# RISK ASSESSMENT OF MONEY LAUNDERING AND TERRORIST FINANCING FROM wildlife CRIME

## 2020 RESEARCH REPORT

**RESEARCH REPORT 2020**

Risk Assessment of Money Laundering and Terrorist Financing from Wildlife Crime

Executive:

Beren Rukur Ginting (Acting Director of Directorate of Examination, Research and Development)

Coordinator:

I Nyoman Sastrawan (Group Head of Research and Development)

Compiler:

Research Team, Directorate of Examination, Research and Development

## Foreword

## STRATEGIC ANALYSIS RESULTS REPORT 2020

*Assalamu'alaikum Warahmatullahi Wabarakatuh.*

We give thanks to Allah SWT because of His grace and guiandce, this 2020 Strategic Analysis Research Report has been completed. We welcome the publication of this Research Results Report because this Research Results Report is very important for PPATK in order to strengthen and shaIDRen PPATK's internal knowledge regarding the Risk Assessment of Money Laundering and Terrorism Financing from Plant and Wildlife Crimes which will support the smooth implementation of PPATK's duties as focal point for the prevention and eradication of the Crime of Money Laundering and the Financing of Terrorism in Indonesia. Apart from being an update of similar research that was held in 2015, this research was carried out as support for the implementation of the FATF Indonesia Mutual Evaluation. It is hoped that this research can support the implementation of recommendations 30 and 31 of the FATF to assist law enforcement officers in conducting financial investigations and predicate crimes, as well as recommendations 4 and 38 for law enforcement officers to identify, confiscate and seize assets of peIDRetrators of wildlife crimes. In addition, it can also assist the reporting party in implementing reporting obligations in accorandce with recommendations 20 and 23.

Finally, we express our gratitude and appreciation to all those who have contributed to the publication of this 2020 Strategic Analysis Research Report. May our deeds be blessed by Allah SWT. Amen Ya Rabbal 'Alamin.

*Wassalamu'alaikum Warahmatullahi Wabarakatuh.*

Jakarta, December 2020

Kepala PPATK

Dian Ediana Rae

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## Executive Summary

Indonesia is a country that has rich biodiversity, and is a source, transit, and destination for trade in wildlife, both legal and illegal. Illegal trade in wildlife (IWT) is one of the crimes against wildlife that generates a lot of money globally, which is around 5 to 23 billion US dollars annually.

Although it is not specifically stated in the Money Laundering Law, the illegal trade in wildlife is included in one of the predicate crimes of money laundering offenses based on Article 2 letter z of the Money Laundering Law, namely "another crime punishable by imprisonment of 4 (four) years or more". In Indonesia, the illegal trade in wildlife is estimated to generate IDR 9-13 trillion annually. The results of the 2015 ML National Risk Assessment (NRA) and 2019 ML NRA Update stated that "other crimes punishable by imprisonment of 4 (four) years or more" generally have a "low" risk level, but because of the assessment of the potential for ML and TF from wildlife crime committed by PPATK was carried out in 2015, it is necessary to update the results.

Based on the analysis results, the profile at risk of money laundering from illegal wildlife trade is individuals or individuals. The flow of illegal wildlife trade funds is monitored from the Java-Bali area and flows to Sumatra as the center of wildlife, and some from abroad, namely Malaysia and Singapore. Based on the articles in the ML decision which is applied to the peIDRetrators of illegal wildlife trade is Article 21 paragraph 2 letter a, namely "capturing, injuring, killing, storing, possessing, maintaining, transporting and trading protected animals alive". The wildlife involved in the ML decision is a pangolin.

The results of this research in 2019 found that the risk of money laundering offenses from illegal wildlife trade in Indonesia based on available data can be assessed as low to medium. The reasons for this assessment include threats from wildlife criminals who were found to be almost entirely individual peIDRetrators, with a fairly low consequence scale when compared to crimes considered high risk in the 2019 NRA ML Update, namely Narcotics, Corruption, and Banking. Vulnerability is quite high due to the low ability to detect suspicious financial transactions by the reporting party and the lack of willingness of law enforcement to apply money laundering offences due to lack of knowledge about financial investigations and limited detention time. Nevertheless, there are achievements

compared to the research period in 2015 where there was 1 conviction of money laundering offense for the crime of illegal wildlife trade.

Meanwhile, based on the currently available data, it is difficult for us to assess the risk of TF from wildlife crimes. Based on the results of the investigation of law enforcement officers through questionnaires and FGDs, there have been no cases of terrorism financing involving the illegal trade in wildlife in Indonesia, so it can be concluded that the risk of using wildlife crimes as a source of terrorism funding is low.

To mitigate risks from the illegal trade in wildlife and ML, stakeholders make efforts, including technology-based reporting of wildlife crimes, education and socialization, application of a multi-door approach in handling cases, formal and informal cooperation, and green banking. In addition, it is necessary to provide information regarding indicators/red flags of suspicious financial transactions related to illegal wildlife trade.

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# Chapter 1

# Introduction

## 1.1. Background

The anti-money laundering regime in Indonesia began with the enactment of Law no. 15 of 2002 concerning the Criminal Act of Money Laundering as amended by Law no. 25 of 2002 and enhanced by Law no. 8 of 2010 concerning the Prevention and Eradication of the Criminal Act of Money Laundering (ML Law).

Money laundering is any act that fulfills the elements of a criminal act in accorandce with the provisions of the Anti-Money Laundering Law, which is further regulated in Articles 3, 4, and 5. Acts as regulated in Article 3 are placing, transferring, diverting, spend, pay, donate, entrust, bring abroad, change form, exchange with currency or securities or other actions on Assets which are known or reasonably suspected to be the proceeds of criminal acts. Article 4 regulates the act of concealing or disguising the origin, source, location, designation, transfer of rights, or actual ownership of Assets which are known or reasonably suspected to be the proceeds of criminal acts. Whereas Article 5 regulates the act of receiving or controlling the placement, transfer, payment, grant, donation, safekeeping, exchange, or use of Assets that are known or reasonably suspected to be the proceeds of criminal acts.

According to Article 2 of the PP ML Law, the predicate crimes of money laundering are:

a.  Corruption;
b.   Bribery;
c.  Narcotics;
d.  Psychotropics;
e.  Labor smuggling;
f.  Migrant smuggling;
g.  In the banking sector;
h.  In the field of capital market;
i.  In the field of insurance;
j.  Customs;

k.      excise;
l.      Trafficking in persons;
m.      Illegal arms trade;
n.      Terrorism;
o.      Kidnapping;
p.      Theft;
q.      Embezzlement;
r.      Fraud;
s.      Counterfeiting money;
t.      Gambling;
u.      prostitution;
v.      In the field of taxation;
w.      In the forestry sector;
x.      In the environmental field;
y.      In the field of marine and fisheries; or
z.      Other crimes punishable by imprisonment of 4 (four) years or more

committed in the territory of the Unitary State of the Republic of Indonesia or outside the territory of the Unitary State of the Republic of Indonesia and such crimes are also criminal acts under Indonesian law.

Crime in the environmental field is one type of crime which is the predicate crime of money laundering. Environmental crime or environmental crime according to UNODC (United Nations Office on Drugs and Crime) is any violation of national or international environmental law or violation of the rules that guarantee conservation and sustainability. of the world's environment, biodiversity, or natural resources. UNODC gives examples of environmental crimes, including pollution, carbon trade, water crimes, and wild life crimes. In addition, international organizations such as the G8, InteIDRol, the European Union, the UN Environment Program also mention crimes such as smuggling of ozone depleting substances, illegal disposal and trade of hazardous wastes, illegal fishing fishing), as well as illegal logging and related trade in stolen timber.

Crimes in the forestry, environment, and marine and fishery sectors have been explicitly mentioned as predicate crimes of money laundering. However, other environmental crimes, namely wild life crimes, have not yet been explicitly mentioned as predicate crimes of money laundering. In fact, according to UNODC, the international trade in wild flora and fauna is estimated to be worth more than

tens of millions of dollars and trade in hundreds of millions of animal and plant species. Global Financial Integrity (GFI) in 2017 estimated that the global illegal flora and fauna trade industry is 7 to 23 billion US dollars (69 trillion-319 trillion Rupiah), ranking ninth after counterfeiting, organ trafficking, drug trafficking, illegal logging, IUU (Illegal, Unregulated, and Unreported) fishing, Illegal Mining, and Crude Oil Theft.
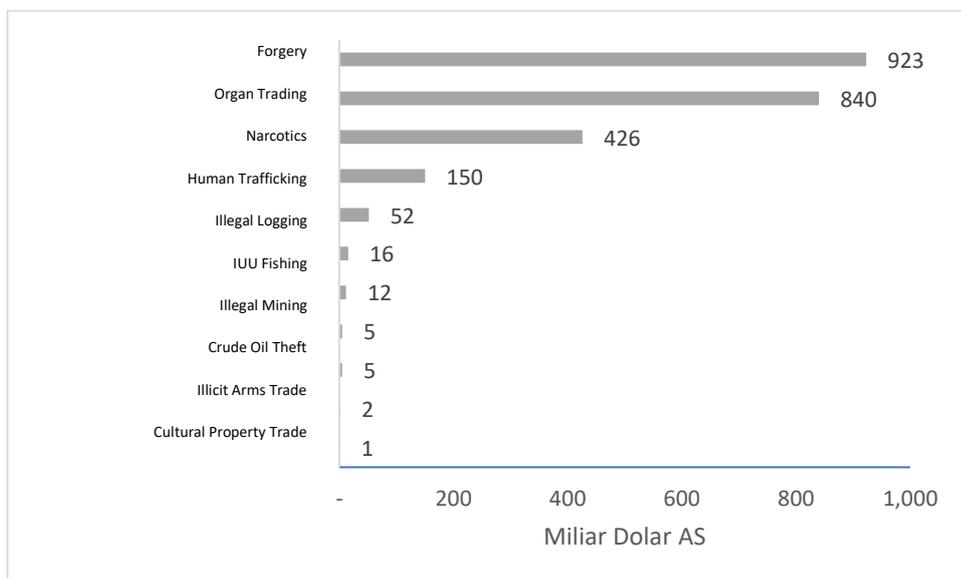


**Figure 1 Income of Illicit Industries Globally**

Source: Global Financial Integrity (2017)[1]

According to Global Financial Integrity (2017), the illegal trade in wild animals and plants has a very clear impact on the environment, security, rule of law, and domestic income from biodiversity. In areas known for their diversity and exotic flora and fauna, such as the Amazon rainforest or the African savannas, tourists come to see the flora and fauna. But poachers hunt well-known species like elephants or rhinos. The David Sheldrick Wildlife Trust estimates that while one

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[1] The number in the Global Financial Integrity document is an interval/range, the number shown here is the highest value.

elephant tusk costs around US$21,000, a poached elephant could generate US$1.6 million from tourism if not hunted. Poaching can also damage ecosystem health, particularly as a result of hunting for keystone species. In terms of security and the rule of law, profits from illegal wildlife trade can fund violence, instability, and corruption. For example, in Africa in the 1970s and 1980s, elephant tusks were used to finance conflicts. Corruption and illegal wildlife trade also have a symbiotic relationship. Corruption enables all aspects of illegal trade, and the proceeds from illegal trade are later used to bribe corrupt officials.

From the search results on the website decisions.mahkamahagung.go.id and the Case Management Information System (SIPP) of District Courts (PNs) throughout Indonesia, it was found around 195 decisions from 2015 to 2015. 2019 involving 330 defenandts. Articles imposed on the defenandts on average are Article 21 paragraph (2) letter a of Law no. 5 of 1990 concerning Conservation of Biological Natural Resources and Their Ecosystems. The threat of this article is a maximum imprisonment of 5 (five) years and a maximum fine of IDR. 100,000,000 (one hundred million rupiah). By looking at the imprisonment, it means that the crime of wildlife has complied with the provisions of Article 2 letter z of the Money Laundering Law.

**Table 1 Wildlife Crime Judgment Statistics, 2007-2019**

| Year | Values | Imprisonment | Fines |
|---|---|---|---|
| 2007-2014 Number of verdicts: 123 | Average | 7,4 months | IDR7.674.545 (USD511) |
| | Maximum | 2 years 6 months (1 verdict) | IDR100.000.000 (USD6,666) (1 verdict) |
| | Minimum | 1 month (2 verdicts) | No fines (5 verdicts) |
| | Mode | 5 months (12 verdicts) | IDR1.000.000 (USD66) (15 verdicts) |
| 2015-2019 Number of verdicts: 195 | Average | 1 years 6 months | IDR37.887.727 |
| | Maximum | 4 years 6 months (1 verdict) | IDR100.000.000 (USD2,525) (7 verdicts) |
| | Minimum | 1 months (2 verdicts) | No fines (1 verdict) |

| Year | Values | Imprisonment | Fines |
|---|---|---|---|
| | Mode | 4 months (10 verdicts) | IDR5.000.000 (USD333) (22 verdicts) |

Based on data from the Ministry of Environment and Forestry, state financial losses from illegal wildlife trade reach IDR9 trillion per year (USD600,000) (Tempo.co, 2015). Meanwhile, from the forestry sector, state losses reached IDR. 598 trillion to IDR. 779.3 trillion or equivalent to US$60.7 billion to US$81.4 billion for 12 years from 2003-2015 based on the 2016 KPK report.

Although the value of wildlife crime is 'small' when compared to the value of other crimes, the impact it has greatly affects the stability of the economy and the state financial system, the balance of ecosystems and the integrity/sustainability of biodiversity. In addition, it is necessary to update the results of previous research that was carried out in 2015. So the focus of research that will be carried out is on "RISK ASSESSMENT OF MONEY LAUNDERING RISK AND TERRORISM FINANCING FROM WILDLIFE CRIME".

The results of this study are expected to provide an overview of the wildlife crime in the world and in Indonesia. It is also hoped that from the description of the wildlife crime, red flags can be obtained which can be useful as an early warning system for financial service providers and law enforcement.

### 1.2. Problem Statement

The focus of the problem in this research is limited to the following matters:

1. What is the overview of the profile, territory, and methods of wildlife crime in Indonesia?

2. What is the vulnerability of money laundering and terrorism financing from wildlife crimes in Indonesia?

3. What is the threat of money laundering and terrorism financing from wildlife crimes in Indonesia?

4. What are the indicators of suspicious financial transactions that indicate a wildlife crime?

### 1.3. Research PuIDRoses

The objectives of this research are:

1. Obtain an overview of the profile, territory, and mode of wildlife crime in Indonesia.

2. Know the vulnerability to money laundering and terrorism financing from wildlife crimes in Indonesia.

3. Know the threat of money laundering and terrorism financing from wildlife crimes in Indonesia.

4. Know the indicators of suspicious financial transactions indicating wildlife crime.

### 1.4. Limitations

Wildlife crime referred to in this research are those listed in Law no. 5 Years 1990 concerning Conservation of Biological Natural Resources and Their Ecosystems (KSDAE Law). Crimes in the forestry sector, for example illegal logging; criminal acts in the environmental field, for example environmental pollution; and criminal acts in the marine and fisheries sector are not included in the scope of this research. There are various types of criminal acts listed in the KSDAE Law, but the focus of this research is on the wildlife crime that have an economic motive (producing profit), so that wildlife crimes in this research will focus on illegal wildlife trade. In this research, wildlife crime means illegal trade in wildlife.

# Chapter 2

# Literature Review

## 2.1. Wildlife Crime Law Enforcement

### 2.1.1. Environmental Crime

Crime in the environmental field is one type of crime that can become a predicate crime of money laundering. Criminal acts in the environmental field are violations of national or international environmental laws or violations of rules that guarantee the conservation and sustainability of the world's environment, biodiversity, or natural resources. UNODC gives examples of crimes in the environmental sector including pollution, carbon trading, water crimes, and wildlife crimes. In addition, international organizations such as G8, InteIDRol, European Union, Environment Program also mention crimes such as smuggling of ozone-depleting substances, illegal dumping and trafficking of hazardous wastes, illegal fishing), illegal logging and trade related to stolen timber.

ML Law mentions three criminal acts in the environmental field as the results of criminal acts, namely "(criminal acts) in the forestry sector" (w), "(criminal acts) in the environmental sector" (x), and "(criminal acts) in the environmental sector. marine and fisheries sector" (letter y). Wildlife crimes are not specifically stated in the ML Law, but can be considered as part of "other criminal acts punishable by imprisonment of 4 (four) years or more".

### 2.1.2. Wildlife Crime Law Enforcement Process and Authority

The process of law enforcement for the protection of wildlife in Indonesia is carried out by law enforcers as follows:

1.    Forestry Police

Forestry Police are certain forestry officials who are given special police authority in their respective fields. Forestry Police can

come from civil servants, employees of Perum Perhutani, or structural officials of central or regional forestry agencies who are appointed as functional officers of the Forestry Police. In general, the Forestry Police are authorized to carry out special police activities and actions in the forestry sector which are preventive in nature, administrative actions and repressive operations.

2. Civil Servant Investigator

   Forestry Civil Servant Investigating Officer (PPNS) is a Civil Servant within the central or regional forestry agency, who by and under the power of law has special authority as an investigator as referred to in Law Number 5 Years 1990 concerning Conservation of Biological Natural Resources and Ecosystem and Law Number 41 Years 1999 concerning Forestry. The case files resulting from the investigation will be submitted to the Public Prosecutor for prosecution of the accused.

3. Police Investigator

   The position of the National Police Investigator in investigating forestry crimes and crimes against wildlife is as coordinator and supervisor of the investigation process by the Forestry PPNS. This is in accorandce with the provisions in Article 7 paragraph (2) of the Criminal Procedure Code which states that PPNS investigators are under the coordination and supervision of POLRI investigators. This is also reaffirmed in Article 39 paragraph (3) PP No. 45 Years 2004 concerning Forest Protection which states that Forestry PPNS officials in carrying out their duties are under the coordination and supervision of POLRI investigating officers.

4. Directorate General of Customs and Excise

   The authority of the Directorate General of Customs and Excise is related to goods entering or leaving the Indonesian customs area. If

DGCE finds wildlife that does not meet the requirements to enter or leave the Indonesian customs area (for example: does not have an export/import permit, reports the quantity of exports/imports or types of goods that are not correct), DGCE will hand over the wildlife to the authorities.

5.  Attorney's General Office (AGO)

In accorandce with the provisions of Article 39 paragraph (4) PP No. 45 Years 2004 concerning Forest Protection stated that the results of the investigation by the Forestry PPNS were submitted to the Public Prosecutor in accorandce with the Criminal Procedure Code. In Article 1 point 6 of the Criminal Procedure Code, the Public Prosecutor is a prosecutor who is authorized by law to carry out prosecutions and carry out judges' decisions.

6.  Judge

After the dossier of the criminal act against wildlife is complete, the Public Prosecutor shall make an indictment for later submission to the court. The Public Prosecutor will present the defenandt before a judge for trial. In this case, the judge's role is to adjudicate cases that are submitted to him, in this case cases of criminal acts against wildlife. In taking the verdicts, the judge may not impose a sentence on a person unless with at least two valid evidence he obtains the belief that a criminal act has actually occurred and that the defenandt is guilty of committing it (Article 183 of the Criminal Procedure Code).

After the court process is complete, the evidence in a forestry criminal case is stored or collected in a place available at the relevant forestry agency, state confiscated object storage house or wildlife conservation institution (Article 53 PP No. 45 Years 2004 concerning Forest Protection). Evidence in the form of plants and animals that are protected and/or included in the CITES Appendix I list cannot be auctioned.

### 2.1.3. Wildlife Crime as a Crime of Money Laundering

As defined in the KSDAE Law, there are various actions that are considered criminal acts, but the actions that can be charged with money laundering are criminal acts that are punishable by imprisonment of 4 (four) years or more. The provisions in the KSDAE Law are punishable by imprisonment of 4 (four) years or more, namely:

**Table 2 Criminal Acts and Criminal Provisions in Law no. 5 years 1990**

| No | Criminal Acts | Criminal provisions |
|----|---------------|---------------------|
| 1 | Article 19, Par. (1):<br><br>Everyone is prohibited from carrying out activities that can result in changes to the integrity of the nature reserve area. | Article 40, Par. (1):<br><br>Whoever intentionally violates the provisions as referred to in Article 19 Par. (1) and Article 33 Par. (1) shall be sentenced to a maximum imprisonment of 10 (ten) years and a maximum fine of IDR. 200,000,000.00 (two hundred million rupiah/approximately USD14,000) |
| 2 | Article 21, Par. (1) and (2):<br><br>(1) Everyone is prohibited from:<br>  a. taking, cutting, possessing, destroying, destroying, maintaining, transporting, and trading protected plants or parts thereof, alive or dead;<br>  b. removing protected plants or parts thereof, alive or dead from one place in Indonesia to another place inside or outside Indonesia.<br>(2) Everyone is prohibited from:<br>  a. catch, injure, kill, keep, possess, maintain, transport, and trade protected animals alive; | Article 40, Par. (2):<br><br>Whoever intentionally violates the provisions as referred to in Article 21 Par. (1) and Par. (2) and Article 33 Par. (3) shall be sentenced to a maximum imprisonment of 5 (five) years and a maximum fine of IDR. 100,000,000.00 (one hundred million rupiah/approximately USD7,000). |

| No | Criminal Acts | Criminal provisions |
|---|---|---|
|  | b. storing, possessing, maintaining, transporting, and trading protected animals in a dead state;<br>c. releasing protected animals from one place in Indonesia to another inside or outside Indonesia;<br>d. trade, keep or own the skin, body, or other parts of protected animals or goods made from these parts or release them from one place in Indonesia to another inside or outside Indonesia;<br>e. take, damage, destroy, trade, store or possess eggs and or nests of protected animals. |  |
| 3 | Article 33, Par. (1)<br><br>Everyone is prohibited from carrying out activities that can result in changes to the integrity of the core zone of the national park. | Article 40, Par. (1):<br><br>Whoever intentionally violates the provisions as referred to in Article 19 Par. (1) and Article 33 Par. (1) shall be sentenced to a maximum imprisonment of 10 (ten) years and a maximum fine of IDR. 200,000,000.00 (two hundred million rupiah/approximately USD14,000) |
| 4. | Article 33, Par. (3):<br><br>Everyone is prohibited from carrying out activities that are not in accorandce with the function of the utilization zone and other zones of national parks, forest parks, and natural tourism parks. | Article 40, Par. (2):<br><br>Whoever intentionally violates the provisions as referred to in Article 21 Par. (1) and Par. (2) and Article 33 Par. (3) shall be sentenced to a maximum imprisonment of 5 (five) years and a maximum fine of IDR. 100,000,000.00 (one hundred million rupiah/approximately USD7,000). |

## 2.2. Indicators of Suspicious Financial Transactions

Suspicious financial transaction indicators referred to in this study are certain indicators or parameters used by financial service providers to assess whether a transaction made by a service user or customer is categorized as suspicious or not.

Based on Article 1 number (5) of Law no. 8 years 2010, what is meant by Suspicious Financial Transactions are:

a. Financial Transactions that deviate from the profile, characteristics, or habits of the Transaction pattern of the relevant Service User;

b. Financial Transactions by Service Users that are reasonably suspected to have been carried out with the aim of avoiding reporting of the relevant Transactions that must be carried out by the Reporting Party in accorandce with the provisions of the Law (number 8 years 2010);

c. Financial Transactions carried out or canceled using Assets suspected to have originated from the proceeds of criminal acts; or

d. Financial Transactions requested by PPATK to be reported by the Reporting Party because it involves Assets suspected of originating from the proceeds of criminal acts.

In this case, PPATK has made technical regulations in the form of Head of PPATK Circular No: SE-03/1.02/PPATK/05/15 concerning Indicators of Suspicious Financial Transactions for Financial Service Providers. The Circular contains 140 (one hundred and forty) indicators of Suspicious financial transactions, including 136 (one hundred and thirty six) indicators of suspicious financial transactions for indications of criminal money laundering and 4 (four) other indicators for indications of terrorism financing crimes. This can be seen in detail in the table below.

**Table 3 Category of Suspicious Financial Transactions Based on Head of PPATK Circular**

**No: SE-03 / 1.02 / PPATK / 05/2015**

| No | Category Suspicious Financial Transactions | Number of Indicators |
|---|---|---|
| | **Law No. 8 of 2010** | |
| 1 | Financial Transactions that deviate from the profile, characteristics, or habits of the Transaction pattern of the relevant Service User | 93 |
| 2 | Financial Transactions by Service Users which are reasonably suspected to be carried out with the aim of avoiding reporting of the relevant Transactions that must be carried out by the Reporting Party in accorandce with the provisions of the Law (number 8 years 2010) | 15 |
| 3 | Financial Transactions carried out or canceled using Assets suspected of originating from the proceeds of criminal acts | 11 |
| 4 | Financial Transactions requested by PPATK to be reported by the Reporting Party because it involves Assets suspected of originating from the proceeds of criminal acts | 3 |
| 5 | Transaction termination of business relationship with Service User because Service User refuses to comply with the principle of recognizing Service User or PJK doubts the truth of information from Service User | 14 |
| | **Total** | **136** |
| | **Law No. 9 of 2013** | |
| 1 | Financial transactions with the intention of being used and/or known to be used to commit criminal acts of terrorism | 2 |
| 2 | Transactions involving any person based on a list of suspected terrorists and terrorist organizations | 2 |
| | **Total** | **4** |

# Chapter 3

# Methodology

**3.1. Research Methods**

This study uses an explanatory sequential design methodology in the process of conducting a risk assessment, which in its implementation first consists of collecting quantitative data and then collecting qualitative data to help explain or elaborate on the results of quantitative data. The idea in this method is that the results of quantitative data only provide a general description of the subject matter of the research, so there is a need for an in-depth analysis that is specifically carried out through qualitative data collection to help improve, extend or explain the general picture. An illustration of this methodology can be shown as follows:
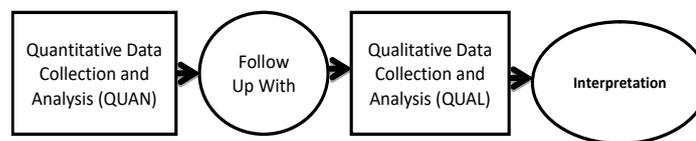


**Figure 2 Explanatory Sequential Design Methodology**

Some of the approaches used in this research include:

1. Historical is research based on past events, namely research conducted based on data on reporting suspicious financial transactions, analysis results and court verdicts with indications of wildlife crime from 2015 to 2019. The research process includes collecting and inteIDRreting phenomena that occurred in the past to find generalizations that are useful for understanding, predicting or controlling phenomena or groups of phenomena.

2. Descriptive is research that seeks to describe the phenomena that occur. The process is in the form of collecting and compiling data, as well as analyzing and inteIDRreting the data. The aim is to get an overview of the process or stages (who, where, how, what, when, and why) of potential money laundering crimes originating from the proceeds of wildlife crime.

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3. In-depth study is research conducted in an effort to obtain more detailed and complete information related to the objectives of the research carried out. In the implementation of this in-depth study, it can be done by means of focus group discussions and requests for supporting data to resource persons/respondents who master issues related to the topic under study.

## 3.2. Data Base

PPATK involves the Ministry of Environment and Forestry (KLHK), the Directorate of Certain Crimes (Dit. Tipidter) of the Criminal Investigation Agency (Bareskrim) of the Indonesian National Police, the Directorate General of Customs and Excise (DGCE) of the Ministry of Finance; Supervisory and Regulatory Institutions, namely the Financial Services Authority (OJK) and Bank Indonesia; Reporting Party (Bank); and non-profit organizations, namely the World Wildlife Fund (WWF) and the Wildlife Conservation Society (WCS) as respondents in this research. The selection of respondents is based on law enforcement authorities (KLHK, Dit. Tipidter and DGCE), STR reporting (Reporting Party), supervisors for Reporting Parties (Supervisory and Regulatory Agencies) and the role of WWF and WCS as Non-Profit Organizations concerned with wildlife in Indonesia.

Sources of data used by the research team in carrying out this research include:

1. A review of the existing literature on this topic and open source material, to identify the main challenges in combating the financial side of wildlife crime, and the evolving threat landscape.
2. Collection of wildlife crime verdicts from the years 2015-2019.
3. Requests for filling out questionnaires to respondents as mentioned above.
4. Focus Group Discussion (FGD) activity which was held in Bogor, August 25-26 2020. This FGD activity invited resource persons from Law Enforcement, Supervisory and Regulatory Institutions, and Non-Profit Organizations.

## 3.3. Threat Assessment Process

In the IMF guidelines regarding "The Fund Staff's Approach to Conducting National Money Laundering or Financing of Terrorism Risk Assessment" in section 7 it is stated that: "risk can be represented as: $R=f[(T),(V)] \times C$, where T represents

threat, V represents vulnerability, and C represents consequence". The following is an illustration of the formulation of the risk assessment:

$$\text{RISK} = \left( \frac{\text{THREAT}}{\text{VULNERABILITY}} \right) \times \text{CONSEQUENCE}$$

LIKELIHOOD
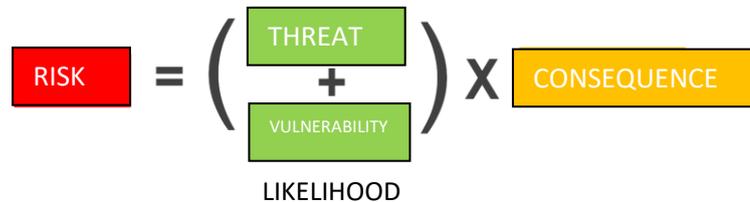
**Figure 3 Risk Assessment Formula**

By referring to the FATF guidelines, the variables used can be defined as follows:

1. Threats are people or groups of people, objects or activities that have the potential to cause harm/andger.

2. Vulnerabilities are things that can be used or support threats or can be called factors that describe the weaknesses of the money laundering system. In this study, vulnerabilities can be identified based on the vulnerabilities of the reporting parties and law enforcement officers. The greater the level of vulnerability, the greater the weakness of the reporting party and law enforcement officers, especially the ability of the reporting party to identify transactions with indications of criminal acts and to eradicate money laundering by law enforcement authorities.

3. Consequences are the consequences or losses arising from the crime of money laundering on institutions, the wider economy and society.

In this study only measures the level of money laundering threats originating from the proceeds of wildlife crime. The formulation used in the threat assessment only uses threat and impact factors, as follows:

**Table 4 Threat and Consequence Factors**

| THREAT FACTORS | CONSEQUENCE FACTORS |
|---|---|
| • Number of Suspicious Financial Transactions<br>• Total PPATK Analysis Results<br>• Number of Investigations<br>• Number of Prosecutions<br>• Number of Court Verdicts | • Nominal value of Suspicious Financial Transactions<br>• Nominal value of PPATK Analysis Results<br>• Nominal value of Investigation<br>• Nominal value of of Prosecution<br>• Nominal value of Verdicts Court |

Before conducting the threat level assessment, there is another important step that needs to be done, namely value leveling for each variable that is assessed with the following levels:

**Table 5 Threat Assessment Level**

| Threat Level | Value Weight | Follow Up |
|---|---|---|
| Low | 3 - 5 | Threats are acceptable (must be kept low) |
| Medium | > 5 -7 | Existing threats are moderate and need to be reviewed |
| High | > 7 - 9 | Existing threats need to be dealt with immediately |

The weighting value above shows the position or level of threat of a variable that is assessed whether it is in a low, medium or high position. The lowest figure for determining the level above is 3 for both the threat and impact variables with the consideration that none is free from the threat of money laundering. So in the case of an assessment of 0 to <3, it is treated as inherent risk. In addition, this consideration is also based on the idea that threats with a scale of 0 to <3 are immaterial threats.

# Chapter 4

# Research Result

## 4.1. . Wildlife Crime Landscape in Indonesia

### 4.1.1. Wildlife Supply Chain and Fund Flow

Indonesia has a position as a provider (supplier), transit, and user (consumer) of wildlife and wildlife products. According to a report by the non-profit organization TRAFFIC (2020), the following are wildlife sourced from Indonesia, shipped through Indonesia, and consumed in Indonesia.

| Source | Transit | Consumer |
|---|---|---|
| • Tiger<br>• Pangolin<br>• Bird<br>• Bear<br>• Beaver<br>• Primate<br>• Ungulates<br>• Small mammals<br>• Tortoise<br>• Freshwater Turtle<br>• Snake<br>• Lizard<br>• Frog | • Ivory<br>• rhino horn<br>• African pangolin<br>• Tortoise<br>• Freshwater turtle | • Tiger<br>• Bird<br>• Bear<br>• Small mammal<br>• Primate<br>• Tortoise<br>• Freshwater turtle<br>• Snake<br>• Lizard<br>• Ungulates |

**Figure 4 Wildlife sourced from, transit through, and consumed in Indonesia**

Source: TRAFFIC (2020)

The wildlife market in Indonesia consists of the domestic market and the international market. For the domestic market, there are physical and online ones. Examples of physical wildlife trade markets include Pramuka Market in DKI Jakarta and Satria Market in Bali, as well as restaurants and outlets selling certain animal meats. The physical wildlife market, apart from selling wildlife legally, it is estimated that around 60% of the non-profit

organization Profauna Indonesia also sells protected (illegal) animals. While the online market is usually through Facebook, Twitter, Instagram, and BlackBerry Messenger; and selling legal and illegal wildlife.
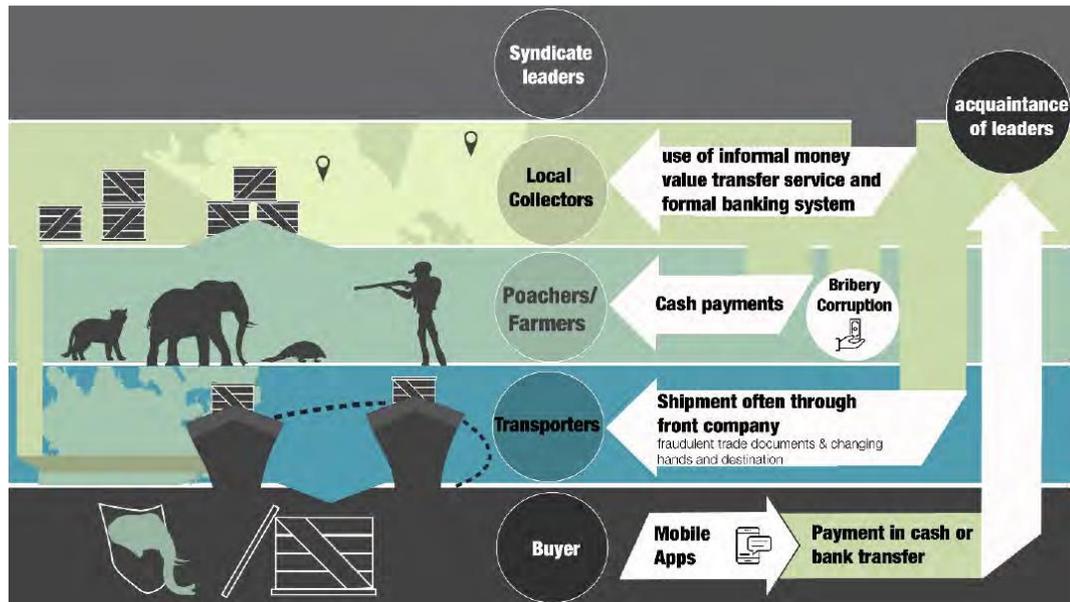


**Figure 5 Wildlife Trade Supply Chain and Payment Example**

Source: FATF (2020)

In general, the flow of supplies and wildlife trade funds can be described as shown above. Hunters or farmers hunt or take wildlife from nature and sell it to local collectors. Hunters or farmers are paid in cash by collectors. The collectors then sell directly to buyers or to wildlife trade syndicates. End buyers usually pay using cash or bank transfer or are now pretty much using mobile apps. Meanwhile, wildlife trade syndicates use unlicensed remittances or the formal banking system to pay collectors. If wildlife needs to be shipped, either domestically or internationally, transporters or shipping companies are involved in the wildlife supply chain. For shipments within 1 island, several cases were found using an expedition company or online motorcycle taxi. As for inter-island or international shipping, usually using cargo ships or aiIDRlanes. Often legal companies are

used to send illegal wildlife cargo (front companies). To cover their tracks, these shipments are made with forged documents or through complicated transit routes that change hands until they reach their destination.

### 4.1.2. Value of Illegal Wildlife Trade

According to FATF (2020), it is very difficult to estimate the value of illegal wildlife trade accurately. The global illegal wildlife trade is estimated to generate between 7 and 23 billion US dollars every year (100 trillion to 328 trillion Rupiah). In Indonesia alone, the estimated loss due to illegal wildlife trade reaches IDR 9-13 trillion (629 million-900 million US dollars) in 2019. This means that the value of Indonesian wildlife trade reaches up to 3-13%[2] of the value of global illegal wildlife trade. For individual prices of wildlife, see an example in the appendix.

### 4.1.3. The Development of Wildlife Crimes Before and After Indonesia's National Risk Assessment (NRA) on the Crime of Money Laundering 2015 and the Update of Indonesia's NRA 2019

Wildlife crime is considered as "other crime punishable by imprisonment of 4 (four) years or more" as a predicate offense of money laundering. The 2015 NRA ranked "other crimes" as 18 out of 26 crimes with a high risk of money laundering, with a "Low" risk rating. On the other hand, crimes "in the forestry sector" rank 4th and are considered "High risk", " marine and fisheries" ranks 8th and is considered "Medium" risk. The 2019 Indonesian NRA update updates the main map of the risk of predicate crimes of money laundering but for the risk of "other crimes", crimes "in the environmental sector" and crimes "in the marine and fisheries sector, the risk rating is the same as in 2015.

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[2] 9 triliun dibandingkan 328 triliun and 13 triliun dibandingkan 100 triliun.
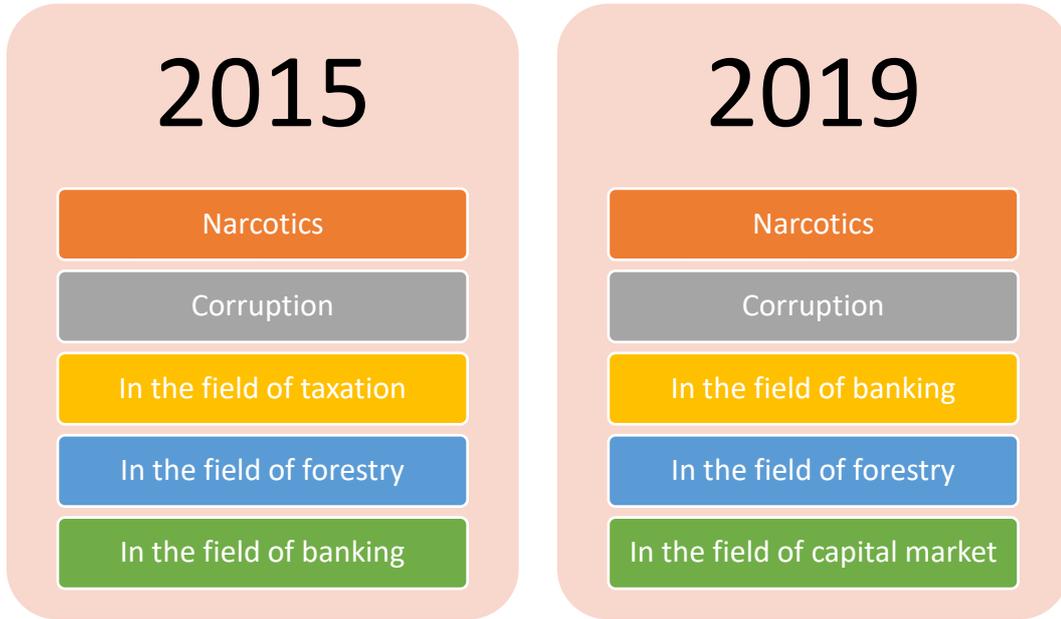
**Figure 6 Key Risks for 2015 Indonesia's NRA and 2019 Indonesia's NRA Update**

During the 2015 NRA period (2011-2014), none of the peIDRetrators of Wildlife Crimes were also convicted of money laundering, while after the (2018) period, there was 1 case of Wildlife Crime and Money Laundering.

**Table 6 Wildlife Crime Statistics Development Data after NRA 2015, 2015-2019**

| Category | 2010-2014 | 2015-2019 |
|---|---|---|
| Suspicious Financial Transaction Report (STR) | 0 | 27 |
| PPATK Financial Intelligence Report | 0 | 35 |
| Investigation KLHK | did not collect data from KLHK during this period | 262 |
| Investigation POLRI | Did not collect data from POLRI for this period | 176 |
| Verdicts of Wildlife Crime | 123 | 198 |
| Verdicts of ML | 0 | 1 |
| ML assets* | 0 | 2 cars<br>Cash IDR1.564.146.000,00 (USD104,000) |

*ML assets come from one ML verdict

## 4.2. Risk of Money Laundering and Terrorism Financing from Wildlife Crimes in Indonesia

### 4.2.1. Threat of Money Laundering from Wildlife Crime

Overall the threat level of wildlife crime (grouped together under "other crimes") is "Low". Based on the number of STR, PPATK Intelligence Products, predicate crime investigations, and money laundering investigations, the threat of money laundering in wildlife crime can be said to be "Low". In general, the number of investigations and verdicts from wildlife crimes reaches around 50-100 cases per year, but not all of these cases are charged with money laundering. We found only 1 money laundering verdicts for wildlife crimes during the research period. The number of STRs and PPATK's intelligence products is also small when compared to other crimes deemed high risk according to the NRA ML (eg corruption and narcotics). For each Points of Concern (POC), namely profile, area, Article of wildlife crime and types of wildlife, the threat assessment will be described below.

#### 4.2.1.1. By Profile

We collected profile data from STRs sent to PPATK, PPATK Intelligence Reports, Court Verdicts, and questionnaire results. We were unable to obtain full copies of some court verdicts; therefore, the profile information in this research may not reflect all the profiles included.

PPATK's intelligence products identify profiles of individuals and entities, at home and abroad, who are indicated to be involved in the illegal wildlife trade. For domestic parties, the profiles identified are mostly entrepreneurs/business owners and one is identified as a student. PPATK's intelligence products from 2015 to 2019 identified 98 foreign individuals and entities from 28 countries. The highest number of identified parties came from the US, Thailand and Japan.

From the results of the 2015 PPATK research which collected 123 court verdicts from 2007 to 2014, it is seen that 100% of peIDRetrators of wildlife crimes are individuals, most of whom are farmers and entrepreneurs/business owners. Of the 198 court verdicts collected from the 2015-2019 years, we were only able to obtain 31 verdicts with profile information, and most were also farmers and entrepreneurs/business owners, the profiles of the convicts were all individuals. Based on 1 verdict from ML from wildlife, it was identified that the profile of the peIDRetrator was a police officer.

Based on the data that has been collected, it can be concluded that the threat profile of peIDRetrators of wildlife crimes in Indonesia is higher than individuals/individuals compared to entities/non-individuals. For ML, the individual profile has a higher threat than the non-individual profile.

Table 7 Threat Level Based on PeIDRetrator Profile

| Profile | ML Threat Level |
|---------|-----------------|
| Individuals | 🔴 |
| Nonindividuals | 🟠 |

### 4.2.1.2.  By Region

Based on STR data related to wildlife between 2015-2019, most of these STRs were sent from East Java, followed by DKI Jakarta. The results of the PPATK analysis also show the same thing. Meanwhile, according to the PPATK examination results, wildlife cases with indications of money laundering occurred in North Sumatra.

East Java is the region with the highest number of court verdicts from 2015-2019. The second is Bali and Central Java, followed by West Kalimantan. For cases of money laundering from wildlife, the focus of the case is Riau.

**Table 8**
**2015-2019 Number of DGCE Arrest, KLHK Investigations, POLRI Investigations and Verdicts of Wildlife Per Province, 2015-2019**

| Province | Arrest of DGCE | Investigation of KLHK | Investigation of POLRI | Number of Court Verdicts |
|---|---|---|---|---|
| Aceh | 0 | 19 | 0 | 9 |
| Bali | 139 | 1 | 24 | 15 |
| Bangka Belitung | 0 | 6 | 1 | 0 |
| Banten | 75 | 0 | 5 | 1 |
| Bengkulu | 0 | 0 | 0 | 5 |
| DI Yogyakarta | 0 | 0 | 0 | 2 |
| DKI Jakarta | 0 | 0 | 33 | 6 |
| Gorontalo | 0 | 6 | 0 | 4 |
| Jambi | 0 | 12 | 0 | 11 |
| West Java | 2 | 36 | 5 | 9 |
| Central Java | 0 | 22 | 7 | 15 |
| East Java | 5 | 13 | 28 | 19 |
| West Kalimantan | 63 | 0 | 15 | 14 |
| South Kalimantan | 0 | 6 | 0 | 0 |
| Central Kalimantan | 0 | 0 | 0 | 9 |
| East Kalimantan | 3 | 0 | 5 | 6 |
| North Kalimantan | 20 | 9 | 0 | 0 |
| Riau Islands | 1 | 0 | 0 | 0 |
| Lampung | 0 | 15 | 6 | 8 |
| Maluku | 0 | 10 | 0 | 0 |
| North Maluku | 0 | 4 | 7 | 4 |
| West Nusa Tenggara | 9 | 2 | 0 | 4 |
| East Nusa Tenggara | 1 | 4 | 3 | 4 |
| Papua | 3 | 6 | 0 | 3 |
| West Papua | 0 | 0 | 0 | 0 |
| Riau | 11 | 17 | 2 | 13 |
| West Sulawesi | 0 | 0 | 2 | 0 |
| South Sulawesi | 0 | 8 | 0 | 0 |
| Central Sulawesi | 0 | 2 | 0 | 2 |
| Southeast Sulawesi | 0 | 3 | 0 | 2 |
| North Sulawesi | 0 | 4 | 0 | 7 |
| West Sumatra | 1 | 2 | 0 | 13 |
| South Sumatra | 0 | 1 | 6 | 8 |

| Province | Arrest of DGCE | Investigation of KLHK | Investigation of POLRI | Number of Court Verdicts |
|---|---|---|---|---|
| North Sumatra | 11 | 30 | 21 | 3 |
| Total | 343 | 238 | 170 | 196 |

The territorial aspect is quite unique in the case of wildlife. Based on the results of the 2015 PPATK research, the area most at risk of wildlife crime is Sumatra, but from the court verdicts it was found that Java and Bali had more verdicts than Sumatra. From the results of the DGCE action, it was found mostly in Bali (I Gusti Ngurah Rai AiIDRort), then Banten (Soekarno Hatta AiIDRort) and North Kalimantan (Entikong). This is described because the Sumatra area is a source of wildlife while the Java-Bali area is a consumer or a transit point for wildlife before being sent to other regions or countries. The Entikong area is also known as a border area that is prone to smuggling.

In addition to using data on suspicious financial transactions, PPATK intelligence products, and court verdicts, we also analyze media news using the ANTARA News source. From 2016-2019, most of the news related to wildlife crime cases that we found confirmed that Sumatra was indeed the source of illegal wildlife, while for wildlife puIDRoses it was mostly Java. From the news we found, there were also cases of animal smuggling abroad that were thwarted, and the countries identified were China, Vietnam, Malaysia, and the Netherlands. Based on ML's verdicts from wildlife (Verdicts no 38/Pid.Sus-TPK/2018/PN Pbr) we also found information that the defenandt bought pangolins from collectors in Sumatra, and one of the buyers of wildlife from the peIDRetrators came from Malaysia.

Based on the data analysis, it can be concluded that the Java-Bali area is the destination or transit for wildlife, while Sumatra is the source of wildlife. Based on suspicious transaction data and PPATK intelligence products, transactions suspected of being related to wildlife originate from East Java, DKI Jakarta, and North Sumatra. Meanwhile, based on the occurrence of the case handling, the ML Court Verdicts obtained that wildlife was in the Riau region and the flow of funds came from Malaysia. Based on the analysis, regions that have a high threat of money laundering in Indonesia are East Java, Bali, Riau and North Sumatra. Meanwhile, overseas are China, Vietnam, Malaysia, and the Netherlands.

**4.2.1.3.** **Based on the Characteristics of Crimes in the Offenses of the KSDAE Law**

From the Verdicts of the Court, it can be seen that the characteristics of the most dominant crimes imposed on peIDRetrators of crimes against wildlife are "capturing, injuring, killing, storing, possessing, maintaining, transporting and trading protected animals alive" as stated in Law no. 5 Years 1990 Article 21 Par. 2 letters a. The next most common article is Article 21 Par. 2 letter d, "trading, storing or possessing skins, bodies, or other parts of protected animals or goods made from these parts or transferring them from one place in Indonesia to another inside or outside Indonesia. The details are as follows:

Table 9
Articles Applied To Actors of Wildlife Crimes in Court Verdicts, 2015-2019

| Article | Number of Court Verdicts | Number of ML Court Verdicts |
|---|---|---|
| 21 Par. 2 letter a | 133 | 1 |
| 21 Par. 2 letter d | 32 | 0 |
| 21 Par. 2 letter b | 15 | 0 |
| 21 Par. 2 letter a and b | 6 | 0 |

| Article | Number of Court Verdicts | Number of ML Court Verdicts |
|---|---|---|
| 33 Par. 3 | 4 | 0 |
| 21 Par. 2 letter e | 3 | 0 |
| 33 Par. 1 | 1 | 0 |
| 21 Par. 2 letter a and c | 1 | 0 |
| 21 Par. 2 letter b and d | 1 | 0 |
| Total | 196 | 1 |

Verdicts ML related to wildlife that we found showed that the defendant was charged with Article 21 Par. 2 letter a KSDAE Law for wildlife crimes. Meanwhile, for the crime of money laundering, the defendant was charged with Article 3 of the ML Law.

### 4.2.1.4. Based on the type of wildlife involved

Based on PPATK's intelligence product, the wildlife involved in cases with indications of ML include reptiles (snakes and lizards) and pangolins. Meanwhile, from the analysis of media news, the most common are birds and reptiles.

Verdicts ML wildlife involved is the pangolin. While the data on DGCE prosecutions, POLRI investigations and court verdicts are as follows:

| Type of Wildlife | Capture of DGCE | Investigation of POLRI | Number of Court Verdicts | Number of ML Court Verdicts |
|---|---|---|---|---|
| Parrots[4] | 5 | 38 | 29 | 0 |
| Pangolin | 2 | 12 | 14 | 1 |
| Primates[5] | 4 | 13 | 14 | 0 |
| Big cats[6] | 2 | 15 | 12 | 0 |
| Others | 36 | 12 | 11 | 0 |
| Turtles and tortoises | 7 | 11 | 7 | 0 |
| Rodents[7] | 0 | 1 | 7 | 0 |
| Reptiles[8] | 128 | 12 | 4 | 0 |
| Elephants | 35 | 3 | 4 | 0 |
| Other mammals[9] | 66 | 32 | 4 | 0 |
| Marsupialia[10] | 0 | 1 | 3 | 0 |
| Other birds[11] | 59 | 39 | 2 | 0 |
| Falcons[12] | 0 | 26 | 2 | 0 |

## 4.2.2. Vulnerability of Money Laundering from Wildlife Crime

Vulnerabilities are things that can be used by threat factors/actors to support or facilitate their activities. In this case, there is a weakness in the system or control that allows wildlife and ML crimes to occur. Here we describe the vulnerability factors for wildlife and ML crime:

### 4.2.2.1.    Wildlife Crime Vulnerability

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[3] In a case of prosecution/investigation/verdicts there may be more than 1 type of wildlife. This calculation takes into account the number of times different wildlife species are mentioned in actions/investigations/verdicts. If there are different species and different categories in 1 case it will be counted differently, but if it is included in one category it will be counted as an addition. For example, it is stated that 5 pangolins, 3 birds of paradise and 1 kangaroo are counted as 1 pangolin and 2 other birds. However, if in 1 case/verdicts it is stated 3 birds of paradise and 1 eagle, it will be counted as 1 other bird and 1 bird of prey (different species, different category).

[4] Example: Black Head Parrot (Lorius lory), Cockatoo

[5] Examples: Orangutan (Pongo pygmaeus), Javan langur (Trachypithecus auratus), Javan gibbon (Hylobates moloch), Slow loris (Nycticebus spp.)

[6] Example: Sumatran tiger (Panthera tigris sumatrae)

[7] Example: Hedgehog (Hystrix javanica)

[8] Examples: Bodo Pythons (Phyton molorus), Maluku monitor lizards (Varanus indicus), Komodo dragons (Varanus komodoensis)

[9] Example: Deer (Cervus spp.)

[10] Example: Bear cuscus (Ailurops ursinus)

[11] Examples: Stone Sparrow (Lonchura oryzivora), Pleci Bird (Zosterops flavus)

[12] Example: Javanese Eagle (Nisaetus bartelsi), Bondol Eagle (Haliastur indus)

### 4.2.2.1.1. Regulation

1. KSDAE Law does not have a minimum penalty, only a maximum sentence of 5 years imprisonment and a fine of IDR 100 million/case (approximately USD 7,400). Currently the development of the revision of Law no. 5/90, the Ministry of Environment and Forestry has asked to reconsider with the Legislature.

2. Indonesian law can only criminalize the peIDRrator if the wildlife is a protected wildlife in Indonesia.

### 4.2.2.1.2. Case Handling Capacity and Capability

1. It is difficult for front line officers or supervisors to distinguish between protected and unprotected wildlife

2. Focus is placed on low-level actors who commit physical crimes rather than organizers and facilitators, especially for transnational wildlife crimes.

### 4.2.2.1.3. Other Factors

1. Wildlife trade cases still occur due to several factors such as bribery, misuse of documents, smuggling, etc.

2. The pattern of wildlife trade that is currently rampant is using the internet.

3. It is difficult to ascertain whether the wildlife taken is from outside or from within the conservation area.

### 4.2.2.2. Money Laundering Vulnerabilities

1. The reporting party has difficulty detecting your stream of wildlife crime, because there is little information about:

   a. Jurisdictions involved in wildlife supply chains

   b. Typology and indicators of existing and emerging risks

   c. Names of individuals or legal entities known to be involved in the Illegal Wildlife Trade

   Regarding FSPs, based on the questionnaire we sent to banks and money transfer business activities (KUPU), all respondents acknowledged the difficulty in finding and analyzing transactions related to wildlife crimes. In addition, in the

suspicious financial transaction detection system, all respondents answered that they did not have indicators of suspicious financial transactions indicating wildlife crime. However, if there is sufficient information (e.g., media news, AML Newsletter from PPATK), most respondents feel they can detect suspicious financial transactions indicating wildlife crimes.

In addition to information on jurisdiction, typology, indicators of suspicious financial transactions and the parties involved, the Financial Services Authority also mentions the lack of information on protected wildlife species and lack of literacy related to wildlife as one of the factors of difficulty in identifying suspicious financial transactions with indications of wildlife crime.

2. Mixing legal and illegal trade, because there is a legal market for some wildlife products.

3. The modus and typology of illegal wildlife trade actors often involve shell/front companies that function as shipping agents to send and receive illegal wildlife products and obscure ownership of benefits and source of goods.

4. Law enforcers are more focused on conducting criminal investigations (wildlife) than money laundering due to the limited time of detention and lack of knowledge of financial investigations.
   This was conveyed by law enforcement officers in questionnaires and FGDs. In terms of handling wildlife cases, only POLRI and DGCE investigators have the authority to investigate ML, while PPNS KLHK does not have the authority to investigate ML. The ML case of wildlife crime that we found was the case of the POLRI investigators (will be discussed in the next section).

### 4.2.3. Consequence of Money Laundering from Wildlife Crime

There is very little data that can be used to estimate the impact of money laundering from wildlife crimes in Indonesia. Indeed, some data on the selling price of wildlife is available and the court verdicts (very few) mention the selling price of wildlife, but only 1 ML verdicts related to wildlife have been found, so it is quite difficult to estimate the impact of money laundering from wildlife crimes. ANTARA News' news search results show that the most common wildlife found in the case is birds. However, based on its economic value, it was found that cases involving elephant tusks had the highest value of IDR 420 billion. Meanwhile, the highest individual wildlife value we could find was Komodo dragons with a value of IDR 500 million per head (live)[13].

The PPATK intelligence product found that there were cases of wildlife crime that also involved the illegal circulation of narcotics. This case is still under investigation.

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**Case: Illegal Pangolin Trade and Legal and Commingling**

In 2018, Indonesian authorities detected a large-scale syndicate responsible for the trade in pangolin scales worth around USD 9 million between 2012 and 2017. The leader of the syndicate in this case, Mr S, Mr A, Mr B, and Mr C (the latter three being siblings who own PT ABC, a frozen fish company), used a network of intermediary bank accounts under false names to disguise relevant payments. Most intermediary accounts are created under the pretext of being a legitimate animal or livestock supplier.

Further examination of the financial transactions of Mr S and Mr A revealed a financial flow of approximately USD 6 million from convicted drug dealers. Indonesian authorities identified that Mr. A, B, and C used company accounts to combine revenues from their legal fishing companies, and illegal revenues from the pangolin and drug trade.

Based on further examination of the company's accounts, the Indonesian authorities identified that the company had sent you overseas to 23 beneficiaries at foreign supply companies 129 times. By using the Directorate General (DG) of Customs and Excise data to compare the identified parties who received you from Mr A, B and C companies, with a list of shippers or suppliers over the same period, Indonesia was able to identify three suppliers that received you from the company. but not recorded as a supplier by the

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[13] Estimated selling value of other wildlife can be found in the Appendix section.

Directorate General of Customs and Excise. Therefore, the authorities suspect that the imported goods do not match the information contained in the imported goods documents because Mr A uses PT ABC and XYZ Trading Company is said to be for the export/import of marine products. In fact, the goal is to trade wildlife and transfer value through the trading system.

Mr A is also suspected of underreporting his business profits and assets (revenue or gross income from 2010-2017 is around IDR 1.3 trillion or equivalent to USD 90 million).

There is 1 verdict for money laundering from wildlife crime, namely in 2018 with the name of the defendant M. ALI HONOPIAH (MAH). Verdicts ML involves pangolin animals. The value of the pangolins sold by the defendant was IDR. 500 thousand per kg (live) and the skins of the pangolins were IDR. 2 million per kg, with a total value of sales of IDR. 7.1 billion. MAH's money laundering can be concluded as follows:

**Case: Wildlife Crime Money Laundering Through Luxury Purchases**

MAH, a police officer in Pekanbaru, Riau, was charged with wildlife crime and money laundering after being caught transporting 70 pangolins weighing 301.5 kg. One kilogram of live pangolin costs IDR 500,000 (about USD37) and the skin at IDR 2,000,000 (about USD148) per kilogram. Investigators found you IDR7.1 billion (about USD525,000) from selling armadillos in ZA's (MAH's brother-in-law) account. MAH asks ZA to open an account, but MAH holds onto the passbook. In 2017, MAH transferred money from ZA's account to his personal account amounting to IDR274,150,000 (approximately USD20,000), to his wife's account amounting to IDR188,000,000 (approximately USD13,900) and to his brother's wife's account amounting to IDR178,735,000 (around USD13,200).

He also withdrew money through an ATM or through a teller for a total of IDR 597,000,000 (USD 44,000). He also buys assets and other goods or services using poorly earned money. He buys cars, stays in hotels, buys car accessories, glasses, and other things.

When his brother AM, who is also his partner, was arrested on October 30, 2017, he tried to obscure the traces of his belongings. He entrusted one of his cars to DA, and DA was asked to make a fake invoice as if MAH sold the car to him. The proceeds from the car sale amounting to IDR436,000,000 (USD32,000) have been transferred to DA's account, but MAH can use the funds. He also asked DA to transfer a sum of IDR109,800,000 (USD8,000) to two other accounts. The transferred funds are used to purchase gold jewelry.

Before being detained by investigators, MAH also sold his house to YA for IDR1 billion (USD74,000). However, YA only paid IDR600,000,000 (USD44,000) to MAH. YA was given

two fake receipts totaling IDR600,000 (USD44,000) and transferred IDR350,000,000 (USD25,000) by MAH.

MAH was sentenced to money laundering for 2 years and a fine of IDR800,000,000 (approximately USD59,000) subsidiary 3 months.

Source: Animal Case Sentenced for 3 Years, Police Officers Againstuck in Money Laundering Cases (mongabay.co.id)
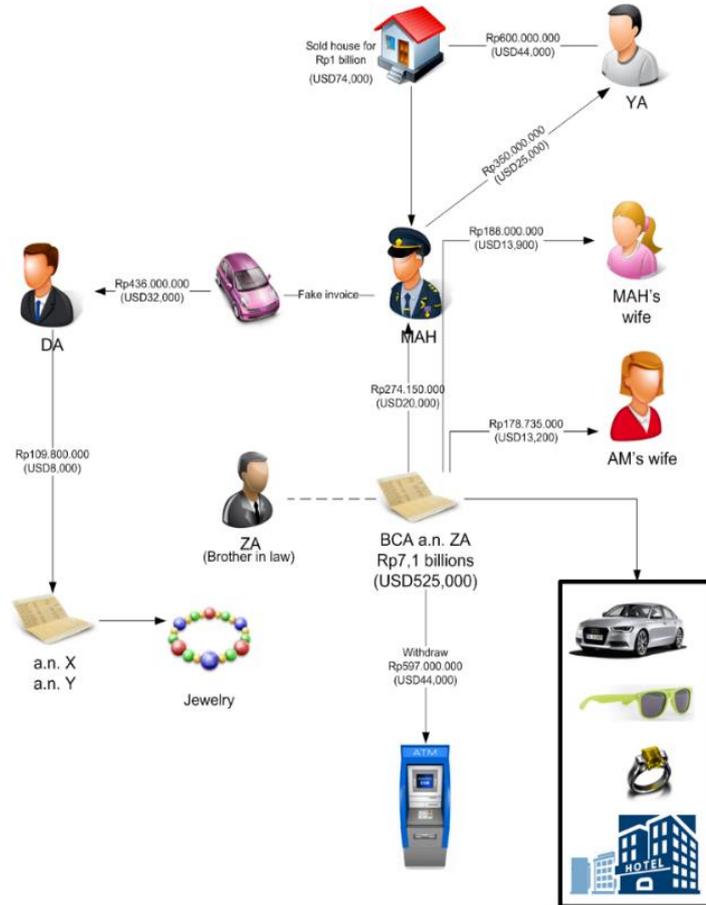
**Figure 7**
**MAH Case**

Based on the verdicts of the ML wildlife court, when compared with the nominal proceeds of the high-risk predicate crime of ML according to the 2019 Indonesian NRA Update, namely Narcotics (IDR 7,600 trillion), Banking (IDR 501 trillion), and Corruption (IDR 308 trillion), it can be seen that the value wildlife crimes is very few when compared to the 3 predicate crimes with the highest risk of ML. Based on the available data, for now it can be

concluded that the consequence of ML related to wildlife crimes is still quite low. From the value of wildlife sales which is quite high and still occurs frequently, there is a potential that the consequence of ML from wildlife crime is greater than it appears, but we have not been able to conclude the exact consequence from the data currently available.

### 4.2.4. Conclusion Risk of Money Laundering from Wildlife Crime

From the available data, it is quite difficult to accurately assess the risk of money laundering from wildlife crimes. In terms of threats, the peIDRetrators of wildlife crimes most caught are small-scale individual peIDRetrators. In the case of ML, the peIDRetrators are also individuals. In terms of vulnerability, the vulnerability of ML from wildlife crimes is quite high due to the low number of detected STRs due to the difficulty of PJK detecting TKM related to wildlife crimes, and from law enforcement investigators are more focused on TPA. In terms of impact, there have also only been 1 ML verdicts related to wildlife crimes, which are quite low in value compared to other criminal acts. However, it must be realized that when wildlife crimes are committed with economic motives, the risk of money laundering will always exist. If it is seen from the tendency of the peIDRetrators detected to be small-scale individuals, it can be concluded that the risk of ML from wildlife crimes can be considered low to medium.

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Economic Impact of Wildlife Crime

The economic impact of wildlife crime is not only from lost state financial losses, for example from non-payment of user fees, licensing fees, import taxes, health certificate fees, etc., but also from economic losses to the community from tourism. Based on the results of a study, Manta Rays rescue tourism in Nusa Penida, Komodo, Raja Ampat, and Sangalaki has an economic value of around IDR245 billion (USD16 million) per year. In developed marine tourism destinations such as Nusa Penida, 1 manta ray can contribute an economic value of IDR9.75 billion (USD650,000) during its lifetime, much higher than the selling price of the gills of manta rays, which is around IDR2 million (USD133) per kg.

Source: KKP thwarts smuggling of IDR156 billion (USD10,400,000) worth of manta gills (https://news.kkp.go.id/index.php/kkp-gagalkan-penyelundupan-insang-pari-manta-senilai-Rp156-miliar/)

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### 4.3. Terrorism Financing Risks from Wildlife Crime

From the results of questionnaires and FGDs, no cases of terrorism financing from wildlife crimes have been found in Indonesia. In the results of the previous PPATK research in 2015, the case has not been found either. There was a case of financing terrorism from the elephant ivory trade in Africa carried out by the Al-Shabaab organization in 2014, but further research in 2015 concluded that the elephant ivory trade carried out by Al Shabaab was only on a small scale and was not the main source of funding for their organization.

The results of the 2015 Terrorism Funding NRA and the 2019 Terrorism Funding NRA Update did not find any cases of wildlife crime in terrorism financing. Perpetrators of terrorism financing in Indonesia based on the 2015 NRA collect you through criminal acts (robbery and hacking) and through misuse in donations from NPOs, while in the 2019 NRA terrorism financing is carried out through donations to terror groups, self-funding and funding through social media.

Based on the results of our assessment, and because there have not been any cases of terrorism financing involving illegal wildlife trade in Indonesia, we can conclude that the risk of exploiting wildlife crimes as a source of terrorism financing is low.

### 4.4. Indicators of Suspicious Financial Transactions with Indications of Wildlife Crime

The availability of information regarding indicators of suspicious financial transactions with indications of wildlife crime can help FSPs identify STRs related to wildlife crimes so that they can produce STRs that are important for financial intelligence products that will be sent by PPATK to law enforcement officials. Therefore, we tried to collect STR indicators from various sources in this research. Payments for illegal wildlife trade are mostly made in cash. Some transactions are also carried out through FSPs. Some indicators of suspicious transactions found are as follows:

1.  Nasabah dengan profil pemilik toko hewan peliharaan atau bisnis terkait satwa liar lainnya (misalnya logistik/pengiriman, petani, peternak), memiliki rekening di lembaga keuangan dengan denominasi selain mata uang negara (misalnya, pelanggan berbasis di Indonesia (IDR) tetapi memiliki akun dalam mata uang Yuan Tiongkok (RMB)), tetapi tampaknya tidak memiliki hubungan bisnis dengan negara tempat mata uang akun tersebut. (harus ditelusuri menggunakan IFTI/Laporan Transaksi Keuangan dari and ke Luar Negeri).

2.  Menggunakan nama latin yang berasal dari nama spesies, nama spesies (dalam bahasa lokal), and/atau nama wilayah pada deskripsi transaksi. Misalnya, Indicus (kemungkinan mengacu pada Biawak Maluku/*Varanus indicus*, yang termasuk dalam CITES Appendix II). Transaksi seperti ini umum ditemukan dalam *invoice* pembayaran barang impor berdasarkan jawaban kuesioner PJK.

3.  Transaksi yang bersifat rutin pada daerah perdagangan wildlife.

4.  Aandya transfer anda dari pihak-pihak yang terindikasi sebagai sindikat perdagangan satwa liar ilegal internasional, kepada beberapa PNS and anggota TNI yang diduga menerima suap terkait perizinan, perdagangan, and pelaku lapangan terkait perdagangan satwa dilindungi. Misalnya petugas atau pejabat wildlife yang memiliki nominal transaksi and frekuensi transaksi yang tidak wajar.

5.  Munculnya pihak-pihak terkait transaksi nasabah di media (dalam/luar negeri) yang menandakan dirinya sebagai pelaku kejahatan terhadap satwa liar.

5.  Kombinasi deskripsi transaksi yang menunjukkan pembelian and penjualan satwa liar. Misalnya, "kura lunas", "import kura", "cicilan sulcata" (kemungkinan mengacu pada kura-kura pacu Afrika/*African spurred tortoise*).

6.  Customers with profiles of pet shop owners or other wildlife-related businesses (e.g. logistics/delivery, farmers, breeders), have accounts with financial institutions with denominations other than the country's

currency (e.g., customers based in Indonesia (IDR) but have accounts denominated in Chinese Yuan (RMB)), but does not appear to have a business relationship with the country in which the account is denominated. (must be traced using IFTI/Financial Transaction Report from and to Overseas).

7. Using the Latin name derived from the species name, species name (in local language), and/or area name in the transaction description. For example, Indicus (possibly referring to the Maluku monitor lizard/Varanus indicus, which is included in CITES Appendix II). Transactions like this are commonly found in invoices for payment of imported goods based on the answers to the PJK questionnaire.

8. Routine transactions in wildlife trading areas.

9. There is a transfer of funds from parties who are indicated as international illegal wildlife trade syndicates, to several civil servants and members of the TNI who are suspected of accepting bribes related to licensing, trading, and field actors related to the trade in protected animals. For example, a wildlife officer or official who has an abnormal transaction nominal and transaction frequency.

10. The emergence of parties related to customer transactions in the media (domestic/foreign) who signify themselves as perpetrators of crimes against wildlife.

11. A combination of transaction descriptions showing the purchase and sale of wildlife. For example, "kura lunas" (turtle all paid for), "import kura" (import turtle), "cicilan sulcata" (installment of sulcata, possibly referring to the African spurred tortoise).

## 4.5. Risk Mitigation by Stakeholders Related to ML and Wildlife Crime

Although there is a risk of money laundering from wildlife crime, relevant stakeholders have made various efforts to mitigate the risk of ML and wildlife crime. Based on the results of the FGD and other sources that we have collected, we can summarize as follows:

### 4.5.1. Technology Based Wildlife Crime Reporting

There are several web-based applications or online mobile devices to increase the role of the public in reporting wildlife crimes, for example WildScan (published by USAID and NGO Freeland), and e-Reporting Protected Animals (published by the Indonesian National Police Criminal Investigation Unit).

### 4.5.2. Education and Socialization

Prevention and handling of wildlife crimes can be done through education and socialization. Law enforcers are given training on the types of wildlife and their methods of crime to be able to deal with wildlife crimes. Several trainings on financial investigations and how to detect suspicious financial transactions related to wildlife crimes have also been delivered to several law enforcers. Apart from law enforcement, there is also community demand. Education and socialization are carried out to the general public, among others, to educate the public about protected wildlife; an appeal not to hunt, sell, buy, or consume wildlife or body parts; and avoiding conflicts between wildlife and humans.

### 4.5.3. Application of Multi-Door Approach in Wildlife Crime Cases

The application of the multi-door approach includes the application of various regulations, including customs, taxation of corruption, and money laundering. This was conveyed in the FGD by POLRI investigators with an example case, namely the application of Law no. 16 Years 1992 concerning Animal and Plant Quarantine and Law no. 21 Years 2019 concerning Animal, Fish, and Plant Quarantine for wildlife smuggling cases from abroad. With the implementation of the law, Indonesian law can ensnare perpetrators of wildlife crimes involving wildlife that are not protected in Indonesia, or apply a higher threat of punishment than the KSDAE Law. The legal threat of the Quarantine Law is a maximum of 10 years in prison and a fine of up to

IDR 10 billion. Examples of cases of application of the Quarantine Law in wildlife crimes are the Madagascar Tortoise Collector Case and the Wildlife Trade Syndicate in Riau. While the application of money laundering has been discussed in the previous section.

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**Case: Madagascar Tortoise Collector**

The Madagascar Tortoise is a protected species of Tortoise which is critically endangered in Madagascar, with an estimated population of only 100 individuals left in the wild. This type of turtle has been banned from being traded internationally since 1975, but this type of turtle is not protected under Indonesian law.

DR is an animal collector who exhibits his animals through social media Instagram. DR's arrest stemmed from a sudden inspection carried out by the Criminal Investigation Unit of the National Police Headquarters at his home on Jalan Cililitan Kecil, Kramat Jati, East Jakarta in August 2017. During the inspection, the defendant was found to have kept two individuals of the Madagascar endemic turtle, Astrochelys radiata, without having any certificates or documents. other supporting certificates. DR was prosecuted under Article 5 of Law no. 16 Years 1992 About Animal and Plant Quarantine.

Source: Owner of Imported Turtles Arrested by Criminal Investigation Officer of the Indonesian National Police Headquarters Charged with Animal Quarantine Law (gardaanimalia.com)

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**Case: Animal Smuggling with Charged with Highest Sentence**

Irawan, Yatno, Asrin, and Safrijal are members of an animal smuggling syndicate operating around the Malacca Strait. Irawan is a recidivist who has been convicted of the same case four times. Around the beginning of December 2019, Irawan was contacted by Jecsen (WN Malaysia) to smuggle animals from the neighboring country. Irawan paid Yatno as a courier to bring a Leopard (Leopard), 4 lion cubs, and 58 Indian Star Tortoises. Yatno was asked to bring animals from Dumai, which were entrusted to Safrijal, after Asrin had previously taken the animals from Malaysia to Rupat, a small island right across from Melaka. Asrin is also Irawan's messenger. Not long after Yatno was arrested, Irawan was also arrested, as were Asrin and Safrijal. On June 16, 2020, the Riau District Court sentenced Irawan to 4 years in prison and a fine of IDR1 billion. Meanwhile, the three couriers were sentenced to 2 years 6 months in prison and a fine of the same value.

Source: New Hope for the Eradication of Wildlife Crime (Haluan.co)

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In addition to the Quarantine Law, from the FGD there were examples of cases of the application of Law no. 31 Years 2004

concerning Fisheries and Law no. 17 Years 2006 concerning Amendments to Law No. 10 Years 1995 concerning Customs to increase penalties for perpetrators of wildlife crimes. The highest threat in the Fisheries Law is up to 10 years in prison and a fine of up to IDR2 billion. Meanwhile, the Customs Law carries a penalty of up to 10 years in prison and a fine of up to IDR 5 billion.

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**Case: 2 Tons of Manta Ray Body Parts Found In Hand Arrest Operation**

The Ministry of Maritime and Fisheries Affairs (KKP) through the Directorate General of Marine Resources and Fisheries (PSDKP) conducted a hand-catching operation and discovered the Manta Ray trade in Lamongan, East Java. This arrest operation is based on information from the Wildlife Crime Unit (WCU). Based on the information obtained, it is estimated that the body parts of the Manta Rays will be exported to Hong Kong and China. This operation thwarted the smuggling of 2 tons of Manta Pari body parts worth IDR156 billion. Since the stipulation of Decree of the Minister of Maritime and Fisheries Affairs Number 4/KEPMEN-KP/2014 which protects Pari Manta, the Directorate General of PSDKP has handled 14 similar cases in several areas, including Indramayu, West Java; Lombok, East Nusa Tenggara Barat; Banten; Surabaya, East Java; Banyuwangi, East Java; Lembata, East Nusa Tenggara; and Bali.

Source: KKP thwarts smuggling of IDR156 billion (USD10,400,000) worth of manta gills (https://news.kkp.go.id/index.php/kkp-gagalkan-penyelundupan-insang-pari-manta-senilai-IDR156-miliar/)

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**Case: Application of Customs Law**

The Tanjung Perak Intermediate Customs Office (KPPBC), Surabaya, succeeded in thwarting an attempt to smuggle shark fins at the Surabaya Container Terminal. The defendant is the owner of CV Johar Fela Makmur, Soeparli Djoko Trisoelo. The 41 cartons of shark fins weighing 4,878 kg are all protected shark species. For his actions, the defendant was charged with Article 103 letter c of Law Number 17 of 2006 concerning amendments to Law of the Republic of Indonesia Number 10 of 1995 concerning Customs. The defendant was sentenced to two years in prison and was also sentenced to a fine of IDR 100 million (USD6,666), subsidiary to 1 month in prison.

Source: Smugglers 4,878 Kg Shark Fin Protected, Threatened 8 Years Jail and Fine IDR 2 Billion (USD133,333) (https://surabaya.tribunnews.com/2016/09/05/penyelundup-4878-kg-sirip-hiu-dilindungi-terancam-8-years-penjara-and-denda-IDR-2-miliar.)

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### 4.5.4. Formal and informal collaboration

Indonesia has collaborated both domestically and internationally, formally and informally, to handle wildlife crime cases. Based on data from various sources, the forms of cooperation include:

1.  The Criminal Investigation Agency (Bareskrim) in cooperation with the Ministry of Environment and Forestry, DGCE, and NGOs such as WWF or WCS. At the ASEAN level, there are ASEAN WEN (Wildlife Enforcement Network) and ASEANAPOL (ASEAN National Police). At the world level there is Interpol.

2.  KLHK has an MoU with WCS.

3.  WWF has formal cooperation with the Kuantan Singingi (Riau) District Attorney's Office in the form of providing information related to alleged illegal wildlife trade and education.

4.  A task force in the city of Bitung (North Sulawesi) consisting of DGCE, Ministry of Transportation, Water Police, Navy, District Attorney, and District Court.

5.  Establishment of a Wildlife Crime Unit (WCU) consisting of the Police, Supreme Court, Attorney General's Office, DGCE, KLHK, Ministry of Maritime and Fisheries Affairs (KKP), and PPATK

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**Bitung City Becomes a Pioneer in Prevention and Handling of Illegal Wildlife Trade**

Bitung, a city in North Sulawesi, echoed its commitment to preventing the smuggling and illegal trade of wildlife. The local government of Bitung city made three breakthroughs, namely the official launch of an appeal & campaign for wildlife crime through videotron shows, training for the Bitung City wildlife task force in handling the crime of protected wildlife, and the preparation of a follow-up plan document for strengthening wildlife law enforcement to be carried out. Head of the North Sulawesi Natural Resources Conservation Agency (BKSDA), Noel Layuk Allo, said the Bitung Task Force's breakthrough was an example of collaboration between parties in increasing conservation efforts in North Sulawesi.

Source: Bitung City, The Pioneer of Prevention and Handling of Illegal Wildlife Trade (https://manado.tribunnews.com/2019/10/22/kota-bitung-pionir-pencegahan-and-penanganan-perdagangan-ilegal-satwa-liar).

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### 4.5.5. Green Banking

Green banking is a bank's effort in managing environmental and social issues by reducing the negative impact of investment activities on the environment and society. As a legal basis, there are several regulations that underlie this green banking, namely Bank Indonesia Regulation (PBI) No. 14/2015 and its derivative regulations, namely SE BI No. 14/2013, which was then continued by OJK with the OJK sustainable finance roadmap in December 2014. One of the implications of the green banking program is that banks do not provide funding and investment to creditors that damage the environment.

# Chapter 5

# Conclusions and Suggestions

## 5.1. Conclusions

Based on the literature review, the results of identification, analysis and evaluation of threats, vulnerabilities, and consequences of ML and TF, it can be concluded that the level of ML and TF risk from illegal wildlife trade in Indonesia can be seen from the aspects:

1. Profiles at risk of money laundering from illegal wildlife trade are individuals or individuals.

2. The flow of funds for illegal wildlife trade is monitored from the Java-Bali area and flows to Sumatra as a wildlife center, and some from abroad, namely Malaysia and Singapore.

3. Based on the Articles in the ML verdicts applied to perpetrators of illegal wildlife trade, Article 21 Par. 2 letter a, namely "catching, injuring, killing, storing, possessing, maintaining, transporting and trading protected animals alive".

4. The wildlife involved in the ML verdicts is the pangolin.

5. The risk of ML from illegal wildlife trade in Indonesia based on available data can be assessed as low to medium, because among other things the threat from wildlife crime perpetrators is found to be almost entirely individual perpetrators, with a fairly low impact scale when compared to criminal acts that are considered risky. in the 2019 ML NRA Update, namely Narcotics, Corruption, and Banking. Vulnerability is quite high due to the low ability to detect suspicious financial transactions by the reporting party and the lack of willingness of law enforcement to apply ML due to lack of knowledge about financial investigations and limited detention time. Nevertheless, there are achievements compared to the 2015 research period where there was 1 conviction for ML from the crime of illegal wildlife trade.

6. There have not been found cases of terrorism financing involving illegal wildlife trade in Indonesia, so we can temporarily conclude that the risk of exploiting wildlife crimes as a source of terrorism funding is low.

7. Mitigation of risks from illegal trade in wildlife and ML requires a commitment with stakeholders to make efforts, including technology-based reporting of wildlife crimes, education and socialization, application of a multi-door approach in handling cases, formal and informal cooperation, and green banking.

8. Some indicators of suspicious financial transactions that can be identified include:

   A. Customers with profiles of pet shop owners or other wildlife-related businesses (e.g. logistics/delivery, farmers, breeders), have accounts with financial institutions denominated in other than the country's currency (e.g., customers based in Indonesia (IDR) but have accounts denominated in Chinese Yuan (RMB)), but does not appear to have a business relationship with the country in which the account is denominated.

   B. Using the Latin name derived from the species name, species name (in local language), and/or area name in the transaction description. For example, Indicus (possibly referring to the Maluku monitor lizard/Varanus indicus, which is included in CITES Appendix II).

   C. Routine transactions in wildlife trading areas.

   D. There is a transfer of funds from parties who are indicated as international illegal wildlife trade syndicates, to several civil servants and members of the TNI who are suspected of receiving bribes related to licensing, trade, and field actors related to the trade in protected animals.

   E. The emergence of parties related to customer transactions in the media (domestic/foreign) who signify themselves as perpetrators of crimes against wildlife.

   F. A combination of transaction descriptions showing the purchase and sale of wildlife.

### 5.2. Recommendations

To fight ML and TF from illegal wildlife trade requires a high commitment not only from the Government but from all stakeholders, as well as cooperation between law enforcement and parties working in the field of money laundering (PPATK, regulators, FSPs). The role of PJK is quite important in the context of detecting illegal wildlife trade activities. Some suggestions that we can provide in order to fight ML and TF from illegal wildlife trade include:

1.  Prevention
    A.  FSPs should be required to identify and assess their exposure to ML and TF risks related to the illegal wildlife trade and to mitigate risks based on the identified risks. Along with the development of technology, PJK must also be aware of the risk of new technology being used by illegal wildlife trade syndicates to make payments or launder money.
    B.  Based on the results of the study of PJK respondents and law enforcers, education and socialization for PJK and law enforcers is still very much needed. PJK requires education and socialization related to the identification of suspicious financial transactions related to illegal wildlife trade, while law enforcement officers require education and socialization related to financial investigations and the application of a multi-door approach, especially ML to wildlife crime cases.

2.  Eradication
    A.  There is a need for a more intense exchange of information between law enforcement officers and the Financial Intelligence Institution (PPATK) to track transactions of illegal wildlife trade actors. In addition to being able to identify, freeze, confiscate and seize assets from perpetrators.

3.  Cooperation
    A.  International cooperation to identify and handle ML from illegal wildlife trade needs to be done more. Cooperation can take the form

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of exchanging intelligence and information, spontaneous disclosure of information, and formal assistance.

B.    The Indonesian government may consider implementing a formal public-private partnership to mitigate ML and TF risks.

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# Appendix

**Appendix 1 Estimated selling price of wildlife**

| No | Type of wildlife | Price Estimate | Source |
|----|------------------|----------------|--------|
| 1 | Long neck turtle | IDR300,000/USD20 (live) | ANTARA News, 2016 |
| 2 | Pig-nosed turtle | IDR250,000/USD 16 (live) | ANTARA News, 2016 |
| 3 | Ivory | IDR250,000,000/USD16,666 per piece (about 8-9 kg) | ANTARA News, 2017 |
| 4 | King Cockatoo | IDR10,000,000/USD666 (live) | KOMPAS, 2018 |
| 5 | Alligator | IDR140,000,000/USD9,333 (hatchling, live) | Detik.com, 2018 |
| 6 | Orangutan | IDR450,000,000/USD30,000 (child, live) | Detik.com, 2018 |
| 7 | Komodo Dragon | IDR 500,000,000/USD33,333 (live) | ANTARA News, 2019 |
| 8 | Rosewood | IDR50,000,000 (USD3,333) per trunk | ANTARA News, 2019 |
| 9 | Rhino Horn | IDR900,000,000 (USD60,000) per piece | Mongabay, 2019 |
| 10 | Agarwood | IDR950.000 (USD63,333) per kg | Okezone, 2019 |
| 10 | Sumatran tiger | IDR32,000,000/USD2,133 (preserved) IDR104,000,000/USD6,933 (cub, live) | ANTARA News, 2019 Pikiran Rakyat, 2020 |
| 11 | Pangolin | IDR16,000,000/USD1,067 per kg (meat) IDR40,000,000/USD2,667 per kg (scales) | KOMPAS, 2019 |
| 12 | Surili (genus Presbitys) | IDR1,400,000/USD93 (child, live) | Mistar.id, 2020 |
| 13 | Javanese langur | IDR700,000/USD46 (child, live) | Mistar.id, 2020 |
| 14 | Rhinoceros Hornbill | IDR2,500,000/USD166 (live) | KOMPAS, 2020 |
| 15 | Moluccan Cockatoo | IDR5,000,000/USD333 (live) | KOMPAS, 2020 |
| 16 | slow loris | IDR1,000,000/USD66 (live) | KOMPAS, 2020 |
| 17 | Brontok Eagle | IDR2,000,000/USD133 (live) | KOMPAS, 2020 |
| 18 | Coral | IDR350,000-IDR 800,000/USD23-53 per colony (small) IDR 80,000,000/USD5,333 per colony (large) | BBC, 2020 |
| 19 | Reptile | IDR300,000/USD20 (live) | Tribun News, 2020 |

**Appendix 2 Illegal Wildlife Trading Money Laundering Indicator from FATF**

A.  Client profiles (individuals and corporates)

1.  Involvement of international trade companies, including import-export, freight forwarding, customs clearance, logistics, or similar types of companies operating in the following commodities long high-risk corridors or ports for IWT supply and demand: raw or squared wooden logs, plastic waste or pellets, frozen food, fish maws, various kinds of beans, stone or quartz blocks.

2.  Use of common containers, consignees, transporter, clearing agents, or exporters as seen in other cases believed to involve IWT.

3.  Activity involving PEPs and wealthy businessmen/women, particularly those with environmental, game, or forestry oversight or environmental or wildliferelated businesses.

4.  Involvement of legal wildlife-related entities such as private zoos, breeders, (exotic) pet stores, safari companies, pharmaceutical companies making medicines containing wildlife and wildlife collectors or reserves.

5.  Individual or beneficial owner(s) of a corporate domiciled in jurisdiction that is a prominent transit or demand country for illegal wildlife.

B.  Transactions and client account activity

1.  Large cash deposit by government officials working in wildlife protection agencies, border control or customs and revenue officials.

2.  Large cash or other deposits, wire transfers, multiple cash deposits and withdrawals, and/or unexplained wealth from government officials working in forestry agencies, wildlife management authorities, zoo and wildlife park employees, or CITES Management Authorities (CMAs).

3.  Large cash or other deposits, multiple cash deposits and withdrawals, and/or unexplained wealth from government officials from environment or other ministries who have specific management or oversight authority of government stockpiles of seized ivory, rhino horn, timber, or other illegal wildlife products.

4.  Shipments of legal wildlife (fauna and flora) with anomalous, incomplete, or otherwise suspicious CITES certificates.

5.  Transactions using names of ingredients or products in the traditional medical trade that refer to CITIES species.

6.  Illogical or anomalous loans between trading or import/export companies in key IWT source or transit countries.

7.  Switched bills of lading by traders previously implicated in criminal activity involving wildlife trafficking or trade fraud investigations or prosecutions.

8.  Transactions having discrepancies between the description or value, of the commodity in customs and shipping documents and invoice, relative to the actual goods shipped or quoted price or the actual value in payments made.

9.  Illogical or anomalous purchases, payments, or other transactions related to gold trading from business accounts of clients. Payments for wildlife shipping are often masked as payment for gold or to gold trading business.

10. Escrow-type transactions from/to accounts and companies with same beneficial owner in particular for payment of cross-border and transcontinental shipments.

11. Transactions from known traffickers to individuals who then pay for couriers or packages via the post.

12. Transactions for hired vehicles and domestic accommodation from known members of a trafficking syndicate who are not present in the country or region within a country.

13. Third-party wire transfers/cash deposits to, or withdrawals by, known wildlife poachers and traffickers.

14. Transaction references using specimen names or veiled speech.

15. Transactions between licensed pet shop suppliers/breeders and known wildlife poachers and traffickers.

16. Transactions to licenced pet shop suppliers/breeders that originate from overseas, and/or incommensurate with stated business activities.

17. Large transactions to licenced pet shop suppliers/breeders where there is significant discrepancies between the animal/product ordered and the value of the good.

18. International wire transfers from known wildlife traffickers to a relative's accounts as tuition, allowance, or family support payments.

19. Large dollar wire transfers between wildlife farms and firms operating in inconsistent lines of business. Particular attention should be given to payments with firms that produce goods which may be used as "cover loads" to hide illicit wildlife products (e.g. manufacturers / traders of coffee, tea, beans, or used clothing).

20. Payments between entities operating in disparate lines of business.

21. Individuals or companies suspected of being involved, or linked to, IWT networks using bank accounts and addresses located in different countries.

22. Middleman transactions – large incoming payments followed by smaller outgoing payments.

23. Rental card transactions with two bookings close in time in neighbouring countries.

C. Other

1. Adverse media connected to wildlife or environmental crimes identified in open and available sources on individuals and/or entities involved in reviewed financial transactions.

2. Airline passengers traveling on high-risk IWT routes on tickets paid for by a third party or in cash.

3. Payments from companies/owners from industries using IWT products (including traditional medicine manufacturers, leather producers, auctioneers of wildlife products, exotic food providers [including butchers, chefs, stall holders wildlife markets and restaurants]) to known wildlife traders or their associates or other entities above that have been identified as involved in IWT.