

**Statement on Vermont H.297  
Before Vermont Senate Committee on  
Economic Development, Housing and General Affairs**

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and Patrick Bosco, FWS Special Agent (retired)  
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I'm Laurel Neme. I'm independent wildlife trade expert who has worked in this field for 20 years. I have a PhD from Princeton where I studied economics and politics. (In fact, former fed chair Dr. Ben Bernanke was one of my advisors.) I also served in the US Treasury Department under Secretary Robert Rubin, where I was the point person on the social and environmental aspects of multilateral development bank investments. I'm also the author of *Animal Investigators*, on wildlife trafficking and forensics, which has a foreword by Richard Leakey, who is chairman of the Kenya Wildlife Service, and I'm a regular contributor to *National Geographic*, where I write about wildlife and ivory trafficking. My testimony today also reflects the views of Patrick Bosco, a retired Special Agent with the US Fish and Wildlife Service.

Mr. Bosco spent over 30 years in wildlife law enforcement. He was a Special Agent with the US Fish and Wildlife Service (FWS) for over 27 years, with the last 13 based in Vermont. Before that, he served as a Wildlife Inspector at JFK airport in New York for almost 4 years. Unfortunately, he's in Dubai so can't be here today.

We both strongly urge the Committee to pass H.297 to ban the trafficking of ivory and rhino horn in Vermont with as few exemptions as possible.

Currently, domestic commerce of African elephant ivory in the United States is governed by "use after import" regulations (50 CFR 23.55), which implement the Convention on International Trade in Endangered Species (CITES).

These regulations prohibit commercial intrastate and interstate sales, unless the seller demonstrates that the ivory was imported before 1990 (the date the African elephant was listed in CITES Appendix I) or has a special CITES certificate that shows the ivory in the item was taken from the wild prior to the African elephant's first CITES listing, which was February 26, 1976.

While the federal government has proposed tightening these rules to make it more difficult for smuggled ivory to be passed off as legal once it's in the country, this revision is facing a severe political backlash. And that is why state action is needed.

What a lot of people don't realize is that the U.S. is one of the top ivory markets in the world, probably second after China. As you might expect, New York, San Francisco, Los Angeles and Honolulu are key markets, but so is Boston, which was ranked fourth in a survey last year.

The problem is that people take advantage of lack of clarity and “launder” illegal items through legal markets. There are many examples of this happening I don’t even know where to begin—so I’ll just give you a recent one from March 9, when the senior auction administrator of a gallery and auction house in California and NY pled guilty to smuggling \$1 million worth of rhino horn and elephant ivory. This guy falsified documents. There have been others, too, that stain the ivory to make it look older to circumvent regulations. I can point to undercover investigations in New York, Hong Kong, Honolulu and elsewhere that show this is a persistent problem.

People always find loopholes. In fact, I was struck by some testimony from last week. Vermont Digger reported that the representative from Chess Collectors International (John Mazzucco?) said he would split up sets in order to get around, or comply with, the 200-gram exemption in H297.

My point is that people always find ways to get around the law. And that is the problem this bill seeks to address.

We want to address several points raised by critics of this bill.

First, some claim this bill will have a devastating effect on many Vermonters. But that’s false. To be clear, this bill does not affect people’s right to own or gift these items. It only stops buying and selling.

Very few antique dealers in Vermont deal with ivory and rhino horn, and for those that do, ivory represents only a small fraction of sales.

Let me give you a few numbers.

The Vermont Antique Dealers Association lists 69 members who are Vermont antique dealers, auctioneers or otherwise involved in estate sales.

Compare that to the 750+ members of Vermont Businesses for Social Responsibility, or the 78,000 small businesses in the state. By any metric, antique dealers are a small proportion of Vermont businesses.

Now, to get a sense of the importance of elephant ivory for antique dealers, I examined the catalogues for auctions conducted by the dealer that probably sees the most ivory, Duane Merrill and Company. Over one year, there were 10 auctions. I chose five to look at closely, and I chose the ones most likely to contain ivory items.

Of the 2,267 items I examined that were listed for those five auctions, 14 had elephant ivory. (Actually, 12 had elephant ivory but there were two more I’m including—a piano and a brooch—because I suspected they had ivory even though the description did not say that.) That’s just 0.006 percent of items sold.

Most were fairly low value items—like a carved ivory card case worth about \$250—but there were two high value items—a portrait on ivory valued between \$5,000-\$15,000, and the piano I mentioned valued at \$10,000-\$15,000. The total value of all 14 items was \$17,000 to \$34,000.

That's a tiny portion of the total revenue from these sales. When you remember that the company earns just a small percentage commission, the economic impact becomes even smaller.

The bottom line is that this bill won't have a devastating impact on many Vermonters.

Second, you've heard claims that this bill leads to a "taking" of property. But that's false. Under this bill, the property still belongs to the owner. And the delay for implementation provides the opportunity to sell the item before the law takes effect.

The fact that the market value of an item that might be sold in the future will be lower than it otherwise would have been is not taking of property. Rather, it is what happens to investors or collectors or business people all the time.

Market values always change as trends change, whether we're talking about real estate, ivory chess sets, beanie babies or gold.

Let me give you some examples.

At the turn of the century, shadow boxes with displays of songbirds, and other birds were commonplace. It was also popular to use bird feathers as adornments on clothing, and trumpeter swan feathers for quill ink pens. That brought many species to the brink of extinction. So much so that the US passed the Migratory Bird Treaty Act, which made it illegal to buy and sell any migratory birds or parts or products. With no exemption for antiques.

In other words, the law changed the market. The good news is that, because of that, we've reversed the decline of these species.

Another example is what you see happening at SeaWorld. SeaWorld built its business around orca whale shows. But public opinion changed and today, it's shutting down its orca shows and replacing them with exhibits highlighting the whale's natural behaviors.

America's largest chess retailer, ChessUSA, says "ivory chess sets, to some, are the ultimate romanticized idea for a set of chess pieces. The truth is, ivory has a very dark past in our history and has led to the endangerment of several species for needless poaching. In many ways, ivory is the 'fur coat' of chess." ChessUSA goes on to say that: "The reality is, ivory is a fragile and expensive commodity that has some unsavory ties with poaching and the near extinction of several species. While some

may romanticize the idea of ivory staunton chessmen, a high quality exotic wood might be a much better choice.”

Bottom line is that businesses adapt to changing trends in the market.

Third, you’ve heard fears that dealers won’t know what to do if when a piece of ivory turns up. It’s actually simple. They can be trained to quickly visually distinguish between ivory, horn, bone, ancient wood or reproduction ivory. If for some reason they can’t tell, they can simply not include it in the sale. Again, we’re talking about a few items in a sale of hundreds—with minimal impact on the bottom line.

We’ve already seen Ebay, which is a key outlet for antiques, take this tack and prohibit elephant ivory items on its site.

Fourth, you’ve heard claims that, under this bill, a dealer of any kind—including someone having a garage sale—would be charged and fined if ivory or horn is found on the premises. The truth is more nuanced than that. An item would have to be obtained illegally or be offered for sale, not just merely present on the premises.

Also, when it’s a small volume—which is what this would most likely be—under many circumstances law enforcement has typically involved a warning and possible confiscation of the item.

Fifth, you’ve heard claims that this bill will raise the costs of law enforcement. Actually, the opposite is true. Loopholes in the law make it *harder* for law enforcement.

It’s difficult and time consuming to make cases when something is masked as an antique. Pat has been involved in investigations where antique store invoices were purposely fraudulent to hide the true identity of an import shipment or where an antique store had illegal items not on display but secreted for special customers.

By removing loopholes, officers won’t have to identify the age of the ivory or where it came from. That reduces the cost of enforcement while raising the risk for traffickers and poachers.

Sixth, you’ve heard that ivory sellers might take their business elsewhere. Good. Let them. As other states (such as New York, New Jersey and Massachusetts) tighten laws, criminals will shop regulations to find easier places to do their illegal activity. Let’s not invite them to Vermont.

Lastly, you’ve heard claims that this bill has little to do with the last remaining live African elephants and rhinoceros. But it has *everything* to do with the live animals.

Whenever there are loopholes, someone takes advantage of them to commit fraud. We can't say that they all will. But some will, because there is money to be made and ivory to be laundered.

While one antique store may not be doing anything directly to kill elephants, it perpetuates the market. And if there's enough of a market, then there's a need for more ivory. The problem is that somewhere the poached ivory gets back into the system under the guise that it was always here. If you follow every transaction back to its roots, you'll often find illicit rhino horn or ivory. And the outlet is often through traditional works of art, jewelry, and antiques.

Ten days ago, on March 12-13, 120 rebels attacked 4 ranger positions in Virunga National Park. Two rangers were killed. One was 25 years old, the other was 35 years old and left behind a wife and 4 children (ages 1 to 8). A third ranger is missing.

The legal trade provides cover for the illegal trade. And it is that illegal trade that kills elephants and people too.

For the small price of a few hundred dollars for an item not sold or commission not earned, Vermonters can show that we want live elephants, not their ivory.