



**Wildlife Justice  
Commission**

# Operation Jeopardy The Growing Relevance of Cambodia in the Global Ivory Trade

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Credits

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Ivory items on display  
in Phnom Penh and  
Sihanoukville.





## Executive Summary

**A ten-month investigation** of ivory trafficking in Cambodia by the Wildlife Justice Commission has highlighted a geographical shift in the trade and production, with criminal networks moving away from countries with stronger law enforcement and policy developments into more vulnerable territories that lack the capacity to effectively tackle transnational organised crime.

**Operation Jeopardy** evidences the trend in Cambodia, which is becoming a significant hub for ivory production. Changes in legislation and improved enforcement measures appear to be resulting in a level of crime displacement from China, Vietnam and Lao PDR to Cambodia, a country not previously recognised as a major illegal ivory hub<sup>1</sup>.

**On 29 December 2016**, the General Office of the State Council of China issued a notice [No. 103] ordering the closure of the domestic commercial trade and processing of ivory in China by the end of 2017<sup>2</sup>. The lead up to and adoption of this policy and subsequent enforcement efforts have since influenced the dynamics of wildlife crime in the region. During its investigations, the Wildlife Justice Commission has observed the wider effects of the ban both through a decline in demand and price for raw, un-

processed ivory, and the switch by some wildlife criminals to selling processed ivory, which is easier and safer to transport. Thus outlining the observed impact of the ivory ban in China, from a regional and therefore, global perspective.

**Despite the ivory ban in China**, there remains an ongoing demand from a mainly Chinese clientele. An illegal trade persisted initially in bordering countries such as Vietnam and Lao PDR. However, increased enforcement efforts to tackle the open sale of ivory in both countries have resulted in a visible reduction of this trading environment. Inevitably, crime was driven underground, only to resurface in Cambodia.

**This displacement has resulted** in the open trade of ivory in Cambodia led by Chinese traders, which has been compounded by the absence of a regional law enforcement response.

**Evidence collected** during the Wildlife Justice Commission's undercover investigations in Cambodia found an open illegal ivory market in Phnom Penh and Sihanoukville, driven by traders and clientele from China. Ivory products were documented on display, while some shop owners indicated they also had access to raw ivory.

**Of the premises and retail hubs** visited in Phnom Penh and Sihanoukville that contained a substantial level of illegal wildlife products and were also found to be offering larger quantities of ivory, 78% (7 out of 9) were owned and operated by traders of Chinese descent, some of whom had been born in Cambodia. The customers observed by the Wildlife Justice Commission in Cambodia were also predominantly Chinese tourists. Furthermore, Cambodia has observed a sharp increase in the number of Chinese visitors to the country, after an estimated two million tourists were recorded in the first ten months of 2019, an estimated increase of 25% in comparison to 2018<sup>3</sup>.

**There appeared to be a strong relationship** with Chinese traders operating within Cambodia who originated from the Fujian province. The significance of this region was previously identified through Wildlife Justice Commission investigations after several high-level wildlife brokers in Vietnam were found to have originated from Fujian, while a 2017 report from the Environmental Investigation Agency<sup>4</sup> highlighted the role of Fujian as one of China's most prominent ivory processing hubs.

**Ivory was also observed** in production on a commercial scale in Cambodia, manufactured by com-

puter-programmed machinery. The factory was found to be processing raw ivory and were involved in supplying local retail outlets offering worked ivory products. The Wildlife Justice Commission disseminated an intelligence report on these findings and operations of the factory to the Wildlife Alliance, and a subsequent raid at the property resulted in the seizure of worked ivory products and the prosecution of one Chinese national.

**The Wildlife Justice Commission's** most recent deployment to Cambodia found the ivory retail markets were experiencing a downturn in the number of Chinese tourists and customers visiting the outlets due to travel restrictions related to COVID-19. However, as recently as 6 May, Wildlife Justice Commission operatives were offered raw ivory tusks for sale at USD 1,600 per kilo. Expensive flights between Cambodia and China are currently impeding further movement of these commodities. This situation presents an opportunity for law enforcement agencies to close the outlets and target the criminal elements facilitating illegal trade before the restrictions are lifted.

<sup>1</sup> CITES currently ranks Cambodia as a Category C Party 'affected by illegal ivory trade'. It has previously been a Category B Party; but has never been recognised as a Category A Party 'most affected by illegal ivory trade'.

<sup>2</sup> [http://www.gov.cn/zhengce/content/2016-12/30/content\\_5155017.htm?from=timeline&isappinstalled](http://www.gov.cn/zhengce/content/2016-12/30/content_5155017.htm?from=timeline&isappinstalled)

<sup>3</sup> [http://www.xinhuanet.com/english/2019-12/17/c\\_138637974.htm](http://www.xinhuanet.com/english/2019-12/17/c_138637974.htm)

<sup>4</sup> <https://eia-international.org/wp-content/uploads/EIA-The-Shuidong-Connection-FINAL-1.pdf>



## Introduction

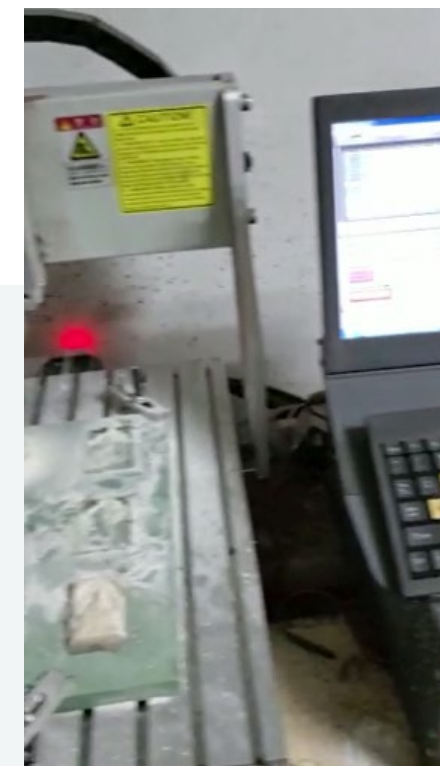
**Operation Jeopardy** was launched by the Wildlife Justice Commission in May 2019 to investigate the illegal ivory market in Cambodia. It came after investigators following the domestic ivory trade in China identified regional changes in criminal dynamics across the Greater Mekong countries. The Wildlife Justice Commission had documented a distinct decline in ivory trade by previously prolific wildlife criminals, who were now perceiving it to be 'bad for business'. The difficulty in sourcing buyers and a reluctance to smuggle raw ivory into China has meant that huge batches of ivory are being stockpiled in Vietnam. This, combined with the coordinated law enforcement efforts by China's Anti-Smuggling Bureau, will likely create further deterrence within the criminal fraternity in the region and indeed across the globe.

**Operation Jeopardy** went undercover in Phnom Penh and Sihanoukville. Analysis indicated that both cities were trade hubs for illegal wildlife products, as well as being known ports for air and sea movement of such goods. Investigators focussed on nine commercial premises; eight retail shops and one factory. The factory revealed the commercial level production of ivory, fully operational in Phnom Penh.

## Ivory Produced from Digital Machinery

**The factory initially appeared** to be legitimately processing wood products, but the Wildlife Justice Commission's operatives quickly identified a mass-processing ivory operation. An ivory carving room

contained five automated industrial carving machines connected to a laptop computer (Images 1, 2 and 3) programmed with specific designs for rectangular and round pendants.



*Images 1, 2 and 3: Ivory carving machines observed in the factory in Phnom Penh*



**The Wildlife Justice Commission** operatives were also shown a considerable number of processed ivory products at the factory, including bracelets, buckles, pendants, and bangles, in addition to tiger canines and claws, demonstrating the mass production capabilities of the factory and its involvement in a variety of wildlife contraband. As well as supplying products for local sales, the factory also offered carving services to private customers.

**The use of machine-operated ivory carving** had not been directly observed during previous Wildlife Justice Commission investigations in Cambodia. Hand carving is the norm and, in some markets, particularly in Lao PDR, there is a strong preference for the manual craftsmanship of Chinese carvers. The quality is considered far superior to products created by machinery, and therefore they command a higher price. Other factors affecting price concern the style of carvery by hand, whether the product is shallow, floating or delicate. Machine carving is considered the most basic form, and therefore also the cheapest.

**During the visit**, the Wildlife Justice Commission investigators were also offered a pair of large, decorated raw ivory tusks, which were being stored on site (Image 4).



Image 4: Processed ivory products and tusks decorated with gold, offered to the Wildlife Justice Commission

**Following the visit**, the Wildlife Justice Commission investigators maintained contact with a person of interest associated with the factory and were subsequently sent a photograph of a back rhino horn being held at an undisclosed location in Cambodia, which was available for sale. This highlighted the subject's ability to access wildlife products from multiple species in both processed and raw form.

## Law Enforcement Response

**The Wildlife Justice Commission** disseminated an intelligence package to the Wildlife Rapid Response Team (WRRT)<sup>5</sup> who in collaboration with a deputy prosecutor of Phnom Penh, raided the factory premises in early March 2020 and arrested seven suspects: five Chinese and two Cambodian nationals. The raid also led to the confiscation of seven pieces of raw ivory and 36 pieces of worked ivory, as well as tiger bones, pangolin scales and dead seahorses.



Image 5: Seized raw ivory from the factory raid (March 2020) © Wildlife Alliance.

Following further investigation, only one Chinese national was prosecuted under Article 98 of the Forestry Law (punishable with 1 to 5 years in prison and/or a fine of 10 million KHR (USD 2,500) to 100 million KHR (USD 25,000)) for possession and processing of endangered wildlife specimens, and was sent to pre-trial detention at the Prey Sar prison in Phnom Penh<sup>6</sup>.



Image 6: Seized tiger bones from the factory raid (March 2020) © Wildlife Alliance.

<sup>5</sup> <https://www.wildlifealliance.org/wildlife-police/>

<sup>6</sup> <https://www.wildlifealliance.org/ivory-and-pangolins-the-dark-underbelly-of-cambodias-wildlife-trade/>

## Supply route of ivory into Cambodia

**The covert nature** of organised wildlife crime makes it difficult to map a clear picture of the smuggling routes and methods. Most known routes are identified through reported seizure analysis, but while this can be useful it only reflects reported and detected shipments, not the products that have successfully made it to market.

**However**, the Wildlife Justice Commission's investigation reveals that ivory products are mostly smuggled into Cambodia overland from Thailand, Lao PDR and Vietnam. Enforcement efforts in these countries may have driven crime underground reducing the presence of an open ivory market, a role that Cambodia can fulfil instead.

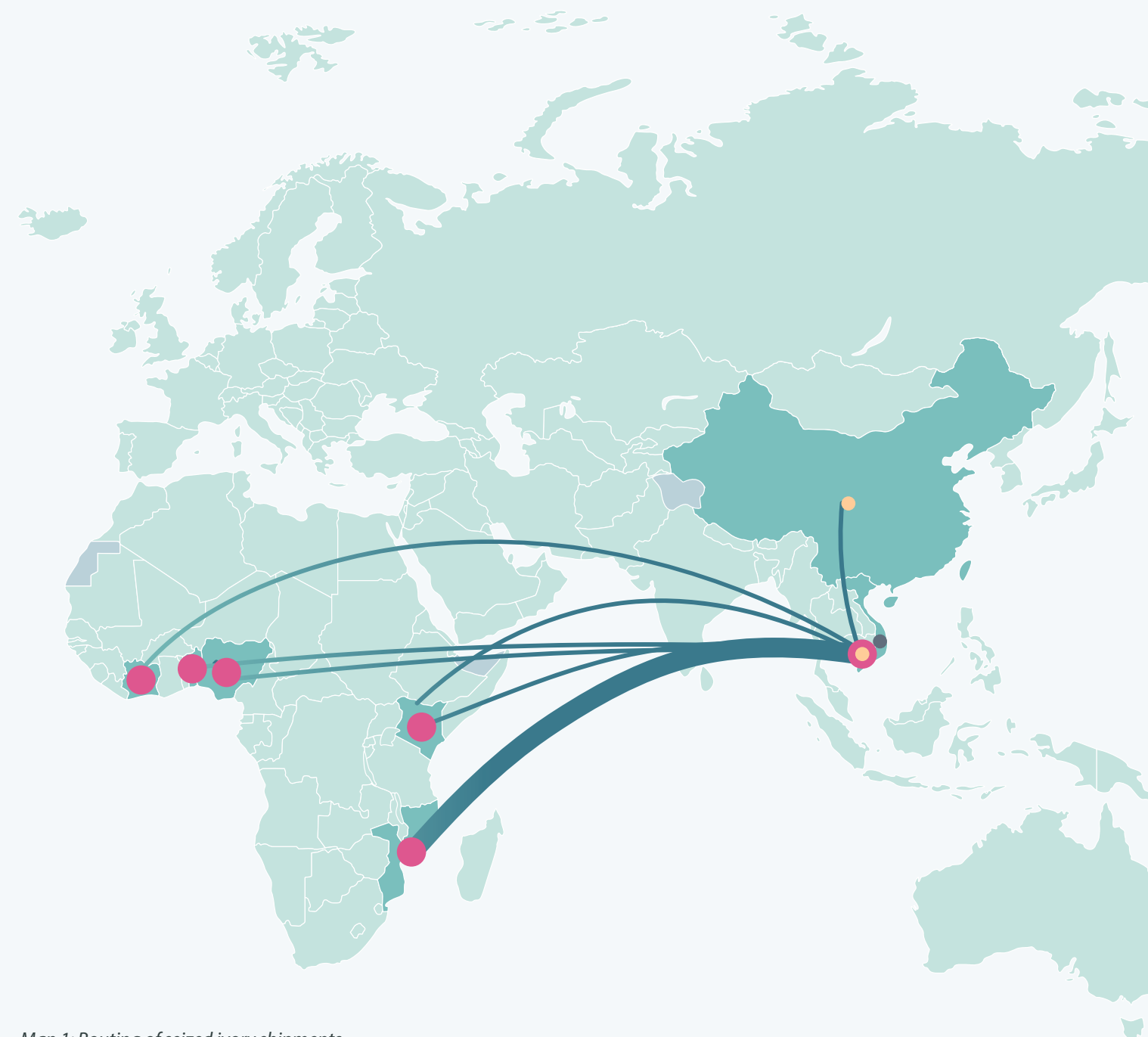
**Vietnam is alluded** to by traders as the location where ivory is processed before it is smuggled to Cambodia, where it is sold through the retail market. One trader stated that the preference was to smuggle raw ivory into Cambodia overland via Thailand or Lao PDR, due to tight controls by law enforcement at the port in Sihanoukville. This was support-

ed by another trader located in Sihanoukville, who stated they bought their products in Phnom Penh. The Wildlife Justice Commission also has reliable intelligence that significant stockpiles of ivory are being held in Vietnam, close to the Cambodian border.

**Seizures of ivory** linked to Cambodia have fluctuated but are relatively high for the Greater Mekong region<sup>8</sup>, amounting to more than 15 tonnes in the four years from 2016 to 2019. The largest seizure occurred in April 2018 in Mozambique, involving 3,400 kg of ivory bound for Cambodia<sup>9</sup>. Of the reported ivory seizures linked to Cambodia during this period, approximately 57% occurred outside of Cambodia, and 43% within. Most of the seizures detected in Cambodia were made at Sihanoukville Port. Up to 2018, the volume of ivory seized with a Cambodian nexus was comparable with Vietnam; but in 2019 this trend changed, when seizures with a Vietnam nexus spiked significantly to 22,274 kg, while seizures linked to Cambodia dropped to just 821 kg.

<sup>8</sup> Seizures linked to Lao PDR and Thailand amounted to smaller volumes of ivory than Cambodia (2016-19).

<sup>9</sup> The Phnom Penh Post, More than three tonnes of ivory reportedly bound for Cambodia seized in Mozambique, 18 April 2018, <https://www.phnompenhpost.com/national/more-three-tonnes-ivory-reportedly-bound-cambodia-seized-mozambique> (last accessed on 1 October 2019)



Map 1: Routing of seized ivory shipments relating to Cambodia since 2016



## Impact of COVID-19

**One of the many effects** of the current COVID-19 pandemic has been the documented stockpiling of ivory and pangolin scales<sup>10</sup>. Wildlife brokers already experiencing difficulties in 2019 with the sale of raw ivory in Southeast Asia were stockpiling their stash in Vietnam, Lao PDR, and Cambodia. Now, border controls and travel restrictions enforced as part of COVID-19 prevention measures adds to the existing situation. In early May 2020 and in response to the lifting of domestic travel restrictions in Vietnam, Wildlife Justice Commission operatives engaged with brokers in Cambodia and were offered raw ivory tusks for sale for USD 1,600 per kg (Image 7). The broker stated that the products will remain held by the Cambodian supplier in-country until travel becomes cheaper. Chinese nationals are currently permitted to travel to Cambodia; however, flights are more expensive than usual. The situation presents an ideal opportunity for law enforcement agencies

to target and close the retail outlets and hubs that continue to facilitate this illegal trade before travel restrictions are lifted.



*Image 7: Ivory tusks offered to Wildlife Justice Commission operatives, May 2020*

<sup>10</sup> [https://wildlifejustice.org/wp-content/uploads/2020/04/WJC\\_Impact-of-COVID19-on-wildlife-trafficking\\_April2020.pdf](https://wildlifejustice.org/wp-content/uploads/2020/04/WJC_Impact-of-COVID19-on-wildlife-trafficking_April2020.pdf)

## Conclusion

**Wildlife Justice Commission's** undercover investigation in Cambodia points to the presence of a relatively active and open illegal ivory trade, controlled by Chinese traders and appearing to cater for the Chinese tourist industry. Moreover, illegal ivory trade in Cambodia is not just serving as a retail market, but also as a production base. Both ready-made processed ivory products as well as raw tusks are being smuggled into the country, whilst the relatively low level of reported ivory seizures inside Cambodia (apart from Sihanoukville Port) may suggest weak law enforcement mechanisms at the border points.

**It is clear that following the implementation** of the domestic ivory ban in China and political pressure from the international community, the global ivory market is experiencing a geographical shift, thereby proving its resilience to political and law enforcement interventions. As some countries enhance their law enforcement measures, crime is seen to shift to other vulnerable countries which are less capable of tackling transnational, organised crime, such as Cambodia. Its geographical positioning and the lack of a well-functioning criminal justice system<sup>11</sup>, may provide the perfect conditions for this crime to flourish.

**It is assessed** that due to increased law enforcement efforts in Vietnam and Lao PDR, a Chinese-led open ivory market has developed in Cambodia; thereby outlining the urgent need for a regionally coordinated intelligence-led law enforcement approach to tackle this issue across the Greater Mekong region that has the resources to anticipate and prevent crime displacement where it occurs. Currently, this capacity does not exist in the region, which means that transnational organised wildlife criminality is not being challenged in a way that will create lasting impact upon the illegal ivory trade.

<sup>11</sup> UNODC Criminal Justice Assessment in Cambodia, 2015



## Recommendation

The threat posed by transnational organised wildlife criminality is not specific to Cambodia and extends across Southeast Asia. It is crucial therefore, that the governments in the Greater Mekong Region collaborate by sharing intelligence. Also, by conducting joint investigations, each country's capacity to respond to crime occurring at both national and regional levels, will be enhanced.



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