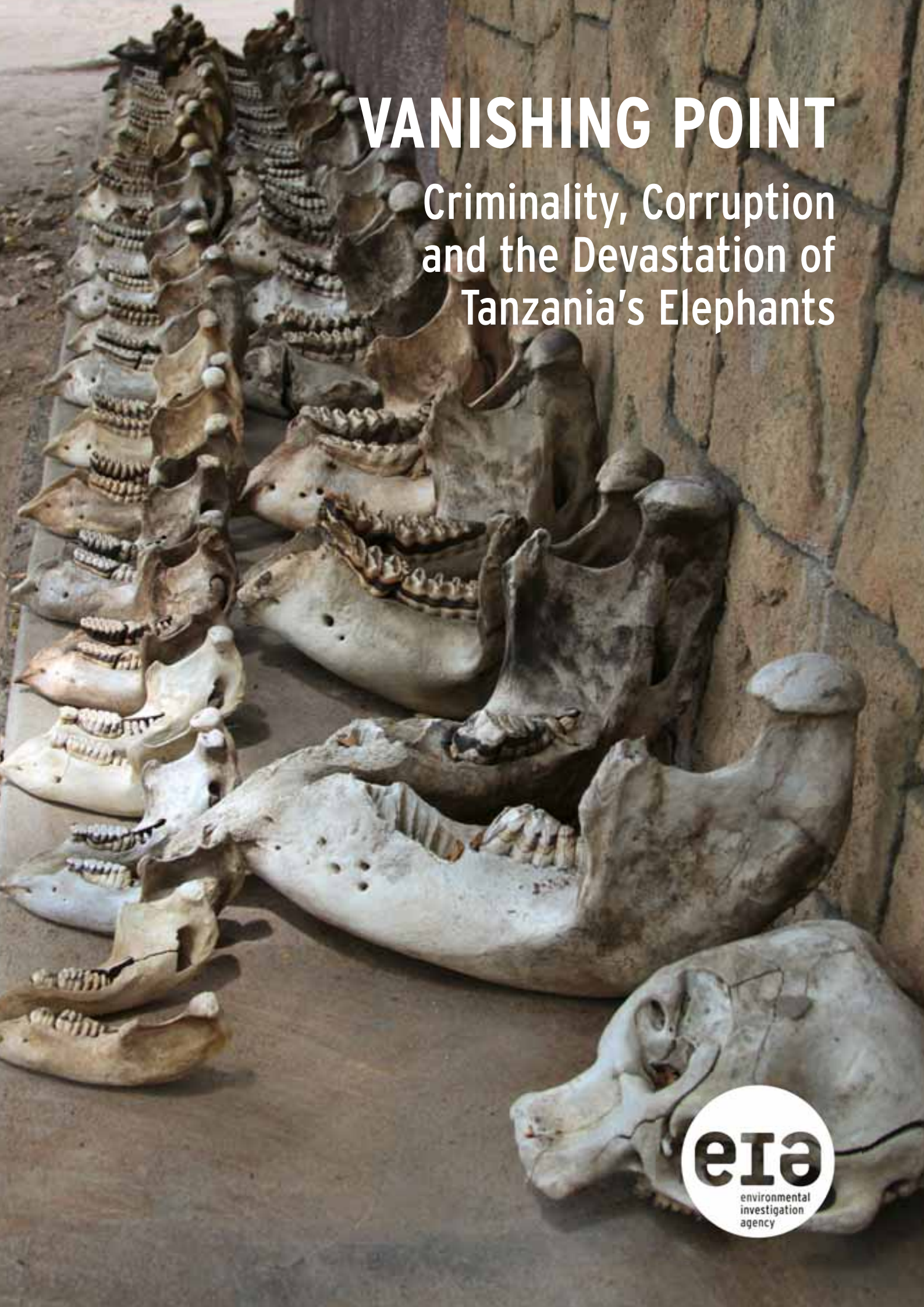


# VANISHING POINT

Criminality, Corruption  
and the Devastation of  
Tanzania's Elephants



## ACKNOWLEDGEMENTS

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### FRONT COVER:

Skulls of poached elephants, Quirimbas National Park, northern Mozambique, October 2012.

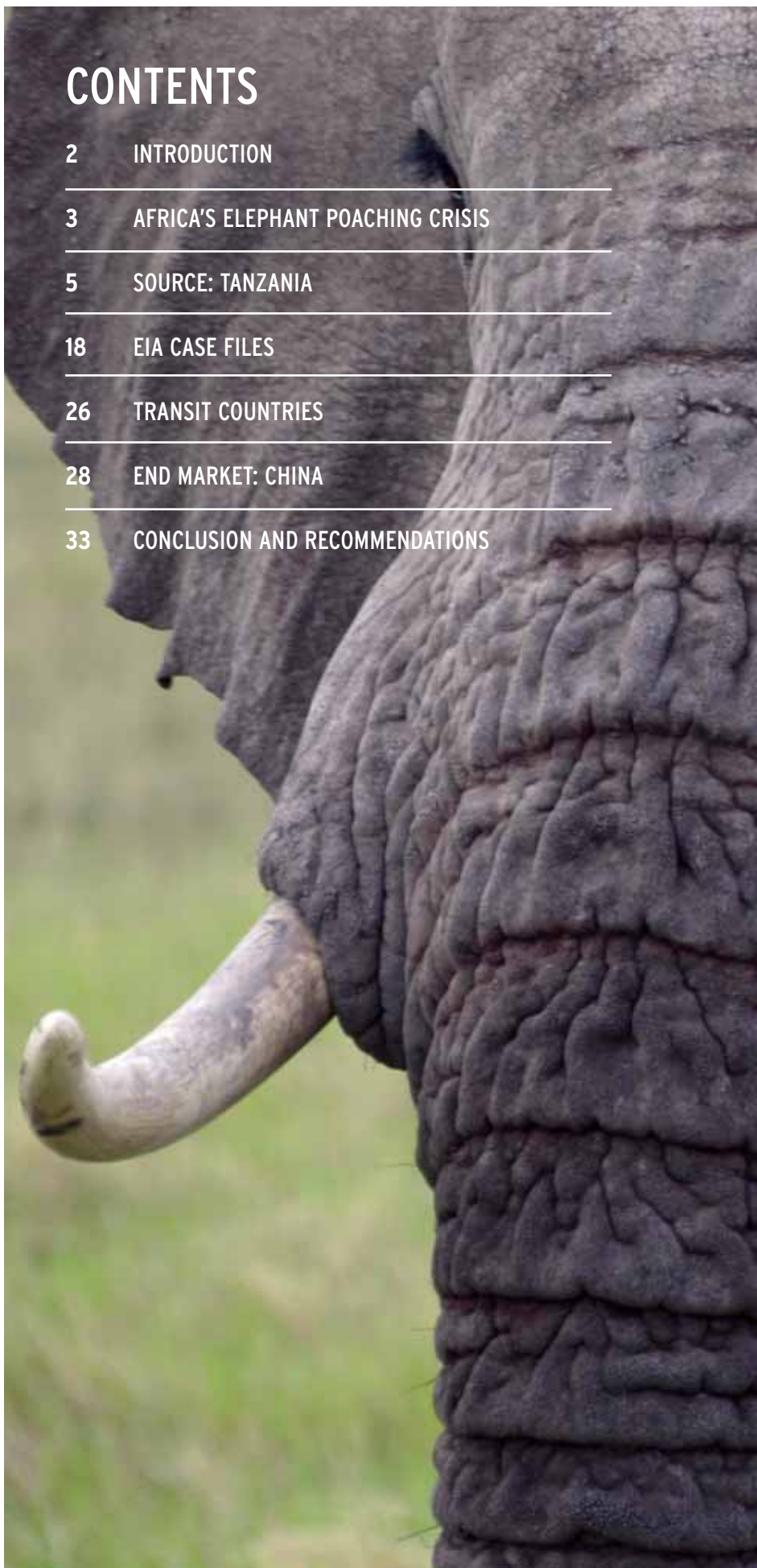
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# INTRODUCTION

The devastating poaching crisis in Tanzania 25 years ago was characterised by increased criminality, corruption, the proliferation of firearms, the failure of the judicial system and the perception that Tanzania was a sanctuary for criminals. Between 1977-87, Tanzania lost over 50,000 elephants, more than 50 per cent of its population.

The Government concluded that without drastic action the country would lose both its elephants and international credibility. In 1989, recognising it could not tackle the situation alone and, in the face of considerable opposition from key allies, Tanzania proposed an international ban on all African ivory trade. As a result, it was hailed as a champion for African elephants and a global conservation leader.

The ban succeeded for a decade. The poaching crisis was brought under control and many elephant populations either recovered or stabilised. In Tanzania, the population increased to about 142,788 by 2006, with over half in the Selous ecosystem.

However, all the indicators that raised the alarm in the 1980s have made a disturbing reappearance and Tanzania's elephants are again being slaughtered en masse to feed a resurgent ivory trade.

Tanzania is a key player in the illegal ivory trade. While the escalation in poaching is generally traced to 2009, evidence suggests the trend started four years earlier, indicating deeper entrenchment than previously acknowledged. Between 2009-13, there has been a devastating decline. The Selous population fell by 66 per cent in just over four years. Based on available evidence, Tanzania has lost more elephants to poaching during this period than any other country. In 2013 alone, it reportedly lost 10,000 elephants, equivalent to 30 a day.

Tanzania's elephants continue to be poached to supply a growing demand in an unregulated illegal ivory market, predominantly in China. Seizure data implicates Tanzania in more large flows of ivory than any other country. It is also consistently linked to criminal cases featuring exceptionally large consignments of ivory recovered in places as diverse as Hong Kong,

Vietnam, the Philippines, Malaysia, Sri Lanka and Taiwan. The poaching crisis in Tanzania is due to a toxic mix of criminal syndicates, often led by Chinese nationals, and corruption among some Tanzanian Government officials.

This report shows that without a zero-tolerance approach, the future of Tanzania's elephants and its tourism industry are precarious. The ivory trade must be disrupted at all levels of criminality, the entire prosecution chain needs to be systemically restructured and all stakeholders, including communities exploited by the criminal syndicates and those on the front lines of enforcement, given unequivocal support. All trade in ivory should be resolutely banned, especially in China.

Environmental Investigation Agency  
November 2014



Skull of elephant poached  
in Selous, 2010



## AFRICA'S ELEPHANT POACHING CRISIS

**ABOVE:**  
Poached elephant, Ruaha National Park, Tanzania, September 2014.

The survival of African elephants hangs in the balance as a surge in poaching convulses the continent. Both sub-species of African elephants, the forest elephant (*L. a. cyclotis*) and the savanna elephant (*L. a. Africana*), are facing precipitous population declines and a real threat of extermination.<sup>1</sup> While more than 1.3 million elephants roamed Africa in 1979, today the population is estimated to be as low as 419,000.<sup>2</sup>

In 2011 alone, 25,000 African elephants were reportedly killed, with 22,000 recorded in 2012.<sup>3</sup> Such figures are estimates and the true scale of the carnage is likely to be worse.<sup>4</sup> For example, other estimates put the number of elephants killed in 2011 at 40,000.<sup>5</sup> Escalating poaching now poses a direct threat to the survival of elephant populations as killing rates exceed birth rates, raising fears of virtual extinction in the next decade.<sup>6</sup>

This level of killing has not been seen since the 1980s, when a wave of elephant poaching spread across Africa prompting the adoption of a ban on international commercial trade in ivory in 1989 under the UN Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) by listing African elephants on CITES Appendix I.

Although the ban relieved the pressure and key elephant populations began recovering, it was soon undermined. In 1997, the elephant populations of

Botswana, Namibia and Zimbabwe were downlisted to CITES Appendix II and an “experimental” sale of nearly 50 tonnes of ivory from these African countries to Japan occurred in April 1999. This was followed by a further “one-off” sale of 102 tonnes of ivory from Botswana, Namibia, South Africa and Zimbabwe to China and Japan in late 2008. Further, CITES Parties are currently discussing a “decision-making mechanism for future trade in ivory” that could potentially enable regular trade in ivory. This is taking place despite an ongoing elephant poaching crisis in Africa.

Currently, two CITES-mandated systems exist to monitor levels of poaching and illicit trade in ivory – the Monitoring the Illegal Killing of Elephants (MIKE) system and the Elephant Trade Information System (ETIS). Both document alarming increases, especially since 2006 and with a major surge from 2011.

In 2011, the MIKE system recorded the highest poaching level since systematic monitoring began a decade earlier. Figures showed 7.4 per cent of elephant populations at the monitoring sites killed illegally, a total of 17,000 elephants compared with 11,500 in 2010.<sup>7</sup> A scientific study published in August 2014 analysed data collected by MIKE and found that during the past decade, the proportion of illegally killed elephants has climbed from 25 per cent to between 60-70 per cent.<sup>8</sup>

The Proportion of Illegally Killed Elephants (PIKE) index measures the volume of elephant carcasses due to illegal killing. The index ranges from 0.0 showing no illegal killing to 1.0 where all carcasses were illegally killed. The highest poaching rate is found in Central Africa, with a PIKE level of 0.9. This is confirmed by studies revealing that forest elephants in central Africa have declined by over 65 per cent between 2002-13.<sup>9</sup> In East Africa, the PIKE level has tripled from 0.2 to 0.6 between 2006-11. For example, more than 60 per cent of elephant carcasses found at MIKE monitoring sites in Kenya had been illegally killed.

Unsurprisingly, data showing increased poaching levels is mirrored by surging illicit trade in ivory. According to ETIS figures, the illegal ivory trade has grown three-fold since 1998.<sup>10</sup> The surge has been especially pronounced since the period 2011-13, with record levels of ivory totalling 116 tonnes seized during this time.<sup>11</sup>

ETIS data also reveals the emergence of East Africa as the biggest source region of illegal ivory, especially Kenya and Tanzania. Between 2009-11, these two countries were the exporters of 16 out of 34 large scale ivory seizures (weighing 500kg or more) recorded worldwide, amounting to 35 tonnes. In total,

Tanzania was the country of export for 37 per cent of large ivory seizures during the period, followed by Kenya with 27 per cent.<sup>12</sup>

Seizure data also confirms China's position as by far the largest single destination for illicit ivory, with Hong Kong, Vietnam, the Philippines and Malaysia as the main transit countries for shipments from Africa. Between 2009-13, out of 76 large seizures of ivory two-thirds occurred in Asia, indicating the porous nature of East Africa's ports. This changed in 2013, when, out of a total of 18 large-scale seizures totalling 41 tonnes, 80 per cent occurred in just three countries in East Africa – Tanzania, Kenya and Uganda.<sup>13</sup>

Both the escalation of elephant poaching and the increase of large scale ivory shipments indicate the involvement of organised criminal syndicates in the burgeoning illicit ivory trade, abetted by corruption at key stages in the smuggling chain. Overall, East Africa is losing the highest number of elephants as criminal gangs ruthlessly target the remaining herds to feed the seemingly insatiable markets of Asia and, especially, China. If this is allowed to continue at the current rate, only a few significant elephant populations will remain in Africa in the next decade.

**BELOW:**

Ivory travelling from Tanzania and Kenya to China seized by Hong Kong Customs, October 2012.



© Hong Kong Customs and Excise



SOURCE: TANZANIA

## TANZANIA SITUATION

The current situation for Tanzania's elephant population is dire in the extreme. The country has lost half of its elephants in the past five years and two-thirds since 2006. Available evidence indicates it has since lost more elephants to poaching than any other country in Africa and is the biggest source of illegal ivory seized around the world. Its once mighty herds are being devastated by remorseless criminal organisations.

A similar situation occurred in the 1970s and '80s when Tanzania witnessed an escalation of elephant poaching, causing its population to crash from 110,000 to 55,000.<sup>14</sup> After the adoption of the 1989 ivory trade ban, the elephant population in Tanzania increased to about 142,788 by 2006, with over half found in the Selous ecosystem, a World Heritage Site.<sup>15</sup>

In 2009, it was estimated that the elephant population in Tanzania had decreased to about 109,051.<sup>16</sup> This downward trend has continued at an alarming rate, with the most recent population surveys conducted in 2013 revealing the devastating degree of decline. The Selous elephant population fell by 66 per cent in just over four years, from 38,975 in 2009 to 13,084 in 2013, the lowest ever recorded since 1976 when more than 100,000

elephants lived in the Selous.<sup>17</sup>

In the Ruaha-Rungwa ecosystem, a population decline of 37 per cent has been recorded from 31,625 in 2009 to 20,090 in 2013.<sup>18</sup>

The overwhelming cause of this catastrophic decline is poaching to feed the ivory trade. Poachers are responsible for 60 to 90 per cent of elephant deaths in Tanzania's wildlife reserves.<sup>19</sup> For example, 90 per cent of the carcasses found in the Ruaha-Rungwa area in 2011 were due to poaching.<sup>20</sup> In 2013 alone, Tanzania reportedly lost 10,000 elephants, equivalent to 30 a day.<sup>21</sup>

Vast amounts of ivory are being smuggled out of Tanzania to supply the illicit markets in Asia. Seizure data reveals that Tanzania has been implicated in more large flows of ivory than any other country.<sup>22</sup> INTERPOL recently found that a significant portion of ivory reaching international markets in Asia is derived from elephant populations in Tanzania.<sup>23</sup>

The scale of elephant poaching and ivory trafficking in Tanzania has serious security and economic implications for the country. Tourism, dominated by wildlife safaris, is a major source of revenue for Tanzania, generating almost US\$2 billion a year.<sup>24</sup> Declining elephant populations and the presence of armed poachers in protected areas could jeopardise tourism growth.

**“Once mighty herds are being devastated by remorseless criminal organisations ... to feed the ivory trade.”**

## SELOUS UNDER SEIGE

The Selous Reserve in southern Tanzania is one of the largest and oldest protected areas in Africa. Covering a wilderness area of 50,000 square kilometres, the Selous is renowned for its unique variety of habitats, encompassing Miombo woodlands, riverine forests, swamps and grasslands, which host an array of species including elephant, hippopotamus, lion, giraffe and crocodile.

Yet in reality the Selous is far from protected. Its elephant population has been cynically targeted by wildlife crime groups due to its formerly large herds providing a ready supply of ivory, under-resourced and ineffective protection from poaching, and its proximity to the main Indian Ocean ports offering a simple exit route.

As a result, its elephant numbers have plummeted from 70,406 in 2006 to just 13,084 in 2013, the lowest ever recorded.<sup>25</sup> The Selous has borne the brunt of illegal elephant killing in Tanzania and, based on DNA analysis of ivory seizures, is the most significant poaching hotspot in Africa in terms of numbers killed.

The warning signs were clear in 2010, by which time 31,000 elephants had been lost in just three years.<sup>26</sup> Newspaper reports described carcasses scattered across the reserve, with game scouts aiding the poaching.<sup>27</sup> In response, the then Director of Wildlife stated that the poaching level was minimal.<sup>28</sup>

In 2010, EIA visited the Selous area and, through interviews with local villagers, uncovered details of the main locations for ivory trading around the reserve, the main smuggling routes and the involvement of local game rangers and police.<sup>29</sup>

Despite these clear signals, the Tanzanian Government has failed to combat rampant poaching in the Selous and a further 25,000 elephants were lost between 2010-13. The main cause of this unprecedented scale of deaths is poaching. In 2011, two-thirds of carcasses observed at monitoring sites in the Selous were poached.<sup>30</sup>

A contributing factor is a lack of resources which has left the Selous largely unprotected. Until 2005, a revenue retention scheme was in operation, under which the majority of income generated by photographic safaris and hunting funded the

operations of the reserve, including anti-poaching, creating annual revenue of \$2.8 million. When the scheme was scrapped, the funds dropped to \$800,000 by 2009.<sup>31</sup> In the same year, photographic safaris alone in the Selous generated income of US\$1.5 million.

The extent to which ivory from elephants poached in the Selous has fuelled the illegal ivory trade is confirmed by DNA analysis of seized tusks. This method involves comparing genotyped ivory seizures with a DNA reference map to reveal the geographical origin of the ivory.

Analysis of large seizures dating back to 2006 shows that the Selous and Niassa ecosystem is the most significant poaching hotspot in Africa; Niassa is a reserve in northern Mozambique contiguous with the Selous.

The results show that Selous-Niassa was the origin for a number of major seizures; four tonnes in Taiwan in 2006, 2.6 tonnes in Hong Kong in 2006, five tonnes in the Philippines in 2009, 1.5 tonnes in Sri Lanka in 2012, 2.6 tonnes in Malawi in 2013, 1.9 tonnes in Uganda in 2013 and one tonne in Singapore in 2014.<sup>32</sup>

In June 2014, the UNESCO World Heritage Committee placed the Selous Game Reserve on the List of World Heritage in Danger due to the impact of widespread poaching.<sup>33</sup>

### BELOW:

Selous Reserve:  
major ivory poaching hotspot.



## GLOBAL CRIME:

Routes of some major ivory consignments connected to Tanzania as country of exit or from DNA analysis.

UGANDA

KENYA

TANZANIA

TANGA

ZANZIBAR

DAR ES SALAAM

COLOMBO IVORY SEIZURE,  
MAY 2012



Ivory transported overland through Uganda and Kenya and was seized in Sri Lanka

### ROUTE:

from northern Tanzania into Uganda, then Uganda to Kenya at the Malaba border point, Mombasa, Colombo, was en route to Dubai



**KAOHSIUNG HARBOUR IVORY SEIZURES, JULY 2006**



Two seizures over a few days, totalling 5.5 tonnes ivory

**ROUTE:**

Tanga (Tanzania), Port of Penang (Malaysia), Cebu (Philippines), Kaohsiung (Taiwan)

**HAI PHONG IVORY SEIZURE, MARCH 2009**



11 tonnes shipped from Tanzania to Vietnam and Philippines

**ROUTE:**

Dar es Salaam, UAE, Port Klang (Malaysia), Hai Phong (Vietnam)

**MANILA IVORY SEIZURES, MARCH 2009**



11 tonnes shipped from Tanzania to Vietnam and Philippines

**ROUTE:**

Same consignment as Hai Phong

**ZANZIBAR IVORY SEIZURE, AUGUST 2011**



Ivory seized in Zanzibar, bound for Asia

**ROUTE:**

Dar, Zanzibar, Malaysia

**ZANZIBAR IVORY SEIZURE, NOVEMBER 2013**



2.9 tonnes ivory concealed with shells, linked to Chinese operation in Dar

**ROUTE:**

Zanzibar, about to be loaded on vessel bound for the Philippines en route to China

**HONG KONG IVORY SEIZURE, AUGUST 2011**



Hong Kong seized 1.9 tonnes ivory heading to Guangdong, China

**ROUTE:**

Tanzania to Malaysia to Hong Kong, onward to Guangdong province (China)



**ABOVE:**  
Tanzania's ivory stockpile in 1988, during the previous wave of poaching.

## GOVERNANCE AND ENFORCEMENT FAILURES

At the root of Tanzania's elephant disaster lies a toxic blend of governance failures, corruption and criminality. Collusion between corrupt officials and criminal enterprises explains the unprecedented scale of poaching and ivory smuggling in the country, and compromises enforcement efforts so that few of the main culprits are prosecuted.

The responsibility lies at the highest levels of the Tanzanian Government. When President Jakaya Kikwete assumed office in 2005, the country had about 142,000 elephants. By the time he steps down in late 2015, the population is likely to have plummeted to about 55,000.

Unlike other African countries experiencing high levels of poaching, Tanzania is relatively stable and free of conflict. While a host of armed groups and terrorist organisations are implicated in elephant poaching and ivory trade across in Central and West Africa and in Kenya, such threats are largely absent in Tanzania.<sup>34</sup>

Instead, international criminal syndicates are ruthlessly exploiting rising corruption and weak governance in Tanzania to plunder the country's unique natural heritage. In 2005, Tanzania was ranked 88 out of 158 countries on Transparency International's Corruption Perceptions Index; by 2013 it had fallen to 111 out of 177 countries.<sup>35</sup> An index of Africa governance based on criteria such as the rule of law, human rights and sustainable economic opportunities ranked Tanzania in 15th place in 2014, but it was the only country in the top 15 which saw its score fall in the past five years.<sup>36</sup>

Corruption is a key enabling factor at every stage of the ivory trafficking chain: from game rangers who provide information on patrol patterns and the location of elephant herds, to police officers who rent out weapons and transport ivory, to the Tanzanian Revenue Authority (TRA) officers which allow shipping containers of ivory to flow out of the country's ports.

At the upper levels, politicians from the ruling Chama Cha Mapinduzi (CCM) party and well-connected business

people use their influence to protect the ivory traffickers. The former Minister for Natural Resources and Tourism, Khamis Kagasheki, in 2013 named four CCM Members of Parliament for their involvement in elephant poaching. He also alluded to high-level involvement, stating: "This business involves rich people and politicians who have formed a very sophisticated network."<sup>37</sup>

In 2012, a secret list naming the main culprits behind the wave of elephant poaching was handed to the President by intelligence sources. The list contained names of prominent politicians and businesspeople who, due to their links to the ruling party, are regarded as untouchable. Not surprisingly, most of the people on the list have not been investigated further or arrested.<sup>38</sup>

Outside agencies have also highlighted the key role of corruption in undermining the rule of law in Tanzania. The United Nations Office on Drugs and Crime (UNODC) explains how illicit markets in East Africa operate with the collusion of officials, stating: "These corrupt officials are key to understanding the vulnerability of East Africa to organised crime. Traffickers are attracted to ports where controls are weak or where officials can be bribed."<sup>39</sup>

Similarly, a report by the Panel of Experts on Tanzania's proposal to sell its ivory stockpile at the CITES conference in 2010 concluded that "the decline in Tanzania's ability to prevent large-scale ivory shipments from leaving the country may be as much a reflection of compromised wildlife law enforcement as it is a factor of resource shortages."<sup>40</sup>

## The Wildlife Division - ineffective guardians

The Ministry for Natural Resources and Tourism (MNRT) is mandated to protect and conserve Tanzania's natural heritage and presides over four subdivisions: Tanzania National Parks Authority (TANAPA), the Wildlife Division (WD), Forests and Beekeeping, and Tourism. Of the four divisions, only the Director of the Wildlife Division is a direct presidential appointee.

In general, elephants in northern Tanzania are found in national parks under the jurisdiction of TANAPA,

## HUNTING INDUSTRY

The failings of the Wildlife Division to adequately protect Tanzania's wildlife are manifest in the mismanagement of the country's hunting industry. All major decisions, including the setting of quotas and allocation of hunting blocks, are made by the Director.

The lack of reliable data on wildlife populations and distribution means that hunting quotas have no sound ecological basis and are generally regarded as unsustainable. Allocation of hunting blocks and quotas are opaque and prone to kickbacks, with sub-division of blocks to raise extra revenue further pushing quotas over sustainable levels. The United States suspended imports of elephant trophies from Tanzania for 2014 as a result of this lack of data.

While many hunting operators in Tanzania observe the rules and fund effective anti-poaching efforts, there are numerous examples of unscrupulous hunting outfits using connections to treat the law and Tanzania's wildlife with disdain.

One name that crops up repeatedly in connection with dubious hunting activities is that of Mohsin M Abdallah Shein, also known as Sheni. His name first appeared in a 1996 presidential inquiry which accused him of corruption, claiming he had used bribery to obtain hunting concessions and evade tax. He is said to own or part-own 16 hunting blocks in game reserves which are held by four different companies: Royal Frontiers of Tanzania Ltd, Game Frontiers of Tanzania Ltd, Western Frontiers of Tanzania Ltd and Northern Hunting and Enterprises Ltd. This contravenes the law on the maximum number of hunting concessions any one person can lease.

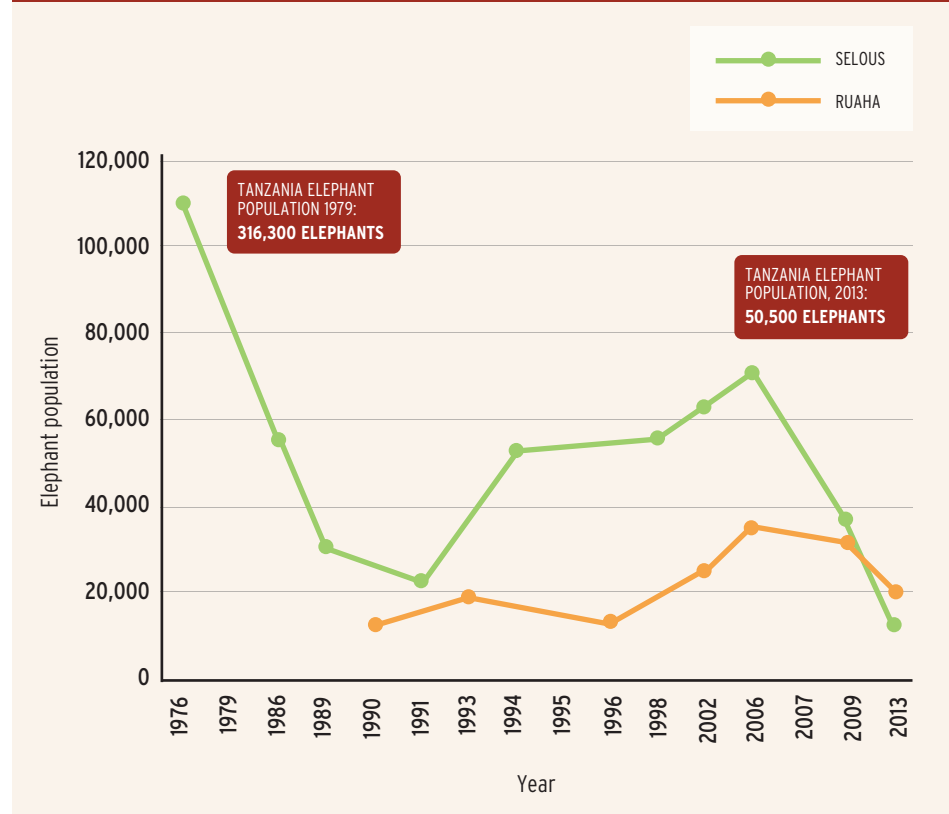
During a Parliamentary session in July 2012, it was revealed that Game Frontiers of Tanzania Ltd had signed a deal with Uranium Resources PLC and Western Metals Ltd in 2007, allowing access to Mbarang'andu village hunting block. Under the terms of the Wildlife Conservation Act, it is illegal for any person awarded a hunting block to sub-let to a third party. Despite clear contravention of the law, Game Frontiers of Tanzania Ltd retained its licence and has subsequently been awarded allocations for the period 2013-18.

A vivid example of hunting abuses emerged in May 2014, involving a company called Green Mile Safaris (GMS). On a hunting safari in the Selous area arranged by GMS in 2012 for a group from the United Arab Emirates (UAE), a number of serious criminal and unethical hunting activities were documented in footage shot by GMS itself. After the footage was leaked to the Tanzanian Parliament, Minister for Natural Resources and Tourism Lazaro Nyalandu revoked GMS's licence. Pressure has since been applied on the Government to overturn the decision and GMS is believed to be operating again under the name Shangri-La Safaris.



“the Wildlife Division has manifestly failed to carry out its duty to protect and conserve Tanzania’s unique wildlife”

FIGURE 1: TANZANIA ELEPHANT POPULATION SELOUS AND RUAHA SUBSETS 1976-2013



which generates its own income and is regarded as relatively effective. Most of the wildlife areas in southern and western Tanzania, largely wildlife reserves, are managed by the WD. Elephant poaching has been far worse in reserves such as the Selous, compared with national parks.

TANAPA is better funded and consequently its rangers are better equipped and more effective. By comparison, the WD suffers from having a lower budget to safeguard an area five times greater than that covered by national parks. On average, there is one ranger for an area of 168 sq km, while the recommended level should be one ranger per 25 sq km.<sup>41</sup>

The situation is made worse by the involvement of some rangers in poaching. In early 2014, the Ministry sacked 21 game rangers for collaborating with poachers, following an internal investigation.<sup>42</sup>

Successive ministers have struggled to deal with the internal culture of the WD and sometimes ministerial decisions are challenged by either the Permanent Secretary or the Director of Wildlife due to the confusing and obstructive chain of command. Directors of the Wildlife

Division come and go with alarming regularity; since 2007, there have been eight appointments, with half of these in an ‘acting’ capacity for extended periods. This means decisions are postponed for months, sometimes years. Errant employees are rarely dismissed, but are just reassigned.

Due to a combination of lack of resources, corruption and internal culture, the WD has manifestly failed to carry out its duty to protect and conserve Tanzania’s unique wildlife, and is currently not fit for purpose.

The performance of MNRT itself has been strongly criticised by Tanzania’s Auditor General on several occasions. In 2013, it found that the MNRT was failing in its duty to enforce wildlife laws, with criticism also directed at the WD for allowing hunting quotas to be regularly exceeded and under-reporting of poaching figures. It found the WD had not conducted a formal analysis to identify and map areas prone to risk of poaching and that patrols were reactive and ad hoc.<sup>43</sup> It was also found that management of ivory stockpiles and other wildlife trophies was inadequate, with significant quantities of tusks missing.<sup>44</sup>

## IVORY POLICY

In the face of growing evidence of increased elephant poaching since 2006, the Government of Tanzania has on three occasions sought to obtain permission from CITES to sell its ivory stockpile. At every CITES conference during his presidency, Kikwete's Government has sought to downlist its elephants. This policy has led to suppression of poaching information and elephant population counts.

Ahead of the 2007 CITES meeting, EIA presented investigative findings to the then Minister for Natural Resources and Tourism, Jumanne Maghembe, showing the complicity of a range of Government officials in the illegal ivory trade, with one trader stating he could procure significant amounts of ivory on demand from a senior officer of the Wildlife Division in the Selous. Tanzania subsequently withdrew its proposal.

In 2010, against a backdrop of escalating poaching in the Selous and the 2009 seizure in Vietnam and the Philippines of 11 tonnes of ivory from Tanzania, the Government tried again. This time the proposal went forward to the CITES conference but was voted down. A third attempt was made in 2013, once again wilfully disregarding the scale of the poaching crisis afflicting the country. When it realised it would not obtain sufficient support to succeed, the proposal was withdrawn ahead of the CITES meeting.

Since then there have been signs that the Tanzanian Government is belatedly trying to step up efforts to tackle poaching and ivory trafficking. For the first time in recent years, Tanzanian authorities in 2013 intercepted more ivory inside the country than was seized outside its borders. In the same year, a concerted anti-poaching operation called Tokomeza was launched at the behest of the President, who announced it in advance. Initially, the multi-agency operation appeared to be succeeding, making more than 900 arrests and seizing ivory and firearms. Yet it was fundamentally undermined by a series of human rights abuses carried out by the military against livestock herders. As a result, the operation was suspended before higher-level suspects were apprehended and Minister Kagasheki was forced to resign.

At the start of 2014, the Tanzanian Government finally admitted the scale of the poaching crisis and released the

shocking results of elephant population surveys in the Selous and Ruaha-Rungwa in an unusually transparent manner. In a television interview, President Kikwete changed tack and called for a ban on the ivory trade, saying that relaxation of the ban had opened the door to poaching.<sup>45</sup> The current minister, Lazaro Nyalandu, has sought support and additional funding of at least US\$50 million from the international community, mostly for anti-poaching activities, and has reinstated the revenue retention scheme for the Selous reserve.

Yet systemic problems remain in the agencies tasked with combating poaching and ivory smuggling which, if left unaddressed, will ensure the situation continues to worsen.

**BELOW:**  
Tusks seized in Hong Kong in 2003.



## POLITICAL INVOLVEMENT

The following people, all connected to the ruling CCM party, have been named in the Tanzanian media or Parliament in connection with ivory trading:

- in 2008, police searched a truck in southern Tanzania and found a haul of ivory tusks. The vehicle was owned by Usangu Safaris, a hunting company owned by the family of Nawab Mulla, CCM Chairman for the Mbeya region;<sup>46</sup>
- in 2013, CCM Secretary-General Abdulrahman Kinana was named in Parliament as being involved in the smuggling of ivory tusks from Tanzania to Vietnam in 2009, due to his ownership of one of the shipping companies involved in transporting the consignment. He denied the accusation;<sup>47</sup>
- in 2013, the then Minister of Natural Resources and Tourism, Khamis Kagasheki, named four CCM Members of Parliament as being involved in elephant poaching. All came from the Selous area in southern Tanzania. The accused were Faith Mitambo (MP for Liwale), Miriam Kasembe (MP for Massasi), Mtutura Abdallah Mtutara (MP for Tunduru South) and Vita Kawawa (MP for Namtumbo).<sup>48</sup>

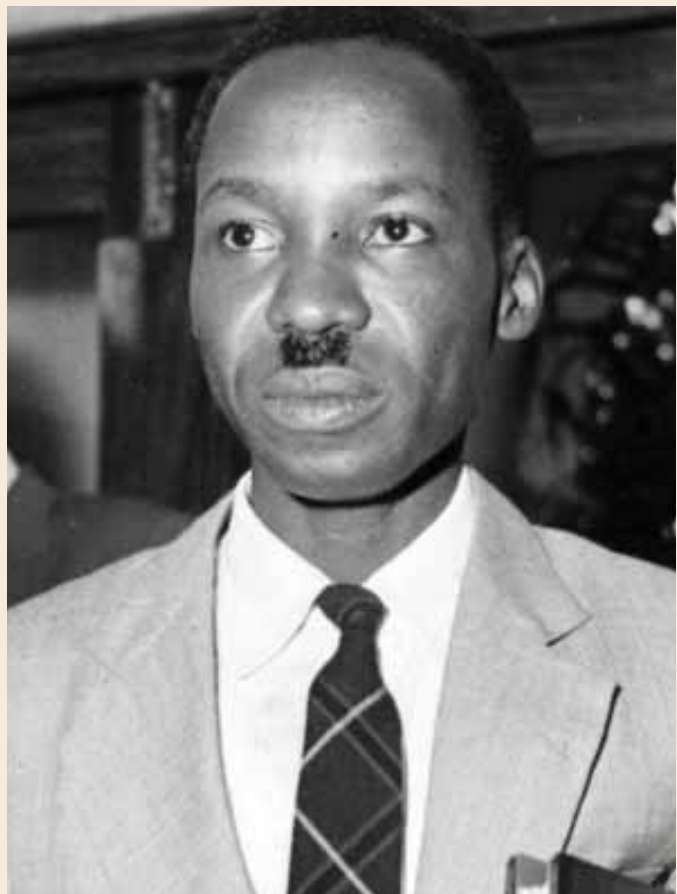
## SQUANDERED LEGACY

In 1961, the first president of Tanzania and founder of the ruling CCM party, Mwalimu Julius Nyerere, gave a landmark speech at a meeting on Conservation of Nature and Natural Resources which became known as the Arusha Manifesto. The speech was a stirring clarion call of the pressing need to preserve Africa's natural heritage.

It states: "The survival of our wildlife is a matter of grave concern to all of us in Africa. These wild creatures amid the wild places they inhabit are not only important as a source of wonder and inspiration, but are an integral part of our natural resources and our future livelihood and well-being. In accepting the trusteeship of our wildlife, we solemnly declare that we will do everything in our power to make sure that our children's grandchildren will be able to enjoy this rich and precious inheritance."

Nyerere subsequently put these fine words into action. Faced with rampant poaching in the late 1980s, he rightly viewed the problem as a security threat and posted Costa Mlay, of State Security, into the Wildlife Department to track illegal ivory trade. Mlay was made Director of Wildlife in 1989 and - with support from Nyerere and, subsequently, from President Mwinyi - launched the six-month Operation Uhai to curb poaching and to disrupt ivory transport by blockading roads to ports and borders. In 1989, Tanzania, under Mlay, submitted an ultimately successful proposal to the CITES Lausanne Meeting of the Parties to place African elephants on Appendix I, effecting a worldwide ban on international ivory trade.

This spirit is sorely needed again as Tanzania faces a threat equal to that of the 1980s.



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## TABLE OF MAJOR CASES

Case number in Tanzania	Details of case	Progress in October 2014
ECO 03/2009, ECO 04/2009 (Tanzania, Vietnam, Philippines)	Six businessmen from Tanzanian freight agencies charged with the export of ivory to Vietnam and the Philippines in 2009.  <b>Amount of ivory:</b> 11 tonnes ~1,640 elephants (6.7kg per elephant)	Prosecution appears to be stalled. Suspects released.  Accused freight companies reinstated on list of approved freight agents.
ECO 08/2010 (Dar, Zanzibar, Hong Kong)	Chinese national Huang Guo Lin, also known as "Alimu", charged with Zanzibari associates for trafficking ivory to Hong Kong.  <b>Amount of ivory:</b> 1,504.4kg ~225 elephants	Huang given bail; court case still ongoing four years after the offence.
ECO 01/2011 (Zanzibar, Vietnam)	Li Guibang  <b>Amount of ivory:</b> 2,005.6kg ~300 elephants	Arrested in January 2011, Li appeared in court in connection with a seizure in Vietnam which took place during August 2009. In March 2011, he was bailed at TZS 80 million; court hearings continue to be scheduled but he has failed to appear.
ECO 10/2011 (Zanzibar, Malaysia)	Seizure of ivory at Malindi Port, Zanzibar, which had arrived from Dar and was booked for Malaysia.  <b>Amount of ivory:</b> 1,895kg ~283 elephants	Zanzibar shipper Ramadhan Makame Pandu charged. Prosecution ongoing.
ECO 08/12 (Dar, Hong Kong)	Tanzanian Hassan Othman and others charged with smuggling ivory seized in Hong Kong, concealed by sunflower seeds.  <b>Amount of ivory:</b> 1,300kg ~ 194 elephants	Othman in detention, court case ongoing, delays in response to mutual legal assistance request sent to Hong Kong.
ECO 06/2013 (Tanzania) and 07/2013 (Malawi)	Two linked seizures, first in Malawi and second in Tanzania. In Dar, fisheries officer Selemani Isanzu Chasama arrested  <b>Amount of ivory:</b> 3,729kg ~557 elephants	Selemani Isanzu Chasama in detention, court case ongoing. Extradition request made to Malawi for transporter Charles Kaunda.
ECO 13/2013 (Mikocheni in Dar) and ECO 19/2013 (Zanzibar) and ECO 21/2014 (additional Tanzanian suspects), and ECO 23/2014 (Chinese/ Zanzibari suspects)	November 2013; three Chinese labourers arrested with 1,899kg ivory at premises in Mikocheni. Subsequent seizure at Malindi port of Zanzibar resulting in arrests of Zanzibaris.  In 2014, two Tanzanians arrested for supplying the ivory. Also, charges issued against three suspects who fled  <b>Amount of ivory:</b> 4,814kg ~719 elephants	Prosecution ongoing for the three Chinese labourers arrested at the scene. Zanzibaris said to be transferred to mainland to appear in court. Two Tanzanian suppliers in detention. Key suspects under ECO 23/2014 fled the country, INTERPOL alerts issued.
ECO 02/2014 (Dar Port)	December 2013: Chinese male named Yu Bo and a Tanzanian associate arrested at Dar Port, during the time of the Chinese Navy visit, in possession of 81 tusks.  <b>Amount of ivory:</b> 303kg ~45 elephants	Charges dropped against Tanzanian associate but Yu Bo was convicted in March 2014. His TSZ 9.78 billion fine (equal to 10 times value of tusks, based on black market calculation) was not paid and he received 20 years' imprisonment.

**Total for these cases:**  
**26.5 tonnes of ivory or 3,963 dead elephants**  
**One conviction**

**“As of October 2014, a definitive detention sentence has occurred only in a single case”**

## TANZANIA CASE STUDIES: IVORY SMUGGLING SYNDICATES

Tanzania’s elephant herds are being systematically wiped out to feed the burgeoning ivory markets of Asia, specifically China. This constitutes one of the most serious environmental crimes of the past decade.

Sophisticated criminal networks comprising Tanzanian poachers and middlemen, corrupt officials and Chinese traders are generating tens of millions of dollars in profits a year, with the bulk of the revenue accrued by the Chinese traffickers. These networks span remote regions such as the Selous, collection centres and exit ports in Tanzania, smugglers in the main transit countries and distributors in the end market of China.

Until recently, efforts by Tanzanian enforcement agencies and counterparts in Asia to tackle and disrupt these criminal networks have been inadequate and largely ineffectual. This is illustrated by the failure of Tanzanian agencies to detect large seizures of ivory leaving the country.

Tanzania is unique in that virtually all of the ivory smuggled out of the country is

in the form of raw tusks concealed in shipping containers which exit via just three ports; Dar es Salaam, Zanzibar and Mombasa in neighbouring Kenya. Despite such clear choke points for effective intervention, until 2013 more ivory poached in Tanzania was intercepted outside the country than within it.<sup>49</sup>

This has been the situation for more than a decade. In 2010, it was reported that since 2002 all seizures of ivory over one tonne involving Tanzania occurred after leaving the country, accounting for two-thirds by weight of all ivory seizure incidents linked to Tanzania.<sup>50</sup> Figures from the Wildlife Division show that from 2009-14 within Tanzania, 22.6 tonnes of ivory was seized.<sup>51</sup> EIA’s database of major ivory seizures around the world shows that during the same period, 40.7 tonnes of ivory linked to Tanzania was intercepted outside the country.<sup>52</sup> Such a pattern indicates chronic inefficiency and corruption in Tanzania’s port controls.

In addition to the bulk of poached ivory slipping out of Tanzania unhindered, when the authorities do make a significant seizure in the country the main culprits are usually not caught and the convoluted judicial process rarely leads to a successful prosecution and deterrent. Figures from the Wildlife





Division show that from 2001-09, out of a series of cases involving 118 arrests and 12 tonnes of raw ivory there were only 10 successful prosecutions, with the average fine of US\$110 and sentences ranging from 18-60 months.<sup>53</sup> More recent data from the WD covering the period 2010-14 indicates an improvement in the volume of prosecutions, if not the penalties handed down. Out of 2,899 cases involving 5,675 suspects, 44 cases led to 128 suspects being jailed, with the average sentence being 14 months. A further 1,181 cases led to 1,567 suspects being fined an average of TSh 475,000 (US\$275). EIA has been independently tracking cases linked to major ivory seizures involving Tanzania since 2009; as of October 2014, a definitive detention sentence has occurred only in a single case (see Table).

## The Smuggling Route - from Selous to China

With such ineffective enforcement and abysmally low detection rates, coupled with a lack of meaningful prosecutions, it is obvious why wildlife crime syndicates have ruthlessly targeted Tanzania. Profits from ivory trafficking are high and the risk of getting caught is low. The problem is not confined to Tanzania; large ivory consignments from the country seized in Kenya, Vietnam, Hong Kong, the Philippines, Sri Lanka and mainland China rarely lead to prosecutions. Along the whole ivory supply chain, from remote wilderness areas to the end markets in China's booming cities, corruption is a vital enabling factor.

Over the past five years, the trafficking chain from the Selous to the main markets in China has emerged as the single largest conduit for illegal ivory in the world.

The trail begins in a series of villages on the outskirts of the Selous in southern Tanzania. In key centres such as Mloka, Tunduru, Namtumbo, Liwale and Kilwa, low-level traders, usually from Dar es Salaam, place orders with local poachers, even supplying weapons for a fee. In some cases, poachers come from outside the area and are hired by local fixers, including government officers. In mid-2014, a poaching gang from Arusha in northern Tanzania was hired by police officers in Mloka, a main entry point into the Selous Game Reserve. The police officers provided weapons and took delivery of the ivory from the gang once five elephants had been killed. Poached tusks are frequently cut into sections and buried until the buyers arrive.



The bulk of the ivory poached from Selous is transported to Dar es Salaam, either along the single road leading northwards or by sea on traditional dhows. Motorbikes using bush paths bring the ivory to collection points near the main road. From there it is either transported in private vehicles, often with special compartments built in, or via buses which can make more money transporting ivory than passengers.

Raw ivory arriving in Dar es Salaam from the south is usually kept in relatively small amounts at residential addresses in the city's suburbs. Once a substantial order is confirmed, these

**TOP:**  
Tusks from Selous offered for sale, 2010.

**ABOVE:**  
In 2013, a raid on a residential house in Mikocheni area of Dar es Salaam discovered 1,899kg of ivory.

smaller stockpiles are collated, usually at warehouses in industrial areas such as Changombe near the port, but also sometimes at secluded residential plots.

The contraband ivory is then either loaded into shipping containers if the port of export is Dar es Salaam or Mombasa, or it is transported to Zanzibar to be containerised there if that is to be the exit point. The concealment method used coincides with the usual type of freight shipped from Tanzania to Asia; plastic waste, agricultural products such as sunflower seeds or beans, and marine products such as dried fish, seaweed or seashells.

On most occasions, the contraband ivory then leaves Tanzania unhindered. A network of unscrupulous freight forwarders and shipping agents ensure all the paperwork is completed and customs officials are paid off. The containers are loaded on board vessels operated by one of the handful of shipping lines plying the route from East Africa to East Asia, such as CMA-CGM or Pacific International

Lines. The shipping route can then involve a series of transit countries, usually the United Arab Emirates and Malaysia, before reaching important intermediary destinations, including Haiphong in Vietnam, Manila in the Philippines and Hong Kong. From there the illicit ivory is transhipped, either by sea or land, to the end market of China.

Analysis of seizure data by EIA shows just how often this route and method have been used over the past five years, with only occasional disruptions due to enforcement activities. Yet since 2013 there have been hopeful signs of improved actions to tackle the ivory syndicates operating inside Tanzania. In that year, more ivory was seized inside Tanzania than outside for the first time. Also, a small group of dedicated enforcement officers from the police and intelligence services have disrupted several networks through a series of raids at addresses in Dar es Salaam and in the ports. It remains to be seen whether this effort will result in successful prosecutions sufficient to deter the criminal groups or whether the hiatus is temporary.

**BELOW:**

Dar es Salaam, Tanzania's biggest port: major exit point for ivory shipments.



## EIA CASE FILES:



Taking DNA samples from seized ivory awaiting destruction, Philippines, June 2013.

EIA has been investigating ivory trafficking out of Tanzania since the current upsurge in elephant poaching began in 2006.

Using a combination of undercover investigations, the most recent in September 2014, and detailed analysis of major ivory seizure incidents, EIA has built up a comprehensive picture of how such massive levels of poaching and ivory smuggling have been carried out and the identities of some of the key people involved.

During the most recent investigation, EIA found that improved enforcement in 2013 is having an impact on the operations of some of the ivory syndicates, which have become increasingly cautious due to a major seizure at a house in Dar es Salaam in November 2013, implicating three Chinese nationals, and a 20-year jail sentence given to a Chinese smuggler in March 2014.

But as the case studies below demonstrate, many of the major culprits responsible for Tanzania's elephant crisis remain at large or have not been prosecuted, and some of the most active syndicates remain unscathed.

### The Haiphong and Manila Seizures

In March 2009, customs officers in Vietnam's busy northern port of Haiphong inspected a container which had originated in Dar es Salaam and travelled a convoluted route through United Arab Emirates and Port Klang in Malaysia. Declared to contain plastic waste, the container was found to hold 6.2 tonnes of ivory, making it the largest single consignment discovered in seven years.

Yet it transpired that the container intercepted in Vietnam was only one of three smuggled out of Dar es Salaam by the same group. A few days later the other two were stopped in the port of Manila in the Philippines, despite attempts to alter the description of the goods and the final destination. The Manila seizure uncovered 4.5 tonnes of ivory, meaning that the smuggling group had attempted to move 11 tonnes

of ivory tusks out of Tanzania in a single operation, a record amount. Subsequent DNA analysis of the ivory seized in the Philippines revealed the origin to be the Selous-Niassa ecosystem.

It was quickly established that the shipper of all three containers, Puja Ltd, was a fake company. In June, six officials from the Tanzania Revenue Authority, which carries out customs duties, were arrested for collusion in letting the containers be sealed at an industrial estate near the port and allowing the export.

The following month, six people linked to four freight companies (Team Freight Tanzania, Kigoma M.N. Enterprises, Uplands Freight Forwarders and Nectar Logistics) implicated in the smuggling were arrested. The only company involved in moving all three containers was Team Freight. According to police sources, one of the main suspects was a Congolese national called Bavon Muyumba, who moved between Democratic Republic of Congo and Tanzania. It was Muyumba's company which collaborated with two local freight firms to smuggle the ivory. The containers were ordered by Shaaban Yasin Yabulula, Executive Director of Kigoma MN Enterprises, on December 19, 2008. On December 23, shipping line CMA-CGM delivered the three containers to a yard owned by Team Freight Tanzania, at Bandari Road. The containers were collected and loaded onto the vessels. The invoices and packing lists for the three containers were prepared on a computer owned by Team Freight. The containers were filled and processed by Team Freight. Muyumba was never arrested.

Investigations by EIA discovered that Team Freight was using the same contact number as a company called Mussa Enterprises, which in 2006 boasted to undercover EIA investigators of its experience in smuggling ivory. Team Freight has also been accused of fraudulent sale of copper ore out of Dar es Salaam, said to originate in Democratic Republic of Congo, which explains the connection to Muyumba.

## EIA CASE FILES:

In 2013, after all of the suspects had been released on bail, the case returned to the spotlight when a Member of Parliament named Abdulrahman Kinana, Secretary General of the ruling CCM party, as being involved in the transport of the container bound for Vietnam. It was alleged that a company called Sharaf Shipping Agency, part-owned by Kinana, had prepared the paperwork for the shipment. Kinana denied the accusation.<sup>54</sup>

In the same year, newspaper reports claimed the case had been dropped by the judiciary due to a lack of cooperation from the authorities in Vietnam, yet such cooperation had occurred in 2010 regarding the Manila seizure when Tanzanian enforcement agents were given full access to the seized ivory and associated documents.

In 2014, the freight companies accused in the case were reinstated onto TRA's approved customs agents list after being suspended in 2009. The police file of the case is reported to be missing and it appears that no prosecution will take place. Five years after one of the largest ever ivory seizures, no genuine effort has been made to conduct a full investigation and identify the main culprits, with even facilitators such as TRA officers and freight agents not prosecuted.

According to CITES, major ivory seizures "present excellent opportunities for those behind the smuggling to be identified and brought to justice. Too often such opportunities are being wasted".<sup>55</sup> This case exemplifies just such a failure.

### The Mikocheni House Seizure

While the Haiphong-Manila incident reveals serious enforcement failings, the seizure of a large haul of tusks which occurred at a residential address in Dar es Salaam in late 2013 demonstrates a much more effective and proactive operation by the Tanzanian police and intelligence agencies to disrupt an ivory smuggling network.

On November 2, 2013 the police raided a large house in the Mikocheni B suburb of Dar es Salaam and uncovered a haul of 706 ivory tusks weighing over 1.8 tonnes. Three Chinese nationals found at the house - Huang Gin, Xu Fujie and Chen Jinzhan - were detained at the scene after trying to pay a US\$50,000 bribe to the arresting police officers. Also discovered at the house were large amounts of cash, weighing scales and a specially adapted minibus with a hidden compartment for concealing ivory and two sets of interchangeable number plates. The tusks were in the process of being packed in sacks with snail shells and garlic to disguise the ivory.

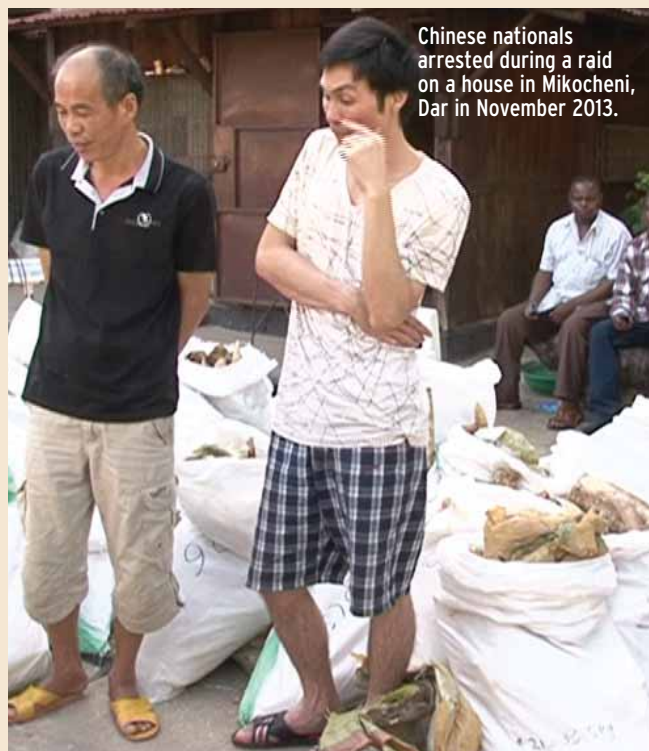
The raid followed months of surveillance work and tracking of the suspects by the police. Investigation of the premises revealed that a company called Evergo International was operating from the address and documents indicated previous shipments had taken place from Zanzibar. Based on this intelligence, an inspection was carried out on November 13 of a shipping container in Zanzibar port about to be loaded onto the vessel Kota Hening and bound for the Philippines en route to China. Inside were found 1,023 pieces of ivory weighing 2.9 tonnes and concealed among shells.

Subsequently, six arrests were made in Zanzibar, with two of the accused being TRA officials and two linked to a company called Island Sea Food, which was the agent for the shipment.

The case was further widened in May 2104 when two Tanzanians - Salvius Matembo and Julius Manase - were arrested in Dar es Salaam after an extensive hunt for supplying the 706 tusks discovered at the Mikocheni house. Matembo, a resident of the Mbezi area of Dar es Salaam but originally from southern Tanzania, admitted to being involved in the ivory trade since the late 1990s; by 2005, he had become an important broker, buying tusks from contacts in southern Tanzania and selling the contraband on to mostly Asian clients based in Dar es Salaam.

Through this impressive intelligence-led operation, the Tanzanian police appear to have disrupted a significant network spanning southern Tanzania, Dar es Salaam and Zanzibar. At the Mikocheni house, the suspects used a cover business of importing garlic and citric acid from China and exporting seafood to hide the ivory trading activities and explain the delivery and collection of cargo. Company research shows connections between Evergo and a related firm called YQP International with several companies in Hong Kong and the Chinese mainland. A series of suspicious transactions took place between the various companies, with half a million dollars in cash being paid into one of the related accounts in a single day.

Analysis of the case reveals that while the three Chinese nationals arrested at the house were clearly involved in the smuggling attempt, they are not the leaders of the syndicate. Likewise, the employees of Island Sea Food performed the function of arranging the export from Zanzibar while also masking the true owners of the ivory.



Chinese nationals arrested during a raid on a house in Mikocheni, Dar in November 2013.

© ITN



781 tusks from Tanzania seized in Malawi, May 2013.

© MRA

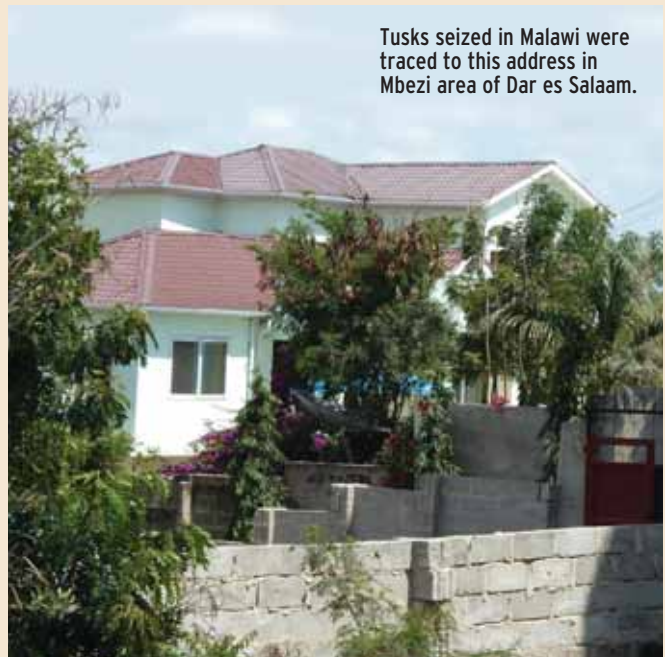
Court records show the main culprits to be Deng Jiyun, Zhang Mingzhi, both Chinese nationals, and Idris Kai Hamisi from Zanzibar.<sup>56</sup> Deng is believed to be a former employee at the Chinese consulate in Zanzibar. When the case was uncovered, all three fled to China. Both Zhang and Deng are listed on INTERPOL's red notice database of wanted persons.<sup>57</sup>

## The Malawi route

A convoluted back door route for smuggling ivory out of Tanzania came to light in 2013 when a truck was searched in neighbouring Malawi and elephant tusks discovered. On May 24, 2013 a mobile team from Malawi Revenue Authority carried out an inspection on a truck in the area between Bwengu and Phwezi. The driver declared that the truck contained cement from Tanzania. Upon inspection, 781 pieces of elephant tusks weighing 2.6 tonnes were discovered concealed beneath the cement bags.<sup>58</sup>

The truck was both driven and owned by Charles "Chancy" Kaunda. He had driven the truck from Lilongwe to Dar es Salaam in Tanzania, a journey of at least 20 hours, where he collected the ivory from a residential address. On the return journey, he was able to cross the Songwe border post unimpeded and was returning to Lilongwe when stopped by the MRA mobile unit.

Follow-up investigations by the Tanzanian authorities located the house where the tusks had been collected in an up-market neighbourhood called Mbezi Makabe, where similar properties cost US\$3,000 a month to rent. A raid on the premises uncovered a further 347 tusks weighing about one tonne and bags of cement. The occupant, a Government fisheries officer called Selemani Isanzu Chasama, was arrested. When interrogated, he claimed to be operating on behalf of an MP from CCM.



Tusks seized in Malawi were traced to this address in Mbezi area of Dar es Salaam.

Subsequent research shows that Kaunda is the director of the Lilongwe-based City Car Hire company. Local sources claim this firm is really owned by two Chinese businessmen based in Lilongwe, with Kaunda acting as a front. This is not the first time Malawi has been used as an ivory trafficking hub; detailed research carried out by EIA in 2002 revealed the existence of a major ivory smuggling syndicate based in Lilongwe which was trafficking ivory from Zambia to Asia via Lilongwe. Run by a Malaysian national known as "Peter" Wang, the group had made at least 19 shipments of ivory to Asia until one of them, weighing over seven tonnes, was seized in Singapore in June 2002.<sup>59</sup>

## EIA CASE FILES:



© Xu Miaobo / Xinhua Press / Corbis

Chinese Naval Task Force docked in Dar es Salaam Port in December 2013.



Paul "Paulo" Gavana and Suleiman Mochiwa, September 2014.



"Nova" Chikawe is the leader of the Mwenge ivory traders.

Based on previous ivory trafficking cases involving Malawi, the tusks detected in the truck in May 2013 were probably destined to be concealed in a shipping container in Lilongwe and exported to Asia from the Mozambique port of Beira. DNA analysis of the seized tusks, some of which reached 1.6 metres in length, shows the main place of origin to be Selous-Niassa, with others coming from the Ruaha-Mikumi ecosystem.<sup>60</sup>

As of October 2014, Chasama was in prison still awaiting trial. The status of the legal process against Kaunda in Malawi is uncertain. He was reportedly fined by MRA but it is not known if criminal proceedings have been launched. Tanzania is seeking his extradition.

### The Chinese Navy Visit

In late December 2013, the port of Dar es Salaam received an official visit from a Chinese naval task force which was en route to China after conducting anti-piracy patrols in the Gulf of Aden. The four-day visit of the fleet, which included the amphibious landing craft *Jinggangshan* and the frigate *Hengshui*, involved a series of activities between naval officers and personnel from the two countries, including "cultural exchanges".<sup>61</sup>

The visit prompted a surge in business for Dar es Salaam-based ivory traders. One dealer based in the Mwenge handicrafts market boasted of making US\$50,000 from sales to personnel from the

vessels. One Chinese national in town at the time, Yu Bo, was not so fortunate; he was detained on the evening of December 30 while trying to enter Dar es Salaam port in a truck loaded with 81 elephant tusks weighing 303kg concealed under wood carvings.

Yu Bo had been planning to deliver the tusks to two mid-ranking naval officers from the task force vessels moored in the port. On the evening in question, two vehicles arrived at the port entrance, both carrying concealed ivory. Bribes totalling TSh35 million (US\$20,000) were paid to gain access without inspection. But Yu Bo was stopped at a second checkpoint after a tip-off was received from a supplier aggrieved at being underpaid and the tusks were discovered.<sup>62</sup>

Reports stated that Yu Bo had arrived in Tanzania on November 26 and quickly made contact with an ivory syndicate to obtain tusks. The contraband was concealed in the Mwenge market area until being transported to the port.<sup>63</sup>

Unusually, the case against Yu Bo proceeded rapidly through the court system; by March, he had been convicted and given an unprecedented fine of TSh978 million (US\$5.6 million). This figure was based on 10 times the value of the ivory seized, the maximum fine allowed, with the ivory valued at US\$1,860 per kilogramme, the full black market value. Unable to pay the fine, he was sentenced to 20 years in jail.<sup>64</sup> As of October 2014, he was in detention appealing the sentence.

## The Mwenge Market Hub

The Mwenge Carvers' Market in Dar es Salaam is a popular place for visitors seeking handicrafts such as wooden carvings and traditional tinga tinga paintings. It is also an important hub for ivory trading, despite repeatedly being exposed in the national and international media.<sup>65</sup>

During an undercover visit to the market in 2006, EIA investigators were offered carved ivory pieces and raw tusks by several traders operating out of Mwenge, with the main source said to be the Selous and northern Mozambique. On a return visit in September 2014, EIA found that the trade had gone underground, with traders more circumspect than before and no ivory pieces offered for sale in the market.

This atmosphere appeared to be prompted by recent enforcement activity in the market and elsewhere in Dar es Salaam. Undercover police from outside the area had arrested two traders based at the market who offered ivory products.

Despite the air of caution, EIA investigators learned that Mwenge remains an important location for ivory buyers and sellers to make contact. Meetings are then arranged at other locations to discuss amounts, prices and delivery.

A tight-knit group of traders dominates the ivory business out of Mwenge. The four individuals – Novatus “Nova” Chikawe, Paulo Gavana, Deus Mbopo and Roberto – are all from the Makonde tribe, hailing from a region spanning southern Tanzania and northern Mozambique. The group has been active in the market since 2006 and is protected by connections with officers from the local police station. Its connections to southern Tanzania assist in procuring ivory from the region. Nova is the leader of the group and brags of selling ivory to people from the Chinese Embassy in Tanzania, while Deus oversees contacts with the local police.

In September 2014, EIA undercover investigators met with Paulo at a hotel outside the Mwenge area. Paulo was accompanied by a man

called Suleiman, whom he introduced as his cousin. While Paulo described his main business as ebony carvings, Suleiman runs a freight forwarding service. Both admitted to being involved in the ivory trade but said activities were now carried out more discreetly due to recent enforcement operations and they were currently just selling locally rather than arranging export. During discussions about exporting contraband out of Dar es Salaam port, Suleiman spoke of the importance of having reliable connections with customs officers to avoid any problems and acknowledged that the increased use of cargo scanners at the port had made smuggling more difficult. Paulo claimed that one of three Chinese arrested at the Mikocheni house, Huang Gin, had been a regular buyer of ivory at the market.

They both related how ivory sales by Mwenge-based traders boomed when a large entourage arrived during a visit to Tanzania by the Chinese President Xi Jinping in March 2013. The large Chinese Government and business delegation on the visit used the opportunity to procure such a large amount of ivory that local prices increased. The two traders claimed that a fortnight before the state visit, Chinese buyers began purchasing thousands of kilos of ivory, later sent to China in diplomatic bags on the presidential plane.

Suleiman said: “The price was very high because the demand was high. When the guest come, the whole delegation, that’s then time when the business goes up.” He added that the price per kilo in the market doubled to US\$700 during the visit.

A similar claim was made by another Mwenge dealer speaking to undercover reporters in 2010 about the entourage during a visit by the previous Chinese President in February 2009: “You know when the president of China Hu Jintao was coming to Tanzania? They come to take many things. But that was not for Hu Jintao, it was the whole group. Then they go direct to the airport, because VIP no-one checks your bags.”<sup>66</sup> As far back as 2006, EIA investigators were told by Mwenge suppliers that Chinese Embassy staff were the major buyers of their ivory.



State visit by China's President to Dar es Salaam, March 2013.

© Reuters



Mwenge Market: long-standing ivory trading hub in Dar es Salaam.

## EIA CASE FILES:

### The Zanzibar connection

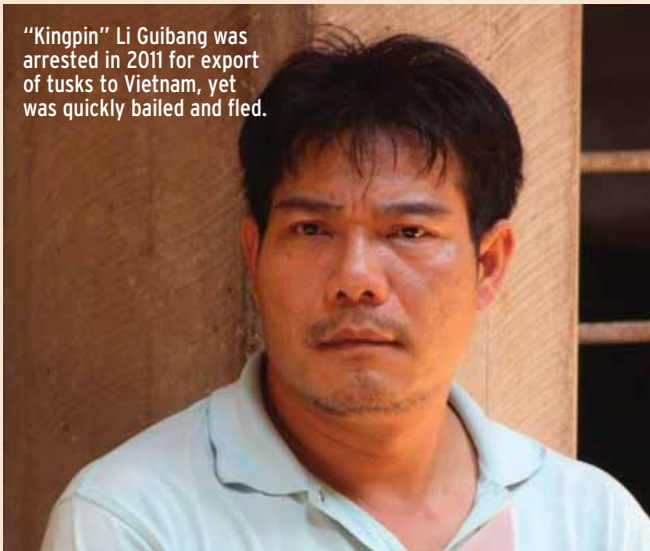
EIA's investigations and analysis of major seizures reveal the emergence of Zanzibar as a major hub for smuggling large ivory consignments out of Tanzania. The name Zanzibar refers to two islands - Unguja and Pemba - which have semi-autonomous status within the United Republic of Tanzania. During the 19th century, the region served as a centre for the trade in slaves and ivory. Nowadays it is best known as a tourist destination, but its previous role in the ivory trade is now re-emerging.

The main port of Malindi in Zanzibar has been specifically chosen as the preferred exit point for ivory smuggling syndicates operating in Tanzania. The reasons are clear; easier clearance of cargo compared with the larger port of Dar es Salaam, different legislation on trade in endangered species compared with the mainland, shipping routes connected to Asia, a lack of effective controls and corrupt officials in the port.

Malindi Port, Zanzibar:  
ivory gateway to Asia.



"Kingpin" Li Guibang was  
arrested in 2011 for export  
of tusks to Vietnam, yet  
was quickly bailed and fled.



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Clearance of goods for export takes a few days in Zanzibar compared with weeks in Dar es Salaam and cargo vessels regularly ferry goods between the two. Traditional dhows also carry cargo from mainland Tanzania, including Kilwa in the south, to a landing point adjacent to Malindi. Conveniently, a web of shipping agents operates around the port who are willing to use their names as the consignee on documents to obscure the true owner.

Zanzibar's primary wildlife law, the Forest Resources Management and Conservation Act (FRMCA) No.10 of 1996, protects only wildlife that naturally occurs within Zanzibar, meaning that elephants, which are not endemic, are technically excluded from protection. This situation also creates complications in implementing CITES legislation. While the police and WD from the mainland appear to have authority to investigate wildlife crimes in Zanzibar, the legal basis for this is unclear. Also, the penalties prescribed under the FRMCA are extremely low, with the highest penalty on conviction being imprisonment for a term not less than six months or a fine of not less than TSh300,000 (US\$185).<sup>67</sup>

There have been two major ivory seizures in Zanzibar in the past five years; one in August 2011 of 1,041 tusks concealed among dried fish in two shipping containers bound for Malaysia, and the November 2013 seizure of 2.9 tonnes hidden by shells and linked to the Mikocheni house case. More shipments of ivory have been seized in Asia after leaving Zanzibar. At least six consignments have been intercepted in the ports of Haiphong, Vietnam and Hong Kong since 2009. In every case, the tusks were concealed in containers of marine products such as dried fish, seaweed and shells.<sup>68</sup>

In August 2009, the Vietnamese ship *Vinashin Mariner* docked at Haiphong port where one container, described as containing snail shells, was examined and found to hold just over two tonnes of ivory tusks. The shipment originated in Zanzibar. The paperwork listed a Zanzibari-based shipping agent named Ramadhan Makame Pandu, who was reportedly arrested in December 2009.<sup>69</sup> In January 2011, a Chinese national named Li Guibang was arrested in Dar es Salaam in connection with the Haiphong seizure. Li was referred to as a "kingpin" coordinating ivory smuggling to Asia.<sup>70</sup> Despite his status as a "kingpin", Li was given bail of TSh80 million (US\$46,500) by the High Court of Tanzania in March 2011 and promptly absconded to Kenya, abetted by Salvius Matembo, an accomplice in the ivory trade later arrested in connection with the Mikocheni seizure.

Later that year, in August 2011, Zanzibar's Malindi Port was the site of a seizure of 1,041 tusks. The cargo had arrived from Dar es Salaam on the local carrier *MV Buraq*; the tusks were packed in dried fish from Mwanza in northeast Tanzania. The same shipping agent Ramadhan Makame Pandu had received the cargo in his go-down near the vegetable market in Zanzibar Town. It was claimed in the media that the true owner of the contraband was a "Mr Lee" from Dar es Salaam.<sup>71</sup> As of October 2014, Pandu was still detained awaiting trial while Li was rumoured to be back in Dar es Salaam.

In September 2010, Hong Kong Customs seized two containers carrying 1.5 tonnes of tusks shipped from Zanzibar declared as dried anchovies.<sup>72</sup> Chinese national Huang Guo Lin, aka Alimu, was arrested and charged with unlawful dealing in ivory tusks and



attempting to pay a bribe of TSh17.5 million (US\$10,000) to the arresting officers.<sup>73</sup> Huang was subsequently bailed and four years later the case remains unresolved.

Coincidentally, in September 2014 EIA undercover investigators met with a Zanzibar-based shipping agent called SM Rashid. The owner, Suleiman Rashid, revealed he had acted as the shipping agent for the consignment intercepted in Hong Kong in 2010. Because his name appeared on the shipping documents, he was arrested and detained for a month until his story of not knowing the real contents of the containers was believed. He added that the two seized containers were part of a consignment of five he shipped to Hong Kong for the same Chinese, with the other three avoiding detection. Rashid also admitted arranging previous shipments of plastic waste for Chinese clients to Haiphong port in Vietnam, a proven concealment method and route used to smuggled ivory.

The growing prominence of Zanzibar as major ivory smuggling hub is connected to the emergence of prolific wildlife crime syndicates from southern China, which use the port as the main gateway for ivory shipments bound for the Chinese mainland.

During the past decade, a tight-knit network of smugglers from the Maoming region of Guangdong Province in China has risen to become the main group dominating the ivory trade out of East and West Africa, with Zanzibar functioning as one of the main bases. The Maoming group has supplanted traders from Putian in China's Fujian Province which used to control the trade.

Most of the individuals involved in the trade come from the town of Shuidong, in the Maoming area. Shuidong is a major centre for trade in sea cucumbers, an expensive delicacy in China. Most of the ivory traders active in Zanzibar first came there to carry out sea cucumber business and now use it a cover for ivory smuggling activities.

In September 2014, EIA undercover investigators met with a Zanzibar-based sea cucumber trader called Wei Ronglu, from Shuidong. At the outset, Wei said he was not involved in trading ivory but appeared to be extremely knowledgeable about the business. He related how recent enforcement had dampened down ivory smuggling but added that two major syndicates run by Shuidong people were still operating out of Zanzibar.

He said that in 2013, a single syndicate successfully sent up to 20 containers with ivory hidden inside to the Chinese mainland, usually via Hong Kong. He claimed that on average, one out of 20 containers of ivory is ever seized; each consignment usually has between two and three tonnes of ivory inside, with low value goods such as shells and dried fish used for concealment. Sea cucumbers are never used as the cost of losing both these and ivory if the container has intercepted would be very expensive.

The Shuidong groups are extremely cautious and use trusted Tanzanians to front the operations. Such connections can take a couple of years to build. The Tanzanians' role is to arrange the shipping and manage the relationship with corrupt officials in the port. The Chinese bosses stay in the background and remain



High-value sea cucumbers drying out in Zanzibar, for export to China .

unconnected to the shipments until the Bill of Lading is handed over, to clear the containers in Asia, once the consignment is loaded onto the vessel. Often on the day of loading, the Chinese syndicate members will observe the location from a safe vantage point to ensure there are no last minute problems. They usually have airline tickets to leave Tanzania that day should anything go wrong.

A great deal of planning goes into the timing of the export to ensure customs officials in the pay of the syndicate are prepared and in place on the day of departure. The usual fee paid to ensure the container is not inspected prior to sailing is US\$70 per kilo of ivory. The Shuidong groups use bank accounts in southern China to finance the operation. Trusted 'investors' make down-payments to cover the costs of procuring and shipping the ivory and then receive a pay-out once the ivory is distributed and sold in China by local members of the group.

Wei confirmed that the three Chinese nationals arrested at the house in Mikocheni were from Shuidong but were relatively junior and made the mistake of packing the ivory at the same location where they were living. After the meeting with Wei, EIA investigators held a series of telephone conversations with him. He offered to arrange a meeting with members of a syndicate in Maoming, referring to them as his brothers and saying that a payment of US\$1.3 million would be required at the meeting.

EIA's investigations reveal that Chinese-led criminal enterprises have deliberately chosen Zanzibar port as the main exit point for ivory shipments because of its lax controls and the willingness of some officials to take bribes. One insider claimed Zanzibar is the biggest single ivory trafficking hub in Africa.

## EIA CASE FILES:

### Niassa

The Niassa National Reserve in northern Mozambique adjoins the Selous Reserve in neighbouring Tanzania. Niassa has also been hit by rampant elephant poaching, with Tanzanian nationals implicated in some cases and ivory crossing the porous border by land and in small boats.

In 2009, Niassa's elephant population was 20,374 but by 2013 it had fallen to 13,000, a decline of 36 per cent. In the first two weeks of September 2014 alone, 22 elephants were poached in Niassa.<sup>74</sup> In the same month, elephant poaching was declared a "national disaster" with five elephants being killed a day.<sup>75</sup> An aerial survey of Niassa in 2011 counted 12,026 live elephants and 2,627 carcasses. In nearby Quirimbas National Park, a 2013 census found 854 live elephants and 811 carcasses.<sup>76</sup>

Considerable evidence points to the involvement of Tanzanian poaching gangs and ivory traders in the slaughter of elephants in northern Mozambique. It is estimated that almost half of the poachers operating in Niassa are Tanzanian, aided by corrupt officials on both sides of the border.<sup>77</sup> In early September 2014, a gang of six poachers was arrested in the Niassa area after a 10-month investigation by police and wildlife scouts. The gang was apprehended while transporting 12 ivory tusks and high-powered hunting rifles were confiscated. Four of the arrested poachers were Tanzanian. One of the gang admitted to killing 39 elephants in Niassa during 2014.<sup>78</sup> In 2011, officials from Quirimbas National Park told EIA of the presence of Tanzanian poachers in the area, who they blamed for introducing poisoning as a means of killing elephants.<sup>79</sup>

Seizure data and conversations with Mwenge traders indicate that some of the ivory from northern Mozambique moves across the border into Tanzania and forms part of the consignments moving to Asia. In 2006, several traders in Mwenge claimed to source tusks from Mozambique. Also, DNA analysis reveals that part of the haul of 781 tusks seized in Malawi in 2013 on a truck from Tanzania had come from Niassa.<sup>80</sup>

Poached ivory from Niassa and Quirimbas is also shipped straight out of Mozambique to Asia via the nearby port of Pemba. Many Chinese logging companies and timber traders are base in the region and the high volume of mostly illegal logs and sawn timber being shipped to China offers a convenient cover for ivory smuggling.

In early 2011, an enforcement operation discovered 161 containers of illegal logs already loaded onto a vessel about to depart Pemba port. The raid also found 166 tusks hidden among the logs in some of the containers. Two employees of a Chinese logging company linked to the seizure fled the country.<sup>81</sup> In July 2009, Vietnamese customs officers in Haiphong port intercepted 600kg of ivory concealed in a shipment of timber. The consignment had originated in the small port of Mocimboa da Praia in northern Mozambique and was exported by a Chinese state-owned timber company called Senlian Corporation.<sup>82</sup>



**ABOVE:**  
Niassa's elephant has declined  
by 36 per cent since 2009.



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## TRANSIT COUNTRIES

Ivory consignments leaving Tanzania in shipping containers and ultimately bound for mainland China often follow convoluted routes involving multiple countries in the Middle East, South Asia and East Asia. In some instances, routing via transit countries is merely a consequence of the sailing schedules operated by the main shipping lines carrying cargo out of Tanzania. For instance, the shipping line CMA-CGM uses Port Klang in Malaysia as a transport node for freight moving from East Africa to Asia. Other shipping lines use the United Arab Emirates ports to connect East African routes with onward transport to Asia.

These transit countries can be used by ivory smugglers to tranship cargo, in effect breaking the route and obscuring the true origin of the shipment in an effort to counter risk-profiling by customs agencies in the ultimate destination port. For example, in October 2013 customs officers in Haiphong port, northern Vietnam, made two separate seizures of ivory totalling 4.4 tonnes, declared as seashells. Although this concealment method is usually associated with ivory shipments in Zanzibar, the Bill of Lading for the cargo only covered the transportation from Port Klang in Malaysia to Haiphong, effectively obscuring the origin of the shipment.

Between 2009-13, the four transit countries or territories most often associated with ivory smuggling – Hong Kong, Vietnam, Malaysia and the Philippines – were implicated in 62 per cent of large seizures, totalling 41 tonnes of ivory.<sup>83</sup>

Investigations by EIA show that the most important transit ports for the smuggling of ivory from Tanzania to mainland China are Hong Kong and Haiphong in Vietnam. The prominence of these two ports is not due to shipping routes; they are deliberately chosen by ivory smuggling syndicates seeking the safest routes to reach the end market of China.

### Hong Kong

Hong Kong serves as a major transit point for illegal ivory en route to mainland China. Between 2009-14, Hong Kong authorities seized at least 18 tonnes of ivory, with two-thirds of this amount seized since late 2012.<sup>84</sup> Tanzania features prominently as one of the main source countries of ivory intercepted in Hong Kong.

The main advantage to ivory smugglers is the sheer volume of cargo passing through Hong Kong port which, as the third busiest container port in the world, handled 23 million containers in 2012.<sup>85</sup> The sheer volume of trade and the imperative to clear freight quickly means that a small fraction of containers is subject to inspection.

Another important factor is the existence of specialist freight agents in Hong Kong with the experience, skills and contacts to move cargo, including contraband, into the mainland. This process usually involves manipulation and/or changing of shipping documents to disguise the cargoes' true origin, making them untraceable. For example, in early 2014 EIA investigators probing

### ABOVE:

August 2011:  
1,898kg tusks seized in Hong Kong, displayed with salt sacks.

**“To date most of the large containerised ivory seizures in Hong Kong have not led to a prosecution.”**

the trade of protected rosewood species from Africa and Asia to China met with several logistics agents in Hong Kong who were transshipping timber to the mainland.<sup>86</sup> One such agent offered to move Siamese rosewood, protected under CITES, to ports in China’s Guangdong Province for a fee of US\$2,300 per tonne. The agent even offered compensation of US\$6,500 per tonne should the cargo be seized.

The existence of cross-border syndicates transferring ivory shipments between Hong Kong and Guangdong is demonstrated by a case involving the seizure of two containers in Hong Kong port in October 2012. Inspection of the containers, one from Tanzania and the other from Kenya, revealed 3.8 tonnes of ivory tusks. The containers were not inspected at random but were flagged due to a six-month intelligence operation by enforcement agencies in Guangdong, investigating ivory smuggling to the cities of Shenzhen, Zhongshan and Dongguan. The seizure resulted in the arrest of seven suspects on the mainland, including one Hong Kong resident.<sup>87</sup>

Although detecting wildlife contraband is now one of the main priorities for Hong Kong customs and cooperation with counterparts on mainland China is proving effective, to date most of the large containerised ivory seizures in Hong Kong have not led to a prosecution.

## Haiphong

Haiphong is the main international port serving northern Vietnam. It also functions as a back door for a range of contraband, including electronic waste, wildlife products and illegal timber bound for China.

Goods arriving in Haiphong destined for China are usually moved by road under customs seal to be cleared at the main border crossing of Mong Cai, lying between the Vietnamese province of Quang Ninh and Guangxi in China. In most of the ivory seizure cases, the consignees are freight agents based in either Haiphong or Mong Cai.

The Mong Cai crossing points are dominated by organised criminal gangs, aided by corrupt customs and border control officers who charge a fee to wave cargo through unofficial crossings. Detailed surveillance of the Mong Cai border area revealed that out of 16,800 vehicles travelling to China, only two per

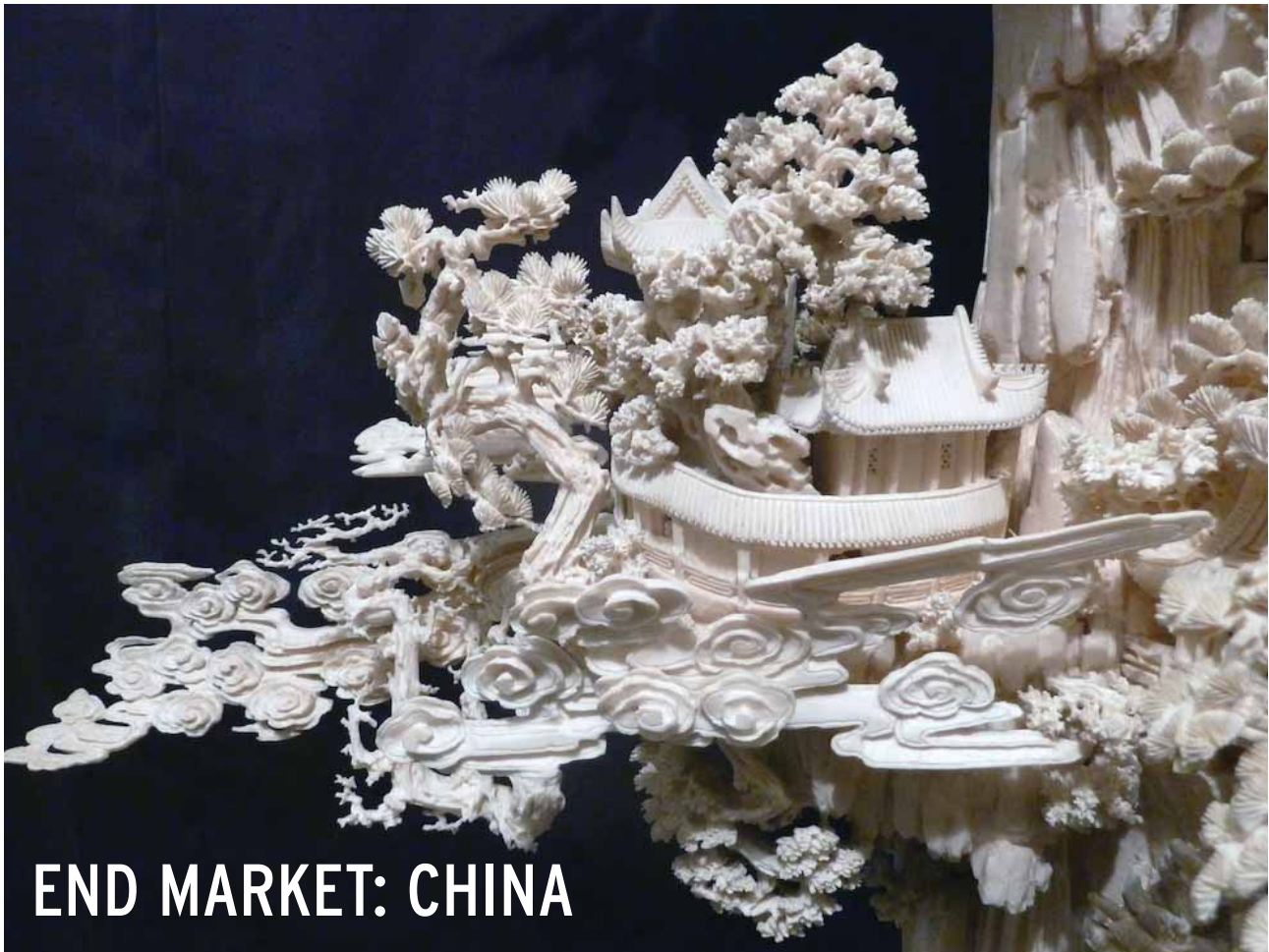
cent used the official international crossing point.<sup>88</sup>

There is no economic case for using the Haiphong-Mong Cai route to move cargo to southern China. Comparison of shipping company rates to move one container of dried fish from Tanzania to Guangdong show that a direct route from Dar es Salaam to Guangzhou via Shenzhen would cost on average US\$1,683, compared with US\$2,480 for transport from Dar es Salaam to Guangzhou via Haiphong and Mong Cai.<sup>89</sup> The only reason for the route is to take advantage of lax controls and the cluster of criminal brokers based around Mong Cai.

In early 2014, EIA investigators tracking flows of illicit rosewood from Vietnam to China were told that, due to increased attention on Mong Cai, smuggling operations were moving westwards to the Lang Son border crossing point. The same appears to be true for ivory shipments. In October 2013, Haiphong customs seized two tonnes of ivory tusks in a container declared as seashells. Customs documents showed that the container was destined to be re-exported to China via Lang Son.<sup>90</sup>

Seizures of ivory have also occurred across the border in Guangxi. In early 2009, six Chinese nationals were arrested for smuggling ivory from Vietnam via Guangxi and Guangdong into Fujian Province, China. The main culprit, Li Zhiqiang from Xianyou in Fujian, had journeyed to Haiphong to inspect the ivory, which was driven in a refrigerated seafood truck to Guangdong where it was transferred in wooden cases for despatch to Fujian, one of China’s ivory trading hubs.<sup>91</sup> In April 2011, a highway patrol inspected a truck near the border with Vietnam heading towards the city of Nanning and discovered 707 ivory tusks.<sup>92</sup>

While Haiphong crops up regularly as a staging post for ivory shipments destined for China, there do not appear to have been any successful prosecutions linked to seizures at the port and little evidence of the Vietnamese authorities sharing intelligence with either the source countries in Africa or the end market of China. When Tanzanian officials requested permission to travel to Vietnam to investigate the six tonnes of ivory seized in Haiphong in March 2009, they were denied visas.



## END MARKET: CHINA

Far removed from the elephant poaching crisis in Tanzania, ivory is presented as exquisite and valuable decorative items in China, the world's largest destination market for illegal ivory.<sup>93</sup>

The current surge in illegal ivory trading in China is a consequence of several connected factors; the creation of a parallel legal domestic market for ivory in China by CITES decisions, the role of the Chinese Government and industry in stimulating demand for ivory products, and failure to stop the flow of smuggled ivory through Hong Kong to mainland China.

The problem has been growing since the late 1990s. In 1999, half of all ivory seized around the world was destined for China.<sup>94</sup> In 2000, EIA was one of the first organisations to warn of the growing demand for ivory in China after investigations in Guangdong revealed new enterprises entering the market.<sup>95</sup>

Although Chinese legislation allows trade in pre-ban ivory, the scale of the ivory documented by EIA in a series of investigations, along with information obtained from conversations with trade sources, clearly demonstrated that by

2002 the market in China relied on smuggled ivory, which was being easily laundered in to an ineffectively regulated market.<sup>96</sup>

Investigations in China also highlighted the role of the Government in the trade, particularly state-owned ivory carving factories and stores. For example, EIA investigations exposed the dubious origin of ivory sold by a Chinese company in Guangzhou, Yue Ya, which supplied ivory to Government-owned Friendship Stores. Further, it was reported that between 1990 and at least 2004, illegal ivory seized by the Chinese Government was sold to the domestic market and, in November 2004, authorities in Guangdong province auctioned almost a tonne of illegal ivory to domestic traders.<sup>97</sup>

EIA investigations and research from 1999 to 2005 documented the rising role played by China in the illegal ivory trade, including:

- EIA investigations in 1999 in Guangzhou and Beijing found a growing ivory market, despite the fact that Guangzhou ivory carvers had only a two-month supply on hand in 1989 at the time of the ban;

**“By 2002 the market in China relied on smuggled ivory, which was being easily laundered in to an ineffectively regulated market”**

- EIA investigations in Hong Kong, Shanghai and Beijing in 2002 found ivory trade in Hong Kong was on the decline but was increasing on the mainland where Chinese nationals were the main buyers. Although the Chinese Government had introduced a labelling scheme to regulate legal ivory trade and discourage illegal activities, EIA documented illegal trade in ivory in Beijing, Tianjin and Guangzhou where 'new' ivory from Africa was being sold. One trader told EIA that diplomatic channels were often used to smuggle illegal ivory into China;
- A Chinese Government document obtained by EIA and dated 2003 revealed that a survey of Government ivory stocks carried out the previous year had found that 110 tonnes of ivory was missing, adding that a large amount of illegal sales had taken place;<sup>98</sup>
- EIA investigations in Guangzhou in 2005 documented flagrant problems with the ivory certification and regulation system in China. Traders were selling ivory without the legally mandated certificate and shared detailed information on smuggling illegal ivory. Although at one end of the scale some traders appeared to be dealing with ivory within the legal framework for fear of being caught, there were many other large-scale traders willing to deal with illegal ivory.

**BELOW:**  
High-end ivory products on display in Guangzhou, China, 2010.



## Market Dynamics

In 2002, China blamed the decision to allow an “experimental” sale of ivory to Japan as the principal cause of the increasing amount of illegal ivory entering its shores, observing that this controversial sale confused consumers in China: “Many Chinese people misunderstand the decision and believe that the international trade in ivory has been resumed.”<sup>99</sup>

However, by 2005 China had decided that it too wanted to reap profits from the ivory trade and started campaigning for another sale of stockpiled ivory in which it would be a recipient. Against the backdrop of escalating poaching and ivory trafficking, CITES parties agreed another sale in 2008, this time to both China and Japan. The sale was agreed on the basis that China had implemented strict domestic trade regulations and that the sale of legal stockpiled ivory would flood the market in China with cheap ivory, thereby undercutting the illegal market. In fact, the proponents of the sale failed to understand the potential surge in consumption in China. Since then, investigations by EIA and several other organisations have demonstrated the failure of the 2008 sale to achieve any of these objectives.<sup>100</sup>

China purchased 62 tonnes of ivory in the CITES auction. Four Government-owned ivory companies – the China National Arts & Crafts Group Corporation (also known as Gongmei), Beijing Ivory Carving Factory, Guangzhou Daxin Ivory Factory and Beijing Mammoth Art Co Ltd – participated and purchased ivory from this sale.<sup>101</sup> This ivory was distributed to other authorised companies through internal auctions, but only one auction was carried out during 2009-11. Of the total bought by China at the auction, 40 tonnes was purchased by the Gongmei group. Simultaneously, efforts were made by the Government, industry and media in China to promote the use of ivory as cultural heritage and a lucrative financial investment.

The State Forestry Administration of China (SFA) is the body responsible for regulating the legal domestic trade in ivory, principally through a registration system launched in 2003 under which all facilities dealing with legal ivory are required to openly display a Certificate of Registration at the site of operation and all legal ivory products are required to be sold with an Ivory Product Identification Card. For ivory products which weigh over 50g, the Ivory Product

Identification Card must include an image of the product.

In 2004, nine ivory carving factories and 31 retail outlets were permitted by the SFA to process and sell 'legal ivory', which at that time was claimed to consist only of pre-ban ivory.<sup>102</sup> With the injection of more ivory from the 2008 CITES auction, there are now more than 180 licensed ivory processing and retail facilities, with clusters in Beijing, Shanghai, Guangzhou and Fujian. In effect, the four state-owned firms which bought the auctioned ivory operate as a cartel, releasing into the market only five tonnes of raw ivory a year from the auction, with a substantial mark-up of US\$1,500 per kilo on the purchase price of US\$157 per kilo.<sup>103</sup>

EIA investigations in Guangdong in 2010 found that ivory retailers believed about 90 per cent of ivory on sale in the region came from illegal sources.<sup>104</sup> China's internal control systems were clearly inadequate and the notion that the legal sale would dampen down demand for illegal ivory untrue.

## EIA Investigations in Guangdong and Fujian

In November 2010 and September 2013, EIA investigators visited Guangdong and Fujian, two provinces in southern China known as major ivory smuggling and processing centres. Many of the large ivory seizures in China over recent years have occurred in the two provinces.

In 2010, EIA met four of the seven licensed companies authorised to produce and trade ivory in Guangdong province. One such Guangzhou-based retailer told EIA that licensed factories have to purchase an annually allocated supply from a few designated companies, which inflate the price for raw material. He complained that the Government supplies are very expensive and the ivory being distributed is insufficient. This was reflected in the retail prices of ivory products in licensed retail outlets in Guangzhou, which are much higher than elsewhere.

In 2013, EIA met with five of the eight SFA-accredited companies in Fujian Province. Discussions revealed that the raw ivory from the auction is now being offered at up to US\$3,000 per kilo. One trader divulged that the SFA now requires licensed retailers to sell finished products at a price no less than RMB 40,000 per kilo (US\$6,500) and



said otherwise he would be punished with a reduced processing quota, the annual allocation set by the SFA.

### **ABOVE:**

Duwei near Xianyou in Fujian, an important ivory processing and retail hub.

In Guangdong and Fujian, the black market price for raw material is lower than prices for 'legal' ivory and has also been steadily increasing. A common observation made by EIA investigators during the recent visits to China is that while legal ivory raw material is in short supply, illegal ivory is readily available and constitutes the bulk of available raw material.

In 2010, in addition to the licensed traders, EIA investigators also met with a range of uncertified ivory dealers and retailers. These conversations revealed a market free of effective control, with Guangzhou as the main centre. Dealers spoke of a network of suppliers in Guangdong, controlled by three 'big bosses'. The groups use shifting smuggling routes, such as via northern Vietnam, and sophisticated methods such as concealing ivory in metal boxes suspended below ships, and they even manipulate market prices by stockpiling tusks.

When EIA investigators visited Fujian in 2013, the other key trafficking hub in China, there was an evident nervousness among the ivory trading circle – recent enforcement activities resulting in high-profile arrests made traders more cautious. However, EIA confirmed that while the illegal ivory trade had become more clandestine it was still flourishing; "every trader on the inside knows who to go to for the materials," claimed one unlicensed ivory trader.



**ABOVE:**  
Zhengang Crafts ivory  
carving factory, Fujian,  
August 2013.

In Fujian, the ivory trade is spread across the province but mostly concentrated in processing hubs such as Fuzhou, Putian and Xianyou. There, ivory is commonly processed by a carving industry which also works on rosewood furniture and crafts in China.<sup>105</sup> Main centres include Minhou next to Fuzhou, Baxia, and Duwei near Xianyou, where retailers source their stocks and smuggling networks hide contraband. In Xianyou alone there were said to be eight ivory networks operating prior to enforcement operations in 2012. Finished ivory carvings are usually distributed within networks of trusted traders and often end up in cities such as Beijing and Shanghai. The crossover between the rosewood and ivory trades demonstrates the convergence of wildlife crime types; similar trafficking routes are used and timber shipments offer a convenient way of concealing ivory.

EIA also gathered evidence of how licensed dealers also participate in the ivory black market and use loopholes in the Government registration system. During a meeting with licensed ivory trader Fujian Zhengang Crafts it was revealed that the company produced multiple identical items using a single certificate to get around the limited processing quota.

A subsequent meeting with the owner of Duwei-based Fuling Carving confirmed that Zhengang had previously sourced

illegal ivory from him. Another licensed company, Xianyou Senyi Xianshi Crafts Ltd had just been granted legal trader status, but the owner Fang Zhishun, who is also Putian City representative to the National People's Congress told EIA investigators he was planning to source illegal ivory and use his license to launder materials through the legal system. During the meeting he made several calls to black market ivory suppliers.

Burgeoning demand for ivory in China is the main driving force behind the escalating poaching of elephants in Africa. While the Chinese Government has been promoting ivory carving as part of the country's cultural heritage, it is threatening Africa's natural heritage.

EIA investigations reveal that ivory is frequently used as gifts for the political and business elites, as a non-financial bribe.

As EIA's investigations in Tanzania show, Chinese-led criminal syndicates are making huge profits from ivory trafficking and, in the process, undermining the rule of law and fostering corruption. While China's enforcement agencies deserve credit for a recent operations resulting in successful prosecutions, the amount of illegal ivory seized represents at best only about five per cent of the contraband evading detection.

**“While the Chinese Government has been promoting ivory carving as part of the country's cultural heritage, it is threatening Africa's natural heritage”**



## NEXUS OF LEGAL AND ILLEGAL IVORY TRADE

While the country's internal ivory control system is fundamentally flawed and can be faulted for causing significant new demand for illegal ivory, Chinese enforcement agencies are now attempting to stem the flood of illegal ivory entering the country.

In 2013, a series of successful proactive enforcement operations came to light which resulted in the seizure by Xamien customs of almost 12 tonnes of illegal raw ivory from Africa and the arrest of licensed traders.<sup>106</sup>

In 2011, customs officers in Shishi Port, of Fujian Province, acting on a tip-off inspected a suspicious container which had arrived at port and remained uncollected for 10 days. Inside, they found 10 sacks of ivory; the name on the paperwork was a Shishi man named He. Customs targeted He with surveillance, tracking his movements and associates.

He was found to be in contact with Chen Buzhong, the owner of established ivory company Fujian Puxiang Crafts and a member of China's National Ivory Carving Committee. In order to turn a greater profit, Chen used his position in the legal ivory business as a cover to import illegal African ivory. Investigations revealed that Chen had been working with a woman named Chao Hsiu-Chin, whom he had met in South Africa in late 2010. Taiwan-born Chao, also known as "Sophia", was Chen's Africa contact, coordinating logistics of shipments to Asia. Chen's associate He assisted with the paperwork for the shipments arriving in China; relevant container numbers were exchanged via text messages.

Questioning of the suspects led the customs officers to other ivory consignments landed in Shishi. In total, six shipments of ivory were intercepted from several different

African ports of exit, all with different methods of concealment: one container from Tanzania in copper ore (declared from Kinshasa); two from Nigeria in cashew nuts; one from Kenya in cow hide (via Hong Kong); one from Côte d'Ivoire in timber and one from Togo in timber. All were traced to Chen and, in total, Chen and his associates had imported 7.7 tonnes of illegal ivory.<sup>107</sup>

At the subsequent trial, Chen was initially sentenced to life imprisonment, later reduced to 15 years on appeal.

However, Chen is not the only licensed ivory trader who has been involved in abusing the legal ivory trade system; Yao Quan'an, owner of Zhongshan Yixingxin Crafts Ltd, was also found to have smuggled over one tonne of ivory from Africa in 2011.

As the mastermind, Yao barely appeared on the paper trail because the business was fronted by a network of logistics and customs clearance agents, and cover companies. One batch of ivory was hidden with scrapped keyboards and entered into Jieyang, China, via Malaysia and Hong Kong. The other batch arrived in the Quanzhou port as wrapping paper from Taiwan. Wu Jianlang, a key complicit, travelled to Hong Kong and Taiwan to arrange the logistics of the cargo with his networks. Yao and Wu were sentenced to 14 and 12 years in prison respectively in 2013 and their ivory licenses were revoked.

Chen Buzhong was sentenced to 15 years for smuggling 7.7 tonnes of African ivory into China.



© CCTV, Legal Report, 10/01/2014

A statue made from illegal ivory showed to investigators in Xianyou, Fujian, August 2013.



# CONCLUSION AND RECOMMENDATIONS

While limited headway has been made with regard to certain aspects of the illegal trade in ivory within Tanzania, a number of fundamental commitments, made at high-profile international meetings, have yet to be implemented.

## **EIA RECOMMENDS THAT THE GOVERNMENT OF TANZANIA IMPLEMENTS THE FOLLOWING ACTIONS AS AN IMMEDIATE PRIORITY:**

1. Conduct immediate DNA sampling on all seizures of more than 500kg of ivory made within its territory. These include seizures in Mikocheni in Dar (1,899kg) and Zanzibar (2,915kg) from late 2013
2. Inventory and destroy all Government-held ivory stocks within Tanzania; at the very least, destroy all Government-held seized ivory stocks. Public promises made by high-level officials, most recently in May 2014, to inventory and put all stocks beyond economic use remain unrealised
3. Create a specialist investigative task force to focus on high-level ivory traffickers and corrupt officials who enable such trafficking. Toward this end, a range of criminal justice responses are required to be deployed, including:
  - the expansion of evidence-gathering in investigations to deploy anti-money laundering and anti-corruption legislation against major ivory traffickers
  - proactive intelligence-sharing and enforcement deployment with source, transit and destination countries such as Uganda, Kenya, Mozambique, China (including Hong Kong), Vietnam, Malaysia and Sri Lanka to demonstrate tangible disruption of criminal activities
  - the use of international instruments to publicise and locate fugitive suspects, and to prioritise prosecution of such offenders, including those highlighted in this report
  - the application of the expertise of all relevant agencies, including the Tanzanian Police, Tanzania Revenue Authority including the Customs department and Tanzania Ports Authority, Tanzania Wildlife Division, Tanzania National Parks Authority, Ngorongoro Conservation Area Authority, Financial Intelligence Unit, Tanzania Intelligence Security Service, Prevention and Combating of Corruption Bureau, prosecutors, the judiciary and other specialised agencies from both mainland Tanzania and Zanzibar

4. Institute and empower third-party independent monitoring of checks on outbound freight at all Tanzanian and Zanzibari ports

5. Prioritise the review and amendment of Zanzibar's legislation to allow domestic implementation of CITES

## **EIA RECOMMENDS THAT THE GOVERNMENT OF CHINA IMPLEMENTS THE FOLLOWING ACTIONS AS AN IMMEDIATE PRIORITY:**

1. Adopt and enforce a full domestic ban on ivory trade, with immediate effect
2. Investigate and prosecute high-level ivory traffickers operating through organised criminal syndicates
3. Investigate and prosecute use of wildlife products for non-financial bribes
4. Promote sustained and high-impact demand-reduction campaigns
5. Through its Embassies in Tanzania, Kenya, Mozambique and other relevant African countries, and in collaboration with these national governments, develop and deliver deterrent messaging against poaching, purchasing and smuggling of wildlife products for both residents and Chinese citizens, either visiting or residing in these countries

## **EIA RECOMMENDS THAT TRANSIT AND DESTINATION COUNTRIES:**

1. Expedite full Mutual Legal Assistance to Tanzania in all investigation inquiries and legal requests regarding ivory trade

## **EIA RECOMMENDS THAT THE DONOR COMMUNITY:**

1. Makes anti-corruption and civil oversight measures a core component in all funding

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