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# Intelligence Report

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## Uneven Enforcement of Environmental Rules Facilitates Continued Growth in Environmental Crimes

Transboundary environmental crimes and noncompliance with international environmental treaties are assuming increased global attention, especially among industrialized countries. In recognition of the rising number of environmental crimes such as hazardous waste dumping, trafficking in endangered species, and the chlorofluorocarbons (CFCs) black market, officials in the UK, Germany, and Italy, and organizations such as INTERPOL are committing more law enforcement and intelligence resources to combat these so-called eco-crimes; Italy's Ecological Police hosted an international conference on environmental crimes last April. International enforcement of environmental rules, however, remains uneven. Lack of financial resources, personnel, and expertise to track eco-crimes, as well as poor coordination among environmental agencies and law enforcement bodies, will continue to impede significant progress in curbing environmental crimes.

**CFC black market flourishing.** Ozone-depleting CFCs, banned under the Montreal Protocol from production in the US and other industrialized countries, are second only to cocaine as an illegal import into Florida.

As much as 20,000 tons per year are smuggled into the US from Russia, China, and India, mostly by traders using front companies in the EU, mislabeling CFC containers as propane, and using false customs documents; Mexico also has emerged as a major supplier of CFCs smuggled into the US. Despite a crackdown in the US that has resulted in some 50 convictions and the seizure of over 1 million pounds of CFCs in recent years, the illicit CFC trade continues to undermine the market share for US companies that have invested millions of dollars to develop ozone-safe chemicals and the technologies that use them.

- The EU's Anti-Fraud Unit (UCLAF) seized 1,000 metric tons (mt) of illegal CFCs at Rotterdam last summer. This was the first major CFC crackdown in the EU and the first successful joint operation among Belgian, Dutch, and German customs officials.



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- At the September Montreal Protocol Conference of Parties, participants agreed to introduce a licensing system--modeled on the US government's anti-CFC program--aimed at curbing illicit CFC exports.
- Nonetheless, European chemical industry experts point to the fact that sales of CFC alternatives remain inexplicably low, and the smugglers face little risk of detection or punishment, as evidence that the CFC black market in the EU continues to flourish. They also say that, until the more than 2,000 large commercial chillers in the EU that still run on CFCs are phased out, the demand for cheap CFCs will continue to undercut demand for alternatives.
- According to press, the UK's Environmental Industries Commission--an umbrella organization for "green" technologies--claims that lax enforcement of environmental regulations by local and regional authorities costs the environmental technology sector millions of dollars in lost business; in November the group called on the government to implement a policy of "zero tolerance" for environmental crimes. [redacted]

**Despite these efforts, the demand for cheap industrial solvents and coolants is likely to grow in rapidly developing countries such as China, India, and Mexico that are still permitted to produce these materials. Moreover, Russian chemical plants continue to produce and export CFCs--in violation of the Montreal Protocol--thereby increasing the volume of CFCs that could end up on the black market.** [redacted]

**Illegal hazardous waste shipments persist.** The growth in hazardous waste production and soaring disposal costs--more than \$1000 per ton in some OECD countries--has led to an increase in criminal involvement in the trafficking and dumping of these materials. [redacted]

unscrupulous waste traders and criminal groups are taking advantage of the multibillion-dollar legal trade in recyclable materials such as scrap metals to commingle and illegally ship toxic wastes. Most of these wastes are shipped to LDC countries in central and eastern Europe, Asia, and Africa, where disposal costs are lower and the enforcement of environmental controls are weaker. **Monitoring the movement of illegal wastes across national boundaries and tracking the origin of abandoned hazardous materials is extremely difficult because customs officials often are not trained to recognize toxic or illegal substances and because there are usually no license or identifying serial numbers on abandoned waste containers.**

- Western Europe continues to be the largest source of transborder waste shipments. German and other European officials admit that lax border controls and poor management of data collected at checkpoints facilitate the movement of wastes through EU member states, according to press reports.

- Waste brokers in many developed countries often find it significantly cheaper to ship waste over long distances than to obtain the proper legal disposal permits. US officials recently halted a Mexico-bound waste shipment from Belgium that was illegally transiting the US, and in January, Chinese officials seized and sent back to Sydney three containers of toxic waste exported by an Australian firm. Australian federal police reportedly are investigating officials of the suspected company, who, if found guilty of exporting without permits, face maximum prison sentences of five years and fines up to \$700 million under the country's Hazardous Waste Act.
- Government officials and entrepreneurs in cash-strapped LDCs, particularly Africa, often accept hazardous waste imports from brokers in return for hard currency--the so-called trash-for-cash schemes--and then dump the wastes on beaches, in rivers, or in rural areas.

The lack of adequate safe disposal options for radioactive waste also is attracting increased involvement of organized criminal groups throughout Europe, according to open sources. In many cases, these groups appear to be using illicit trading schemes already in place for arms, drugs, and other contraband.

- Austrian and Italian authorities, for example, are investigating illegal dumping of radioactive wastes into the Mediterranean and Adriatic Seas by companies purportedly hired by the Camorra and Ndrangheta crime groups.

**Endangered species trade increasingly lucrative.** INTERPOL claims that by 1995 the trade in endangered species protected under the Convention on International Trade in Endangered Species (CITES) agreement was more lucrative than arms trafficking and that it was becoming a growing problem for law enforcement officials already

over burdened tracking other contraband. **The World Wildlife Foundation estimates that the global trade in illegal animals is more than \$5 billion per year.** Although the more than 130 countries that have signed and ratified the 1975 CITES agreement have laws in place to control illegal hunting and poaching, there are too few resources to enforce them. Enforcement is particularly weak in biodiversity-rich African, Asian, and Latin American countries, while the demand for live exotic animals and animal products such as ivory and turtleshell remains high in developed countries, including Japan.

- There is a special CITES unit at Heathrow Airport in the UK that helps customs officials recognize smuggling methods and catch animal traders from Africa, Asia, and Latin America.
- Nigeria is widely recognized as a major transit point for exports of many protected species from West African countries. One wildlife trade investigator was told by Nigerian customs officials that for \$500 they could "arrange all the necessary documents" needed to export primates, parrots, and other animals, according to open sources.
- In September a Czech citizen was detained in Amsterdam while trying to smuggle 26 monkeys, 15 caymans, and 62 turtles from Peru in his luggage. In South Africa a man was arrested in October for possessing 21 protected birds with a black-market value of roughly \$13,000.
- Peru's Ecological Police are coordinating an investigation with INTERPOL to uncover the flourishing animal smuggling ring there; poachers in Peru earn badly needed cash for rare birds, reptiles, and jaguars. One tree sloth, for example, can fetch up to \$400, more than three times the monthly minimum wage, according to open sources.

**Hurdles to improved enforcement.** Several EU governments, Russia, and other countries are looking for ways to stem the flow of illicit wastes and curb other activities considered to be cross-border environmental crimes, but the few concrete measures instituted thus far--such as tighter EU licensing controls for CFCs--have not yet significantly halted these activities. Lack of financial resources and expertise, as well as loose coordination between government environmental officials and law enforcement agencies will remain the greatest impediments to effective enforcement of domestic and international environmental regulations. Moreover, with the globalization of world trade, the tightening of waste management controls in developed countries, and the lure of quick cash, incentives to find cheap, easy ways to dispose of wastes will remain strong.