



UNITED STATES DEPARTMENT OF STATE
BUREAU OF INTERNATIONAL NARCOTICS
AND LAW ENFORCEMENT AFFAIRS

Prepared Statement of:

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“United States Assistance to Combat Transnational Crime”

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Chairwoman Granger, Ranking Member Lowey, and distinguished Members of the Subcommittee, thank you for inviting me to discuss the evolving threat of transnational organized crime and the efforts of the Bureau of International Narcotics and Law Enforcement Affairs (INL) to address it.

If I were sitting before you 35 years ago, when the predecessor to INL—the Bureau of International Narcotics Matters—was first established and you asked me what transnational organized crime would look like in the year 2014, I might have informed you of the violent and hierarchical structure of the drug cartels and various mafias and have foretold the success of U.S. counternarcotics assistance to Colombia or the expansion of our anti-drug trafficking efforts worldwide. I might have accurately predicted the efforts of some cartels to move across the Caribbean and destabilize communities across the hemisphere. I might have surmised that, criminals being opportunists, they would diversify and seek out not only new markets but also new forms of criminality with minimal risk and high rewards. And I would have assumed—accurately—that certain elements of illicit trafficking would remain the same regardless of the product being trafficking: demand for the product, which produces a market; a producer at the source; the need for a logistics network to move the product across international borders, a system to market or distribute the product at its destination, and the need to convert the product into cash or some other marketable commodity usable in the licit market. But I could not have predicted the extent to which globalization, coupled with dramatic improvements in technology, would turn criminal organizations that had once had only a domestic or regional impact into networked enterprises posing threats to our and our partners interests across the globe.

Today’s reality is that criminal and illicit networks have expanded their tentacles to all parts of the world, corrupting public and market-based institutions alike. Their activities threaten not only the interdependent commercial, transportation, and transactional systems that facilitate free trade and the movement of people throughout the global economy, but are jeopardizing governance structures, economic development, security, and supply chain integrity. Their penetration of state institutions and financial and security sectors is particularly concerning.

Recognizing the expanding size, scope, and influence of transnational organized crime and its impact on U.S. and international security and governance, in July 2011, the White House released the *Strategy to Combat Transnational Organized Crime*. The Strategy calls on all departments and agencies to “build, balance, and integrate the tools of American power to combat transnational

organized crime...and urge our foreign partners to do the same.” The Strategy also calls for the U.S. government and our international partners to work together to combat transnational illicit networks, and take that fight to the next level by breaking their corruptive power, attacking their financial underpinnings, stripping them of their illicit wealth, and severing their access to the financial system.

With our diplomatic reach and foreign assistance authorities, INL is strengthening partner nation capacity to deal with these emerging transnational criminal threats including by combating corruption and targeting the illicit wealth of criminal entrepreneurs. INL’s programs promote regional capacity-building to mitigate the famous “balloon effect” we saw in South America in the 1980s and 1990s, whereby criminal groups jump from one country to another as pressure was applied. Through the Central America Regional Security Initiative, the Merida Initiative, the Caribbean Basin Security Initiative, the West Africa Cooperative Security Initiative, and other programs you have supported, we are focused on coordinating investigations, supporting prosecutions, and facilitating the sharing of information across borders.

Many of the approaches and methods we have refined over the past three decades to reduce the harm of narcotics trafficking are transferable to new and urgent threats – and I will focus on one such threat today -- wildlife trafficking. It is fueled by high demand for wildlife products, high profits -- an ounce of rhino horn is worth more than gold, cocaine, or heroin in weight -- and low risk for detection or meaningful punishment. Its impact on the planet’s natural resources is as obvious as it is devastating – entire animal species are at risk. But even setting aside the risk to wildlife, the United States has cause to be seriously concerned about this criminal enterprise: the corruption that it both encourages and benefits from undermines good governance, the rule of law, and citizens’ confidence in their government institutions; the high tech weaponry and aggressive tactics used by poachers and the syndicates and corrupt officials that support them threaten civilian populations; the crime creates and exacerbates border insecurity; wildlife trafficking can weaken financial stability and economic growth, particularly in countries for which tourism is a major revenue source; and we have seen some evidence of involvement by terrorist entities and armed groups.

For these reasons, we need to address wildlife trafficking not only as a conservation issue but also a national security issue. The President issued an Executive Order calling for a whole of government response to combat wildlife trafficking on July 1, 2013 and on February, 11, 2014, the White House released a *National Strategy for Combating Wildlife Trafficking*. The Strategy calls on

agencies and departments to strengthen domestic and global enforcement, reduce demand for illegal wildlife products, and build international cooperation and public-private partnerships.

INL is playing a significant programmatic and diplomatic role in implementing the National Strategy. For over a decade, we have provided wildlife investigative training delivered by the U.S. Fish and Wildlife Service as part of our International Law Enforcement Academy (ILEA) program. Within the last year, with strong support of this Committee and this Congress, we have begun to greatly expand our assistance, drawing on our experience in addressing other forms of transnational criminal activity. We have organized our work abroad around four key areas that support the enforcement and international cooperation goals of the National Strategy.

First, we will strengthen legislative frameworks to make wildlife trafficking a serious crime with strong penalties to give investigators and prosecutors the legal tools they need to put the traffickers behind bars.

Second, we will improve law enforcement and investigative capabilities -- including intelligence, evidence collection and analysis, investigative skills and methods, and collaboration across agencies and governments -- to promote intelligence-led investigations and operations that strive not simply to pick up individual poachers but rather to better understand and begin to dismantle the organizations for which they work.

Third, we will build prosecutorial and judicial capacities. As we have learned, rangers and police will not continue to pick up the bad guys if they believe prosecutors or judges will just let them go so, as we improve legislative frameworks and offer up new tools, we need to ensure prosecutors and judges know how to use those tools effectively and creatively.

And fourth, we will enhance cross-border law enforcement cooperation, particularly by working with the regional Wildlife Enforcement Networks (WENs). There is much that we do not know about how wildlife trafficking organizations operate -- but we do know that illegal wildlife products often make their way through multiple transit points as they move from supply -- or "range" -- states to demand markets. So we need to build alliances and processes across borders for sharing information and intelligence and collaborating on operations.

Our work in these areas will be done on a bilateral basis. A portion of our overall assistance is dedicated towards our programming in Kenya (\$3 million in FY13) and South Africa (\$3M in FY 2013); regionally in Africa (\$4 million in FY 2013) and Asia (\$1.45 million in FY 2012); and globally (\$4.3 million in FY 2012) through organizations including INTERPOL, the United Nations Office on Drugs and Crime (UNODC), and the World Customs Organizations, who are part of the International Consortium for Combating Wildlife Crime (ICWC). Using \$15 million in FY 2014 funds, we will expand efforts begun or piloted using prior year resources, such as training for customs officers at ports of entry, prosecutorial training, and joint capacity building-operational exercises across continents.

INL is also approaching the wildlife trafficking problem in new ways. We are using new tools such as the Transnational Organized Crime Rewards Program, which Congress, with your support, authorized in 2013. In November 2013, Secretary Kerry announced the first reward offer under the program of up to \$1 million for information leading to the dismantling of the Xaysavang Network. The Xaysavang Network, based in Laos and operating across Africa and Asia, facilitates the illegal trade of endangered elephants, rhinos, and other species. This reward offer provides us with an additional tool to dismantle wildlife trafficking networks and bring its leaders and members to justice.

We are also using our diplomatic tools to build an international consensus around the importance of dismantling wildlife trafficking networks. For example, at the UN Crime Commission in April 2013, the United States introduced a successful joint resolution with Peru encouraging governments around the world to treat wildlife trafficking as a “serious crime” pursuant to the U.N. Convention against Transnational Organized Crime. Making it a serious crime unlocks new opportunities for international law enforcement cooperation, provided under the Convention, including mutual legal assistance, asset seizure and forfeiture, extradition, and other tools to hold criminals accountable for wildlife crime. The U.N. Economic and Social Council adopted the resolution in July 2013, further elevating wildlife trafficking as a major concern for the United Nations. These measures provide the mandate that we need, as members of a larger body of concerned nations, to harness our collective capabilities to learn more about these trafficking networks, share information, and collaborate on plans and programs that will undermine them.

The resolution was one of several early successes to which we can point. Another is a month-long global law enforcement cooperative effort that we helped to support in February known as “Cobra II.” Participants from 28 countries,

including representatives from the U.S. Fish and Wildlife Service and the Department of Justice, executed a global operation to combat wildlife trafficking and poaching that resulted in more than 400 arrests and 350 major seizures of wildlife and wildlife products across Africa and Asia and the U.S.

Although we have more to learn about the links that exist between wildlife trafficking organizations and other transnational criminal groups, we do know that wildlife traffickers do not operate in a vacuum. Like any legal enterprise that seeks to diversify its portfolio, criminal organizations tend to use the same routes and shipping methods as smugglers of weapons, drugs, and counterfeits. They bribe the same customs officials. They deploy poachers in the same restive regions where terrorists and other criminals may sow instability and conflict and exploit weak institutions and porous borders. Money and corruption are common denominators of all forms of transnational organized crime, and wildlife trafficking is no exception.

Corruption greases the wheels of illicit trade in everything from counterfeits to ivory. In the Sahel-Sahara region of Africa, for example, collusion between smugglers and state officials has eroded state authority and created lucrative funding channels for terrorists, militias, and criminal groups. INL is looking at ways to link up our anti-corruption and unit vetting programs used effectively in narcotics-producing regions, to support willing governments afflicted by illicit wildlife trade.

Following the money is equally important. All illicit criminal networks need money to finance their activities and as illicit funds move through the international financial system, they can be detected and monitored. In addition to exercising leadership within the Financial Action Task Force (FATF), we are promoting and applying tools like asset recovery and forfeiture to combat transnational organized crime and money laundering. Through the FATF style regional body for Eastern and Southern Africa, we are working with international partners to uncover and counter money laundering and other illicit financial flows related to wildlife trafficking. When it is finished, our capacity building projects will address the gaps identified.

Madam Chairwoman, Ranking Member Lowey, and distinguished Members, there is no doubt that transnational organized crime presents a growing and profound threat to international security. Illicit networks undercut the ability of law enforcement to protect citizens, deprive the state of vital revenues, promote corruption, and both thrive on and contribute to bad governance. But as organized

crime has evolved and diversified, so has INL. Our programs are both tailored to specific threats, such as wildlife trafficking, and cross-cutting, to target the common facilitators of all types of crime.

Thank you, Chairwoman Granger and Ranking Member Lowey. I welcome your questions.