Testimony of
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Before the U.S. House of Representatives
Subcommittee on Fisheries, Wildlife, Oceans and Insular Affairs

Oversight Hearing on
"Why Should U.S. Citizens Have to Comply with Foreign Laws"

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Introduction

Mr. Chairman, Ranking Member, and members of the Subcommittee on Fisheries, Wildlife, Oceans and Insular Affairs, thank you for inviting me to appear before the Subcommittee today for the oversight hearing, "Why Should U.S. Citizens Have to Comply with Foreign Laws".

I have investigated and studied global crime in natural resources for over 15 years. As an investigator and the Executive Director of the Environmental Investigation Agency, I have conducted international field investigations on every continent into criminal networks dealing in illegal wood, endangered species and harmful chemicals. Before joining EIA I researched linkages between economics, ecology and human health with the Harvard School of Public Health and the New England Aquarium. I have a masters of science from the London School of Economics in Environment and Development and a BSc from Harvard University in Environmental Science and Public Policy. I am also proud to have served as a U.S. Marine.

The Environmental Investigation Agency, Inc. (EIA), a non-profit 501(c)(3) organization, has worked for nearly 30 years to investigate and expose environmental crimes, and advocate for creative and effective solutions. EIA's analyses of the trade in illegal timber, wildlife, and ozone-depleting substances have been globally recognized. As an example, our investigative work in the late 1980s provided evidence that led to the international ban on ivory trade.

Since 1999, EIA has also used its undercover methodologies in partnership with local organizations to document the environmental and social impacts of illegal logging, as well as its context of corruption and criminal activity, in countries including China, Peru, Indonesia, Malaysia, Honduras and Russia. Our experience has shown us unequivocally that the illegal logging which causes the most serious environmental and social harm is inextricably linked to international trade, and that any solution will therefore require action and cooperation from both producer and consumer nations.

We were honored to represent a broad coalition of industry, labor and environmental stakeholders when we testified before this subcommittee in 2007 about the need for amendments to the Lacey Act to include coverage of plants and timber taken or traded in violation of foreign law.[1] Since the passage of the 2008 amendments, we have continued to work closely with a coalition of organizations, which represent a majority of affected stakeholders, to identify potential challenges with the implementation of the Act and to propose solutions that protect the environment and promote good governance while minimizing unnecessary regulatory burdens or regulatory uncertainty for legitimate businesses engaged in legal trade.

In my testimony I will highlight the facts on the ground that the Lacey Act is designed to combat, and document how effective implementation of this law is having a positive impact in the United States and around the globe. I will stress that more effective implementation is needed, rather than less. In a world where illegal logging and other poaching of natural resources funds terrorism, destabilizes rule of law and development around the world, and undercuts all law abiding U.S. companies, we should all be supporters of a U.S. law that protects U.S. citizens from unwittingly supporting these crimes.

Constitutionality of the Lacey Act

First, I would like to state the obvious that the Lacey Act is a U.S. law. The U.S. legislature has on many occasions chosen to pass laws which, in plain English, state that the United States does not support commerce in stolen goods. The Lacey Act is one of these laws; so are laws that prohibit counterfeiting and smuggling, trafficking in stolen property, as well as many customs laws. The Lacey Act essentially prohibits the trade in illegally taken wildlife and plants. When an elephant is poached in Africa, the U.S. government has made it clear that it does not want to provide safe harbor for the buyer that financed that poaching. This has been the case since 1935 and there is no serious question that the laws prohibiting interstate or foreign trade in ivory or other poached goods are constitutional. Without prohibitions against trafficking in illegal wildlife and timber, the U.S. market would become a world leader in rewarding the organized crime that drives this trade.

Environmental Crimes: A Threat to National Security

Wildlife and forest crime is the 4th largest transnational crime in the world, worth an estimated US$ 17 billion annually.[ii] In March 2013, the *U.S. Worldwide Threat Assessment*, produced by the U.S. intelligence community, also highlighted the threat of environmental crimes to our national security:

> "Illicit trade in wildlife, timber, and marine resources constitutes a multi-billion dollar industry annually, endangers the environment, and threatens to disrupt the rule of law in important countries around the world. These criminal activities are often part of larger illicit trade networks linking disparate actors—from government and military personnel to members of insurgent groups and transnational organized crime organizations."[iii]

Recognizing the importance of this issue and the challenge it poses, on July 1st, President Obama issued an Executive Order to address "the significant threats of wildlife trafficking on the national interests of the United States."[iv]

In 2010, the United Nations Office of Drugs and Crime (UNODC) produced a major report on the *Globalization of Crime: A Transnational Organized Crime Threat Assessment*[v], which included environmental resources crime as one of the top eight offenders. In the report UNODC noted that:

> "Crime has diversified, gone global and reached macro-economic proportions: illicit goods are sourced from one continent, trafficked across another, and marketed in a third. Mafias are today truly a transnational problem: a threat to security, especially in poor and conflict-ridden countries. Crime is fuelling corruption, infiltrating business and politics, and hindering development. And it is undermining governance by empowering those who operate outside the law."

The top three recommendations from the UNODC report follow:

- Because most trafficking flows are driven more by the market than by the groups involved in them, efforts that target these groups – the traditional law enforcement response – are unlikely to be successful on their own.

- Because transnational organized crime markets are global in scale, global strategies are required to address them, and anything else is likely to produce unwanted side effects, often in the most vulnerable countries.

- Because globalized commerce has made it difficult to distinguish the licit from the illicit, enhanced regulation and accountability in licit commerce could undermine demand for illicit goods and services.

All three of these recommendations are supported by full and effective implementation of the Lacey Act, which has at its heart the intent to ferret out and dismantle international criminal networks profiting from poaching of wildlife and illegal harvest of plants. The United States was also a proponent of a resolution urging member states to formally view the illicit trade in plants and wildlife as a "serious crime," [vi] that was finally adopted by the UN Commission on Crime Prevention and Criminal Justice (CCPCJ) in April, 2013. [vii] Turning away from that mandate means green-lighting activities of transnational organized crime with our eyes wide open to the threats and consequences.

I will now share with you some illustrative examples of what this transnational crime looks like in practice on the ground, and, where possible, I provide examples of Lacey Act enforcement actions aimed to deter further criminal activity.

Illegal Logging in Afghanistan: Funding Insurgents

There are many examples around the world where forests offer an important mechanism to both finance and provide a base of operations for insurgents and other elements eager to avoid the rule of law. Current examples include Muslim separatists in Southern Philippines, cocaine cartels in Central America, and insurgents in Afghanistan.

A recent article reporting on the work of the U.S. Natural Resources Counterinsurgency Cell (NRCC) in eastern Afghanistan, established under Task Force Mountain Warrior (TFMW), shows that the illegal timber trade was funding insurgent groups in Afghanistan. [viii] Profits from this trade likely funded the killing of U.S. troops on the ground in Afghanistan.

Members of the U.S. counterinsurgency cell found that, "The success of the timber smuggling networks created a sort of forced collaboration, transcending friction points and enabling tribal and politically antagonistic entities to cooperate. Thus, insurgent organizations freely coordinated with corrupt Afghan government officials, local warlords, village elders, and Pakistan government intelligence services in order to gain revenue from harvesting timber." This led to the conclusion that, "whoever keeps the timber industry working, *have the people's hearts . . .and their guns*."[ix]

The report further explains that "it is believed that the insurgent effort to dominate the timber trade in Kunar began as a deliberate operation to liquidate valuable forests in order to obtain revenue to procure ordnance, men, and other supplies in anticipation of the 2011 and 2012

fighting seasons…a need by insurgent elements to replenish ordnance seized or destroyed by successful coalition operations."[x]

Much of this timber was smuggled through Pakistan, where it received fraudulent paperwork intended to make it appear legal and was traded onward to global markets. International buyers not practicing due care will have purchased this timber and thus, knowingly or not, financed the continuation of insurgent and terrorist activities.

The Lacey Act is designed to help the United States fight these insurgent and terrorist operations, and protect U.S. interests, by helping ensure that companies in the business of selling goods in the United States take reasonable measures to know their suppliers. Anybody interested in ensuring that we, as American citizens and consumers, are not unwittingly funding insurgent groups that are killing U.S. servicemen and women overseas, should be working to strengthen the implementation of the Lacey Act, not weaken or dismantle it.

By fully funding the implementation of the Lacey Act, including its declaration requirement and enforcement, leading by example, and encouraging other countries to pass similar measures, the U.S. government can dry up the international profit centers for wood trade that supports terrorism.

Illegal Logging in Peru: Destabilizing a US trading partner

EIA's April 2012 report on the illegal logging situation in Peru - "The Laundering Machine"[xi], analyzed official documents which demonstrate that at least 112 illegal shipments of cedar or mahogany wood – laundered with fabricated papers and signed off on by Peruvian government officials – arrived in the US between 2008 and 2010. These shipments account for over 35% of all trade in these protected species between the U.S. and Peru. Our field investigators found that this pervasive laundering and corruption have been an open secret in Peru's wood trade for years, and that any exporter or importer still relying only on paper permits to claim legality should know better by now.

Illegal timber in the Peruvian Amazon is cut by crews of loggers, often under abysmal and abusive conditions, and stolen from protected areas including national parks, indigenous territories, and other government lands. Migrant workers find themselves trapped in camps located deep in the jungle, and indigenous communities are left with massive debts after intermediaries swindle them out of their valuable trees. These practices are financed by powerful timber barons, some connected to organized crime, who turn a blind eye to the human rights abuses and crimes committed. This timber is then laundered with documents based on false information.

In 2006, the World Bank estimated that the illegal logging sector in Peru generated between $44.5 and $72 million dollars annually,[xii] while recorded legal profits from timber sales in the same year reached only 31.7 million.[xiii] By 2011, the government and industry of Loreto, Peru's largest region, estimated that illegal logging was causing the country annual losses greater than $250 million dollars – 1.5 times the value of total timber exports.[xiv]

Cocobolo, Inc.: The U.S. Department of Interior v. Three Pallets of Tropical Hardwood

In June 2009, agents of the U.S. Fish & Wildlife Service seized three pallets of tropical hardwood as they entered the Port of Tampa, Florida from Iquitos, Peru. Originating deep in the Amazon, the pallets contained numerous species of decorative woods, including tigrillo

(*Swartzia arborescens*), palisangre (*Brosimum rubescens*), and tigre caspi (*Zygia cataractae*). Agents confiscated the wood on grounds that the shipment violated the Lacey Act's declaration requirements.[xv] The seizure was supported by substantial evidence that the exporter was using stolen and forged documents. The FWS Agents were acting on information from a Peruvian business owner, who learned that his business had been used as a front to fraudulently ship the wood in question.

The U.S. importer filed a petition for remission of the wood, but the Solicitor's office found that Mr. Crouch, owner of Cocobolo, Inc., failed to take reasonable steps to comply with the regulations and ensure that the shipment was authorized by an export permit that properly documented the required information and was declared appropriately under the Lacey Act upon arrival into the United States. Evidence that the tropical hardwood was stolen to begin with, using forged documents led the Solicitor's Office to conclude that the exporter did not have legal title to the shipment.[xvi]

This case demonstrates how strict liability forfeiture is implemented by government agencies and that the Lacey Act does provide both legal and administrative remedies to ensure a company gets to 'have its day in court'.

Illegal Logging in Russia: Threatening the Last Siberian Tigers and American Business

In the Russian Far East (RFE) region lie the hardwood forests of the Sikhote-Alin mountain range, home to numerous threatened species, including the world's largest cat, the endangered Siberian (Amur) tiger (*Panthera tigris* ssp. *altaica*). The forests of the RFE are being cut at an alarming rate; last year, nearly 20 million cubic meters of timber flowed across the border into neighboring China.[xvii] According to the local WWF office in Vladivostok, in 2010, an equivalent harvested volume of approximately 900,000 cubic meters of oak was exported, most of it to China. Data from Russian provincial forest agencies authorized only 452,213 cubic meters of oak to be cut in 2010, indicating that at least 50% of the oak exported into China from Russia was illegally harvested.[xviii]

Oak, ash, linden, elm and other precious hardwoods are manufactured in China into flooring and furniture, much of which is then re-exported onwards to the US, EU, and Japan. All of these products have numerous substitutes from around the world; the US and Europe both export significant quantities of temperate hardwoods to China. However, the high quality and low cost of illegally harvested old-growth Russian hardwoods has historically served to undercut US and European products.

Oak, ash, and other hardwood species from across the northern hemisphere differ little in their utility as raw materials for furniture and flooring. The key factor that has changed since 2008 is that, with passage of the Lacey Act amendments, suppliers in China now have a motivation to use timber from low-risk countries to avoid complications with their US buyers. The Lacey declaration requirement, the PPQ 505 form, is the key element for tracking and promoting shifts such as these. On the PPQ 505 form, US importers must list the species name and country of harvest of the wood in their imports. This is one of the few ways for US importers to distinguish whether the oak in their Chinese-manufactured flooring comes from a high-risk country or a low-risk one, and is thus the key factor motivating a shift in raw-materials sourcing.

Illegal Logging in Madagascar: Undermining a Fragile State

Over the past ten years, the impoverished island nation of Madagascar has experienced a crisis of rampant illegal logging, which has decimated the world-renowned biodiversity of its national parks, impoverished local communities, and fueled corruption and a coup in 2009. Hundreds of thousands of tons of extremely high value rosewood and ebony have been illegally cut and smuggled out of the country to serve consumer markets, with the vast majority going to China for the high-end domestic furniture market.[xix]

In 2009, the US government investigated Gibson Guitar Inc. for importing illegally harvested ebony from Madagascar. In 2012, Gibson acknowledged that it imported ebony from Madagascar despite knowing that harvest of ebony had been illegal for many years. Gibson agreed to pay over $600,000 in fines and forfeited ebony, and also committed to follow a detailed compliance process for future imports. This action has had a significant impact on sourcing practices within the music industry worldwide and validates the effort of all American companies that invest in sourcing legal wood.

The spotlight the case placed on the illegal Malagasy rosewood and ebony trade also led to crackdowns in China on Chinese importers of these precious woods. As a result of increased international scrutiny of the illegal timber trade, evidenced by laws such as the Lacey Act amendments and the European Union Timber Regulation, China for the first time has publicly acknowledged the problem of illegal timber imports. These actions to curb demand led to a decrease in illegal logging in Madagascar. On Monday, a high level delegation from China met with U.S. counterparts to discuss concrete steps it could take to stop its own role in illegal logging, particularly in Madagascar. U.S. leverage to encourage China to address illegal logging in these discussions stems from the Lacey Act, since it allows us to challenge imports of wood products that are misrepresented or shown to be made from illegal timber.

As in many Lacey cases, the enforcement action involving Gibson Guitar Inc. had positive impacts in fighting the illicit trade that went beyond the case itself; it had the effect of curbing the illegal logging of national parks in Madagascar, having the Chinese patrol more thoroughly the role their businesses play in the illegal destruction of Malagasy forests, and encouraged the global musical instruments industry to more thoroughly examine its sourcing practices. All of these are important elements for challenging international criminal networks, establishing sustainable business practices for the future of the trade, protecting forest resources, and rewarding American guitar companies that are playing by the rules.

Chinese Response to Lacey Act Plant Amendments

In 2009, following the new Lacey Act amendments, the People's Democratic Republic of China also introduced the "Guide on Sustainable Overseas Forest Management and Utilization by Chinese Enterprises", emphasizing the responsibility of Chinese forestry companies operating overseas to abide by host-country laws and to practice sustainable forest management. In 2011, the government proposed a draft legality verification system. Over the past five years, in a significant shift, Chinese officials have taken a more active role in international forestry discussions, reflecting increased international pressure and focus on issues relating to timber legality.

In addition, recent years have demonstrated dramatic changes in Chinese timber product sourcing practices. Chinese official import data illustrates these trends: while Russia still accounts for 37% of total log and lumber imports by China, the share made up by Canada,

New Zealand, and the United States has more than tripled from 10% in 2007 to 33% in 2010 (Please see attached graphic). At a recent conference, Chinese government officials noted that China is importing less wood from high-risk countries due to legality concerns on the part of U.S. and European buyers. This data indicates that laws like the amended Lacey Act are already starting to positively impact supply chains around the world.

The Current Wildlife Poaching Crisis

The illegal wildlife trade is believed to be equivalent – in both revenue produced for criminals and level of threat to national security – to arms and narcotics trafficking. The links between wildlife poaching, the associated illegal trade, and transnational organized crime are increasingly complex and require more U.S. resources and attention than currently exist, certainly not less. Far greater investment is required to institutionalize intelligence-led, multi-agency enforcement in key source, transit and destination countries in order to identify and apprehend key criminals in the trade chain and disrupt these criminal networks.

Elephants

Elephants are being slaughtered in large numbers, an estimated 30,000 per year, by organized crime syndicates for their ivory to feed Asian, and particularly Chinese, demand. Though China claims to have a controlled domestic legal ivory market, EIA investigations have shown that up to 90% of the ivory in China is illegal and supplied by poached elephants in Africa.[xx] Evidence indicates a growing involvement of organized crime networks, and these syndicates rely on corruption, collusion and protection from different government institutions and private sector operators to thrive.

There is a growing body of evidence that the slaughter of majestic and iconic elephants is supporting crimes against humanity, showing that the illegal wildlife trade threatens not only animals but also people. A recent report, "Kony's Ivory: How Elephant Poaching in Congo Helps Support the Lord's Resistance Army," provides field evidence confirming that the Lord's Resistance Army (LRA) is slaughtering elephants in the Democratic Republic of Congo's Garamba National Park for ivory to fund its atrocities.[xxi] The LRA is known for vast human rights violations, including murder and large-scale massacres, rape and sexual slavery as well as abduction. Joseph Kony, the criminal leader of this rebel group, has ordered his followers to bring him elephant ivory to obtain food, arms and other supplies to fuel more rebel unrest and violence. Thus, the illicit ivory trade is serving to help sustain violence and terrorism that the United States has vowed to combat.

Sadly, the LRA is not the only armed group targeting elephants to fund criminal activity. Somalia's militant group al-Shabaab has been implicated in poaching elephants in Kenya while the Sudanese Janjaweed militias are reportedly responsible for the recent mass elephant slaughters in Chad and Cameroon.[xxii]

As one of the world's largest consumers of illegal wildlife, the US plays a significant role in the international ivory trade.[xxiii] The U.S. is now leading the international community's growing focus on the poaching crisis by recognizing that wildlife crime is serious organized crime – it's now time to act on this recognition by fully implementing its commitment to ending wildlife trafficking.

Rhinos

Thus far in 2013, more than two rhinos per day have been poached for their horns to feed Asian demand. The Convention on International Trade in Endangered Species (CITES) Secretariat believes the rhino horn trade to be "one of the most structured criminal activities currently faced by CITES."[xxiv] If the current rate continues, more than 900 rhinos will be killed in South Africa this year, easily surpassing last year's record high of 668 poached rhinos. The well-funded and sophisticated criminal poaching networks have thus far overwhelmed the capacity of local enforcement officials to adequately stop the slaughter in range states.

The Lacey Act has made it possible to charge and prosecute those involved in the killing and trafficking of globally threatened rhinos and their parts. As an example, in September 2012, members of an international smuggling ring pled guilty to federal charges for illegally trafficking rhino horn.[xxv] In addition to charges of money laundering and tax fraud, Vinh Chuong "Jimmy" Kha and Felix Kha and the Win Lee Corporation pled guilty to conspiracy, smuggling and wildlife trafficking in violation of the Lacey Act. The case surfaced as part of the U.S. Fish and Wildlife Service's (USFWS) "Operation Crash," an ongoing nationwide crackdown targeting those involved specifically in illegal killing of rhinos and unlawful trafficking of rhino horn. At sentencing, the defendants were ordered to pay a total of $800,000 in restitution to the Multinational Species Conservation Fund, managed by the USFWS, to support international rhino conservation efforts.

USFWS Director Dan Ashe commented on the sentencing in this case as follows: "Criminals in this country who are cashing in on this illegal trade should know that the United States will hold them accountable for their crimes and do everything possible to protect wild populations of rhinos."[xxvi]

Tigers

The role of organized criminal networks in the international illegal trade in skins, bones and other body parts of tigers and other Asian big cats between India, Nepal and China became apparent in 1999 and continues to be documented.[xxvii] Further, militant groups affiliated with al-Qaeda (such as the Harakat ul-Jihad-Islami-Bangladesh (HUJI-B) and Jamaat-ul Mujahedin Bangladesh (JMB), two entities designated as foreign terrorist organizations by the U.S. Department of State and European governments) and based in Bangladesh are suspected of sponsoring the poaching of tigers and other protected species at India's Kaziranga National Park to support terrorist activities.[xxviii] The poaching crisis has been exacerbated by a surge in demand for the use of skins for luxury home décor and for use as bribes and prestigious gifts in China, which has put not just tigers at risk, but leopards and snow leopards as well.

With as few as 3,200 wild tigers remaining, it is critical that all countries introduce domestic measures to end all trade, in all tiger parts and products from all sources; captive-bred as well as wild. During this year alone, based on poaching incidents and seizures, approximately 24 tigers have been killed in India.[xxix] Major seizures of parts and products of tigers and other Asian big cats confirm that the illegal trade is ongoing and that more resources and political will are required to end all big cat trade.[xxx]

Facts of the McNab Case

Opponents of the Lacey Act repeatedly cite the case of *McNab v. United States of America* and *Blandford, Schoenwetter, and Huang v. United States of America* as an example of over-regulation to validate the push for change to the law. However, they fail to share fundamental elements of the case that illustrate why the violations were so egregious. In this case, the persistent and willful failure to comply with foreign laws led to disastrous ecologic, human and economic consequences. We would like to make some clarifications for the record.

The fishing of lobsters off the Caribbean coast of Honduras and Nicaragua is having increasingly devastating human as well as environmental consequences. It is largely done by indigenous Miskito men who free-dive to deeper and deeper waters to grab lobsters that have become increasingly scarce due to over-exploitation. The average life span of these men is now under 40 as so many die of decompression sickness (also known as "the bends") because they do not have proper equipment to dive at those depths. These are the lobsters that are then loaded onto boats such as the one McNab operated.

During the period covered by the indictment, the Republic of Honduras had imposed conservation regulations to protect its lobster fishery from over-exploitation and health regulations to ensure safe processing of fishery products. McNab owned and operated a fleet of lobster fishing boats that harvested Caribbean spiny lobster in Honduran fishing waters. The McNab case involved a very large amount of lobster: 400,000 lbs with a value of $4.6 million.[xxxi]

A number of Honduran laws and regulations were broken by McNab's fleet throughout its operations, including regulations intended to prevent harvesting of juveniles, illegal transport, failure to report harvest to the appropriate Honduran fishing authorities, and failing to ensure that the lobsters were inspected and processed in Honduras. While one of the underlying laws that McNab's Lacey violation was eventually based upon involved the packaging material, the extent of McNab's illegal activity was much more extensive. Even the packaging violation is more meaningful than it might appear, as the incorrect packaging allowed the company to better hide the under-sized lobsters from authorities.

The National Marine Fisheries Service agents (NOAA) repeatedly consulted with Honduran officials and determined through their investigation that Honduran law had been violated by McNab's company, and by those that bought the lobster in the United States. The Honduran law was changed subsequently due to corruption and bribery in Honduras, and the courts saw it for what it was. This is a case in which the Lacey Act did exactly what it was supposed to do: prevent destruction of a natural resource in violation of the conservation laws of a trading partner.

Conclusion

U.S. industry and consumers do not want to fund human rights violations in Peru, Kony and the Lord's Resistance Army in the DRC, insurgents in Afghanistan, the junta in Burma, the extinction of the Amur Tiger in Russia, or the decimation of elephants and rhinos throughout the continent of Africa. This is a limited list of how profit from illicit trade in wildlife, fish and plants has become one of the leading sources of finance for criminal networks. Why is this? It is precisely because there is not enough enforcement and respect for the rule of law that governs the take and trade of natural resources. The Lacey Act is one of the laws working effectively to change this reality.

Europe, Australia and perhaps soon Japan are following the United States' lead in this area in order to make sure that their domestic laws also deter the international trade in illegal plant species. Here the U.S. has led by its example of respect for the rule of law.

By the title of this hearing, the subcommittee seems to propose an alternative view that the United States should allow its citizens and businesses to abdicate all responsibility for lawful conduct as soon as their activities move beyond U.S. borders. We don't have to imagine what the consequences of such an approach are: China has no measures similar to the U.S. Lacey Act and consequently is largely responsible for the giant sucking sound of natural resources illegally taken from around the globe. Chinese companies exhibit blatant disregard for the rule of law overseas, bribing officials and smuggling vast quantities of precious wildlife, timber and other natural resources to their factories. The only forces now frustrating these practices are the Lacey amendments and similar laws which close markets to such lawless and destructive practices.

Times have changed in the more than 100 years since the Lacey Act first became law, and Congress has kept apace, through thoughtful amendments over that time, to meet the challenges that globalization and increasingly sophisticated international criminal networks pose to legal trade.

Mr. Chairman, I cannot imagine it is your intention that the United States should cease to lead in the fight against transnational organized crime and the protection of our natural heritage.

Removing coverage of foreign laws from the Lacey Act would fatally undermine this effective tool and reveals a disinterest in conducting responsible trade. In this age of globalized trade – the Lacey Act supports and, in fact, rewards those traders that want to play by the rules. Removing these protections for legitimate business operators would leave them once again vulnerable to be undercut by illegal competitors. American businesses operating overseas and trying to follow the rules would be without a future.

As we are faced with a wildlife poaching crisis raging out of control, ever more sophisticated illegal timber networks, and over 80% of global fishery stocks at risk as they struggle with illegal, unreported and unregulated fishing, there is not a better proven tool than a well-funded and effectively enforced U.S. Lacey Act.

Thank you for your time, and I would be happy to answer any questions.

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[i] We refer you to our 2007 testimony, which goes into greater detail than we do here about the devastating impacts of illegal logging around the globe and the need for a robust Lacey Act: http://eia-global.org/PDF/testimony-EIA-forests-oct07.pdf

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[viii] Harry R. Bader , Clint Hanna , Clint Douglas & John D. Fox (2013): Illegal Timber Exploitation and Counterinsurgency Operations in Kunar Province of Afghanistan: A Case Study

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[ix] Ibid, pg. 340

[x] Ibid, pg. 343

[xi] Environmental Investigation Agency. "The Laundering Machine: How Fraud and Corruption in Peru's Concession System are Destroying the Future of its Forests."

[xii] Pautrat, L. and I. Lucich. Analisis Preliminar Sobre Gobernabilidad y Cumplimiento de la Legislacion del Sector Forestal en el Peru. 2006.

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[xv] 16 U.S.C. §3372(f)

[xvi] *U.S. Department of the Interior v. Three Pallets of Tropical Hardwood (Crouch)*, INV No. 2009403072 (Office of the DOI Solicitor June 22, 2010).), (Decision in Response to Petition for Remission).

[xvii] Russian Customs data as reporting in United Nations COMTRADE.

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[xxi] Kasper Agger and Jonathan Hutson. "Kony's Ivory: How Elephant Poaching in Congo Helps Support the Lord's Resistance Army." June 2013. A co-production of the Enough Project, The Resolve, Invisible Children, and the Satellite Sentinel Project (with DigitalGlobe).

[xxii] International Fund for Animal Welfare (IFAW). "Criminal Nature: The Global Security Implications of the Illegal Wildlife Trade." June 2013.

[xxiv] CITES Secretariat, *Species Trade and Conservation—Rhinoceroses: Report of the Secretariat,* SC62 Doc. 47.2

[xxv] FWS News Release. "Members of International Smuggling Ring Plead Guilty to Federal; and also Charges of Illegally Trafficking Endangered Rhinoceros Horns." September 14, 2012. Accessed July 17, 2013 http://www.fws.gov/le/pdf/rhino-horns-news-release-09172012.pdf

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[xxvii] *See, e.g.*, EIA (Feb 2013), Hidden in Plain Sight: China's Clandestine Tiger Trade; EIA (Oct. 2012), Briefing on Snow Leopards in Illegal Trade – Asia's Forgotten Cats; EIA (Nov. 2011), Key features of the Asian big cat skin and bone trade in China in 2005-2011.

[xxviii] (ref supra to IFAW 2013 Criminal Nature report) at p.12.

[xxix] Wildlife Protection Society of India (WPSI), Tiger Deaths in 2013, http://www.wpsi-india.org/wpsi/index.php.

[xxx] See, e.g., Chetan Chauhan (Feb. 18, 2013), Rich haul of tiger body parts in Nepal shows increased threat to Indian tigers (Hindustan Times, New Delhi), http://www.hindustantimes.com/India-news/NewDelhi/Rich-haul-of-tiger-body-parts-in-Nepal-shows-increased-threat-to-Indian-tigers/Article1-1013268.aspx; Phoenix Fund (Feb 2013), Sad statistics from the Amur!, http://www.rewildingfoundation.org/2013/02/26/sad-statistics-from-the-amur/.

[xxxi] David Henson McNab vs. United States of America: http://www.justice.gov/osg/briefs/2003/0responses/2003-0622.resp.html