

The Global Observatory of Transnational Criminal Networks

Rhino poaching and Rhino Horn Traffic in South Africa

No. 9

Khalil Goga
Charles Goredema
Eduardo Salcedo-Albarán
(Authors and Researchers)

Luis Jorge Garay Salamanca
(Scientific Director)



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© Eduardo Salcedo-Albarán, 2017

Scientific Director

Luis Jorge Garay

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Disclaimer

The facts and the analysis presented herein are sustained in documents and interviews exposed in mass media and judicial records related to the criminal networks analyzed. No primary information uncovering facts has been gathered, which means that only secondary sources were consulted, from legal to media documents. In the case of the names mentioned, quoted or referenced on indictments—with the exception of those specifically mentioned, quoted or referenced in the text as definitively condemned-, the presumption of innocence, in observance of individual rights is always preserved.

The judicial truth is the jurisdiction of the courts, which by law will decide whether the defendants are innocent or guilty.¹ It is stated that belonging to, participating in, being connected to, or appearing on a network, as analyzed herein, does not imply having committed a criminal act or being engaged in a criminal enterprise. It is always possible to belong, participate, be connected, or appear on a network as an agent promoting interests that are socially and institutionally beneficial, or as a result of coercion, among other reasons unrelated to criminal acts committed by the agent.

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Introduction

Criminal Markets (CM), Organized Crime (OC) or Transnational Criminal Organizations (TCO) are usually described as a dynamic of opposition between criminals, on one side, and public officials and the private sector, on the other side. However, recent empirical findings, specifically resulting from techniques of data mining and Social Networks Analysis, illustrate a more complex situation in which the traditional legal/illegal dichotomy does not allow explaining the massive interactions between various types of agents.

As a result of this complexity, the nodes or agents participating in a criminal network have been differentiated between “bright”, “dark” and “grey”, according to their organizational and institutional role. The organizational role refers to the social group or organization where the agent operates, and the institutional role refers to the capacity to meet the laws. Sometimes the organizational and the institutional role coincide: If both are lawful roles, the node can be described as “bright”, and if both are unlawful roles, the node can be described as “dark”. However, when the organizational and the institutional roles do not coincide, the agent can be described as “grey”, because it cannot be defined as “completely” legal or illegal. This means that an agent with criminal interests, operating within a criminal group, is a “dark” agent or “pure” criminal, while a mayor or a governor with criminal interests, but operating within a lawful office, is a “grey” agent. Bearing this in mind, the purpose of this document is to provide relevant descriptive information about rhino poaching and rhino horn traffic in South Africa. Specifically, this information is provided with the purpose of providing insights regarding: (i) The relevant criminal agents participating in the Criminal Networks involved on this criminal market, (ii) the criminal hotspots, consisting on the most relevant regions of origin and destination of this criminal market, and (iii) the most relevant recent cases.

1. Key Criminal Agents

Whilst rhino poaching has often been portrayed as a conflict between ‘dark’ and ‘light’ agents, the reality of the trade is far more complex and comprises a host of actors in a variety of fields in legitimate and illegitimate spheres. This means that rhino poaching and rhino horn traffic, like other complex criminal markets, cannot be understood if attention is focused only on the “pure” criminal elements of the criminal networks participating. As it will be explained, it is critical to understand the participation of agents operating within lawful

public and private positions form the poaching to the final consumption and use of the rhino horn.

The South African strategy in limiting the sale of rhino has named a variety of broad groups, which are given a priority depending on their seriousness and their economic and political impact on the country. Similar threat assessments to organised criminal economic supply chains are given to other criminal enterprises such as drug trafficking syndicates within South Africa. Regarding the various groups, the South African state has identified them into five various levels, with a hierarchal structure. As the crimes become more serious and the economic benefit for the criminal group increases, more sophisticated types of enforcement and investigative capacity are applied by the state through the enforcement agencies. Those levels are described below:

Level 1 - Poaching individuals and small groups. Park management and farm owners usually deal with these groups. These groups and individuals are not particularly sophisticated in their structure, as more organised groups and they generally poach for subsistence living. This, however, doesn't mean that these individuals and small groups lack of sophisticated arms and equipment; in fact, these groups are usually made up of up to 6 poachers and they are well armed with sophisticated equipment. Many of these groups are also located in Mozambique from where they base their poaching, through national borders. The weaponry that they use is a concerning, with several of these groups using rifles such as AK-47, which poses a major threat for law enforcement and park patrols. These groups mainly operate at night, and they are often from local communities and know the area well. Helping these poachers, include others who may hide or support them and provide them with guns and other equipment.

The rate of remuneration that these individuals and small groups receive fluctuates greatly from community to community and payment is immediate. Gangs typically make around \$12 000 per horn, though this figure can go up substantially depending on the geography and location. Those with little experience are also paid less.¹

Locals in this group often come from economically marginalised communities and regard the state with animosity. In this sense, individuals and small groups participating in this level, usually argue that lack of economic opportunity drives them to poaching. Whilst many of

¹ Annete Hubschle (2016) A Game of Horns: Transnational Flows of Rhino Horn. Available in: <https://goo.gl/FpHZDz>

these communities are entitled to a portion of game reserve earnings the spread is hardly equitable. There is a distinct level of anger in these communities, something, which is common across the country. This level has become increasingly aggressive against the state and their officials.

Poachers in these communities are also able to build a level of control and trust due to their economic positions; even though they are at the bottom of the chain, the relative amounts they earn is a lot in the impoverished community in which they reside.

Level 2 - Local receivers and couriers who are based in a province. Poachers and poaching groups contact individuals and small groups located in a single province, and sell them the poached rhino horn. What has become noticeable, there is a growing difference in wealth between those in poaching hotspots and those outside of it, particularly in the more rural areas of Mozambique where illicit economies feed the influx of illicit finance. Also at this level are those that come from the game ranching community and operate within the industry. These groupings discredit the common thesis of poachers being poor and black. In this group lie a number of people who can include veterinarians and professional hunters as well as land owners. Additionally, there are those who may buy horn from communities and act as 'mini wholesalers' as well as those who benefit from illegal activities in the private sector, such as dehorning.

Level 3 - National Couriers. These couriers receive the goods as well but can be located in other provinces, especially exporting provinces. It is at this level that the targeted members of the criminal network become more prioritised by specialist bodies such as the Hawks². These middlemen often are African nationals, able to get rhino horn stocks from a variety of sources. They can occasionally sell internationally but not to the end users in international locations.

Level 4 - National Exporters. These individuals or groups, members of the criminal network, act to ship the product across borders. These individuals and groups are highly prioritised by police enforcement; therefore, at this stage that officials consider that they are dealing with highly organised criminals. These exporters are generally of African or Asian origin and are amongst the most networked individuals in the supply chain, also with a great

² South Africa's specialist law enforcement body.

capacity for corrupting state officials. They have large amounts of finances and can use mules and other operators to transport the horns across borders.

Level 5 - International exporters and complex criminal groups. Law enforcement has had little success against these individuals and groups operating at the high levels of the criminal networks, especially in foreign countries. At this stage, assistance from bodies such as Interpol is requested but, as expected, tackling the transnational level of this criminal market is usually unsuccessful. South African law enforcement is unlikely to be able to do anything in bringing this level of individuals and groups to justice. They can also corrupt officials, especially those at ports. By the time horn reaches an Asian country, the value has reached \$65 000 to \$100 000 per kg, compared to the \$12 000 per horn that poachers make.

Complexity of the criminal market

Whilst the division of “levels” is useful for operational tasks against rhino poaching syndicates, the true nature of organised rhino poaching is far more fluid and continuous, and consists of a variety of additional role players who facilitate the trade. In general, the rhino poaching and rhino horn traffic can be better described as a criminal network comprised of a variety of syndicates and groups who may or may not always interact. For example, in a variety of recent cases, it was noted that there was the acceptance of the game farm owner to have the rhino poached from their own property. For many, the price of the rhino horn far exceeds the value of the animal itself and therefore the poaching and sale of the horn thereof becomes a lucrative business for some owners.

Some of the more ‘grey’ actors in the criminal network can include:

Veterinarians. Many have been implicated in the rhino horn trade, providing the powerful M99 drug, which is a drug 1000 times more powerful than morphine, used to tranquilise rhinos. In a recent case, the former head of the Kruger National Parks wildlife capturing unit and vet Dr Douw Grobler, as well as a private vet and a professional hunter, were accused of providing tranquilisers to rhino poaching syndicates. Dispelling the notion that solely dark agents commit rhino hunts, the number of those in this professional industry implicated in the rhino trade is a cause for concern and analysis.

Professional hunters. This group has been notable in some of the largest cases in South Africa. Hunters are also part of the many syndicates particularly when there is a pseudo

hunt³. Using their expertise as marksmen and trackers, hunters can trace and kill rhinos for buyers of rhino horn whilst passing the horn off fraudulently as the spoils of legitimate hunts. These hunters often work in tandem with game farm owners.

Game farm owners. One of the most contentious problems in South Africa regarding the criminal markets of rhino horn, is managing the trade. Game farm owners, overwhelmingly white and often wealthy, have to balance the difficulties of maintaining a profitable business in a difficult market. Many of these owners believe that managing poaching and rhino horn require a market based approach, and this has resulted in heated debate on the subject as well as government led inquiry into the viability of legalizing and regulating the hunt and market.

Whilst it may seem counterproductive for owners of game farms to be involved in the rhino poaching, the selling of rhino horn is far more lucrative for many game farm owners. As pointed out, the price received for a rhino horn is often far more than they would pay for an actual rhino, therefore pseudo-hunts entice financial prospect.

Corrupt officials. Like all forms of organised crime, without corruption and corrupt officials, it would be almost impossible to establish criminal networks at the local, national and transnational levels. Corruption has been widespread in the trade, extending from corrupt park officials, to those in law enforcement as well as officials in ports. Like many other illicit trafficking networks, these agents are some of the most vital in making sure the criminal trade continues.

Other actors noticed in many rhino poaching cases can include:

Couriers. Couriers include those who drive and transport the poached rhino horn.

Pilots. who are able to survey and transport rhino horn.

Attorneys. who falsify documentation and provide other criminal services.

Money launders. Those who are providing a service to hide the illicit proceeds of crime.

In conclusion, the types of agents involved in the rhino poaching are varied and reject the common conception of poachers primarily being poor black hunters or strictly “pure”

³ See Goga, Goredema and Salcedo-Albaran, *Background on South Africa, Rhino Poaching and Rhino Horn Traffic*, p. 6. Working Paper N° 1.

criminals. Whilst these individuals are often part of the criminal networks, there is no single example of the manner in which poaching syndicates are organised.

2. Key criminal hotspots

Criminals and other grey agents in the first two stages, i.e. poachers, are predominately located in areas near significant rhino populations. These “criminals” live within the community and therefore poaching impacts the communities quite significantly. As stated above, there has been the development of poaching communities around national parks and in particular the Kruger National Park. In both South Africa and Mozambique, countries covered by the Kruger National Park, portions of the population have been criminalised and the economies skewed by the huge influx of money due to poaching.

Origin

The poaching of rhino has been primarily concentrated in the National Parks of South Africa. The largest of these is the Kruger National Park, which shares borders with parks in Mozambique and Zimbabwe as part of a Transfrontier park. The main reason for the large numbers of poached rhinos in the Kruger Park is the large population of rhino that the park holds. Similarly, areas such as KwaZulu-Natal and Limpopo also have large populations of rhino and therefore are susceptible to rhino poaching. Most seizures do take place in a game park environment and the majority of arrests happen in the level 1 and 2 ranges described above. Poachers on the prowl are often violently dealt with, resulting in high numbers of fatalities.

Table 1. Detailed rhino deaths, by province

Rhino Deaths	2010	2011	2012	2013	2014
Kruger National Park	146	252	425	606	827
MNP (SANParks)	0	6	3	3	1
Gauteng	15	3	1	8	5
Limpopo	52	80	59	114	110
Mpumalanga	17	31	28	92	83
North West	57	21	77	87	65
Eastern Cape	4	11	7	5	15
Free State	3	4	0	4	4
KwaZulu Natal	38	34	66	85	99
Northern Cape	0	6	2	0	1
TOTAL	333	448	668	1004	1215

Source: WESSA (2015) Current Rhino Poaching Stats. Available in: <http://goo.gl/JupVXu>

Once a poached animal is dehorned, the horn often makes its way to urban areas and in particular cities in Gauteng, which, despite being the smallest province, has the largest economic base. The Directorate for Priority Crimes Investigation (or Hawks – South Africa's specialist crime body) has made a number of arrests in this province given that it is close to major airports.

Seizures at airports are also quite common, with around 22% of seizures happening at airports. Transit countries and cities include those with frequent connections out of Africa, such as Thailand, Singapore, Ethiopia, Doha and Abu Dhabi. Transport hubs also allow traffickers to use the volume of passengers and goods to hide contraband. Direct flights to cities such as Beijing and Guangzhou have also been used. In fact, China has also been targeting specific airlines, such as Kenya Airways, Ethiopian Airlines, Emirates, Etihad Airways and Qatar Airways. The Czech Republic has also made a number of seizures of rhino horn suggesting that it has become a transit country or that criminal networks have been operating out of here. Other small seizures have been made in North America and in Europe.

It is at this stage where seizures affect those “criminals” in the level 3 and 4 categories, who try to move the illicit wares offshore. However, interviewees suggest that due to the successes against rhino horn smuggling at airports such as OR Tambo at Johannesburg, the largest airport in South Africa, criminals are increasingly turning to other exit points such as seaports and local neighbours. Thus, rhino horn can be exported to a neighbouring country like Mozambique, with greater ease and then exported to Asia with less of a chance of seizure than if it were transported directly from South Africa. Outside of airline routes, a large portion of rhino horn is sent to Mozambique via air, land or sea. This trafficking route is well known and has been used by abalone and drug smugglers for many years. As it usually happens in several criminal markets, the criminal networks try to operate in and across those countries with weak institutions and, therefore, with weak domestic and border controls, such as Mozambique when compared to South Africa.

The border with Mozambique is especially vulnerable in this criminal market. Poachers and smugglers have used the Transfrontier Park in the Kruger, which allows animals to freely move, especially because the little protection of fencing between the borders is aged and is not a deterrent for those poachers and smugglers. This is well known across Southern Africa. In fact, the South African National Defence Force (SANDF) deals with border security, but the area is large and the Agency does not have the required amount of support and

capacity. The South African Police Service (SAPS) only provides limited support when requested.

Destination

The end market for these goods country is primarily in Asia. Vietnam and China are generally regarded as the destinations with the highest levels of demand. Additionally, organised wildlife traffickers are prevalent in these areas. A wide variety of distributors later sell the goods, used in traditional medicine, ornaments and collectibles and as gifts.

As stated in the Document of Facts: Background on South Africa, Rhino Poaching and Rhino Horn Traffic, there are still limited amounts of rhino horn reaching parts of the Middle East, though this demand has subsided. It could also be argued that due to the great political instability in previous high demand areas such as Yemen, the trade in rhino horn will take time to be re-established.

Map 1. Main routes for rhino horn trafficking



Source: UNEP (2015) The environmental crime crisis. Available in: <https://goo.gl/AlifOf2>

Table 2. Number of rhino horn seizures by country and mode of transport, 2009 – March 2014

Country	Land	Air	Sea	Mail	Total
Rhino Range States					
India	7				7
Kenya	1	3	1		5
Mozambique		2	1		5
Namibia		1			1
South Africa	42	11			53
Zambia	1				1
Zimbabwe	5				5
Subtotal	58	1	2	0	77
Non- range states					
Belgium	1				1
Czech Republic	1	2			3
Germany	1				1
Ireland		1			1
Netherlands	1				1
Slovakia		1			1
United Kingdom		1			1
United States	1				1
Subtotal	5	5	0	0	10
Asian Transit/Consumer States					
China	14	17		1	32
Hong Kong		2	2		4
Philippines			1		1
Singapore		1			1
Thailand		7			7
Viet Nam	5	11			16
Subtotal	19	38	3	1	61
Grand Total	82	60	5	1	148

Source: Tom Milliken, 2014, Illegal trade in ivory and rhino horn: An assessment to improve law enforcement under the wildlife traps project. Available in: <http://goo.gl/5OF1Wt>

3. Relevant recent cases

South Africa has seen a number of arrests and convictions with regard to rhino poaching. According to the available interviews, the capacity and funding poured into rhino poaching has made a difference. However, the majority of cases have been on a lower level and conviction rates have also been very low.⁴

The case against Dawie Groenewald

Groenewald and his brother have been indicted in both the USA and in South Africa for the sale of rhino horn. His case in South Africa is due to resume in August 2015. The case has been on-going for the last five years. In this case, a game farm owner Dawie Groenewald and nine other co-accused are in the dock facing a huge number of charges against them. Groenewald alone, faces:

- 1,736 counts of racketeering, money-laundering, fraud, intimidation, illegal hunting and dealing in rhino horns.
- Accusations of killing fifty-nine of his own rhinos
- Charges of illegally dehorning and selling at least 384 rhino horns over a four-year period.

Groenewald was charged alongside his wife who ran a travel safari business with a number of hunters and veterinarians. The company has had a notorious reputation for a while and was expelled from Zimbabwe in 2005. Groenewald's licence from the professional hunters association was also revoked in 2006. In 2010 he was arrested and pleaded guilty for trying to import a leopard skin into the United States as well.

Groenewald was known to sell to both Asian and American hunters though the horns were predominately sent to Asia. According to the American indictment, between 2005 and 2010, the brothers travelled across the US selling hunts to US citizens by misleading them and telling them they were to kill 'problem' rhinos. Thus the trophy (i.e. the horn) could not be exported. Once the hunters had killed and posed with the animal, the horn was sold to

⁴ The best source for cases is the website www.killingforprofit.com. The information on the website is regularly updated alongside judicial documentation and is curated by Julian Rademeyer, award winning journalist and author of the book Killing for Profit and member of the Global Initiative Against Transnational Organised Crime. Rademeyer is one of the foremost authorities on the illegal rhino horn trade in South Africa and the website has a host of interesting primary and secondary research.

buyers in Asia. Hunters paid between \$3500 and \$15000 for a hunt and the brothers carefully made sure that they did not go over reporting limits when depositing cash to avoid suspicions of money laundering.⁵

The Asian Connection

One of South Africa's highest profile prosecutions for rhino horn trafficking involved Chumlong Lemtongthai.⁶ The case was considered one of South Africa's greatest coups in the war against rhino poaching. He was sentenced to 40 years in prison⁷, though this was dropped to 30 years on appeal. Lemtongthai, was associated with game farm owner Marus Steyl and Harry Claassens and their preferred *modus operandi* was to use pseudo hunts to obtain rhino horn. Whilst Claassens had become a Section 204 witness⁸ and worked a deal out with the state, Steyl's trial is underway; in fact, charges against Steyl were initially dropped but were reinstituted. Steyl maintains his innocence and argues that the rhinos killed were rhinos that were due to die anyway.

Lemtongthai was thought to operate as a lieutenant and provided the poached horn to kingpin Vixay Keosavang who is known to be one of the most notorious wildlife traffickers in the world, operating out of Laos. Lemtongthai was arrested with professional hunters and game farm operators and operated a system of sham hunts.

Vixay Keosavang,⁹ who has a \$1-million-dollar bounty on his head, is commonly referred to as the 'Pablo Escobar of animal trafficking'. He is a well-known syndicate leader and his organisation has made profits in the multimillions. His syndicate extended beyond ivory and rhino horn trafficking and they deal in a host of other wildlife crimes and the sale of exotic species.¹⁰

⁵ Please note that although Groenewald was convicted as a result of the leopard skin trial in the USA, another trial will start again in August 2015.

Laurel Neme (2014) U.S. Indictment Accuses South African brothers of Trafficking Rhino Horns. National Geographic news. Available in: <http://goo.gl/chJB9q>

⁶ SAFLI (2014) CASE NO: 849/2013. Available in: <https://goo.gl/g0rq9C>

⁷ Killing for Profit (2014) Chumlong Lemtongthai Appeal. Available in: <https://goo.gl/xceCFS>

⁹ EIA (2014) Untouchable? Wildfire crime kingpin Vixay Keosavang. Available in: <https://goo.gl/2NGHmE>

¹⁰ Vixay Keosavang should be considered as a relevant hub if other wildlife trafficking networks are researched. In fact, his criminal network is extensively documented in the work of Julian Rademeyer, cited above.

Hugo Ras and Others

Another major criminal trial is underway in the courts in South Africa and this concerns the prosecution of Hugo Ras and his wife Trudie alongside 9 others.¹¹ Ras is also a well-known game farmer and professional hunter and his operation mimicked that of Dawie Groenewald. Ras and his co-accused face 319 charges against them. In the case alongside Ras are a police official who worked for the Hawks, as well as attorneys and pilots who operated alongside the syndicate. Ras's brother-in-law who also appears on the charge sheet was wanted by INTERPOL and the FBI for wire fraud and fleeing criminal prosecution before getting involved in Ras's operation.¹²

Vietnamese officials

One of the most concerning cases has been the involvement of Vietnamese Embassy personnel in the trafficking of rhino horn. In 2006, Khanh Toan Nguyen, a commercial attaché was arrested after he tried using his diplomatic bag. A similar instance also happened in 2008. Vietnam reportedly took strict and stringent measures against these personnel though concerns still exist.

¹¹ OSCAP (2012) Hugo Ras, illegal wildlife trade suspect - South Africa. Available in: <https://goo.gl/0wNtOU>

¹² Hugo Ras's brother is also facing charges with him and the rest of the syndicate.

About the Authors

Khalil Goga

Khalil Goga is a Researcher for the Transnational Threats and International Crime Division of ISS Pretoria. He has been researching organized crime in Africa since 2009. He previously lectured at the University of KwaZulu-Natal, from where he received both his undergraduate and master's degrees.

Charles Goredema

Charles Goredema is the chief consultant and director of the Informed Solutions to Economic Crime in Africa (ISECA). Charles has over 20 years' experience in advising policy makers, law enforcement practitioners and private corporations on strategies against economic and financial crime. He also worked as a senior research fellow for the Institute for Security Studies (ISS).

Eduardo Salcedo Albarán

Philosopher and MsC in Political Science. Founder and CEO at Vortex Foundation. Eduardo has researched in the areas of organized crime, kidnapping, corruption, drug-trafficking and State Capture. As partner, advisor or consultant, he currently researches on the structure and impact of Transnational Criminal Networks with scholars, institutes and Universities in North, Central and South America, Europe and Africa.