

**ORAL STATEMENT
HEARING: “STOPPING THE MONEY FLOW: THE WAR ON
TERROR FINANCE”**

June 9, 2016

Good afternoon Chairman Poe, Chairman Wilson, Ranking Member Keating, Ranking Member Langevin, and Members of the Subcommittees. I am William Woody, Chief of Law Enforcement for the U.S. Fish and Wildlife Service. I appreciate the opportunity to testify before you today.

Wildlife trafficking is a multi-billion dollar illegal trade fueled by demand and enabled by corruption, limited legal authorities, and law enforcement capacity. Globally, organized criminal groups have seized upon wildlife trafficking as a low-risk, high reward crime and have made illegal wildlife trafficking a crisis.

Our special agents and inspectors have specifically documented transnational organizations involved in the trafficking of endangered species.

We have documented eastern European and Russian organized crime in the caviar trade, Irish organized crime in the rhino horn trade, Mexican drug organizations in the totoaba trade, African gangs in elephant ivory poaching and smuggling, and Asian criminal groups in timber trafficking.

I’d like to now draw your attention to the slides.

(Photo 1) This photo represents criminals arrested nationwide for trafficking in rhino horn, elephant ivory, totoaba and narwhal tusks. A number of these individuals were arrested in our investigation named “Operation Crash” which has focused on rhino horn trafficking. To date, Operation Crash has resulted in 41 arrests, 30 convictions, and the wildlife and their proceeds seized in this case have a street value in excess of \$75 million. In addition to crimes against wildlife, the defendants have also been charged with money laundering, tax evasion, falsifying documents, mail fraud and bribery.

(Photo 2) Jimmy and Felix Kha were convicted for a number of crimes related to international trafficking of rhino horn.

During this investigation, our agents conducted a financial analysis of the Kha’s business, the Win Lee Corporation. Records revealed that large deposits were being made into bank accounts from others who became targets of the investigation as well. The documented foreign wire transfers confirmed foreign nationals involved in rhino horn trafficking here in the US. By use of FINCEN records, our agents were able to substantiate money laundering activity in a scheme involving the use of gold as currency and the use of safe deposit boxes.

(Photo 3) The Kha's and their business, were sentenced to pay over \$1 million in fines, penalties and restitution, in addition forfeited over \$2 million in assets including gold, cash, jewelry and vehicles.

(Photo 4) This photo shows two Chinese nationals who had bribed a Customs Official at the Dar es Salaam airport. They were able to smuggle eight suitcases full of ivory out of Tanzania destined for Hong Kong.

(Photo 5) This photo shows the content of the suitcases that were intercepted and seized in Switzerland while in transit. Our regional USFWS attaché was able to assist Tanzanian authorities with their investigation in the collection and forensic examination of seized evidence.

(Photo 6) To illustrate the current illegal wildlife trade in the U.S., this photo shows elephant ivory and narwhal tusks forfeited by an antiques dealer who was sentenced in federal court in New York for the unlawful import and sale of ivory in 2016.

(Photo 7) This photo shows a sample of the various elephant tusks and ivory carvings that have been interdicted and seized at the U.S. Mail International Sorting Facility in Miami during the course of an ongoing, multi-agency enforcement operation. This operation alone has identified nearly 90 individuals and businesses and involves over 250 smuggling incidents in which elephant ivory was smuggled from the U.S. to China.

(Photo 8) This photo depicts over 200 swim bladders that were seized in a California residence drying and awaiting shipment.

In 2014 and 2015 CBP/ICE/FWS agents seized over 530 totoaba swim bladders that were smuggled into the U.S. Totoaba is an endangered fish found only in the Gulf of California whose swim bladder is highly prized as a delicacy. 11 individuals smuggling Totoaba have been arrested. During an interview with one of the smugglers, he stated that on one occasion, 5 totoaba swim bladders were sold for \$50,000 to a recipient in Hong Kong.

While we have made great strides recently to address wildlife trafficking, there is still much work to be done. Wildlife trafficking persists at unsustainable levels and the role of sophisticated, highly organized criminal networks may present an opportunity to support and fund insurgent or terrorist activities and makes this even more of urgent threat to wildlife, communities, and global security.

Thank you for the opportunity to present testimony today. I appreciate the Subcommittee's support of our efforts to combat wildlife trafficking. I would be pleased to answer any questions.