



Illegal Wildlife Trafficking, Corruption, Compliance & Good Governance

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Introduction

Illegal wildlife trafficking (IWT) is not an isolated conservation concern, it is a growing pillar of global organised crime. Tied closely to corruption, violence, money laundering, and tax evasion, IWT now ranks as the fourth-largest illegal trade globally, surpassed only by arms, drugs, and human trafficking. For professionals in financial services, this reality introduces significant exposure risks.

This white paper delivers practical information and real-world red flags to help financial institutions, authorities, and compliance professionals detect and disrupt criminal financial flows linked to the illegal wildlife trade. The focus is on proactive governance, embedded compliance frameworks, and leveraging typologies and data to combat this multi-billion-dollar threat.



“Every day, financial transactions are made worldwide for illegal wildlife products sold face-to-face or online. The illegal wildlife trade is organised crime on a global scale, estimated to be worth up to \$23 billion annually, involving money laundering, tax evasion and corruption.

Traffickers are brazenly exploiting global financial systems to move the proceeds of their crimes, often remaining under the radar of investigation and law enforcement. Financial institutions can play a crucial role in disrupting these criminal activities and ending the illegal wildlife trade.”

Daniel Stiles

Illegal Wildlife Trade Investigator

Understanding the Scale and Threat of Environmental Crime

Nature needs to be protected, it provides \$44 trillion of economic value annually.

Environmental crime, which includes illegal logging; waste trafficking; illicit mining; Illegal, unreported and unregulated fishing; and IWT, is worth between \$275 billion and \$481 billion annually and is outstripping licit trade with a 5–7% annual growth rate, and presents systemic risks to international governance, financial integrity, and biodiversity.

Key facts:



IWT alone is worth over **\$23 billion** annually.

Tax evasion

Corruption

Money Laundering

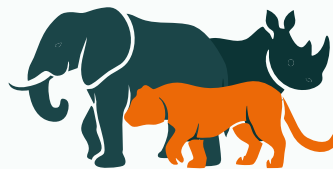
Armed violence

It fuels **tax evasion, corruption, money laundering, and armed violence** with organised crime utilising the same techniques as for other illegal trades.

Operation Thunder coordinated by INTERPOL in 2024 involved:



138
Jurisdictions



20,000
live animal seizures

365
Arrests



6
Transnational criminal networks identified



The Role of Corruption and Weak Enforcement

IWT thrives on corruption at every level:

- Fraudulent CITES licences (e.g. misdeclaring wild-caught animals as captive-bred).
- Bribery involving government officials, customs agents, and even airline staff.
- Weak penalties—wildlife traffickers face far less legal risk compared to drug traffickers.

These systemic failures mean that even when animals or plants are intercepted, **the financial networks behind them often go untouched**. Very few wildlife crime cases lead to parallel money laundering investigations, leaving criminals free to reinvest profits.



“Corruption plays an enormous part in the problem of wildlife trafficking, and it plays an enormous part in the broader challenges we face globally. Corruption drives desperate people to desperate acts and fundamentally undermines the rule of law that underpins legitimate commerce and governance.

Wildlife trafficking organizations specifically target corruption vulnerabilities at multiple levels: on the ground through compromised border controls that allow illegal wildlife products to cross international boundaries, and at large through weaknesses in the global financial system that enable the flow of related criminal proceeds.

When we fail to adequately account for corruption in our compliance methodologies, we become inadvertent enablers of these criminal networks.

As an international finance centre, we have a critical role in the global fight against wildlife trafficking. By remaining vigilant and ensuring we are not inadvertently laundering the proceeds of wildlife abuse, we fulfill our responsibility to the international community and uphold the rule of law.”

Stephen Baker
Managing Director, Baker & Partners

Jersey's Position: Financial Centre Responsibility and Exposure

As a leading international finance centre, Jersey's risk to exposure to IWT-related financial crime lies primarily in the **layering and integration** stages. Whilst the predicate crime occurs abroad, Jersey is still vulnerable to money potentially being laundered through the Island.

Vulnerabilities:

- Company structures controlled in Jersey owning high risk or vulnerable foreign businesses.
- Banks and wealth managers handling high-value transactions where the rationale, or source of funds or wealth is opaque.
- Clients with a footprint in vulnerable regions where wildlife and/or product is sourced and sold as well as in transport hubs.

The Government's **Sustainable Finance Action Plan (2024)** aims to raise awareness about Jersey's risk exposure to environmental crime, including IWT-related financial crime. In collaboration with the Jersey Financial Intelligence Unit (FIU), a member of the United for Wildlife Financial Taskforce, the Action Plan proposes to enhance the collection of intelligence, through appropriate Suspicious Activity Reports (SARs), under environmental crime categories, to assist Financial Services institutions in re-enforcing the prevention and detection of these harmful activities.

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1. Government of Jersey, Sustainable Finance Action Plan 2024, <https://www.gov.je/SiteCollectionDocuments/Industry%20and%20finance/P%20Sustainable%20Finance%20Action%20Plan%202024.pdf>.

Locally, the Endangered Species (CITES) (Jersey) Law 2012 makes it an offence to possess, sell, export or transport any items falling within the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) that have been illegally imported into Jersey (i.e. without a licence) or have been unlawfully taken from the wild.

These offences are punishable with a maximum of 2 years imprisonment, which means they can be a predicate for money laundering. Any profits from the illegal wildlife trade (covered by CITES) could be subject to separate money laundering and asset tracing investigations.



Practical Guidance for Compliance Professionals

High-Risk Sectors and Client Types

Financial Institutions should increase scrutiny of clients involved in:

- Wildlife-linked industries (zoos, safari parks, exotic pet shops and breeders).
- International trade sectors (timber, plastics, frozen food, transportation, pharmaceuticals).
- Transportation businesses, especially on known trading routes.
- PEPs and government officials in forestry, customs, or environmental roles.

Underlying Transactions and Red Flags to Watch

Whilst Transactions in IFCs will not be in the early stages of the laundering process, monitoring at the investment / subsidiary level should consider:

- Transactions with vague or coded references to wildlife species.
- Unusual wire transfers to/from wildlife farms or exotic pet businesses.
- Switched bills of lading, mismatched invoices, or dual-use products.
- Escrow payments involving related entities across borders.
- Repeated vehicle rentals or domestic accommodations in key trafficking corridors.
- Unexplained wealth or excessive cash movements by officials in wildlife-related agencies.

Due Diligence Questions to Ask

- Do you properly understand and are able to verify your clients' source of wealth and source of funds?
- Do the assets you ultimately control, or hold as investments actually exist and reflect the declared activity?
- Could legitimate and illegitimate funds be co-mingled?
- Does the client's business have anti-bribery and sustainability policies which include environmental crime prevention?



Building Resilient Governance and Risk Frameworks

Boards and senior management can strengthen their institutions' defences by embedding environmental crime considerations into core frameworks:

Actions:

- Include Environment Crime and IWT risks into your firm's AML/CFT/CPF strategies and Business Risk Assessments.
- Integrate Environment Crime risks into onboarding and periodic client reviews.
- Conduct training on typologies, red flags and criminal methodologies.
- Apply adverse media screening to clients, subsidiaries, investments and counterparties.
- Utilise information from the FIU, governments and NGOs for guidance and typologies.

Mitigation Techniques:

- Request sight of internal environmental and anti-bribery policies.
- Encourage employees to ask questions, identify risks and report suspicions.
- Include IWT in governance forums and board reporting.
- Set the tone from the top—a positive culture is vital.

The Road Ahead: Strengthening International and Financial Sector Collaboration

Despite global efforts, most financial institutions still under-report suspicions related to environmental crime. There is a pressing need to:

- Treat IWT as a predicate offence in national laws.
- Include environmental crime in National Risk Assessments.
- Ensure financial investigations run in parallel with criminal wildlife cases.

The financial sector holds the keys to disrupting IWT networks. With unique access to transaction data, client records, and business structures, institutions can flag and freeze proceeds of crime—if trained to do so.



How We Can Help



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We help financial services businesses and designated non-financial services businesses manage risk and achieve compliance. Get hands-on and in-depth support for financial crime legislation, financial services regulations, codes of practice, regulatory policy and industry best practice to effectively manage the array of risks faced by businesses and individuals in today's challenging environment.

Find out more at: bakerregulatory.com

How We Can Help



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We are a dispute resolution and litigation-only offshore law firm based in Jersey, BVI and Cayman Islands. We believe that no legal problem is unsolvable. Our legal team has an extensive wealth of experience in litigation, both in and out of the courtroom. We focus on identifying the key issues at the heart of any case. In complex litigation, this enables us to provide our clients with simple and creative solutions to difficult problems.

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