011. TRAFFIC was expelled from the session along with other conservation organizations. Even in the absence of any further legal trade, TRAFFIC believes poaching and illegal trade will continue to

rise as long as source countries, transit countries and consumer countries fall short in terms of their legislation and enforcement.

For further information on this issue, contact: Crawford Allan, Regional Director, TRAFFIC North America (Crawford.allan@wwfus.org).

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