

Cheetahs and casinos: Links between environmental crimes and money laundering in Singapore



*How dirty money linked to the illegal wildlife trade can be laundered through Singapore was highlighted in a risk assessment report published on May 29.
PHOTO: AFP*



SINGAPORE – In 2020, a bank in Singapore found that one of its customers had paid \$130,000 to a South African supplier for 11 cheetahs.

Though the animals were transported directly from the source country to the destination country and never transited through Singapore, the money passed through the customer’s bank account here.

The bank, which was not named by the authorities, filed a suspicious transaction report (STR) and terminated the customer relationship.

This example of how dirty money linked to the illegal wildlife trade can be laundered through Singapore was highlighted in a risk assessment report linking environmental crimes and money laundering.

It was published on May 29 by the Ministry of Home Affairs (MHA), the Monetary Authority of Singapore (MAS) and the Ministry of Finance (MOF).

This is the first time a national risk assessment has been conducted for this area of concern.

In the 29-page report, the authorities said: “Environmental crimes and the laundering of its proceeds are not victimless crimes. They disrupt and harm our environment and ecosystem, with far-reaching and long-term impact on current and future generations.”



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The Financial Action Task Force said in July 2021 that such crimes generate about US\$110 billion (S\$148.5 billion) to US\$281 billion in criminal gains every year.

The report noted that non-governmental organisations have identified Singapore to be a transit country for environmental crimes and dirty money linked to it, given its geographical location and status as a financial centre.

The report highlighted money laundering threats from three environmental crimes that Singapore is particularly exposed to. They comprise the illegal wildlife trade, illegal logging and waste trafficking.

The report noted that the Singapore authorities had carried out more illegal wildlife trade seizures and enforcement actions from 2015 to 2019.

In 2018, about [3.5 tonnes of elephant tusks](#) worth around \$3.3 million were detected in a sea container arriving in Singapore, en route from Nigeria to Vietnam. The authorities found the tusks hidden among sacks of groundnuts.

In 2019, the Republic seized the [biggest single haul of pangolin scales globally in recent years](#) – 12.9 tonnes of the animal parts worth \$52.3 million.

In October 2022, Singapore made its largest seizure of rhinoceros horns, weighing 34.7kg and worth \$1.2 million.

The South African man who tried to smuggle them was [sentenced to two years' jail in January](#). This is the heaviest sentence meted out to date for a case involving the smuggling of wildlife parts.

He was also charged with facilitating another person in the control of his benefits from criminal conduct, but was acquitted by the High Court.

The Attorney-General's Chambers and MHA are studying the grounds of decision to assess if changes are needed to strengthen Singapore's laws.

The report also noted that banks and remittance agents are at high risk of being misused to launder proceeds from environmental crimes.

It found that banks are aware of their risks and have controls for investigation of suspicious customers, such as in the case of the person who bought the 11 cheetahs.

But they face challenges in detecting such illicit funds from environmental crimes because the money received by a middleman such as a logistics company can appear legitimate at first.

Criminals can also misuse remittance agents to process large numbers of cross-border transactions quickly.

The report noted that casinos are another channel for dirty money. It said the casino industry is largely cash-based, and cash can be used to buy casino chips, which can be accepted as an alternative to money.

In Singapore, casinos have filed STRs relating to information about environmental crimes linked to their customers, said the report.

It added that, so far, there have been no known cases of illicit funds from environmental crimes being passed through casinos in Singapore.

But in Laos, a criminal network used a casino to traffic pangolins, tigers, rhinoceroses and elephants.

Overall, Singapore was assessed to be at medium-low risk for money laundering linked to environmental crimes, said the report.

It added that Singapore intends to expand the scope of legislation by 2024 to enable the authorities to prosecute money laundering linked to environmental crimes overseas.

Activities could include illegal logging and waste trafficking. Waste trafficking is the illegal export or import of waste such as metal scraps and lead batteries.

Currently, the authorities are unable to prosecute illegal money flows from such environmental crimes as they are not stated offences under Singapore's laws.

In their joint press statement, MHA, MAS and MOF said: "Singapore's law enforcement agencies and supervisory agencies will continue to stay vigilant and take appropriate measures to mitigate the risks identified in this (assessment)."

