



April 2018

COMBATING WILDLIFE TRAFFICKING

Opportunities Exist to Improve the Use of Financial Rewards

Accessible Version

GAO Highlights

Highlights of [GAO-18-279](#), a report to the Ranking Member, Committee on Finance, U.S. Senate

Why GAO Did This Study

Wildlife trafficking—the poaching and illegal trade of plants, fish, and wildlife—is a multibillion-dollar, global criminal activity that imperils thousands of species. FWS and NOAA enforce laws prohibiting wildlife trafficking that authorize the agencies to pay financial rewards for information about such illegal activities.

GAO was asked to review FWS's and NOAA's use of financial rewards to combat wildlife trafficking. This report examines (1) laws that authorize FWS and NOAA to pay rewards for information on wildlife trafficking and the extent to which the agencies paid such rewards from fiscal years 2007 through 2017, (2) the agencies' reward policies, (3) information available to the public on rewards, and (4) the extent to which the agencies reviewed the effectiveness of their use of rewards.

GAO reviewed laws, examined FWS and NOAA policies and public communications on rewards, analyzed agency reward data for fiscal years 2007 through 2017 and assessed their reliability, interviewed FWS and NOAA officials, and compared agency policies and public communications on rewards to federal internal control standards.

What GAO Recommends

GAO is making seven recommendations, including that FWS and NOAA track reward information, FWS augment its reward policy to specify factors for agents to consider when developing proposed reward amounts, FWS and NOAA develop plans to communicate more reward information to the public, and FWS and NOAA review the effectiveness of their reward use. Both agencies concurred with these recommendations.

View [GAO-18-279](#). For more information, contact Anne-Marie Fennell at (202) 512-3841 or fennella@gao.gov.

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What GAO Found

Multiple laws—such as the Endangered Species Act and Lacey Act—authorize the Departments of the Interior's U.S. Fish and Wildlife Service (FWS) and Commerce's National Oceanic and Atmospheric Administration (NOAA) to pay rewards for information on wildlife trafficking. FWS and NOAA reported paying few rewards from fiscal years 2007 through 2017. Specifically, the agencies collectively reported paying 27 rewards, totaling \$205,500. Agency officials said that the information was complete to the best of their knowledge but could not sufficiently assure that this information represented all of their reward payments.

Turtle Taped for Transport (Left) and Other Illegally Trafficked Turtles (Right) Recovered Based on Information from a Source Who Then Received a Reward from the U.S. Fish and Wildlife Service



Source: U.S. Fish and Wildlife Service. | GAO-18-279

FWS and NOAA have reward policies that outline the general process for preparing reward proposals, but FWS's policy does not specify factors for its agents to consider when developing proposed reward amounts. Some FWS agents GAO interviewed said that in developing proposals, they did not know whether their proposed reward amounts were enough, too little, or too much. By augmenting its policy to specify factors for agents to consider, FWS can better ensure that its agents have the necessary quality information to prepare proposed reward amounts, consistent with federal internal control standards.

FWS and NOAA communicate little information to the public on rewards. For example, most agency websites did not indicate that providing information on wildlife trafficking could qualify for a reward. This is inconsistent with federal standards that call for management to communicate quality information so that external parties can help achieve agency objectives. FWS and NOAA officials said they have not communicated general reward information because of workload concerns, but they said it may be reasonable to provide more information in some instances. By developing plans to communicate more reward information to the public, the agencies can improve their chances of obtaining information on wildlife trafficking that they otherwise might not receive.

FWS and NOAA have not reviewed the effectiveness of their use of rewards. The agencies have not done so because using rewards has generally not been a priority. FWS and NOAA officials agreed that such a review would be worthwhile but provided no plans for doing so. By reviewing the effectiveness of their use of rewards, FWS and NOAA can identify opportunities to improve the usefulness of rewards as a tool for combating wildlife trafficking.

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Abbreviations

FWS	U.S. Fish and Wildlife Service
IRS	Internal Revenue Service
NMFS	National Marine Fisheries Service
NOAA	National Oceanic and Atmospheric Administration
OLE	Office of Law Enforcement
SEC	U.S. Securities and Exchange Commission
UNEP	United Nations Environment Programme

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April 23, 2018

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate

Dear Senator Wyden:

According to the Department of State, wildlife trafficking¹—the poaching and illegal trade of plants, fish, and wildlife—is a growing, multibillion-dollar, transnational criminal activity that imperils the continued viability of thousands of plant and animal species worldwide, threatens global security, and harms legitimate businesses. Estimates place wildlife trafficking among the top-ranked illicit types of trade alongside trafficking in drugs, weapons, and humans; in 2016, a United Nations report estimated the illegal trade in wildlife to be worth from \$7 billion to \$23 billion annually.² The United States is one of the world's largest trafficking markets and is increasingly becoming a source for illegal wildlife and wildlife products, according to a Department of the Interior document. It also serves as a transit point for wildlife that are illegally trafficked from their source countries to other countries for sale.

Wildlife trafficking undermines conservation efforts and continues to push some protected and endangered species to the brink of extinction, according to Department of State documents. As we have previously found, the capture and slaughter of animals are devastating wild populations of elephants, rhinoceroses, tigers, pangolins, turtles, exotic

¹In this report, we use the term wildlife trafficking to include the trafficking of plants, fish, and wildlife. We also use the definition of wildlife trafficking from the Eliminate, Neutralize, and Disrupt Wildlife Trafficking Act of 2016, which defines wildlife trafficking as the poaching or other illegal taking of protected or managed species and the illegal trade in wildlife and their related parts and products.

²C. Nellemann et al., eds., *The Rise of Environmental Crime—A Growing Threat to Natural Resources, Peace, Development, and Security* (Nairobi: United Nations Environment Programme, 2016).

birds, and many other species.³ Moreover, wildlife trafficking threatens global security by fueling corruption and violence and destabilizing communities that depend on wildlife for biodiversity and ecotourism revenues. Wildlife trafficking can also have adverse economic impacts. For example, the trafficking of illegally harvested timber can harm legitimate businesses by causing products made with legally harvested timber to be less competitive with similar products made using illegally harvested timber.

In recent years, the federal government has emphasized strengthening law enforcement efforts to combat the escalating scope and scale of wildlife trafficking. For example, in 2014, the White House released a national strategy for combating wildlife trafficking that identified strengthening enforcement—including federal interdiction and investigative efforts—as one of three strategic priorities for the United States.⁴ In addition, in 2017, an executive order made it executive branch policy to strengthen enforcement of federal law to thwart the illegal smuggling and trafficking of wildlife, among other things.⁵

Paying rewards to people who provide critical information about illegal trafficking activities that leads to results, such as fines or criminal convictions, is one of many tools that law enforcement agents can use to help them investigate and enforce wildlife trafficking laws.⁶ Certain laws

³GAO, *Combating Wildlife Trafficking: Agencies Are Taking Action to Reduce Demand but Could Improve Collaboration in Southeast Asia*, [GAO-18-7](#) (Washington, D.C.: Oct. 12, 2017), and *Combating Wildlife Trafficking: Agencies Are Taking a Range of Actions, but the Task Force Lacks Performance Targets for Assessing Progress*, [GAO-16-717](#) (Washington, D.C.: Sept. 22, 2016).

⁴Presidential Task Force on Wildlife Trafficking, *National Strategy for Combating Wildlife Trafficking* (Washington, D.C.: February 2014). The Presidential Task Force on Wildlife Trafficking is an interagency task force co-chaired by the Departments of the Interior, Justice, and State. The task force developed a national strategy to combat wildlife trafficking. In addition to strengthening enforcement, the strategy identified reducing demand for illegally traded wildlife and expanding international cooperation and commitment as strategic priorities for the United States.

⁵Exec. Order No. 13773, 82 Fed. Reg. 10,691 (Feb. 14, 2017).

⁶In this report, we use the term reward to refer to a financial payment an agency makes to a person after the completion of an investigation, prosecution, or civil or administrative proceeding. A reward differs from purchasing information, which is an investigative tool to assist in completing an investigation and developing a civil, administrative, or criminal case. It is possible that an agency could purchase information from a person during a case and then pay that person a reward at the case's conclusion if information the person provided met applicable requirements for a reward.

that prohibit wildlife trafficking authorize federal agencies to pay financial rewards to people who provide information on such illegal activities. For example, the Endangered Species Act⁷ and the Lacey Act⁸ authorize the Secretaries of Commerce and the Interior to pay financial rewards to people who provide information that leads to arrests, criminal convictions, civil penalties, or property forfeitures for violations of those laws.⁹ The law enforcement offices for the Department of the Interior's U.S. Fish and Wildlife Service (FWS) and the Department of Commerce's National Oceanic and Atmospheric Administration (NOAA) are responsible for enforcing certain federal laws prohibiting wildlife trafficking.¹⁰ Specifically, FWS generally enforces federal laws that prohibit trafficking of terrestrial wildlife, freshwater fish and other species, and birds, and NOAA generally enforces federal laws that prohibit trafficking of marine wildlife and anadromous fish.

You asked us to review FWS's and NOAA's use of financial rewards to combat wildlife trafficking. This report examines (1) laws that authorize FWS and NOAA to pay financial rewards for information on wildlife trafficking and the extent to which these agencies paid such rewards from fiscal years 2007 through 2017, (2) the agencies' policies on financial rewards, (3) information available to the public on financial rewards, and (4) the extent to which the agencies reviewed the effectiveness of their use of financial rewards in combating wildlife trafficking.

To identify laws that authorize FWS and NOAA to pay financial rewards for information on wildlife trafficking, we asked FWS and NOAA attorneys to compile a list of laws each of their agencies implements or enforces

⁷16 U.S.C. § 1540(d)(1). The Endangered Species Act was enacted in 1973 to conserve threatened and endangered species and the ecosystems upon which they depend.

⁸16 U.S.C. § 3375(d)(1). Among other things, the Lacey Act prohibits transporting and selling plants, fish, or wildlife taken in violation of U.S., state, tribal, or foreign law.

⁹The Endangered Species Act and Lacey Act also authorize the Secretaries of Agriculture and the Treasury to pay financial rewards. We excluded the Departments of Agriculture and the Treasury from this report, however, because of their limited roles in investigating wildlife trafficking cases. Agency officials from both departments confirmed that they had not paid financial rewards related to wildlife trafficking from fiscal years 2007 through 2017.

¹⁰The NOAA Office of Law Enforcement is part of NOAA's National Marine Fisheries Service (NMFS), which is responsible for the stewardship of the nation's ocean resources and their habitat. The NOAA Office of Law Enforcement provides law enforcement services for all of NOAA, so we use the term NOAA in this report, but we focus on the office's work enforcing laws that NMFS implements.

that prohibit wildlife trafficking and authorize the agency to pay rewards for providing information about wildlife trafficking. We then compared the list provided to the results of our search of the United States Code for such laws. To identify the extent to which FWS and NOAA have paid financial rewards for information on wildlife trafficking, we analyzed FWS and NOAA data on financial rewards the agencies reported paying from fiscal years 2007 through 2017. We took steps to assess the reliability of these data, such as interviewing agency officials knowledgeable about the data and comparing the data to case records. Specifically, FWS and NOAA officials said they track all expenditures, including reward payments, in their financial databases, but they are not able to readily identify reward payments because their financial systems do not include a unique identifier for such payments and their reward information is located in multiple databases and formats. As a result, FWS and NOAA officials said they identified the rewards they reported to us by manually reviewing their financial and law enforcement records, and officials said the information was complete to the best of their knowledge. Based on these steps, we found the data the agencies provided to be sufficiently reliable for reporting information on the rewards the agencies reported paying. However, as we discuss in the report, FWS and NOAA officials could not provide sufficient assurance that the data included all the financial rewards they had paid from fiscal years 2007 through 2017. To obtain additional detail about cases where financial rewards were paid, we reviewed a nongeneralizable sample of 10 wildlife trafficking cases. We selected these cases based on several factors, including amount of the reward payment. While the findings from our review cannot be generalized to cases we did not select and review, they illustrate how FWS and NOAA have used financial rewards in wildlife trafficking cases.

To evaluate FWS and NOAA policies on financial rewards, information available to the public, and the extent to which FWS and NOAA reviewed the effectiveness of their use of financial rewards in combating wildlife trafficking, we reviewed relevant agency policies, publications, websites, and examples of public communications on rewards for specific cases. We also interviewed agency officials and requested any reviews the agencies conducted regarding their use of financial rewards. We compared available FWS and NOAA policies, public communications,

and reviews on their use of financial rewards with federal internal control standards.¹¹

Additionally, for all four objectives, we interviewed a nongeneralizable sample of 20 stakeholders whom we selected using factors such as the individuals' experience investigating wildlife trafficking cases or their expertise in the use of financial rewards as a law enforcement tool. Our sample included

- FWS and NOAA law enforcement agents,
- federal prosecutors,
- federal officials responsible for programs that use financial rewards to combat illegal activities in contexts outside of wildlife trafficking,
- academics with expertise in the use of financial rewards as a law enforcement tool,
- members of the federal Advisory Council on Wildlife Trafficking,¹² and
- representatives of nongovernmental organizations that investigate wildlife trafficking.

Views from these stakeholders cannot be generalized to those whom we did not select and interview. Appendix I presents a more detailed description of our objectives, scope, and methodology.

We conducted this performance audit from February 2017 to April 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

¹¹GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

¹²The Advisory Council on Wildlife Trafficking advises and makes recommendations to the Presidential Task Force on Wildlife Trafficking on issues related to combating wildlife trafficking. The eight-member Advisory Council includes representatives from the private sector, former government officials, non-governmental organizations, and other experts on wildlife trade.

Background

As reported by the United Nations, the International Criminal Police Organization, and other organizations, wildlife trafficking networks span the globe. These organizations have attempted to measure the value of illegally traded wildlife, but available estimates are subject to uncertainty. In 2016, for example, the United Nations Environment Programme (UNEP) reported that various sources estimated the global scale of illegal wildlife trade to be from \$7 billion to \$23 billion annually.¹³ UNEP also estimated that the scale of wildlife crime has increased in recent years in part based on a rise in environmental crime.¹⁴

U.S. trade in wildlife and related products includes a variety of species, such as live reptiles, birds, and mammals, as well as elephant ivory, according to law enforcement reports and government and nongovernmental officials. FWS and NOAA data on wildlife products seized at U.S. ports provide examples of the diversity of illegally traded plants, fish, and wildlife imported into or exported from the United States. For example, from 2007 to 2016, the top 10 plant, fish, and wildlife shipments seized nationally by FWS were coral, crocodiles, conchs, deer, pythons, sea turtles, mollusks, ginseng, clams, and seahorses. During that time, FWS reported that more than one-third of the wildlife shipments it seized were confiscated while being imported from or exported to Mexico (14 percent), China (13 percent), or Canada (9 percent).

FWS and NOAA law enforcement offices are responsible for enforcing certain laws and treaties prohibiting wildlife trafficking.

- **FWS Office of Law Enforcement.** This office enforces certain U.S. laws and regulations as well as treaties prohibiting the trafficking of terrestrial wildlife, freshwater species, and birds.¹⁵ Among other things, the office aims to prevent the unlawful import, export, and interstate commerce of foreign fish and wildlife, as well as to protect

¹³Nellemann et al., *The Rise of Environmental Crime*.

¹⁴Nellemann et al., *The Rise of Environmental Crime*. This UNEP report considered environmental crime to include the illegal trade in wildlife; forestry and fishery crimes; illegal dumping of waste, including chemicals; smuggling of ozone-depleting substances; and illegal mining.

¹⁵The FWS Office of Law Enforcement is led by an Assistant Director who reports to the Deputy Director of Operations for FWS.

U.S. plants, fish, and wildlife from unlawful exploitation. As of fiscal year 2016, the office had a budget of \$74.7 million and employed 205 special agents to investigate wildlife crime, including international and domestic wildlife trafficking rings.¹⁶ Most of these special agents report to one of eight regional offices, which receive national oversight, support, training, and policy guidance from the FWS Office of Law Enforcement headquarters. The office's headquarters houses a special investigative unit focused on conducting complex, large-scale criminal investigations of wildlife traffickers. In addition, the FWS Office of Law Enforcement has deployed special agents to serve as international attachés at seven U.S. embassies.¹⁷ These attachés provide countertrafficking expertise to embassy staff, work with host government officials to build law enforcement capacity, and contribute directly to casework or criminal investigations of wildlife traffickers.

According to FWS data, the FWS Office of Law Enforcement opened more than 7,000 investigations on wildlife trafficking and other illegal activities in fiscal year 2016, including nearly 5,000 cases involving Endangered Species Act violations and nearly 1,500 cases involving Lacey Act violations. FWS Office of Law Enforcement investigations have disrupted wildlife trafficking operations. For example, Operation Crash—an ongoing rhino horn and elephant ivory-trafficking investigation launched in 2011—has led to over 30 convictions and more than \$2 million in fines.

- **NOAA Office of Law Enforcement.** This office enforces certain U.S. laws and regulations as well as treaties prohibiting the trafficking of marine wildlife, including fish, as well as anadromous fish.¹⁸ Among other things, the office aims to prevent the illegal, unregulated, and unreported harvesting and trade of fish as well as the trafficking of protected marine wildlife. As of fiscal year 2016, the office had a

¹⁶FWS Office of Law Enforcement special agents are trained criminal investigators who are charged with enforcing federal wildlife laws throughout the United States. The FWS Office of Law Enforcement also employs wildlife inspectors who may investigate wildlife crime in their role as import-export control officers responsible for ensuring that wildlife shipments comply with U.S. and international wildlife protection laws.

¹⁷As of February 2018, FWS had attachés in Botswana, China, Gabon, Mexico, Peru, Tanzania, and Thailand. According to FWS's fiscal year 2018 budget request, the agency plans to deploy additional attachés to Indonesia and the Netherlands by the end of 2018.

¹⁸The NOAA Office of Law Enforcement is led by a Director who reports to NOAA Fisheries' Deputy Assistant Administrator for Operations. In addition, the NOAA Office of the General Counsel's Enforcement Section handles civil cases. Together, the two offices make up NOAA's enforcement program.

budget of \$68.6 million and employed 77 special agents to investigate wildlife crimes within its jurisdiction.¹⁹ These agents report to one of five regional offices, and those offices receive national oversight, support, and policy guidance from the NOAA Office of Law Enforcement headquarters.

According to NOAA data, the NOAA Office of Law Enforcement initiated more than 5,000 investigations in fiscal year 2016. About half of those investigations involved violations of the Magnuson-Stevens Fishery Conservation and Management Act, as amended,²⁰ and some of the 5,000 investigations involved violations of the Endangered Species Act or the Lacey Act. NOAA Office of Law Enforcement investigations have disrupted wildlife trafficking operations. For example, in fiscal year 2016, a NOAA Office of Law Enforcement investigation led to the conviction of a company and five individuals for illegally trafficking whale bone carvings, walrus ivory carvings, black coral carvings, and other products derived from protected species into the United States.

The FWS and NOAA law enforcement offices collaborate with other government agencies and organizations to combat wildlife trafficking. Both agencies work with other federal, state, and tribal law enforcement officers as well as their international counterparts as needed during wildlife trafficking investigations. For example, FWS and NOAA work with U.S. Customs and Border Protection, U.S. Immigration and Customs Enforcement, and the U.S. Department of Agriculture to maintain import and export controls and interdict smuggled wildlife and related products at U.S. ports of entry. In addition, FWS and NOAA collaborate with Department of Justice prosecutors on criminal cases that result from agency investigations.

Both agencies also collaborate with nongovernmental organizations to combat wildlife trafficking. For example, FWS and NOAA officials said that nongovernmental organizations have, in some cases, offered financial rewards (in addition to rewards offered by FWS and NOAA) for information on a wildlife crime. In addition, some nongovernmental organizations proactively provide information to FWS and NOAA on

¹⁹NOAA Office of Law Enforcement special agents conduct undercover operations and longer-term, complex investigations of wildlife crimes within NOAA's jurisdiction.

²⁰Pub. L. No. 94-265, 90 Stat. 331 (Apr. 13, 1976) (*generally codified as amended at 16 U.S.C. §§ 1801-1891d*). The Magnuson-Stevens Fishery Conservation and Management Act, as amended, governs marine fisheries management in federal waters.

wildlife trafficking activities in the United States or foreign countries that violate U.S. laws.²¹ For example, in 2017, a nongovernmental organization created a website to collect tips on wildlife crime and to connect the sources of those tips with relevant U.S. authorities for potential financial rewards.²²

FWS may pay financial rewards from moneys in two accounts.

- **Law Enforcement Reward Account.** FWS may pay rewards under the Endangered Species Act, the Lacey Act, and the Rhinoceros and Tiger Conservation Act²³ from moneys in the agency's Law Enforcement Reward Account. The moneys in this account come from fines, penalties, and proceeds from forfeited property for violations of these three laws. According to FWS officials, these moneys are available until expended. These moneys can be used to (1) pay financial rewards to those who provide information that leads to an arrest, criminal conviction, civil penalty assessment, or forfeiture of property for any violation of the Endangered Species Act, the Lacey Act, or the Rhinoceros and Tiger Conservation Act or (2) provide temporary care for plants, fish, or wildlife that are the subject of a civil or criminal proceeding under the Endangered Species Act, Lacey Act,

²¹Under the Lacey Act, it is illegal to import wildlife into the United States that was taken in violation of foreign law, so a nongovernmental organization could provide information to FWS or NOAA on wildlife that are being illegally taken in foreign countries and then being imported into the United States.

²²The National Whistleblower Center—a nongovernmental organization that advocates for whistleblowers—launched its Global Wildlife Whistleblower Program in 2017 with the aim of protecting and incentivizing individuals to report evidence of wildlife trafficking confidentially and anonymously via a secure online platform. The program incorporates a transnational reporting system designed to protect the identities of individuals who report information, as well as an educational program informing those individuals of potential financial rewards from federal agencies for reporting wildlife trafficking crimes.

²³16 U.S.C. § 5305a(f). Among other things, the Rhinoceros and Tiger Conservation Act prohibits the sale, import, and export of products containing any substance derived from any species of rhinoceros or tiger.

or the Rhinoceros and Tiger Conservation Act.²⁴ As of the beginning of fiscal year 2017, the balance of the Law Enforcement Reward Account was about \$7 million.

- **Law Enforcement Special Funds Account.** FWS may also pay rewards from moneys in its law enforcement office's Special Funds Account. The moneys in this account come from an annual line item appropriation and are available until expended. Since fiscal year 1988, this appropriation has provided FWS up to \$400,000 each year to pay for information, rewards, or evidence concerning violations of laws FWS administers, as well as miscellaneous and emergency expenses of enforcement activity that the Secretary of the Interior authorized or approved.²⁵

NOAA generally pays rewards from moneys available in the Fisheries Enforcement Asset Forfeiture Fund.²⁶ The moneys in this account come from fines, penalties, and proceeds from forfeited property for violations of marine resource laws that NOAA enforces, including the Magnuson-Stevens Fishery Conservation and Management Act, the Endangered Species Act, and the Lacey Act. According to NOAA officials, moneys are available until expended and can be used to pay certain enforcement-related expenses, including travel expenses, equipment purchases, and the payment of financial rewards. As of the beginning of fiscal year 2017, the Fisheries Enforcement Asset Forfeiture Fund had a balance of about \$18 million.

²⁴The Endangered Species Act provision that authorizes the payment of financial rewards also requires deposits to be made into the Cooperative Endangered Species Conservation Fund whenever the amount of fines, penalties, and proceeds from forfeited property collected under the Endangered Species Act or the Lacey Act exceeds \$500,000. In a separate report, we provided information on the extent to which NOAA tracked its Endangered Species Act and Lacey Act collections and requested that the Department of the Treasury make any statutorily required deposits. See GAO, *Cooperative Endangered Species Conservation Fund: NOAA Should Track Its Endangered Species Act and Lacey Act Collections and Request Any Required Deposits*, [GAO-18-346R](#) (Washington, D.C.: Apr. 9, 2018).

²⁵FWS received this line item appropriation prior to fiscal year 1988, but the amount appropriated increased to up to \$400,000 that year. In fiscal year 2012, this line item appropriation became a permanent annual appropriation. Pub. L. No. 112-74, div. E, tit. I, 125 Stat. 786, 988 (Dec. 23, 2011).

²⁶According to NOAA officials, the agency may also pay rewards from NOAA's Operations, Research, and Facilities appropriation without express statutory authority if a reward is necessary or essential to the enforcement of a law. These officials said they were aware of NOAA paying one reward from this appropriation, but generally expect to pay future rewards from the Fisheries Enforcement Asset Forfeiture Fund.

Academic literature on the use of financial rewards to combat illegal activities and stakeholders we interviewed identified several advantages and disadvantages of using financial rewards to obtain information on wildlife trafficking. Potential advantages of using financial rewards include the following:

- **Providing incentives.** The potential for a financial reward can motivate people with information to come forward when they otherwise might not do so.
- **Increasing public awareness.** Financial rewards may bring greater public attention to the problem of wildlife trafficking, including federal efforts to combat wildlife trafficking.
- **Saving resources.** Using financial rewards may save agency resources by enabling agents to get information sooner and at a lower cost than they could have through their own efforts.

Potential disadvantages of using financial rewards include the following:

- **Eliciting false or unproductive leads.** Financial rewards may generate false or unproductive leads.
- **Affecting witness credibility.** Financial rewards may lead to a source's credibility being challenged at trial by defense attorneys since sources receive compensation for the information they provide.
- **Consuming resources.** The potential for a financial reward may create a flood of tips that take agency time and resources to follow up on or corroborate.

Outside of wildlife trafficking, multiple federal agencies and federal courts are authorized to pay financial rewards for information on illegal activities under certain circumstances. For example, U.S. Customs and Border Protection—which controls, regulates, and facilitates the import and export of goods through U.S. ports of entry—is authorized, under certain circumstances, to pay rewards for original information about violations of any laws that it enforces.²⁷ The Department of State may also pay rewards under certain circumstances, including for information leading to

²⁷19 U.S.C. § 1619; 19 C.F.R. § 161.12.

the disruption of financial mechanisms of a transnational criminal group.²⁸ Similarly, the U.S. Securities and Exchange Commission (SEC) and Internal Revenue Service (IRS) may pay rewards for information about violations of federal securities laws and the underpayment of taxes, respectively, if certain conditions are met.²⁹ Federal judges may award money to persons who give information leading to convictions for violating treaties, laws, and regulations that prohibit certain pollution from ships, including oil and garbage discharges.³⁰

Multiple Laws Authorize FWS and NOAA to Pay Rewards for Wildlife Trafficking Information, but the Agencies Reported Paying Few Rewards from Fiscal Years 2007 through 2017

FWS and NOAA officials identified multiple laws, such as the Endangered Species Act and the Lacey Act, that authorize the payment of financial rewards to people who provide information on wildlife trafficking. FWS and NOAA reported paying few financial rewards under these laws from fiscal years 2007 through 2017. However, agency officials could not provide sufficient assurance that the reward information they provided to us represented all of their reward payments for this period.

²⁸22 U.S.C. § 2708(b)(7). Through its Transnational Organized Crime Rewards program, the Department of State has offered up to \$1 million for information leading to the dismantling of the Xaysavang Network. The Xaysavang Network is an international wildlife trafficking syndicate that facilitates the killing of endangered elephants, rhinos, pangolins, and other protected species for products such as ivory and rhino horn. Department of State officials told us that as of January 2018 the department had not paid a reward as a result of this offer.

²⁹The Office of the Whistleblower within the SEC administers the agency's reward program, which is authorized by 15 U.S.C. § 78u-6. IRS's Whistleblower Office administers the agency's reward program, which is authorized by 26 U.S.C. § 7623.

³⁰Act to Prevent Pollution from Ships, 33 U.S.C. § 1908(a). According to Department of Justice officials, federal prosecutors regularly request that courts pay these rewards to sources, who are typically crew members working on ships violating the law. In addition, Department of Justice officials said that most of the cases they prosecute related to pollution from ships originate from tips provided by sources seeking rewards.

The Endangered Species Act, Lacey Act, and Other Laws Authorize the Payment of Financial Rewards

FWS and NOAA officials identified over 10 laws prohibiting wildlife trafficking—including the Endangered Species Act, Lacey Act, and Bald and Golden Eagle Protection Act³¹—that specifically authorize the payment of financial rewards in certain circumstances to people who provide information on violations of the law (see app. II for a complete list of the laws). These laws provide discretion to the agencies to choose whether to pay rewards but have varying requirements for who is eligible to receive a reward and the payment amounts.³² For example, the Bald and Golden Eagle Protection Act caps rewards at \$2,500 for information that leads to a conviction. In contrast, the Endangered Species Act does not cap reward amounts and authorizes rewards for information that leads to a conviction as well as to an arrest, civil penalty, or forfeiture of property. Table 1 identifies the laws that FWS and NOAA officials indicated they have used to pay financial rewards for information on wildlife trafficking from fiscal years 2007 through 2017, along with information on these laws’ requirements for payment of rewards.

Table 1: Laws the U.S. Fish and Wildlife Service (FWS) and the National Oceanic and Atmospheric Administration (NOAA) Reported Using to Pay Financial Rewards for Information on Wildlife Trafficking, Fiscal Years 2007-2017

Laws	Secretaries authorized to pay rewards	Source of moneys to pay rewards	Who is eligible to receive rewards ^a	Possible reward amounts
African Elephant Conservation Act: 16 U.S.C. § 4225	Secretary of the Treasury, upon recommendation of the Secretary of the Interior	Penalties collected under the act, subject to appropriations	Any person who furnishes information that leads to a civil penalty or criminal conviction under the act, except for an officer or employee of the United States or any state or local government who furnishes information in performing his or her official duties	Equal to not more than half of any criminal or civil penalty or fine with respect to which the reward is paid, or \$25,000, whichever is less
Bald and Golden Eagle Protection Act, as amended: 16 U.S.C. § 668(a)	Not specified	Fines imposed for violating the act	Any person who gives information that leads to a conviction	Half of any fine imposed, not to exceed \$2,500

³¹16 U.S.C. § 668(a). The Bald and Golden Eagle Protection Act prohibits, among other things, the taking, sale, purchase, transport, export, or import of any bald or golden eagle, alive or dead, including any part, nest, or egg, unless allowed by permit.

³²FWS and NOAA officials said that the FWS and NOAA Offices of Law Enforcement have the authority to pay such rewards.

Laws	Secretaries authorized to pay rewards	Source of moneys to pay rewards	Who is eligible to receive rewards ^a	Possible reward amounts
Endangered Species Act, as amended: 16 U.S.C. § 1540(d)	Secretaries of Agriculture, Commerce, the Interior, and the Treasury	Penalties, fines, and forfeitures of property under the act	Any person who furnishes information that leads to an arrest, criminal conviction, civil penalty assessment, or forfeiture of property for any violation of the act or its implementing regulations, except for any officer or employee of the United States or any state or local government who furnishes information in performing his or her official duties	The amount of the reward is designated by the Secretary of Agriculture, Commerce, the Interior, or the Treasury, as appropriate
Fish and Wildlife Improvement Act, as amended: 16 U.S.C. § 742(k)(2) ^b	Secretaries of Commerce and the Interior	Appropriations	Not specified	Not specified
Lacey Act, as amended: 16 U.S.C. § 3375(d)	Secretaries of Agriculture, Commerce, the Interior, and the Treasury	Penalties, fines and forfeitures of property under the act	Any person who furnishes information that leads to an arrest, criminal conviction, civil penalty assessment or forfeiture of property for any violation of the act or its implementing regulations, except for any officer or employee of the United States or any state or local government who furnishes information in performing his or her official duties	The amount of the reward is designated by the Secretary of Agriculture, Commerce, the Interior, or the Treasury, as appropriate
Magnuson-Stevens Fishery Conservation and Management Act, as amended: 16 U.S.C. § 1861(e)(1)(B) ^c	Secretaries of Commerce and the Treasury	Penalties, fines, and forfeitures of property for violations of the act or any other fishery resource law that the Secretary of Commerce enforces	Any person who furnishes information that leads to an arrest, conviction, civil penalty assessment, or forfeiture of property for any violation of the act or other marine resource law that the Secretary of Commerce enforces	Not less than 20 percent of the penalty collected, or \$20,000, whichever is the lesser amount

Source: GAO summary of laws authorizing financial reward payments. | GAO-18-279

^aThese laws do not prohibit paying rewards to foreigners, but FWS and NOAA reward policies do not allow rewards to be paid to foreign government employees.

^bFWS has used the Fish and Wildlife Improvement Act, as amended, to pay financial rewards for information about violations of the Migratory Bird Treaty Act of 1918 (16 U.S.C. §§ 703–712), which prohibits, among other things, the taking, killing, and selling of migratory birds unless authorized by regulations.

^cNOAA has used the Magnuson-Stevens Fishery Conservation and Management Act, as amended, to pay financial rewards for information about violations of the Endangered Species Act and the Lacey Act.

FWS and NOAA Reported Paying Few Rewards for Information on Wildlife Trafficking but Could Not Assure the Completeness of the Information

FWS and NOAA reported paying few financial rewards for information on wildlife trafficking from fiscal years 2007 through 2017, but agency officials could not provide sufficient assurance that this information was complete. Officials from both agencies said that their agencies have not prioritized the use of rewards, and they believed that the reward information they identified—such as the number, dollar amount, and year that rewards were paid—appropriately captured the few reward payments they made during this time frame. Based on the agencies' reviews of their records, FWS reported paying 25 rewards for a total of \$184,500 from fiscal years 2007 through 2017, and NOAA reported paying 2 rewards for a total of \$21,000 during that same period (see table 2). See appendix III for additional details on the cases where financial rewards were paid.

Table 2: Number and Dollar Amount of Financial Rewards That the U.S. Fish and Wildlife Service (FWS) and the National Oceanic and Atmospheric Administration (NOAA) Reported Paying for Information on Wildlife Trafficking, Fiscal Years 2007-2017

Agency	Fiscal year	Number of rewards agency reported paying	Lowest reward amount (dollars)	Highest reward amount (dollars)	Total reward amount (dollars)
FWS	2007	2	2,500	10,000	12,500
FWS	2008	2	7,500	12,000	19,500
FWS	2009	3	2,500	40,000	47,500
FWS	2010	4	4,000	30,000	43,500
FWS	2011	3	2,000	3,000	7,500
FWS	2012	3	3,500	8,500	15,500
FWS	2013	7	1,000	20,000	33,500
FWS	2014	1	5,000	5,000	5,000
FWS	2015	0	0	0	0
FWS	2016	0	0	0	0
FWS	2017	0	0	0	0
FWS	Total	25	n/a	n/a	184,500
NOAA	2007	0	0	0	0
NOAA	2008	0	0	0	0
NOAA	2009	0	0	0	0
NOAA	2010	0	0	0	0
NOAA	2011	0	0	0	0
NOAA	2012	1	1,000	1,000	1,000
NOAA	2013	0	0	0	0
NOAA	2014	0	0	0	0
NOAA	2015	1	20,000	20,000	20,000
NOAA	2016	0	0	0	0
NOAA	2017	0	0	0	0
NOAA	Total	2	n/a	n/a	21,000

Source: GAO analysis of FWS and NOAA data. | GAO-18-279

Notes: FWS and NOAA officials could not provide sufficient assurance that the reward information reported to us and presented here represents all of their reward payments from fiscal years 2007 through 2017, but they said the information was complete to the best of their knowledge. We use the term wildlife trafficking to include the trafficking of plants, fish, and wildlife. We use the definition of wildlife trafficking from the Eliminate, Neutralize, and Disrupt Wildlife Trafficking Act of 2016, which defines wildlife trafficking as the poaching or other illegal taking of protected or managed species and the illegal trade in wildlife and their related parts and products.

Trafficked Asian leaf turtle with legs taped during transport



The U.S. Fish and Wildlife Service (FWS) paid a \$5,000 reward in fiscal year 2014 to a mail courier who provided law enforcement agents information on a reptile trafficking ring that was illegally importing and exporting reptiles to and from the United States and Hong Kong. The case resulted in the indictment of six defendants and the forfeiture of approximately \$24,000 worth of shipments containing live turtles, Gila monsters, and snakes. A FWS official said the courier provided the information because the individual was concerned about the animals' welfare, and was not initially aware of the potential for receiving a financial reward.

Source: FWS. | GAO-18-279

FWS reported paying rewards in trafficking cases involving a variety of wildlife species, such as eagles, bears, reptiles, and mollusks, across the 11-year period. FWS officials said they generally paid rewards to thank sources who proactively provided information. For example, based on our review of a reward case, FWS paid a reward in 2010 because the source provided information that was crucial in uncovering an attempt to illegally traffic leopards into the United States from South Africa. FWS would not have known about this illegal activity if the source had not come forward with the information. In several cases we reviewed, FWS officials said that the sources did not know about the possibility of receiving a reward when they contacted the agency with information.

The two rewards NOAA reported paying from fiscal years 2007 through 2017 involved the illegal trafficking of sea scallops and a green sea turtle. NOAA officials said that in both cases they paid a reward to thank the source who proactively provided information to law enforcement agents. For example, the agent who investigated the sea scallop case reported requesting the reward because the information the source proactively provided was timely, credible, and led to the criminal conviction of several individuals.

FWS and NOAA officials could not provide sufficient assurance that the reward information they reported to us represented all of the rewards their agencies had paid from fiscal years 2007 through 2017, but they said the information was complete to the best of their knowledge. Specifically, FWS and NOAA officials said they track all their expenditures, including reward payments, in their financial databases. However, they are not able to readily identify reward payments because their financial systems do not include a unique identifier for such payments and their reward information is located in multiple databases and formats. As a result, FWS and NOAA officials said they identified the rewards they reported to us by manually reviewing their financial and law enforcement records. In particular, FWS officials said they reviewed their paper records to identify instances when the agency paid rewards and then retrieved additional information from their financial and law enforcement databases, such as final payment amounts. NOAA officials said they identified instances when the agency paid rewards by using a combination of paper and electronic records located at NOAA's headquarters office. NOAA officials also contacted their regions to obtain additional information located at the regional offices to confirm information about the rewards NOAA had paid.

Seventeen stakeholders we interviewed who had experience investigating wildlife trafficking or expertise in using financial rewards as a law

Cotton muslin bags filled with illegally trafficked sea scallop meat



The National Oceanic and Atmospheric Administration (NOAA) paid a \$20,000 reward in fiscal year 2015 to a source who initiated contact with NOAA regarding fishermen who were illegally trafficking sea scallops. The investigation revealed that the fishermen illegally harvested a total of 34,277 pounds of scallop meat, valued at \$641,900. Seven individuals and one company were convicted. A NOAA official said the source provided information thinking it was the right thing to do and was not initially aware of the potential for receiving a financial reward.

Source: NOAA. | GAO-18-279

enforcement tool said that it would be useful for FWS and NOAA to maintain comprehensive information on the rewards they paid. For example, two stakeholders said that maintaining comprehensive information and making that information available to law enforcement agents could motivate agents to make greater use of rewards as a law enforcement tool. Two other stakeholders said that maintaining information on and monitoring reward use would allow the agencies to make ongoing adjustments, such as adjusting payment amounts, to make the most effective use of rewards in combating wildlife trafficking.

Federal internal control standards say that management should clearly document internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination.³³ Control activities can be implemented in either an automated or a manual manner, but automated control activities tend to be more reliable because they are less susceptible to human error and are typically more efficient.³⁴

FWS and NOAA officials agreed that maintaining reward information so that complete information is easily retrievable may be beneficial. FWS officials said having clearly documented and readily available reward information could improve how they manage rewards and enable them to monitor and examine their use of rewards more holistically. The officials said they may analyze options for creating a single repository for reward information but did not commit to doing so. They said that creating a single repository for reward information may involve some drawbacks, such as duplicating some data entry in separate databases. Similarly, NOAA officials said having clearly documented and readily available reward information would provide agency management with easier and more consistent access to that information. As a result, they said that they are exploring modifications to their financial and law enforcement databases to better identify and track rewards. For example, NOAA officials said they may be able to create a unique identifier to flag payments that are for rewards in their financial system to enable them to identify payment amounts more easily. NOAA officials did not provide a time frame for completing modifications to their financial system. By tracking reward information so that it is clearly documented and readily available for examination, FWS and NOAA can better ensure that they

³³ [GAO-14-704G](#).

³⁴ [GAO-14-704G](#).

have complete information on the rewards they have paid to help manage their use of rewards as a law enforcement tool.

FWS and NOAA Have Policies for Administering Reward Payments, but FWS's Policy Does Not Specify Factors to Consider When Developing Reward Amounts

FWS and NOAA have policies to guide their law enforcement agents on the process for preparing and submitting a request to pay a financial reward. Specifically, both agencies' policies call for agents to include a description of the case, the nature of the information that the source provided, a justification for providing a reward, and an explanation of how a proposed reward amount was developed. These policies also outline the general review and approval process, how payments are to be made upon approval of a request, and eligibility criteria to receive a reward. For example, FWS and NOAA policies prohibit paying rewards to foreign government officials as well as paying rewards to any person whose receipt of a reward would create a conflict of interest or the appearance of impropriety.³⁵

NOAA's policy explicitly states that the NOAA Office of Law Enforcement is to use statutorily authorized rewards as a tool to obtain information from the public on resource violations and that rewards can help promote compliance with marine resource laws. NOAA's policy suggests that agents consider advertising reward offers to assist investigations, encourages press releases, and describes the process agents should follow to do so. Moreover, NOAA's policy specifies factors that agents might include in their reward requests to support the proposed reward, such as (1) the benefit to the marine resources that was furthered by the information provided; (2) the risk, if any, the individual took in collecting and providing the information; (3) the probability that the investigation would have been successfully concluded without the information

³⁵FWS and NOAA policies do not prohibit paying rewards to foreigners who are not government officials.

provided; and (4) the relationship between any fines or other collections and the information provided.

FWS's policy specifies that rewards may be provided in situations in which an individual furnishes essential information leading to an arrest, conviction, civil penalty, or forfeiture of property. However, it does not discuss the usefulness of financial rewards as a law enforcement tool or the types of circumstances when rewards should be used or advertised to the public. Further, FWS's policy does not communicate necessary quality information internally that agents may need when deciding to request the payment of rewards. In particular, it does not specify factors for agents to consider when developing proposed reward amounts. Instead, the policy leaves it to the discretion of field and regional agents to develop proposed reward amounts within any limitations specified in law. Some FWS agents we interviewed said that they developed proposed reward amounts on a case-by-case basis and did not know whether their proposed amounts were enough, too little, or too much. In addition, some agents said that because FWS's policy does not specify factors for agents to consider, the reward approval process is subjective and unclear and this has made it challenging for the agents to develop proposed reward amounts. For example, one agent we interviewed said he submitted a request to his supervisor to pay a \$10,000 reward to a source who provided information on a major wildlife trafficker. But, for reasons unknown to the agent, his supervisor reduced the amount to \$1,000. FWS headquarters officials said field agents submit reward requests to headquarters for approval, and these officials were not aware of instances of proposed reward amounts being changed or denied during the review process.

Seven of the 20 stakeholders we interviewed suggested that FWS augment its reward policy to specify factors for agents to consider when developing proposed reward amounts. For example, helpful factors to consider when developing a proposed reward amount may include (1) the number of hours the source dedicated to the case, (2) the risk the source took in providing the information, (3) the significance of the information provided by the source, and (4) the amount of fines or other penalties collected as a result of the information. Two stakeholders expressed concern that some of FWS's reward payments were insufficient, especially when comparing the amount of time and effort or the risk a source faced in providing the information. A couple of stakeholders also said that without a policy that specifies factors for agents to consider, reward amounts may be subjective and could vary depending on which agent develops the reward proposal. Another stakeholder said that it was

important to specify factors for agents to consider when developing proposed reward amounts so that the agency has a reasonable and defensible basis for the reward amounts it pays across cases.

According to federal standards for internal control, management should internally communicate the necessary quality information to achieve an agency's objectives.³⁶ For example, management communicates quality information down and across reporting lines to enable personnel to make key decisions. FWS officials said they believe that their reward policy is sound, indicating they believe that law enforcement agents have the information they need to develop proposals for reward amounts in cases where rewards are warranted. However, they also agreed that it may be helpful to review their policy but did not commit to doing so. By augmenting its policy to specify factors for agents to consider when developing proposed reward amounts, FWS can better ensure that its agents have the necessary quality information to prepare defensible reward proposals.

FWS and NOAA Communicate Little Information to the Public on Financial Rewards

Based on our review of the agencies' websites and other communications, we found that FWS and NOAA communicate little information to the public on financial rewards for reporting information on wildlife trafficking, such as the potential availability of rewards and eligibility criteria. Specifically, some FWS and NOAA law enforcement websites provided information to the public on ways to report violations of the laws that the agencies are responsible for enforcing, such as via tip lines. Some of the websites also provided examples of the types of information the public can report, such as photos or other documentation of illegal activities. However, most of the agencies' websites did not indicate that providing information on illegal activities could result in a reward. In contrast, the FWS Alaska regional office's website provided information on the potential availability of rewards and ways the public may submit information for a potential reward. For example, this website provided phone numbers and an e-mail address for the public to use when submitting information. Figure 1 shows the information available on FWS's and NOAA's national and regional websites relevant to reporting

³⁶[GAO-14-704G](#).

violations of the laws the agencies enforce in general and on receiving rewards in particular.

Figure 1: Publicly-Available Information on Reporting Illegal Activities and Receiving Financial Rewards on U.S. Fish and Wildlife Service and National Oceanic and Atmospheric Administration Websites, as of December 2017 and January 2018

Agency/regions	Information on how to report illegal activities			Information on how to receive financial rewards		
	Ways to report violations (e.g., tip lines)	Types of information to report	Whether confidentiality will be kept	Availability of financial rewards	Eligibility criteria for receiving rewards	Ways to submit information for potential rewards
FWS OLE headquarters	✓	○	○	○	○	○
Pacific	✓	✓	✓	○	○	○
Southwest	○	○	○	○	○	○
Midwest	○	○	○	○	○	○
Southeast	✓	✓	✓	○	○	○
Northeast	○	○	○	○	○	○
Mountain Prairie	○	○	○	○	○	○
Alaska	✓	○	✓	✓	○	✓
Pacific Southwest	✓	✓	✓	○	○	○
NOAA OLE headquarters	✓	✓	○	○	○	○
Alaska	✓	✓	○	○	○	○
New England/Mid-Atlantic	✓	✓	○	○	○	○
Pacific Islands	✓	✓	○	○	○	○
Southeast	✓	✓	○	○	○	○
West Coast	✓	✓	○	○	○	○

Source: GAO analysis of U.S. Fish and Wildlife Service (FWS) Office of Law Enforcement (OLE) and National Oceanic and Atmospheric Administration (NOAA) OLE websites as of December 2017 and January 2018, respectively. | GAO-18-279

In addition, FWS and NOAA headquarters officials said their field agents have used other means to communicate the potential availability of rewards in specific cases when the agents had no other information that could help solve those cases. For example, a FWS field official said that the agency advertised a reward offer for information on a case of bald eagle killings by distributing reward posters and posting news releases in the vicinity where the killings occurred. Similarly, NOAA officials said they have advertised reward offers through various means, including circulating reward posters in specific geographic areas after an illegal activity has occurred. Figure 2 shows a reward poster that NOAA

distributed in Guam in 2017 advertising a \$1,000 reward for information leading to the arrest and conviction of sea turtle poachers.

Figure 2: National Oceanic and Atmospheric Administration (NOAA) Poster Advertising a \$1,000 Financial Reward in 2017 for Information on Sea Turtle Poachers in Guam



Source: National Oceanic and Atmospheric Administration. | GAO-18-279

Instead of having a plan for communicating general information to the public on rewards, FWS and NOAA grant discretion to their regional offices and law enforcement agents to determine the type and level of communication to provide, according to FWS and NOAA policies. FWS officials explained that because they typically use financial rewards to thank individuals who come forward on their own accord—rather than

using rewards to incentivize individuals with information to come forward—they have not seen the need to communicate more information to the public on the potential availability of rewards. NOAA officials said they have targeted their communications on rewards by publicizing reward offers for specific cases where they do not have leads. They added that they want to receive quality information and already receive a substantial amount of information from sources who reach out to them proactively, so NOAA has not seen the need to communicate more information to the public on the potential availability of rewards.

Sixteen of the 20 stakeholders we interviewed said that it would be useful for FWS and NOAA to advertise the potential availability of financial rewards. Several stakeholders said that if the public does not know about the possibility for rewards, then some people with information may not be incentivized to come forward. Two stakeholders added that agencies should carefully consider how and which reward information to communicate to the public so that people who are most likely to have information on illegal wildlife trafficking learn about the potential for rewards. For example, one stakeholder suggested advertising rewards at ports where international shipments are offloaded or placing advertisements at wildlife trafficking nodes, such as entrances to African wildlife refuges. This stakeholder suggested advertising rewards along with wildlife trafficking awareness-raising posters that nongovernment organizations place in some airports.³⁷

In addition, 14 stakeholders suggested that it would be useful for FWS and NOAA to provide information to the public on the process for submitting information to potentially receive rewards. Several other stakeholders said that it is important for the public to understand whether they may be eligible for a reward, how to submit information, and whether or to what extent their confidentiality will be protected. Another stakeholder provided examples of how other agencies provide information about their reward programs on their websites. SEC and IRS, for instance, use their websites to communicate information to the public on the process for reporting illegal activity for financial rewards. This information includes the types of information to report, confidentiality rules, eligibility criteria, and the process for submitting information to

³⁷FWS partners with private companies and WildAid—a nongovernmental organization whose mission is to reduce global consumption of wildlife-related products, among other things—to place wildlife trafficking awareness-raising posters in some airports and create and display in-flight videos, among other efforts.

obtain a reward. In addition, the Department of State posts instructions on its websites on how to submit information on an illegal activity and potentially receive a reward.

Federal internal control standards say that management should externally communicate the necessary quality information to achieve an agency's objectives.³⁸ For example, using appropriate methods to communicate, management communicates quality information so that external parties, such as the public, can help the agency achieve its objectives. This could include communicating information to the public on the types of information and eligibility requirements for potentially receiving rewards for reporting information on wildlife trafficking.

FWS officials said that making more reward information available could lead to a significant increase in the amount of information the agency receives, which, in turn, could strain FWS's resources in following up on that information. However, FWS officials also agreed that it was reasonable to consider making more reward information available to relevant members of the public, particularly in targeted circumstances, but did not commit to doing so. Similarly, NOAA officials said they had some concerns about the additional resources it might take to investigate potentially unreliable or false tips that may result if they make reward information broadly available to the public, but they agreed that it would be reasonable for the agency to consider doing so. NOAA officials also said they may consider making more reward information publicly available at the conclusion of our audit but provided no plans for doing so. By determining the types of additional information to communicate to the public on rewards—such as providing information on the agency's website on the potential availability of rewards—and then developing and implementing plans to do so, FWS and NOAA can improve their chances of obtaining information on wildlife trafficking activities that they otherwise might not receive.

³⁸[GAO-14-704G](#).

FWS and NOAA Have Not Reviewed the Effectiveness of Their Use of Financial Rewards

FWS and NOAA have not reviewed the effectiveness of their use of financial rewards or considered whether any changes might improve the usefulness of rewards as a tool for combating wildlife trafficking. FWS officials said their agency has not reviewed or considered changes to its use of rewards because the agency has not prioritized the use of rewards. NOAA officials said their agency has not focused on using rewards or identified the need to review its use of this tool, particularly in light of other, higher mission priorities.

Nine of the 20 stakeholders we interviewed said that FWS and NOAA should review the effectiveness of their use of rewards and consider potential improvements. Several stakeholders said that it would be useful for FWS and NOAA to compare their respective approaches to those of federal agencies that use rewards in contexts outside of wildlife trafficking to identify best practices or lessons learned that might be applicable in the context of combating wildlife trafficking. For example, one stakeholder said that SEC has an effective whistleblower program and may have lessons learned that are relevant for FWS and NOAA to consider. Another stakeholder we interviewed separately indicated that in 2010, before SEC had a whistleblower program that publicized rewards and provided detailed instructions on how members of the public could report information on illegal activities, SEC received few tips.³⁹ Once SEC implemented a whistleblower program that publicized rewards and provided detailed instructions on its public website, the agency's use of the program grew substantially, according to the stakeholder.⁴⁰ Other stakeholders said it would be useful for the agencies to consider potential improvements to their use of rewards, such as making a standing reward

³⁹In 2010, the SEC Office of Inspector General found that the SEC program was not designed to be successful. See Securities and Exchange Commission, Office of Inspector General, *Assessment of the SEC's Bounty Program*, Report No. 474 (Washington, D.C.: Mar. 29, 2010).

⁴⁰SEC's whistleblower program generated tips that led to more than \$975 million in monetary sanctions for violations of federal securities laws from fiscal year 2011—when SEC established policies and procedures for the program—through fiscal year 2017, according to its 2017 annual report.

offer for information on wildlife trafficking targeted at high-priority endangered species or particular criminal networks. Two of these stakeholders said such an offer might improve FWS's and NOAA's use of rewards by generating more tips than reward offers focused on individual cases. At the same time, they said such an offer would likely filter out some of the false or unproductive tips that the agencies might receive if they made an untargeted standing reward offer.

Federal internal control standards state that management should design control activities to achieve objectives and respond to risks by, for example, conducting reviews at the functional or activity level by comparing actual performance to planned or expected results and analyzing significant differences. Further, under the standards, management should periodically review policies, procedures, and related control activities for continued relevance and effectiveness in achieving an agency's objectives or addressing related risks.⁴¹ FWS and NOAA officials agreed that reviewing the effectiveness of their use of rewards would be worthwhile. Specifically, FWS officials said that it would be useful to compare their approach to those of other federal agencies that use rewards in investigating crimes that involve interstate and foreign smuggling of goods. Similarly, NOAA officials said that reviewing the agency's use of financial rewards would be worthwhile but cautioned that such a review would need to be balanced against the agency's constrained resources and many mission requirements. FWS and NOAA officials said they may consider conducting such a review at the conclusion of our audit but provided no plans for doing so. By reviewing the effectiveness of their use of rewards, FWS and NOAA can identify opportunities to improve the usefulness of rewards as a tool for combating wildlife trafficking.

Conclusions

Wildlife trafficking is a large and growing transnational criminal activity, with global environmental, security, and economic consequences. The federal government has emphasized strengthening law enforcement efforts to combat wildlife trafficking, and using financial rewards to obtain information on illegal activities is one tool that some federal agencies have used. However, to date, FWS and NOAA have not prioritized the

⁴¹[GAO-14-704G](#).

use of rewards and were unable to provide sufficient assurance that the 27 rewards they paid during fiscal years 2007 through 2017 represented all of the rewards they provided during that period. By tracking reward information so that it is clearly documented and readily available for examination, FWS and NOAA can better ensure that they have complete information on the rewards they have paid to help manage their use of rewards as a law enforcement tool.

Additionally, FWS and NOAA have policies outlining the processes their law enforcement agents are to use in making reward payments, and NOAA's policy specifies factors for its agents to consider in developing proposed reward amounts, such as the risk the individual took in collecting the information. FWS's policy does not specify such factors that could inform agents in achieving the agency's objectives, which is not consistent with federal internal control standards. By augmenting its policy to specify factors for its agents to consider when developing proposed reward amounts, FWS can better ensure that its agents have the necessary quality information to prepare defensible reward proposals.

Both agencies have also advertised the potential for rewards in specific cases when agents had no other information, but FWS and NOAA have otherwise communicated little information to the public on the potential availability of rewards. If the public does not know about the possibility of rewards, then some people with information may not be incentivized to come forward. By determining the types of additional information to communicate to the public on rewards—such as providing information on the agency's website about the potential availability of rewards—and then developing and implementing plans to do so, FWS and NOAA can improve their chances of obtaining information on wildlife trafficking activities that they otherwise might not receive.

Finally, FWS and NOAA have not reviewed the effectiveness of their use of financial rewards or considered whether any changes might improve the usefulness of rewards as a law enforcement tool. By undertaking such reviews, the agencies can identify opportunities to improve the usefulness of rewards as a tool for combating wildlife trafficking.

Recommendations for Executive Action

We are making a total of seven recommendations, including four to FWS and three to NOAA. Specifically:

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- The Assistant Director of the FWS Office of Law Enforcement should track financial reward information so that it is clearly documented and readily available for examination. (Recommendation 1)
 - The Director of the NOAA Office of Law Enforcement should track financial reward information so that it is clearly documented and readily available for examination. (Recommendation 2)
 - The Assistant Director of the FWS Office of Law Enforcement should augment FWS's financial reward policy to specify factors law enforcement agents are to consider when developing proposed reward amounts. (Recommendation 3)
 - The Assistant Director of the FWS Office of Law Enforcement should determine the types of additional information to communicate to the public on financial rewards and then develop and implement a plan for communicating that information. (Recommendation 4)
 - The Director of the NOAA Office of Law Enforcement should determine the types of additional information to communicate to the public on financial rewards and then develop and implement a plan for communicating that information. (Recommendation 5)
 - The Assistant Director of the FWS Office of Law Enforcement should review the effectiveness of the agency's use of financial rewards and implement any changes that the agency determines would improve the usefulness of financial rewards as a law enforcement tool. (Recommendation 6)
 - The Director of the NOAA Office of Law Enforcement should review the effectiveness of the agency's use of financial rewards and implement any changes that the agency determines would improve the usefulness of financial rewards as a law enforcement tool. (Recommendation 7)

Agency Comments

We provided a draft of this report for review and comment to the Departments of Commerce and the Interior. The departments transmitted written comments, which are reproduced in appendixes IV and V of this report. The Department of Commerce concurred with the three recommendations directed to NOAA and stated that NOAA is developing procedures to ensure that its rewards are closely tracked, clearly documented, and better communicated. In written comments from NOAA, NOAA stated the report fairly and thoroughly reviews NOAA's use of financial rewards. NOAA outlined the steps it plans to take in response to

our recommendations, including developing a procedure to track financial reward information, reviewing information currently disseminated to the public and evaluating whether additional information may be useful, and reviewing the agency's reward policy to determine whether changes are needed to enhance reward effectiveness.

In its written comments, the Department of the Interior concurred with the four recommendations directed to FWS. Interior stated that it appreciated our review of the challenges faced by FWS's Office of Law Enforcement in combating wildlife trafficking and identifying areas where FWS and NOAA can improve the use of financial rewards as a tool for combating wildlife trafficking. Interior also provided technical comments, which we incorporated as appropriate.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the appropriate congressional committees, the Secretaries of Commerce and the Interior, and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-3841 or fennella@gao.gov. Contact points for our Offices of Congressional Relations and of Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix VI.

Sincerely yours,

A handwritten signature in black ink that reads "Anne-Marie Fennell". The signature is written in a cursive style with a long horizontal line underneath the name.

Anne-Marie Fennell
Director, Natural Resources and Environment

Appendix I: Objectives, Scope, and Methodology

The objectives of our review were to (1) identify laws that authorize the U.S. Fish and Wildlife Service (FWS) and the National Oceanic and Atmospheric Administration (NOAA) to pay financial rewards¹ for information on wildlife trafficking² and the extent to which these agencies paid such rewards from fiscal years 2007 through 2017, (2) evaluate FWS's and NOAA's policies on financial rewards, (3) evaluate the information available to the public on financial rewards, and (4) determine the extent to which FWS and NOAA reviewed the effectiveness of their use of financial rewards in combating wildlife trafficking.

To address these objectives, we reviewed academic literature on the use of financial rewards to combat illegal activities and United Nations Environment Programme reports on the scope and scale of wildlife trafficking. We also interviewed officials from federal agencies that play a role in combating wildlife trafficking or manage programs that pay financial rewards for information on illegal activities. Specifically, we interviewed officials from the Departments of Agriculture, Commerce, Homeland Security, the Interior, Justice, and State, as well as officials from the Internal Revenue Service, the U.S. Securities and Exchange Commission, and the U.S. Agency for International Development. In addition, we reviewed documentation that the Department of the Treasury provided on its role in paying financial rewards. We did not compare FWS's and NOAA's use of financial rewards in combating wildlife trafficking to federal agencies' use of financial rewards in other contexts

¹In this report, we use the term reward to refer to a financial payment an agency makes to a person after the completion of an investigation, prosecution, or civil or administrative proceeding. A reward differs from purchasing information, which is an investigative tool to assist in completing an investigation and developing a civil, administrative, or criminal case. It is possible that an agency could purchase information from a person during a case and then pay that person a reward at the case's conclusion if information the person provided met applicable requirements for a reward.

²In this report, we use the term wildlife trafficking to include the trafficking of plants, fish, and wildlife. We also use the definition of wildlife trafficking from the Eliminate, Neutralize, and Disrupt Wildlife Trafficking Act of 2016, which defines wildlife trafficking as the poaching or other illegal taking of protected or managed species and the illegal trade in wildlife and their related parts and products.

because the different contexts are not directly comparable. However, we reviewed information on other federal agencies' use of financial rewards as examples of how financial rewards are used in contexts outside of wildlife trafficking. In addition, we interviewed representatives of six nongovernmental organizations that we selected based on those organizations' knowledge or experience in combating wildlife trafficking. Specifically, we interviewed representatives from the Elephant Action League, the Environmental Investigation Agency, the National Association of Conservation Law Enforcement Chiefs, the National Whistleblower Center, TRAFFIC, and the World Wildlife Fund.

To identify laws that authorize FWS and NOAA to pay financial rewards for information on wildlife trafficking, we asked FWS and NOAA attorneys to compile a list of laws that each of their agencies implements or enforces that prohibit wildlife trafficking and authorize the agency to pay rewards for providing information about trafficking. We then compared that list to the results of our search of the United States Code for such laws. We also reviewed FWS and NOAA documentation for accounts where the fines, penalties, and proceeds from forfeited property that are used to pay rewards are deposited as well as the accounts where appropriations available to pay rewards were deposited.³ To identify the extent to which FWS and NOAA have paid financial rewards for information on wildlife trafficking, we analyzed FWS and NOAA data on financial rewards the agencies reported paying from fiscal years 2007 through 2017.⁴ The data included information on, among other things,

- reward amounts,
- the fiscal years in which rewards were paid,
- laws under which rewards were paid,
- types of wildlife involved in those cases,
- the amounts of civil penalties or criminal fines imposed in those cases,
- the numbers of arrests and convictions as a result of those cases, and

³We did not assess whether these accounts contained all the money that was supposed to be deposited in them because that was outside the scope of our review.

⁴We excluded 25 rewards with a combined value of \$50,500 that FWS reported paying from fiscal years 2007 through 2017 and 3 rewards with a combined total of \$2,500 that NOAA reported paying during that same period because the agencies paid those rewards for information on illegal activities other than wildlife trafficking.

- whether reward recipients were individuals or groups and U.S. or foreign citizens.

To assess the reliability of the data FWS and NOAA provided on financial rewards, we interviewed agency officials knowledgeable about the data and compared the data to case records the agencies provided. Specifically, FWS and NOAA officials said they track all expenditures, including reward payments, in their financial databases, but they are not able to readily identify reward payments because their financial systems do not include a unique identifier for such payments and their reward information is located in multiple databases and formats. As a result, FWS and NOAA officials said they identified the rewards that they reported to us by manually reviewing their financial and law enforcement records, and officials said the information was complete to the best of their knowledge. Based on these steps, we found the data that the agencies provided to us to be sufficiently reliable for reporting information on the rewards the agencies reported paying. However, as we discuss in the report, FWS and NOAA officials could not provide sufficient assurance that the data included all the financial rewards that they had paid from fiscal years 2007 through 2017.

To obtain additional detail about cases where financial rewards were paid, we reviewed a nongeneralizable sample of 10 wildlife trafficking cases. We selected these cases based on

- the agency that investigated the case (to include both FWS and NOAA cases),
- the amount of the reward paid in the case (to reflect both low and high amounts),
- the year in which the reward was paid (to include rewards paid more recently), and
- the type of wildlife trafficked in the case (to include both fish and wildlife cases—there were no plant trafficking cases to select).

While the findings from our review cannot be generalized to cases we did not select and review, they illustrate how FWS and NOAA have used financial rewards in wildlife trafficking cases.

To evaluate FWS and NOAA policies on financial rewards, we reviewed relevant FWS and NOAA policies and compared them to each other; interviewed FWS and NOAA officials about those policies; and compared

the information in the policies with federal internal control standards on information and communication.⁵ To evaluate information available to the public on rewards, we reviewed relevant FWS and NOAA publications and examples of communications to the public on the availability of rewards in specific cases and interviewed FWS and NOAA officials. We also reviewed information available on FWS's and NOAA's national and regional websites as of December 2017 and January 2018, respectively, relevant to reporting violations of the laws that the agencies enforce in general and on receiving rewards in particular. We compared the agencies' public communications on rewards with federal internal control standards on information and communication.⁶ To evaluate the extent to which FWS and NOAA reviewed the effectiveness of their use of financial rewards in combating wildlife trafficking, we interviewed FWS and NOAA officials and requested any reviews the agencies had conducted regarding their use of financial rewards to compare with federal internal control standards on control activities.⁷ FWS and NOAA did not have any such reviews to provide.

In addition, for all four objectives, we interviewed a nongeneralizable sample of 20 stakeholders who had experience investigating wildlife trafficking or expertise in the use of financial rewards as a law enforcement tool. To select stakeholders to interview, we first identified a list of stakeholders by reviewing (1) FWS and NOAA data on law enforcement agents with at least 5 years of experience who had investigated wildlife trafficking cases and used financial rewards, (2) Department of Justice data on federal prosecutors who had prosecuted wildlife trafficking cases since fiscal year 2014, (3) literature search results identifying academics with expertise in the use of financial rewards as a law enforcement tool and federal programs that use financial rewards to combat illegal activities in contexts outside of wildlife trafficking, (4) the biographies of members of the federal Advisory Council on Wildlife Trafficking, and (5) recommendations from stakeholders we interviewed. From this list, we then used a multistep process to select the 20 stakeholders to interview. To ensure coverage and a range of perspectives, we selected stakeholders from the following groups:

⁵GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

⁶[GAO-14-704G](#).

⁷[GAO-14-704G](#).

- FWS and NOAA law enforcement agents, including field and supervisory agents;
- federal prosecutors responsible for prosecuting wildlife trafficking cases;
- federal officials responsible for programs that use financial rewards to combat illegal activities in contexts outside of wildlife trafficking;
- academics with expertise in the use of financial rewards as a law enforcement tool;
- members of the federal Advisory Council on Wildlife Trafficking;⁸ and
- representatives of nongovernmental organizations that investigate wildlife trafficking.

We conducted semistructured interviews with the 20 selected stakeholders using a standard set of questions. We asked questions about stakeholder views on the usefulness of financial rewards in combating wildlife trafficking; the strength and weaknesses of the statutory provisions that authorize federal agencies to pay financial rewards for information on wildlife trafficking; FWS's and NOAA's use of financial rewards to combat wildlife trafficking; and how, if at all, the two agencies could improve their use of financial rewards to combat wildlife trafficking. We analyzed the stakeholders' responses to our questions, grouping the responses into overall themes. We summarized the results of our analysis and then shared the summary with relevant FWS and NOAA officials to obtain their views. Views from these stakeholders cannot be generalized to those whom we did not select and interview.

We conducted this performance audit from February 2017 to April 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁸The Advisory Council on Wildlife Trafficking advises and makes recommendations to the Presidential Task Force on Wildlife Trafficking on issues related to combating wildlife trafficking. The eight-member advisory council includes representatives from the private sector, former government officials, representatives from nongovernmental organizations, and other experts on wildlife trade.

Appendix II: Laws Implemented or Enforced by FWS and NOAA That Prohibit Wildlife Trafficking and Authorize Financial Rewards

The Department of the Interior's U.S. Fish and Wildlife Service (FWS) and the Department of Commerce's National Oceanic and Atmospheric Administration¹ (NOAA) implement or enforce multiple laws that specifically authorize the payment, under specified circumstances, of financial rewards to persons for information about violations of laws that prohibit wildlife trafficking.² The laws that FWS officials identified are listed and summarized in table 3, and the laws that NOAA officials identified are listed and summarized in table 4.³

¹The NOAA Office of Law Enforcement is part of NOAA's National Marine Fisheries Service, which is responsible for the stewardship of the nation's ocean resources and their habitat. The NOAA Office of Law Enforcement provides law enforcement services for all of NOAA, so we use the term NOAA in this report, but we focus on the office's work enforcing laws that the National Marine Fisheries Service implements.

²We use the term reward to refer to a financial payment an agency makes to a person after the completion of an investigation, prosecution, or civil or administrative proceeding. A reward differs from purchasing information, which is an investigative tool to assist in completing an investigation and developing a civil or criminal case. It is possible that an agency could purchase information from a person during a case and then pay that person a reward at the case's conclusion if information the person provided met applicable requirements for a reward.

³FWS and NOAA reward policies provide a list of laws they identified as authorizing the payment of financial rewards to persons for information about violations of laws that prohibit wildlife trafficking. However, FWS's policy does not identify the Antarctic Conservation Act as a law authorizing payment of rewards. FWS officials did not provide a reason why they excluded this law from the policy document. NOAA's policy provides examples of laws that the NOAA Office of Law Enforcement enforces that authorize payment of rewards but does not list the Antarctic Conservation Act, the Antarctic Marine Living Resources Convention Act of 1984, or the National Marine Sanctuaries Act. NOAA officials said they excluded these laws because the Magnuson-Stevens Fishery Conservation and Management Act's reward provision authorizes a reward for information provided about violations of these laws.

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Table 3: Laws That the U.S. Fish and Wildlife Service (FWS) Implements and Identified as Prohibiting Wildlife Trafficking and Authorizing the Payment of Financial Rewards

Law authorizing reward	Summary of law
African Elephant Conservation Act: 16 U.S.C. § 4225	<ul style="list-style-type: none"> • Who is authorized to pay rewards: The Secretary of the Treasury, upon recommendation of the Secretary of the Interior. • Source of moneys to pay rewards: The penalties collected under the act, subject to appropriations. • Who is eligible to receive rewards: Any person who furnishes information that leads to a civil penalty or criminal conviction under the act, except for an officer or employee of the United States or any state or local government who furnishes information in performing his or her official duties. • Possible reward amount: Equal to not more than half of any criminal or civil penalty or fine with respect to which the reward is paid, or \$25,000, whichever is less.
Antarctic Conservation Act, as amended: 16 U.S.C. § 2409(b)(4)	<ul style="list-style-type: none"> • Who is authorized to pay rewards: Any officer authorized by the Director of the National Science Foundation or the Secretaries of Commerce, Homeland Security, the Interior, or the Treasury. • Source of moneys to pay rewards: Not specified. • Who is eligible to receive rewards: Persons who provide information that may lead to the apprehension of violators of the act or any regulation or permit issued under the act. • Possible reward amount: Not specified.
Bald and Golden Eagle Protection Act, as amended: 16 U.S.C. § 668(a)	<ul style="list-style-type: none"> • Who is authorized to pay rewards: Not specified. • Source of moneys to pay rewards: Fines imposed for violating the act. • Who is eligible to receive rewards: Persons who give information that leads to a conviction. • Possible reward amount: Half of any fine imposed, not to exceed \$2,500.
Endangered Species Act, as amended: 16 U.S.C. § 1540(d)	<ul style="list-style-type: none"> • Who is authorized to pay rewards: The Secretaries of Agriculture, Commerce, the Interior, and the Treasury. • Source of moneys to pay rewards: Penalties, fines, and forfeitures of property under the act. • Who is eligible to receive rewards: Any person who furnishes information that leads to an arrest, criminal conviction, civil penalty assessment, or forfeiture of property for any violation of the act or its implementing regulations, except for any officer or employee of the United States or any state or local government who furnishes information in performing his or her official duties. • Possible reward amount: The amount of the reward is designated by the Secretary of Agriculture, Commerce, the Interior, or the Treasury, as appropriate.

**Appendix II: Laws Implemented or Enforced by
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Law authorizing reward	Summary of law
Fish and Wildlife Improvement Act, as amended: 16 U.S.C. § 742l(k)(2) ^a	<ul style="list-style-type: none"> • Who is authorized to pay rewards: The Secretaries of Commerce and the Interior. • Source of moneys to pay rewards: Appropriations. • Who is eligible to receive rewards: Not specified. • Possible reward amount: Not specified.
Lacey Act, as amended: 16 U.S.C. § 3375(d)	<ul style="list-style-type: none"> • Who is authorized to pay rewards: The Secretaries of Agriculture, Commerce, the Interior, and the Treasury. • Source of moneys to pay rewards: Penalties, fines, and forfeitures of property under the act. • Who is eligible to receive rewards: Any person who furnishes information that leads to an arrest, criminal conviction, civil penalty assessment, or forfeiture of property for violating the act or implementing regulations, except for any officer or employee of the United States or any state or local government who furnishes information in performing his or her official duties. • Possible reward amount: The amount of the reward is designated by the Secretary of Agriculture, Commerce, the Interior, or the Treasury, as appropriate.
Marine Mammal Protection Act, as amended: 16 U.S.C. § 1376(c)	<ul style="list-style-type: none"> • Who is authorized to pay rewards: The Secretary of the Treasury, upon the recommendation of the Secretary of Commerce or the Secretary of the Interior. • Source of moneys to pay rewards: Not specified. • Who is eligible to receive rewards: Any person who furnishes information that leads to a conviction for violating the act, except for officers or employees of the United States or any state or local government who furnishes information in performing his or her official duties. • Possible reward amount: An amount equal to half of the fine incurred but not to exceed \$2,500.
Rhinoceros and Tiger Conservation Act of 1998: 16 U.S.C. § 5305a(f)	Authorizes rewards in accordance with the Lacey Act, 16 U.S.C. § 3375(d).
Wild Bird Conservation Act: 16 U.S.C. §§ 4912(c), 4913(b)(2)(A)	Authorizes rewards in accordance with the Lacey Act, 16 U.S.C. § 3375(d).

Source: GAO analysis of laws identified by FWS officials as prohibiting wildlife trafficking that FWS implements and that authorize the payment of financial rewards. | GAO-18-279

^aThe Fish and Wildlife Improvement Act of 1978 as amended authorizes the Secretary of the Interior to use, in undercover or other enforcement operations, appropriations to pay for information, rewards, or evidence concerning violations of laws that FWS administers relating to plants, fish, or wildlife. In addition to the laws listed in the table, Department of the Interior officials identified the Migratory Bird Treaty Act of 1918 as a law that it administers relating to plants, fish, or wildlife that prohibits trafficking. These officials said that if an individual violates this law, which prohibits, among other things, the killing and selling of migratory birds not authorized by regulation, officials could pay a reward for information on the violation using the Fish and Wildlife Improvement Act's reward provision.

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Table 4: Laws That the National Oceanic and Atmospheric Administration (NOAA) Implements and Identified as Prohibiting Wildlife Trafficking and Authorizing the Payment of Financial Rewards

Law authorizing reward	Summary of law
Antarctic Conservation Act, as amended: 16 U.S.C. § 2409(b)(4)	<ul style="list-style-type: none"> • Who is authorized to pay rewards: Any officer authorized by the Director of the National Science Foundation or the Secretary of Commerce, Homeland Security, the Interior, or the Treasury. • Source of moneys to pay rewards: Not specified. • Who is eligible to receive rewards: Persons who provide information that may lead to the apprehension of violators of the act or any regulation or permit issued under the act. • Possible reward amount: Not specified.
Antarctic Marine Living Resources Convention Act of 1984: 16 U.S.C. § 2439(b)(5)	<ul style="list-style-type: none"> • Who is authorized to pay rewards: Any officer or employee authorized by the Secretary of Commerce or the Secretary of Homeland Security. • Source of moneys to pay rewards: Not specified. • Who is eligible to receive rewards: Persons who provide information that may lead to the apprehension of people violating the act. • Possible reward amount: Not specified.
Endangered Species Act, as amended: 16 U.S.C. § 1540(d)	<ul style="list-style-type: none"> • Who is authorized to pay rewards: The Secretaries of Agriculture, Commerce, the Interior, and the Treasury. • Source of moneys to pay rewards: Penalties, fines, and forfeitures of property under the act. • Who is eligible to receive rewards: Any person who furnishes information that leads to an arrest, criminal conviction, civil penalty assessment, or forfeiture of property for any violation of the act or its implementing regulations, except for any officer or employee of the United States or any state or local government who furnishes information in performing his or her official duties. • Possible reward amount: The amount of the reward is designated by the Secretary of Agriculture, Commerce, the Interior, or the Treasury, as appropriate.
Fish and Wildlife Improvement Act, as amended: 16 U.S.C. § 742l(k)(2) ^a	<ul style="list-style-type: none"> • Who is authorized to pay rewards: The Secretary of Commerce and the Secretary of the Interior. • Source of moneys to pay rewards: Appropriations. • Who is eligible to receive rewards: Not specified. • Possible reward amount: Not specified.
Lacey Act, as amended: 16 U.S.C. § 3375(d)	<ul style="list-style-type: none"> • Who is authorized to pay rewards: The Secretaries of Agriculture, Commerce, the Interior, and the Treasury. • Source of moneys to pay rewards: Penalties, fines, and forfeitures of property under the act. • Who is eligible to receive rewards: Any person who furnishes information that leads to an arrest, criminal conviction, civil penalty assessment, or forfeiture of property for violating the act or implementing regulations, except for any officer or employee of the United States or any state or local government who furnishes information in performing his or her official duties. • Possible reward amount: The amount of the reward is designated by the Secretary of Agriculture, Commerce, the Interior, or the Treasury, as appropriate.

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Law authorizing reward	Summary of law
Magnuson-Stevens Fishery Conservation and Management Act, as amended: 16 U.S.C. § 1861(e)(1)(B)	<ul style="list-style-type: none"> • Who is authorized to pay rewards: The Secretaries of Commerce and the Treasury. • Source of moneys to pay rewards: Fines, penalties, and forfeitures of property for violations of the act or any other fishery resource law enforced by the Secretary of Commerce. • Who is eligible to receive rewards: Any person who furnishes information that leads to an arrest, conviction, civil penalty assessment, or forfeiture of property for any violation of the act or other marine resource law enforced by the Secretary of Commerce. • Possible reward amount: Not less than 20 percent of the penalty collected or \$20,000, whichever is the lesser amount.
Marine Mammal Protection Act, as amended: 16 U.S.C. § 1376(c)	<ul style="list-style-type: none"> • Who is authorized to pay rewards: The Secretary of the Treasury, upon the recommendation of the Secretary Commerce or the Secretary of the Interior. • Source of moneys to pay rewards: Not specified. • Who is eligible to receive rewards: Any person who furnishes information that leads to a conviction for violating the act, except for officers or employees of the United States or any state or local government who furnishes information in performing his or her official duties. • Possible reward amount: An amount equal to half of the fine incurred but not to exceed \$2,500.
National Marine Sanctuaries Act, as amended: 16 U.S.C. § 1437(f)(1)(C)(ii)	<ul style="list-style-type: none"> • Who is authorized to pay rewards: Not specified. • Source of moneys to pay rewards: Civil penalties received under the act and forfeitures of property, if any amounts received from forfeitures remain after paying the reasonable and necessary costs of temporary storage, care, maintenance, and disposal of seized sanctuary resources or other property seized in connection with a violation of the act or implementing regulation or permit issued thereunder. • Who is eligible to receive rewards: Any person who furnishes information leading to an assessment of a civil penalty or forfeiture of property for violating the act, its implementing regulations, or a permit issued thereunder. • Possible reward amount: Not specified.

Source: GAO analysis of laws identified by NOAA officials as prohibiting wildlife trafficking that NOAA implements and that authorize the payment of financial rewards. | GAO-18-279

^aThe Fish and Wildlife Improvement Act of 1978 as amended authorizes the Secretary of Commerce to use, in undercover or other enforcement operations, appropriations to pay for information, rewards, or evidence concerning violations of the laws that NOAA administers relating to plants, fish, or wildlife. NOAA officials said they could use the reward provision in the Fish and Wildlife Improvement Act to pay a reward for information regarding a violation of any of the laws listed in this table or in table 5.

In addition, as noted above, the reward provisions in the Magnuson-Stevens Fishery Conservation and Management Act as amended and the Fish and Wildlife Improvement Act as amended authorize the payment of rewards for information about violations of multiple laws. Specifically, the Magnuson-Stevens Fishery Conservation and Management Act as amended authorizes the payment of rewards for information about violations of the act as well as any other marine resource law that the Secretary of Commerce enforces. Further, the Fish and Wildlife Improvement Act as amended authorizes the payment of rewards for information about violations of any law administered by NOAA's National

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Marine Fisheries Service relating to plants, fish, or wildlife. NOAA officials identified 14 such laws that prohibit wildlife trafficking (see table 5). If a violation of the laws listed in table 5 occurs, NOAA officials said they could use the Magnuson-Stevens Fishery Conservation and Management Act or Fish and Wildlife Improvement Act reward provision to pay a reward for information on the violation. None of the laws listed in table 5 specifically authorize the payment of financial rewards.

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Table 5: Laws That the National Oceanic and Atmospheric Administration (NOAA) Enforces or National Marine Fisheries Service (NMFS) Administers and Identified as Prohibiting Wildlife Trafficking That Are Covered by the Reward Provisions in Other Laws

Law
Atlantic Tunas Convention Act of 1975: 16 U.S.C. §§ 971-971k
Billfish Conservation Act of 2012 ^a : 16 U.S.C. § 1827
Ensuring Access to Pacific Fisheries Act: 16 U.S.C. §§ 7701-7710
Fur Seal Act of 1966, as amended: 16 U.S.C. §§ 1151-1175
High Seas Fishing Compliance Act of 1995: 16 U.S.C. §§ 5501-5509
North Pacific Anadromous Stocks Act of 1992, as amended: 16 U.S.C. §§ 5001-5012
Northern Pacific Halibut Act of 1982, as amended: 16 U.S.C. §§ 773-773k
Northwest Atlantic Fisheries Convention Act of 1995, as amended: 16 U.S.C. §§ 5601-5610
Pacific Salmon Treaty Act of 1985, as amended: 16 U.S.C. §§ 3631-3645
South Pacific Tuna Act of 1988, as amended: 16 U.S.C. §§ 973-973r
Sponge Act ^b : 16 U.S.C. §§ 781-785
Tuna Conventions Act of 1950, as amended: 16 U.S.C. §§ 951-962
Western and Central Pacific Fisheries Convention Implementation Act, as amended: 16 U.S.C. §§ 6901-6910
Whaling Convention Act of 1949: 16 U.S.C. §§ 916-916l

Source: GAO analysis of laws identified by NOAA officials as prohibiting wildlife trafficking that NOAA enforces or NMFS administers. | GAO-18-279

Note: The laws listed in this table are covered by the reward provisions in the Fish and Wildlife Improvement Act of 1978 as amended and the Magnuson-Stevens Fishery Conservation and Management Act as amended.

^aNOAA does not consider this law to prohibit wildlife trafficking because it prohibits only sale of billfish, but does not specifically prohibit the import, export, or transport of billfish in interstate or foreign commerce.

^bNOAA does not consider this law to prohibit wildlife trafficking because it prohibits the taking, possession, or sale of certain sponges, but does not specifically prohibit the import, export, or transport of these sponges in interstate or foreign commerce.

Appendix III: FWS and NOAA Cases in Which the Agencies Reported Paying Rewards, Fiscal Years 2007 through 2017

Table 6 provides information on U.S. Fish and Wildlife Service and National Oceanic and Atmospheric Administration cases where these agencies reported paying rewards for information on wildlife trafficking from fiscal years 2007 through 2017.

Table 6: U.S. Fish and Wildlife Service (FWS) and National Oceanic and Atmospheric Administration (NOAA) Cases in Which the Agencies Reported Paying Rewards for Information on Wildlife Trafficking, Fiscal Years 2007-2017

Agency	Fiscal year	Reward amount (dollars)	Law(s) under which reward was paid	Types of plants, fish, or wildlife involved in the case	Civil penalties or criminal fines imposed ^a (dollars)	Number of convictions resulting from the case
FWS	2007	10,000	Endangered Species Act	Angelfish	30,000	1
FWS	2007	2,500	Lacey Act	Chameleon	2,000	1
FWS	2008	12,000	African Elephant Conservation Act	African elephant	100,000	1
FWS	2008	7,500	Lacey Act	Golden eagle, grizzly bear	123	1
FWS	2009	5,000	Lacey Act	Rhesus monkey	325	2
FWS	2009	40,000	Lacey Act	Bald eagle, golden eagle	825	13
FWS	2009	2,500	Fish and Wildlife Improvement Act (for violation of the Migratory Bird Treaty Act), Bald and Golden Eagle Protection Act	Bald eagle, hawk	0	2
FWS	2010	5,000	Lacey Act	Grizzly bear	6,000	2
FWS	2010	4,500	Lacey Act	White-tailed deer, wolf	10,000	1
FWS	2010	4,000	Lacey Act	Leopard	65,000	8
FWS	2010	30,000	Lacey Act	Black-backed wagtail, washboard mussels	123,000	8
FWS	2011	2,000	Lacey Act	Bobcat	0	2

**Appendix III: FWS and NOAA Cases in Which
the Agencies Reported Paying Rewards, Fiscal
Years 2007 through 2017**

Agency	Fiscal year	Reward amount (dollars)	Law(s) under which reward was paid	Types of plants, fish, or wildlife involved in the case	Civil penalties or criminal fines imposed^a (dollars)	Number of convictions resulting from the case
FWS	2011	3,000	Endangered Species Act	Rhinoceros horn	0	2
FWS	2011	2,500	Lacey Act	North American brown bear	50,000	1
FWS	2012	8,500	Endangered Species Act	Jaguar, crocodile	600	2
FWS	2012	3,500	Lacey Act	White-tailed deer	20,864	7
FWS	2012	3,500	Fish and Wildlife Improvement Act (for violation of the Migratory Bird Treaty Act)	Bald eagle, hawk, golden eagle, Delhi sands fly, Cooper's hawk	2,475	4
FWS	2013	20,000	Lacey Act and Endangered Species Act	Indian star tortoise, radiated tortoise, gavial	0	2
FWS	2013	3,000	Lacey Act	Alligator	0	3
FWS	2013	4,500 ^b	Lacey Act	Deer	1,000,000	1
FWS	2013	5,000	Endangered Species Act	Leopard	2,000	1
FWS	2013	1,000	Fish and Wildlife Improvement Act (for violation of the Migratory Bird Treaty Act)	Bald eagle	15,000	2
FWS	2014	5,000	Endangered Species Act	Pig-nosed turtle, spotted turtle, keeled box turtle, boa constrictor, twin-spotted rat snake, black-breasted hill turtle, Gila monster, Arakan forest turtle, beauty rat snake, big-headed turtle, ball python, eastern box turtle	0	2
NOAA	2012	1,000	Magnuson-Stevens Fishery Conservation and Management Act, as amended (for violation of the Endangered Species Act)	Green sea turtle	0	1
NOAA	2015	20,000	Magnuson-Stevens Fishery Conservation and Management Act, as amended (for violation of the Lacey Act)	Sea scallops	520,371	7 individuals and 1 company

Source: GAO analysis of FWS and NOAA data. | GAO-18-279

Notes: FWS and NOAA officials could not provide sufficient assurance that the reward information reported to us and presented here represents all of their reward payments from fiscal years 2007 through 2017, but they said the information was complete to the best of their knowledge. We use the term wildlife trafficking to include the trafficking of plants, fish, and wildlife. We use the definition of wildlife trafficking from the Eliminate, Neutralize, and Disrupt Wildlife Trafficking Act of 2016, which

**Appendix III: FWS and NOAA Cases in Which
the Agencies Reported Paying Rewards, Fiscal
Years 2007 through 2017**

defines wildlife trafficking as the poaching or other illegal taking of protected or managed species and the illegal trade in wildlife and their related parts and products.

^aMultiple laws, such as the Endangered Species Act and Lacey Act, authorize civil penalties and criminal fines to be imposed for violations.

^bFWS paid three rewards in this case—one for \$2,500 and two for \$1,000 each.

Appendix IV: Comments from the Department of Commerce



UNITED STATES DEPARTMENT OF COMMERCE
The Secretary of Commerce
Washington, D.C. 20230

March 28, 2018

Ms. Anne-Marie Fennell
Director, Natural Resources and Environment
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Fennell:

Thank you for the opportunity to review and comment on the Government Accountability Office's (GAO) draft report titled *Combating Wildlife Trafficking: Opportunities Exist to Improve the Use of Financial Rewards* (GAO-18-279).

The Department of Commerce agrees with GAO's recommendations. The National Oceanic and Atmospheric Administration (NOAA) is developing procedures to ensure financial rewards specific to the Endangered Species Act and the Lacey Act are closely tracked, clearly documented, and better communicated. NOAA will also review the effectiveness of its use of financial rewards.

If you have any questions, please contact MaryAnn Mausser, GAO Liaison, at (202) 482-8120 or MMausser@doc.gov.

Sincerely,


Wilbur Ross

Enclosure

Department of Commerce
National Oceanic and Atmospheric Administration
Response to the GAO Draft Report Titled
*Combating Wildlife Trafficking: Opportunities Exist to
Improve the Use of Financial Rewards*
(GAO-18-279)

General Comments

The Department of Commerce's National Oceanic and Atmospheric Administration (NOAA) appreciates the opportunity to review the Government Accountability Office's (GAO) draft report. This report fairly and thoroughly reviews the use of financial rewards by NOAA and highlighted areas where NOAA can improve its capacity to utilize financial rewards to combat wildlife trafficking. NOAA concurs with recommendations 2, 5, and 7 that are specific to NOAA.

NOAA agrees with GAO and acknowledges the effectiveness and value in using financial rewards to combat wildlife trafficking. NOAA has one point of clarification on page 23 of the draft report. While GAO correctly noted that increasing the use of rewards may impact the workload of law enforcement personnel, NOAA's concern is related to the additional resources required to investigate the increase in unreliable and false allegations that may result if rewards are too broadly utilized and communicated.

NOAA Response to GAO Recommendations

The draft GAO report states, "We are making a total of seven recommendations, including four to the Fish and Wildlife Service and three to NOAA."

Recommendation 2: "The Director of the NOAA Office of Law Enforcement should track financial reward information so that it is clearly documented and readily available for examination."

NOAA Response: NOAA concurs with this recommendation. Our tracking procedure is under development.

Recommendation 5: "The Director of the NOAA Office of Law Enforcement should determine the types of additional information to communicate to the public on financial rewards and then develop and implement a plan for communicating that information."

NOAA Response: NOAA concurs with this recommendation. NOAA agrees that the communication of some additional information related to potential rewards may be useful. NOAA will review the information currently disseminated to the public and evaluate whether additional information related to rewards may be useful in obtaining reliable and accurate information related to illegal take and trafficking of marine resources. Based on this review, NOAA will consider increasing awareness of rewards programs by adding appropriate information to our webpages, outreach materials, and other communications media. NOAA will also continue to leverage local news and media networks to publicize rewards in cases where warranted.

Recommendation 7: “The Director of the NOAA Office of Law Enforcement should review the effectiveness of the agency’s use of financial rewards and implement any changes the agency determines would improve the usefulness of financial rewards as a law enforcement tool.”

NOAA Response: NOAA concurs with this recommendation. NOAA will review our rewards policy and use of rewards within the NOAA Office of Law Enforcement to determine whether changes are needed to enhance the effectiveness to obtain valuable information for detecting and solving marine resource violations under NOAA jurisdiction. NOAA will examine whether rewards can be more broadly or effectively utilized to generate reliable information of marine resource violations, in particular high-priority areas in conjunction with the NOAA Enforcement Priorities. Modifications to the use of rewards by NOAA will be publicized where appropriate in conjunction with recommendation 5 above.

Appendix V: Comments from the Department of the Interior



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

MAR 27 2018

Ms. Anne-Marie Fennell
Director, Natural Resources and Environment
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Fennell:

Thank you for providing the U.S. Department of the Interior (Department) the opportunity to review and comment on the draft Government Accountability Office (GAO) report entitled, *Combating Wildlife Trafficking: Opportunities Exist to Improve the Use of Financial Rewards* (GAO-18-279). The Department concurs with the four recommendations directed to the U.S. Fish and Wildlife Service (FWS) Office of Law Enforcement (OLE).

We appreciate GAO's review of the challenges faced by OLE in combating wildlife trafficking and identifying areas where FWS and its partner agency, the National Oceanic and Atmospheric Administration, can improve on the use of financial rewards as a tool for combating wildlife trafficking.

Enclosed are some technical comments for your consideration when finalizing the report. If you have any questions or need additional information, please contact Mr. Kevin Garlick with the FWS OLE, at (703) 358-1949.

Sincerely,

Jason Larrabee
Principal Deputy Assistant Secretary
for Fish and Wildlife and Parks
Exercising the Authority of the
Assistant Secretary
for Fish and Wildlife and Parks

Enclosure

Appendix VI: GAO Contact and Staff Acknowledgments

GAO Contact

Anne-Marie Fennell, (202) 512-3841 or fennella@gao.gov

Staff Acknowledgments

In addition to the contact named above, Alyssa M. Hundrup (Assistant Director), David Marroni (Analyst-in-Charge), Cindy Gilbert, Keesha Luebke, Jeanette Soares, Sheryl Stein, Sara Sullivan, and Judith Williams made key contributions to this report.

Appendix VII: Accessible Data

Data Tables

Accessible Data for Figure 1: Publicly-Available Information on Reporting Illegal Activities and Receiving Financial Rewards on U.S. Fish and Wildlife Service and National Oceanic and Atmospheric Administration Websites, as of December 2017 and January 2018

n/a	n/a	Information on how to report illegal activities		Information on how to receive financial rewards		
Agency/regions	Ways to report violations (e.g., tip lines)	Types of information to report	Whether confidentiality will be kept	Availability of financial rewards	Eligibility criteria for receiving rewards	Ways to submit information for potential rewards
FWS OLE headquarters	yes	n/a	n/a	n/a	n/a	n/a
Pacific	yes	yes	yes	n/a	n/a	n/a
Southwest	n/a	n/a	n/a	n/a	n/a	n/a
Midwest	n/a	n/a	n/a	n/a	n/a	n/a
Southeast	yes	yes	yes	n/a	n/a	n/a
Northeast	n/a	n/a	n/a	n/a	n/a	n/a
Mountain Prairie	n/a	n/a	n/a	n/a	n/a	n/a
Alaska	yes	n/a	yes	yes	n/a	yes
Pacific Southwest	yes	yes	yes	n/a	n/a	n/a
NOAA OLE headquarters	yes	yes	n/a	n/a	n/a	n/a
Alaska	yes	yes	n/a	n/a	n/a	n/a
New England/Mid-Atlantic	yes	yes	n/a	n/a	n/a	n/a
Pacific Islands	yes	yes	n/a	n/a	n/a	n/a
Southeast	yes	yes	n/a	n/a	n/a	n/a
West coast	yes	yes	n/a	n/a	n/a	n/a

Agency Comment Letters

Accessible Text for Appendix IV: Comments from the Department of Commerce

Page 1

March 28, 2018

UNITED STATES DEPARTMENT OF COMMERCE

The Secretary of Commerce

Washington, D.C. 20230

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Director, Natural Resources and Environment

U.S. Government Accountability Office

441 G Street, NW

Washington, DC 20548

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Wilbur Ross

Enclosure

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Department of Commerce

National Oceanic and Atmospheric Administration

Response to the GAO Draft Report Titled

Combating Wildlife Trafficking: Opportunities Exist to Improve the Use of Financial Rewards

(GAO-18-279)

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Accessible Text for Appendix V: Comments from the
Department of the Interior

United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, DC 20240

MAR 27 2018

Ms. Anne-Marie Fennell

Director, Natural Resources and Environment

U.S. Government Accountability Office

441 G Street, NW

Washington, DC 20548

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Sincerely,

Jason Larrabee

Principal Deputy Assistant Secretary

for Fish and Wildlife and Parks

Exercising the Authority of the Assistant Secretary

for Fish and Wildlife and Parks

Enclosure

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