

## Fact Sheet – February 11, 2015

### Efforts to Combat Wildlife Trafficking at the Department of Justice

Today, the Presidential Task Force on Wildlife Trafficking issued the *Implementation Plan* for the *National Strategy for Combating Wildlife Trafficking* that President Obama released on February 11, 2014. The Task Force, which is led by the Departments of State, Justice, and the Interior, and includes 14 additional federal departments and agencies, was established by Executive Order No. 13648 (July 1, 2013) and charged with developing a government-wide strategy for fighting poaching and other wildlife trafficking. Wildlife trafficking has become an international crisis that threatens security, hinders sustainable economic development, and undermines the rule of law. The illicit trade in wildlife is decimating many species worldwide and threatens iconic species such as rhinoceroses, elephants, and tigers with extinction.

The *Implementation Plan* builds upon the *National Strategy's* roadmap and is a robust, focused reaffirmation of our Nation's commitment to work in partnership with governments, local communities, nongovernmental organizations, and the private sector to stem the pernicious illegal trade in wildlife. The agencies on the Task Force have been working to implement the *National Strategy* since its inception, and the *Implementation Plan* lays out next steps toward each of the *National Strategy's* three key objectives – strengthening domestic and global enforcement, reducing demand for illegally traded wildlife, and expanding international cooperation. For each objective, the *Implementation Plan* identifies specific measures, the lead and participating agencies for these activities, and how progress will be measured.

The Department of Justice's Environment and Natural Resources Division (ENRD), together with United States Attorneys' Offices across the country, is responsible for prosecuting international wildlife trafficking crimes, primarily under the Endangered Species Act (ESA) and the Lacey Act, as well as crimes related to wildlife trafficking, such as smuggling, money laundering, and criminal conspiracy. Working with the Department of the Interior's Fish and Wildlife Service (FWS), the National Oceanic and Atmospheric Administration (NOAA), and other agencies, ENRD's Environmental Crimes Section and U.S. Attorneys' Offices indicted, prosecuted, and secured convictions during 2014 in numerous cases of trafficking in internationally-protected species, such as ivory, rhinoceros horn, narwhal tusk, shark fins, turtles and reptiles. Federal prosecutors also pursued charges in 2014 against traffickers whose crimes threaten domestically-protected wildlife, such as mountain lions, bobcats, rattlesnakes and paddlefish eggs.

One large-scale, multi-agency criminal enforcement initiative is "Operation Crash," which targets traffickers in rhinoceros horn, including those who smuggle raw or uncarved rhinoceros horns from the United States to China as well as those who traffic in Asian art and antiques (including fake antiques) made from rhinoceros horn and elephant ivory. Thus far, there have been 26 arrests and 18 convictions from Operation Crash. Defendants in these cases have been sentenced to significant terms of imprisonment and the forfeiture of millions of dollars in cash, gold bars, rhino horn, and luxury vehicles and jewelry.

The Department also works in the international sphere by assisting and working with enforcement partners in other countries that are working to stop the illegal trade in protected wildlife. In 2014,

the Department of Justice continued its efforts to train our foreign counterparts on the legal, investigative, prosecutorial, and judicial aspects of enforcing wildlife laws. Such training develops more effective partners for us to work with in combating transnational environmental crimes. ENRD participated extensively in training and conducted workshops through the various Wildlife Enforcement Networks, including networks in Southeast Asia, Central America, and Africa. Additional capacity building and training for judges on wildlife trafficking was conducted in Panama, Honduras and Singapore. The Department of Justice, along with other federal agencies, also hosted wildlife officials from 14 African nations under the International Visitor Leadership Program in May 2014. Finally, the Department of Justice has continued to work with regulatory and enforcement personnel from numerous other countries including the European Union, Australia, Peru, Brazil, Honduras and China on issues related to combatting illegal timber trafficking which destroys protected wildlife habitat.

A snapshot of indicted and concluded cases from 2014 follows below.

### ***Black Market Trade in Rhinoceros Horn***

The following cases are the result of “Operation Crash,” an ongoing multi-agency effort to detect, deter, and prosecute those engaged in the illegal killing of rhinoceros and the illegal trafficking of endangered rhinoceros horns.

United States v. Zhifei Li (D.N.J): On May 27, 2014, Zhifei Li, the owner of Overseas Treasure Finding in Shandong, China, was sentenced to serve 70 months’ incarceration. He also will forfeit \$3.5 million in proceeds from his criminal activity as well as several Asian artifacts. Li was in the business of selling raw rhino horns to factories where they would be carved into fake antiques and then resold. Horns that Li acquired were smuggled across international borders. The horns were hidden by a variety of means, including wrapping them in duct tape, hiding them in porcelain vases that were falsely described on customs and shipping documents, and labeling them as porcelain vases or handicrafts. The pieces left over from the carving process were sold for alleged “medicinal” purposes. Li admitted that he was the “boss” of three antique dealers in the United States whom he paid to help obtain wildlife items and smuggle to him through Hong Kong. Rhino horn carvings valued as high as \$242,500 were sold to Li’s customers in China. Shortly after arriving in the United States in January 2013, Li was arrested in Florida on federal charges brought under seal in New Jersey. Prior to his arrest, he had purchased two endangered black rhinoceros horns from an undercover U.S. Fish and Wildlife Service agent in a Miami Beach hotel room for \$59,000 while attending an antique show. Li pleaded guilty to conspiracy to smuggle and to violate the Lacey Act, six smuggling violations, one Lacey Act trafficking violation, and two counts of making false wildlife documents. Li admitted to being the organizer of an illegal wildlife smuggling conspiracy in which 30 raw rhinoceros horns (worth approximately \$3 million) were smuggled from the United States to China.

<http://www.justice.gov/usao/nj/Press/files/Li,%20Zhifei%20Sentencing%20PR.html>

United States v. Michael Slattery, Jr. (E.D.N.Y.): In 2010, Michael Slattery traveled from England to Texas to acquire black rhinoceros horns. Slattery and others used a day-laborer with a Texas driver’s license as a straw buyer to purchase two horns from an auction house in Austin. The defendant and his group then traveled to New York where they presented a fraudulent Endangered Species bill of sale and sold those two and two other horns for \$50,000. Slattery pleaded guilty to

conspiracy to violate the Lacey Act. On January 10, 2014, the defendant was sentenced to serve 14 months' incarceration, a \$10,000 fine, and ordered to forfeit \$50,000 of proceeds from his illegal trade in rhinoceros horns. <http://www.justice.gov/opa/pr/irish-national-sentenced-serve-14-months-prison-trafficking-endangered-rhinoceros-horns>

United States v. Xiao Ju Guan a/k/a Tony Guan (S.D.N.Y): On July 29, 2014, Xiao Ju Guan ("Tony Guan") was charged with violations stemming from the smuggling of endangered black rhinoceros horns from the United States to Canada. Guan was arrested in March after attempting to purchase two black rhinoceros horns for \$45,000 from undercover FWS agents. The defendant is a Canadian citizen and the owner of Bao Antiques, a company based in Canada and Hong Kong. Guan and co-conspirators allegedly smuggled more than \$500,000 of rhino horns and sculptures made from elephant ivory and coral from various U.S. auction houses to Canada by driving them across the border or by having packages mailed directly to Canada with false paperwork and without the required declaration or permits. A rhino horn purchased in Florida, for example, was described on Customs paperwork as a "Wooden Horn" worth \$200. <http://www.justice.gov/opa/pr/canadian-antique-dealer-charged-trafficking-wildlife>

United States v. Gene Harris (S.D. Fla.): On October 1, 2014, Gene Harris was sentenced to a term of probation of three years, the first six on home confinement with electronic monitoring, and a criminal fine of \$10,000. Harris had previously pleaded guilty, on July 3, 2014, to ESA and Lacey Act charges stemming from the illegal purchase of black rhinoceros horns. Harris was involved in the retail sale of wildlife products, including taxidermy mounts, from locations in Miami, Florida, and Laredo, Texas. Between June 2011 and July 2011, Harris had phone conversations from Miami with a customer in California to arrange for the customer to buy black rhinoceros horns from a couple living in Phoenix, Arizona. In July 2011, Harris and the customer travelled to Phoenix, where the customer purchased a full black rhinoceros shoulder mount, including the two horns for approximately \$60,000 cash. The horns were removed from the mount, and a falsified invoice was prepared to make the transaction appear to be solely an intra-state deal, by listing a third-party Arizona resident as the buyer. Harris was paid a \$10,000 finder's fee.

United States v. Ning Qiu (E.D. Tex.): On June 24, 2014, Ning Qiu, an appraiser of Asian art, pleaded guilty to participating in an illegal wildlife smuggling conspiracy in which rhinoceros horns and objects made from rhino horn and elephant ivory worth nearly \$1 million were smuggled from the United States to China. Qiu pleaded guilty to a one-count information charging him with conspiracy to smuggle and to violate the Lacey Act. The defendant admitted to being one of three antique dealers in the U. S. paid by Zhifei Li, the admitted "boss" of the conspiracy, to help obtain wildlife items and smuggle them to Li via Hong Kong. Li played a leadership role in the conspiracy by arranging for financing to pay for the wildlife, purchasing and negotiating the price, directing how to smuggle the items out of the U.S., and obtaining the assistance of additional collaborators in Hong Kong to receive the smuggled goods and then smuggle them to mainland China. Qiu worked at an auction house in Dallas as an appraiser of Asian artwork and antiques, specializing in carvings made from rhinoceros horns and elephant ivory. He entered into the conspiracy with Li, traveling throughout the U.S. to purchase raw and carved rhinoceros horns and elephant ivory for Li. Upon purchasing the items, Li transferred funds directly into Qiu's bank accounts here and in China. After acquiring the items for Li, Qiu arranged for them to be smuggled to a location in Hong Kong, which was provided by Li. Between 2009 and 2013, the defendant purchased and smuggled into Hong Kong at least five raw rhinoceros horns weighing

approximately 20 pounds. Qiu smuggled the raw rhino horns by wrapping them in duct tape and hiding them in porcelain vases. Customs and shipping documents were falsified by labeling the contents as vases or handicrafts. <http://www.justice.gov/opa/pr/texas-man-pleads-guilty-rhino-and-ivory-smuggling-conspiracy>

United States v. Edward N. Levine et al. (D. Nev.): On April 2, 2014, Edward N. Levine and Lumsden W. Quan were charged with violations stemming from the illegal sale of black rhinoceros horns. The two are charged with conspiracy to violate the Lacey Act and the Endangered Species Act, and one count of violating the Lacey Act. According to the indictment, over the course of approximately two months, the defendants negotiated the sale of two black rhinoceros horns by e-mail and telephone, ultimately communicating with an undercover officer. Quan and Levine are further alleged to have offered for sale two black rhinoceros horns for \$55,000, agreeing to meet the buyer in Las Vegas. On March 19, 2014, after directing another person to drive with the horns from California to Las Vegas, the defendants flew from California to Las Vegas, to make the sale. Quan met the undercover officer in a Las Vegas hotel room, where he allegedly completed the transaction for the agreed upon amount. Both men were arrested later that day.

<http://www.justice.gov/opa/pr/two-california-men-indicted-selling-endangered-black-rhinoceros-horns>

United States v. Dawie Groenewald, et al. (M.D. Ala.): On October 23, 2014, an indictment was unsealed charging South African nationals, brothers Dawie and Janneman Groenewald, and their company, a large game hunting business, with conspiracy to violate the Lacey Act and to commit mail fraud and money laundering. The defendants allegedly sold illegal rhino hunts to American hunters at U.S. hunting shows. The hunters were each told a similar story about how the particular rhino that they would hunt was a problem animal that needed to be killed and so no export permit was available. Instead, the cost of the hunt was considerably less (\$10,000 or less) than one where a hunter could bring back a trophy. The defendants sold the horns from the rhinos killed in the scheme to contacts who smuggled the horns to Asia. The hunts themselves were unlawful because they were conducted in violation of South African law and without required hunting permits. This scheme was hidden from the American hunters, typically through a series of misleading and/or false representations that led the American hunters to assume or believe that the hunts were legal. During the period of the conspiracy, Janneman lived in Alabama. Dawie Groenewald was previously convicted in this district for his role in smuggling a leopard skin into the United States. He, his wife, and ten others were arrested in South Africa in September 2010 on 1,872 counts of racketeering, including the illegal trade in rhinoceros horns. <http://www.justice.gov/opa/pr/owners-safari-company-indicted-illegal-rhino-hunts>

### ***Illegal Importation of Protected Species***

United States v. Nathaniel Swanson (W.D. Wash.): On January 24 and 17, 2014, Cheuk Yin Ko, Nathaniel Swanson, and Tak Ming Tsang were sentenced after previously pleading guilty to conspiracy to smuggle various turtle and reptile species from the United States. Working with two foreign nationals residing in the United States, including Tsang, Swanson illegally exported species including Eastern box turtles, North American wood turtles, and ornate box turtles to buyers located in Hong Kong. Swanson also was involved in importing several protected species from Hong Kong, including black-breasted leaf turtles, Chinese striped-necked turtles, big-headed turtles, fly river turtles, and an Arakan forest turtle. The Arakan forest turtle is critically

endangered, having once been presumed extinct. The illegal trafficking spanned approximately four years. As part of the sentencing, Ko was ordered to forfeit almost 150 reptiles, including 40 eastern box turtles, ten ball pythons, four Gila monsters, and one boa constrictor. Several others remain under indictment. Animals that survived and were seized by law enforcement have been receiving care from wildlife rehabilitation centers and local zoos. Swanson will serve one year and one day of incarceration, followed by three years' supervised release. Tsang and Ko will serve six and five months' incarceration, respectively. Tsang also will be subject to two years' supervised release. All three defendants were held jointly and severally liable for \$28,583 in restitution to be paid as follows: \$16,029 to the Sarvey Wildlife Care Center and \$12,554 to the Woodland Park Zoo.

<http://www.justice.gov/usao/waw/press/2014/January/swanson.html>

United States v. Patty Chen (N.D. Calif., S.D. Fla.): On May 9, 2014, Patty Chen was sentenced to serve a three-year term of probation and to pay \$29,760 in restitution to the Lacey Act Reward Fund after previously pleading guilty to false statement and Lacey Act violations for illegally importing wildlife products (including shark fins, shark fin noodles, sea horses, dried conch, dried fish, and eel maw) into the United States from Ecuador. These items have been valued at nearly \$30,000. In November 2009 and October 2011, Chen illegally brought wildlife into the United States by falsifying customs documentation, denying that she had any wildlife in her possession.

<http://www.justice.gov/usao-ndca/pr/oakland-woman-pleaded-guilty-bringing-illegal-wildlife-united-states>

### ***Safeguarding Protected Species***

United States v. Robroy MacInnes (E.D. Pa.): In December 2014, three defendants were sentenced for their roles in the illegal taking, transporting, and selling of protected rattlesnakes. Robroy MacInnes and Robert Keszey co-owned a well-known reptile dealership, Glades Herp Farm Inc., based in Florida. Keszey formerly hosted the Discovery Channel show "Swamp Brothers." From 2006 through 2008, they collected protected snakes from the wild in Pennsylvania and New Jersey, purchased protected eastern timber rattlesnakes (which had been unlawfully collected from the wild in violation of New York law), and transported threatened eastern indigo snakes and eastern timber rattlesnakes between Florida and Pennsylvania. The two were charged with Lacey Act violations and conspiracy. In November, 2013, MacInnes and Keszey were tried and found guilty of conspiracy to traffic in protected reptiles. MacInnes also was convicted of trafficking in protected timber rattlesnakes in violation of the Lacey Act. The evidence at trial showed that the snakes were destined for sale at reptile shows in Europe, where a single timber rattlesnake can sell for up to \$800. Snakes that were not sold in Europe were sold through the defendants' business in the United States. The eastern indigos were intended for domestic sale, where a single snake may fetch up to \$1,000. In addition to trafficking in illegal animals, the defendants attempted to persuade a witness not to provide the government with information regarding their illegal dealings. On December 5, 2014, MacInnes was sentenced to serve 18 months' incarceration; Keszey was sentenced to serve 12 months' incarceration. MacInnes will pay a \$4,000 fine and Keszey will pay a \$2,000 fine. <http://www.justice.gov/opa/pr/two-florida-men-and-company-charged-philadelphia-rattlesnake-trafficking>

United States v. Christopher Loncarich (D. Colo.): On November 20, 2014, Christopher Loncarich was sentenced to serve 27 months in prison for heading a conspiracy that involved illegal hunting and trapping of mountain lions and bobcats. Christopher Loncarich was a big game outfitter and

hunting guide who operated mainly in western Colorado, along the border with Utah. He outfitted and guided hunts for mountain lions and bobcats in the Book Cliffs Mountains, which span the Colorado-Utah border. Between 2007 and 2010, Loncarich and his assistant guides trapped the cats in cages prior to hunts and released them when the client was nearby. They resorted to shooting the cats in the paws or legs or placing leghold traps on them to keep the cats from moving. Despite knowing that many of these hunters did not have proper tags or licenses to take the animals in Utah, the defendants helped them bring the cats back to Colorado and provided false seals for the hides. Loncarich sold mountain lion hunts for \$3,500-\$7,500 and bobcat hunts for \$700-\$1,500. On August 15, 2014, Loncarich pleaded guilty to a Lacey Act conspiracy charge for illegally capturing and maiming mountain lions and bobcats. Loncarich is banned from hunting or trapping any wildlife for three years following his release from prison. This case was investigated by the FWS Office of Law Enforcement, together with Colorado Parks and Wildlife and the Utah Division of Wildlife Resources. <http://www.justice.gov/opa/pr/colorado-big-game-hunting-outfitter-sentenced-more-two-years-role-illegal-mountain-lion-and>

### *Narwhal Tusks and Teeth*

United States v. Andrew Zaruskas (D. Maine): In January 2015, Zaruskas was sentenced to 33 months in prison for unlawful trafficking of narwhal tusks and teeth and was ordered to forfeit \$85,089, six narwhal tusks and one narwhal skull and to pay a \$7,500 fine. Narwhals are listed as “threatened” under the ESA and are covered by CITES. It is illegal to import parts of the narwhal into the United States without a permit and without declaring the parts at the time of importation to U.S. Customs and Border Protection and the FWS. On February 14, 2014, a federal jury in Bangor, Maine, convicted Andrew Zaruskas on six counts, including conspiracy, smuggling violations for buying and illegally importing narwhal tusks into the United States, and money laundering violations associated with the illegal importations. The market value of the teeth and tusks illegally imported by Zaruskas was between \$120,000 and \$200,000. According to the evidence presented at trial, Zaruskas purchased approximately 33 narwhal tusks over nearly six years from two Canadian co-defendants. The Canadian co-defendants purchased the narwhal tusks in Canada and brought them into the United States illegally. Once in the United States, a Canadian co-defendant shipped the narwhal tusks to Zaruskas from Bangor, Maine. Zaruskas knew that the co-defendants had smuggled the narwhal tusks into the United States. The case was investigated NOAA, FWS, and Environment Canada. <http://www.justice.gov/opa/pr/new-jersey-man-sentenced-33-months-prison-trafficking-illegally-imported-narwhal-tusks-and>