



Follow The Guns:  
An Overlooked Key To Combat Rhino Poaching and Wildlife Crime

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### 1. Summary

A four-year long investigation by the Conflict Awareness Project (CAP) has uncovered evidence that an international gunrunning network funneled thousands of high-caliber hunting rifles from Europe and the U.S. to poaching kingpins in southern Africa, touching off a massive poaching crisis. Poachers have killed 8,000 rhinos over the last 10 years, nearly two every day. If poaching continues at this rate, South African rhinos will be extinct within a decade.

Acting as a criminal enterprise, the gunrunning network operated over five countries and three continents and is referred to in this report as the **Rhino Rifle Syndicate**.

CAP has identified members of the Rhino Rifle Syndicate and pieced together how they hatched a world-wide conspiracy to equip poaching teams in Mozambique and South Africa with CZ rifles manufactured in the Czech Republic. Some of these rifles were intended for the American market and bore a roll mark reading, "CZ-USA, Kansas City, KS." These rifles were designed and marketed to kill big game, and they have wreaked devastation across Kruger National Park, home to the largest concentration of rhinos in the world.

The **Rhino Rifle Syndicate** exploited lax gun regulations and government corruption to traffic firearms undetected for years. Once the firearms arrived in Africa, they were acquired by a transnational criminal organization (TCO\*) and its local rhino poaching affiliates—collectively referred to in this report as the "TCO."<sup>1</sup> By systematically supplying the TCO with firearms, the Rhino Rifle Syndicate helped elevate small-scale commercial rhino poaching to an extraordinary industrial level. Together, the TCO and Rhino Rifle Syndicate illicitly profited off the global trade in rhino horn.

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<sup>1</sup> Various actors across multiple jurisdictions comprise the TCO, including poaching operatives, middlemen traffickers, transporters, high-level buying and selling agents, and the purveyors of poached horn. Typically, a five-level schematic pyramid structure is used by experts and law enforcement agents for characterizing the rhino crime organization. See for example: <https://www.usaid.gov/sites/default/files/documents/1865/W-TRAPS-Elephant-Rhino-report.pdf>

### \*What is a TCO?

A transnational criminal organization is an association of individuals who operate in more than one country or commit criminal offenses impacting more than one country. A TCO uses illegal means to obtain power, influence, and money or other forms of commercial gain. A TCO protects its activities through violence, corruption, illicit commerce and/or cross-border structures.<sup>2</sup>

TCOs traffic guns, drugs, people, body parts, and other forms of contraband, often using the profits to finance terrorism and illegal armed groups. TCOs are a significant threat to national security. They are also major perpetrators of wildlife crimes. Trafficking in wildlife and wildlife parts has an estimated value of between \$7 billion and \$23 billion a year.<sup>3</sup>

The Rhino Rifle Syndicate obtained the CZ rifles from the arms manufacturer en masse and then distributed them among poachers on the ground by establishing a well-coordinated trafficking network and two dedicated international gun supply chains. Members of these supply chains actively aided and abetted rhino poaching efforts through a combination of direct rifle sales, the facilitation of rifle sales, the trafficking and illicit distribution of rifles, and other forms of financial and logistical assistance. Acting in concert, the members of the Rhino Rifle Syndicate also operated as a criminal racket, protecting and covering for one another, and relying upon corruption and bribery to ensure the success of their criminal enterprise, all while downstream clients perpetuated cross-border wildlife crimes on a catastrophic scale.

Members of the gunrunning network included business elites, government officials, police, safari operators, arms dealers, middlemen, and local “poaching bosses.”

The predominant rifles on the rhino killing fields—amounting to as many as 90 percent of the weapons recovered in Kruger—were produced by Česká zbrojovka Uherský Brod, or CZUB, the Czech Republic’s biggest gunmaker.<sup>4</sup> Commonly referred to as “CZs,” these rifles were chosen by the Rhino Rifle Syndicate because they were chambered to fire .375- or .458-caliber rounds, cartridges powerful enough to kill big game with a single piercing shot.<sup>5</sup> Some of the recovered CZ rifles bore trademark engravings from CZ-USA, CZUB’s wholly-owned American subsidiary, located in the state of Kansas. The CZ-USA rifles were ostensibly made for the American market but were diverted to Africa for use by rhino poachers.

By using a “follow-the-guns methodology,” our investigation documented the movement of CZUB and CZ-USA firearms, starting from their place of manufacture to their end use by poachers at crime scenes. The firearms predominantly moved from CZUB’s company headquarters in the Czech Republic through arms dealers in Portugal to gun retail shops in Mozambique. After arriving at the Mozambican gun shops, the rifles were purchased by South African and Mozambican middlemen. High-ranking Mozambique government officials and police officers conspired with the middlemen to facilitate the purchases. After the

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<sup>2</sup> While no single definition for “TCO” exists, see for examples: UN Convention Against Transnational Organized Crime <https://www.unodc.org/unodc/treaties/CTOC/>; and the U.S. Strategy to Combat Transnational Organized Crime <https://www.whitehouse.gov/administration/eop/nsc/transnational-crime>

<sup>3</sup> <https://www.unodc.org/unodc/en/frontpage/2014/May/wildlife-crime-worth-8-10-billion-annually.html>;  
<https://www.awf.org/news/world-wildlife-day-highlights-severity-wildlife-crime>

<sup>4</sup> Calculation is based on available data of weapons recovered from poaching crime scenes and incidents as demonstrated later in this report

<sup>5</sup> <http://cz-usa.com/product/safari-classics-magnum-express-rifle/>;  
<http://cz-usa.com/press-release/cz-usa-safari-classics-express-rifle/>

middlemen purchased the rifles, they were disseminated among poaching teams by business and political elites, safari company staff, security forces, and local poaching bosses.

Multiple CZ rifles appeared at rhino poaching crime scenes within months or even weeks after their first sale from the Mozambican gun retail shops. Such a short time-to-crime helped us prove that the middlemen purchased the rifles with the specific intent to divert them for criminal use.

Our investigation also identified smaller-scale arms networks that aided and abetted the rhino poaching syndicates, in addition to the Rhino Rifle Syndicate. Independent, though often working through overlapping conduits, these smaller networks supplied silencers/suppressors,<sup>6</sup> big “bore” hunting cartridges, ammunition, and other types of rifles and small arms.

This report is based on a four-year-long CAP field investigation that tracked the illicit flow of CZ rifles across three continents. It presents evidence of gun trafficking, wildlife crime, racketeering, corruption, bribery, and fraud, among other crimes.

CAP amassed evidentiary dossiers detailing crimes committed by the key individuals and companies involved in the Rhino Rifle Syndicate. Afterward, CAP presented the dossiers to law enforcement in five affected countries—the Czech Republic, the U.S., Portugal, Mozambique, and South Africa—and has continued to work with authorities to end impunity and foster justice. But despite receiving troves of evidence, authorities have failed to dismantle the gunrunning networks behind the rhino crisis as well as bring charges against the traffickers. Frustrated by this lack of accountability, CAP decided to publish its key findings.

Rhino poaching prevention is long overdue. There is a straightforward way to halt the mass butchery before the species goes extinct: curtail the influx of high-caliber hunting rifles, silencers, and ammunition, and deprive the TCO of the means to shoot its prey. Choking off these supplies will also reduce the number of people dying in the poaching wars and limit the arms race between poachers and anti-poaching forces.

#### United States Statement On Wildlife Crime

Poachers, wildlife smugglers, and black market merchants are operating all over the world. Their criminal acts harm communities, degrade our institutions, destabilize our environment, and funnel billions of dollars to those who perpetrate evil in our world.

These criminals must and can be stopped. Future generations must not say that the nations of the world sat back or responded with action that was too little or too late, while great species disappeared forever.

US Attorney General On Behalf Of U.S. at London Illegal Wildlife Trade Conference, October 2018

To this end, CAP is calling on national governments and multilateral bodies to tighten regulations for the exportation and sale of hunting rifles and other similar recreational weapons. Hunting firearms have become some of the primary tools of criminal organizations involved in rhino horn trafficking and other wildlife crime.

<sup>6</sup> For the purpose of this report, CAP will use the more common legal term, “silencers,” although the two words are often used interchangeably. See <https://blog.silencershop.com/silencer-suppressor/>

CAP is also calling upon South Africa and Mozambique to prosecute the gunrunners. The U.S., Czech Republic, and Portugal should intervene on the gun supply side and target the arms dealers operating on their soil. The arms manufacturers should implement stronger due diligence measures, and, as a remedy, compensate conservation areas hardest hit by their complicity and failures.

Furthermore, hunting rifle and gun manufacturers should form a voluntary association to assist in the tracing of serial numbers identified on guns used in wildlife crime. Members of the association should commit to banning sales to areas where evidence indicates large-scale or repeated wildlife crime and poaching offenses.

By releasing this report, CAP hopes to foster public awareness and prompt initiatives against the illegal spread of rifles, silencers, and ammunition used to poach endangered species and further the aims of wildlife trafficking syndicates worldwide. This report demonstrates that disrupting the supply of weapons used in wildlife crime worldwide is a much-needed—and often overlooked—conservation tool.

In short: Follow The Guns. Save A Species.

#### \*Key Findings

- **New Trends:** The types and sources of firearms used by poachers in Kruger National Park and surrounding wildlife areas have changed over time. Stolen firearms and guns recycled from previous wars have increasingly given way to newly minted high-caliber hunting rifles. Poachers often outfit these rifles with silencers to avoid detection by anti-poaching forces. The .375 and .458 are the most commonly used ammunition calibers.

- **Weapons of Choice:** Many of the .375- and .458-caliber rifles used in rhino poaching trace back to Mozambique imports during the past decade. While the poaching rifles were manufactured in the Czech Republic by Česká zbrojovka Uherský Brod (CZUB), some of them bore “CZ-USA Kansas City, KS” roll marks. The roll marks indicate that CZ-USA—CZUB’s wholly owned American subsidiary—was meant to import the rifles for sale in the U.S.. Instead, these guns were diverted to Mozambique before they were moved cross-border to kill rhinos in South Africa.

- **Corruption:** High-level corruption and political influence peddling have fueled the proliferation of CZ rifles in Mozambique and South Africa. Government and law enforcement inaction against the gunrunning networks is an indicator of corruption in South Africa and Mozambique.

- **Power Dynamics:** The TCO and its poaching bosses initially controlled the sourcing and distribution of CZ rifles, guaranteeing direct shares of the profits. This changed in 2016 as the criminal enterprise became more diffused. Poaching teams and syndicates began to break off to form splinter groups, expanding poaching to outlying areas previously less-impacted by the scourge.

- **The Arms Pipeline:** The tracking and tracing of weapons and ammunition through each phase of the supply chain—from their foreign manufacture and export to their local importation, sale, and distribution—is

a valuable method of collecting forensic evidence and implicating top-level players and foreign actors within the wildlife crime syndicates. Authorities need to systematically collect data and analyze trends associated with firearms used in wildlife crimes. These are important crime-fighting and anti-poaching tools that law enforcement and conservation organizations have overlooked for far too long.

- **Deterrents:** The threat of criminal prosecution and asset forfeiture are two of the most powerful instruments governments have to deter high-level criminals within the wildlife trafficking syndicates. The evidence dossiers compiled on the Rhino Rifle Syndicate should be prioritized by law enforcement in the five countries where the network operates with the aim of building criminal cases that lead to arrests and prosecutions when warranted. The goal of criminal prosecutions is accountability and ultimately deterrence of future crimes.

- **Arms Race:** Conflicts between poaching and anti-poaching forces will continue to escalate unless more attention is paid to the source of firearms used by wildlife crime syndicates. The poaching war has already claimed over a thousand lives and led to extra-judicial killings, torture, and the alleged planting of crime scene evidence for profit. It has also ignited an arms race that threatens to undermine security in the region for decades to come.

- **International Cooperation:** Given the multi-jurisdictional nature of poaching and wildlife trafficking syndicates and the costs involved in tackling their cross-border networks, law enforcement agencies urgently need to pool resources and strengthen international partnerships.

- **National Loopholes:** The export, sale, and possession of recreational weapons—including hunting rifles and associated ammunition—tend to be lightly regulated compared to other types of firearms. Given how organized crime and terrorist-affiliated networks are increasingly using hunting rifles and associated ammunition, it is urgent that policymakers in impacted countries and regions closely examine gaps in export laws, end-user controls, licensing regimes, government inspection activities, and weapon destruction programs pertaining to hunting and other forms of recreational weapons.

- **Action Required:** Arms manufacturers, legal arms dealers, the professional hunting community, and governments must take concrete steps to halt the flow of firearms used to slaughter rhinos, elephants, lions, and other wildlife species in southern Africa. Stifling the influx of firearms will have the added value of curtailing the expansion of transnational organized crime and drying up sources of financing for criminal enterprises, terrorist groups, and rogue regimes. Public outcry can help draw attention to the Rhino Rifle Syndicate gunrunning investigation and ensure there is adequate political will in 2019 to disrupt the gun supply chains.

## 2. Introduction & Methodology

### 2.1 The Rhino Crisis

One of the world's largest remaining mega-fauna, rhinos are herbivores of prehistoric origin, sometimes referred to as the Last Dinosaurs.<sup>7</sup> But poaching by humans has threatened to wipe them off the face of the

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<sup>7</sup> <http://www.bbc.com/earth/story/20150518-the-epic-history-of-rhinos>

Earth. Between 2007 and 2014, the number of rhinos poached in South Africa shot up more than 9,200 percent, from 13 to 1,215.<sup>8</sup> Nearly 8,000 rhinos have been poached over the last decade. And while 2018 saw the first dip below 1000 rhinos killed yearly since 2013, the hard reality is that there are fewer rhinos to kill and therefore harder for poachers to spot.<sup>9</sup>

But these figures, horrific as they are, are certainly an undercount, and they fail to capture the full plight of the species. Government statistics do not account for the survival rate of wounded adult rhinos or the multiplying number of young orphans left behind after their mothers are killed.<sup>10</sup> While conservationists are struggling to understand how the considerable loss of reproductive females will affect the overall viability of rhinos, it is clear that rhinos will vanish forever if the current rate of killing continues.

In some parts of Africa, rhino populations have already started to disappear.<sup>11</sup> In March, the world collectively mourned the death of Sudan, the last northern Africa white male rhino in existence.<sup>12</sup> Complicating matters, the value of horn likely will increase as the rhino population dwindles, enticing new poachers into the fold and fueling the slaughter.

Hardest hit by the poaching crisis has been South Africa's Kruger National Park, home to the largest concentration of rhinos in the world.<sup>13</sup> Kruger is managed by SANParks, a public entity operating under the supervision of South Africa's Department of Environmental Affairs. The 7,500-square-mile wildlife reserve shares a lengthy – and leaky – border with Mozambique. The majority of rhino poachers originate from Mozambique, where trafficking in humans, drugs, weapons, and the booty from rhinos and other animals forms a sizeable part of the economy.<sup>14</sup>

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<sup>8</sup> <http://www.bbc.com/news/magazine-32151983>; <http://www.stoprhinopoaching.com/pages.aspx?pagename=stats>

<sup>9</sup> <https://wildaid.org/too-early-to-celebrate-decline-in-south-africa-rhino-poaching/>;  
[https://www.savetherhino.org/rhino\\_info/poaching\\_statistics](https://www.savetherhino.org/rhino_info/poaching_statistics);  
<http://www.telegraph.co.uk/news/worldnews/africaandindianocean/southafrica/11595937/Rhino-poaching-across-South-Africa-reaches-record-high.html>;  
<http://europe.newsweek.com/poaching-african-rhinos-increases-sixth-consecutive-year-435442>  
<sup>10</sup> <http://www.latimes.com/world/africa/la-fg-c1-south-africa-rhino-rescue-20150724-story.html>;  
<http://www.foxnews.com/news/2015/07/24/orphaned-endangered-rhinos-could-come-to-6236510.php>;  
<http://therhinoorphanage.co.za>;  
<http://america.aljazeera.com/multimedia/2015/1/rhino-orphanage-asadnecessity.html>;  
<http://www.mysanantonio.com/news/local/article/1-000-orphaned-endangered-rhinos-could-come-to-6236510.php>

<sup>11</sup> <http://www.worldwildlife.org/species/rhino>;  
<http://www.dailymail.co.uk/news/article-2490777/Western-Black-rhino-officially-extinct-Northern-White-Javan-rhinos-follow-unless-conservationists-warn.html>; <http://www.iucnredlist.org/details/6557/0>

<sup>12</sup> <https://www.nytimes.com/2018/03/20/science/rhino-sudan-extinct.html>

<sup>13</sup> <https://www.iucn.org/content/iucn-reports-deepening-rhino-poaching-crisis-africa>;  
<http://news.nationalgeographic.com/news/2015/01/150122-rhino-poaching-south-africa-conservation-science/>; Elizabeth Lunstrum (2014) Green Militarization: Anti-Poaching Efforts and the Spatial Contours of Kruger National Park, *Annals of the Association of American Geographers*:

<http://dx.doi.org/10.1080/00045608.2014.912545>

<sup>14</sup> Transnational Threats: Smuggling and Trafficking in Arms, Drugs, and Human Life, Kimberley L. Thachuk, 2007, p.118, 04X/ref=sr\_1\_1?s=books&ie=UTF8&qid=1501444301&sr=1-1&keywords=9780275994044;  
<http://www.afrol.com/articles/37037>

Transnational criminal organizations (TCOs) typically control the illicit trade in poached wildlife. To drum up demand for its ill-gotten product, the rhino-affiliated TCO has hyped horn as a cure for hangovers, impotence, and cancer; it has promoted horn's speculative and investment value; and it has successfully fostered its image as a trendy luxury good and status symbol.<sup>15</sup> Such shrewd marketing has made rhino horn a popular commodity in China and Vietnam, generating enormous profits for the TCO.<sup>16</sup> Gram for gram, rhino horn is one of the most valuable illegal commodities on this planet.

### Value of Rhino Horn

The Asian street value of rhino horn has been estimated at as much as \$100,000 per kilogram (2.2 pounds), though the most commonly quoted price in recent times is lower, at about \$20,000-\$65,000 per kilogram.<sup>17</sup> Scales for weighing poached rhino horn are often found near horn collection sights. An average rhino has two horns totaling nearly 6 kilograms in weight. But poachers also go after baby rhino horn or the stubs of previously de-horned rhino.<sup>18</sup>

In April 2017, South Africa's constitutional court lifted a moratorium on the domestic rhino horn trade. Ironically, the moratorium was implemented in 2009, precisely because criminals were increasingly exploiting loopholes in regulations of the domestic rhino horn trade to illegally export rhino horn across the globe. Conservationists are worried that this development may contribute to an increase in the trafficking of rhino horn.<sup>19</sup>

The Aspinall Foundation released a report in December 2018—based on field work between 2014-2018—that concluded the illegal trade in rhino horn is escalating out of control in eastern Asia, fueled mainly by Chinese customer demand.<sup>20</sup>

With Kruger's rhino population dwindling, poachers have found it difficult to locate and target the remaining animals. Enhanced security protections implemented in Kruger have also made poaching more challenging.<sup>21</sup>

The TCO has responded to these obstacles by sweeping into other parts of South Africa, searching for rhinos anywhere they might be found.<sup>22</sup> The poaching onslaught has expanded west, bearing down on Kruger's neighboring private reserves. It has also moved south, hammering protected areas in

<sup>15</sup> [https://www.unodc.org/documents/data-and-analysis/wildlife/World\\_Wildlife\\_Crime\\_Report\\_2016\\_final.pdf](https://www.unodc.org/documents/data-and-analysis/wildlife/World_Wildlife_Crime_Report_2016_final.pdf);  
<https://www.aspinallfoundation.org/media/3936/rhinos-of-kruger-for-online-for-amos-1.pdf>

<sup>16</sup> <http://www.tandfonline.com/doi/pdf/10.1080/00045608.2014.912545>

<sup>17</sup> <http://www.bloomberg.com/news/articles/2015-01-22/poachers-killed-record-number-of-rhinos-in-south-africa-in-2014>;  
[http://www.rhinosourcecenter.com/pdf\\_files/147/1470834733.pdf](http://www.rhinosourcecenter.com/pdf_files/147/1470834733.pdf);  
<https://www.theguardian.com/environment/2017/mar/10/high-price-of-rhino-horn-leaves-bloody-trail-across-the-globe>;  
<https://www.aspinallfoundation.org/media/3936/rhinos-of-kruger-for-online-for-amos-1.pdf>

<sup>18</sup> Pienaar, DJ, Hall-Martin, AJ and Hitchins, PM. "Horn Growth Rates of Free-Ranging White and Black Rhinoceros." Koedoe 34, no. 2 (1991): 97-105

<sup>19</sup> <https://wildleaks.org/south-africa-rhino-horn-auction-pics-show-horns-prepared-asian-buyers-not-collectors/>

<sup>20</sup> <https://blog.aspinallfoundation.org/illegal-rhino-horn-trade-still-threatens-krugers-rhino>;  
<https://www.aspinallfoundation.org/media/3936/rhinos-of-kruger-for-online-for-amos-1.pdf>

<sup>21</sup> One example is the creation of an Intensive Protection Zone or (IPZ) where resources are targeted at habitats of greatest importance. However, as rhino populations in Kruger dwindle in number, the scarcity also makes them increasingly harder to locate. <https://www.sanparks.org/about/news/?id=57381>

<sup>22</sup> <http://europe.newsweek.com/poaching-african-rhinos-increases-sixth-consecutive-year-435442>



KwaZulu-Natal Province (KZN).<sup>23</sup> The influx into KZN has proven especially alarming because the rhinos in this area are an historically important gene pool.<sup>24</sup>

The surge in poaching underscores how government efforts to ameliorate the crisis have floundered despite significant public outcry. Poachers are regularly caught or killed. Horn smugglers are occasionally arrested at airports.<sup>25</sup> South Africa and Mozambique also have arrested an increasing number of local buyers and exporters, actions touted as exemplifying the country's commitment to dismantling the rhino poaching syndicates.<sup>26</sup> Despite the good detective work, conservationists are questioning the arrests, as few have resulted in prosecutions or jail time.<sup>27</sup>

Regardless, anti-poaching operations rarely target the top echelons or the gunrunners working at their behest.<sup>28</sup> For industrial-scale rhino poaching to stop, high-ranking TCO members and their affiliated gunrunners must be held accountable.

## 2.2 Decision To Follow The Guns

Amid the rapid rise in rhino poaching, conservation groups called on CAP to investigate rhino horn trafficking networks. We initiated our investigation in September 2014. Within weeks of commencing ground research in South Africa, we realized authorities had neglected a key to unlocking the identities of the TCO kingpins.<sup>29</sup> That key can be summarized in three words: Follow the guns.

To dismantle criminal networks, police often try to follow their money.<sup>30</sup> But this tactic presents significant challenges when going after the rhino TCO kingpins because much of their horn trafficking enterprise is based on cash. But what you can more directly follow is their guns. CAP discovered that law enforcement and the conservation community had long overlooked this methodological approach even though the potential benefits were clear.<sup>31</sup>

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<sup>23</sup> <https://www.sanparks.org/about/news/?id=57381>

<sup>24</sup> This is the area where fewer than 100 southern white rhinos were rescued from global extinction in the 1890s and subsequently multiplied to nearly 20 000 animals after being spread out to Kruger National Park and other wildlife reserves across Africa. And as the region that possesses the rhino population with the most substantive gene pool, the protection of rhino in KwaZulu-Natal is of critical importance to ensure the viability of future wild rhino population growth <http://www.news24.com/SouthAfrica/News/6-rhino-killed-in-just-one-night-in-kwazulu-natal-reserve-20170704>

<sup>25</sup> <https://www.sanparks.org/about/news/?id=57381>

<sup>26</sup> <https://www.sanparks.org/about/news/?id=57381>

<sup>27</sup> <https://citizen.co.za/news/south-africa/2009878/skukuza-court-accused-of-letting-poachers-off-with-slap-on-the-wrist/>; <https://oxpeckers.org/2018/09/chumlong-release/>; <http://www.wildaid.org/sites/default/files/resources/WildAid%20Failure%20to%20Prosecute%20LR.pdf>; <https://www.timeslive.co.za/news/south-africa/2019-03-27-rhino-poacher-gets-14-years-behind-bars-but-accomplices-walk-free-with-petty-fines/>

<sup>28</sup> <http://www.wildaid.org/sites/default/files/resources/WildAid%20Failure%20to%20Prosecute%20LR.pdf>

<sup>29</sup> Interviews with Kruger officials, South African police, and Mozambican law enforcement authorities. See for example, SAPS Operation Rhino Report to the South African Parliament, which details activities but makes no mention of poachers' firearms, February 2015

<sup>30</sup> The Al Capone and Watergate investigations are among the two most well-known cases where a "follow the money" strategy was utilized. Press reports indicate that the US special counsel Robert Mueller's probe is using the same strategy to investigate Russian interference in the 2016 American presidential elections. [https://www.wired.com/story/if-trump-is-launders-russian-money-heres-how-it-works/?mbid=social\\_twitter\\_onsiteshare](https://www.wired.com/story/if-trump-is-launders-russian-money-heres-how-it-works/?mbid=social_twitter_onsiteshare)

<sup>31</sup> While local southern African law enforcement and anti-poaching agencies demonstrated far less proactive concern, internationally, attention to the links between the illicit arms trade, illegal armed groups, and wildlife crime was growing.



Gun tracing can pierce the secrecy surrounding illegal gun supply chains by helping investigators ascertain the identities of key players and flesh out their various roles within the network. Tracing also helps formulate strategies to counter the corresponding illicit activity.

It is common knowledge that poachers use illegal guns to kill rhinos in Kruger. Media reports on guns seizures carried out by the government often goes so far as to list the calibers of the weapons.<sup>32</sup> However, no prior investigation had determined the provenance of the guns and how poachers had obtained them, and there was previously next to no publicly available information about the players behind the illegal gun supply chains.

Tracking the illegal guns required a massive data collection effort. The investigation began with CAP accompanying Kruger Environmental Crime Investigators (ECIs) and South African Police Services (SAPS) officers on visits to fresh rhino kill sites. Autopsies conducted during these initial incursions showed that every one of the dead rhinos had been shot with either .375- or .458-caliber rounds.<sup>33</sup> The Kruger investigators and police told us there had been a marked increase in the use of these calibers among rhino poachers in recent years. The calibers were our first significant lead.

### 2.3 Bullets, Brand, and Boxes - Key Patterns

The recovered bullets indicated that poachers were almost universally using hunting rifles chambered for high-caliber rounds. With more than three times the force of a round fired from many AK-pattern rifles, the .375s and .458s pack enough punch to take down a rhino with a single shot. Anti-poaching forces quickly respond upon hearing gunshots or receiving alerts from gunshot detection systems. By choosing a rifle that gets the job done with fewer rounds, the TCO effectively lowered the risk of its poaching teams being apprehended.

Multiple anti-poaching sources confirmed that another pattern to emerge among poachers in recent years was a specific *make, or brand*, of high-caliber hunting rifle.<sup>34</sup> This brand, popularly known as “CZ,” is produced by Česká zbrojovka Uherský Brod, or CZUB, the Czech Republic’s largest gun manufacturer. Sources uniformly stated that most of the CZ rifles recovered from poaching crime scenes looked as if they were new from the factory—a strong indicator that they were being trafficked.

During the preliminary investigation, we obtained photographs of empty CZ rifle boxes recovered on the Mozambican side of Kruger’s eastern boundary. The placement of the boxes indicated Mozambique was a staging ground for the poachers operating across the South African border in Kruger. Even more disconcerting, the litter suggested that the criminals had enough impunity to not worry about the rifle boxes being discovered by law enforcement. One of the properties on which the CZ rifle boxes were found

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See for examples:

<http://www.smallarmssurvey.org/fileadmin/docs/A-Yearbook/2015/eng/Small-Arms-Survey-2015-Chapter-01-summary-EN.pdf> and <http://www.lastdaysofivory.com/>

<sup>32</sup> <https://www.sanparks.org/about/news/?id=57381>

<sup>33</sup> Once retrieved, bullets and/or casings were typically placed in police “bullet bags” for evidentiary purposes. These items were also sent to ballistic labs and tested for matches to guns used in other rhino poaching incidents. For an animation of a rhino post-mortem, please see: <https://www.youtube.com/watch?v=oFFxdi7TwEQ>

<sup>34</sup> Interviews with police, Kruger personnel, and private anti-poaching forces over the course of the investigation

belonged to wildlife crime suspect Dries Gouws. In the 1990s, Mr. Gouws was arrested by South African authorities at an international airport with nine illegal elephant tusks hidden in the boot of his car.<sup>35</sup>

### 2.3 Discovery of a CZ Rifle Supply Chain\*

The spent bullets, the specific brand of gun, and the fresh CZ rifle boxes led us to hypothesize that a single, organized gun supply chain emanating out of the Czech Republic was routing the rifles and ammunition to rhino poachers in Kruger. But local authorities had largely neglected these patterns and were treating each poaching incident as a separate case. Our follow-the-guns methodology was different. We examined each rhino poaching incident as one in a series of interconnected crimes, much like a detective investigating a serial killer. By searching for clues in this way, we believed we could identify some of the top-level culprits within the criminal enterprise.

#### \*What is a Supply Chain?

A supply chain is an interdependent network of individuals and companies based in separate geographical locations. The persons and entities occupy different phases of the pipeline and provide various functions within the network. While separated geographically, the participants work together to ensure the movement of a commodity or consignment—in this case, guns—each step of the way from source to end-user.

We looked for other connective threads by scouring rhino poaching incident reports provided by our anti-poaching, conservation, and local police allies.<sup>36</sup> These reports showed that the dramatic upswing in rhino poaching in Kruger coincided with a sharp increase in the number of high-caliber CZ rifles recovered from crime scenes in and around the national park. For instance, poaching incident reports from March 2013 to April 2014 showed that out of 72 rifles with identifying marks recovered in Kruger during that period, more than 80 percent—58—were chambered for .375- or .458-caliber rounds.<sup>37</sup>

The same pattern emerged in reports from other anti-poaching forces, showing that as many as 90 percent of the weapons used to kill rhinos during specific time periods were similarly high-caliber hunting rifles manufactured by CZUB.<sup>38</sup> The newer, more powerful CZs had supplanted the poachers' traditional weapons: ragtag AK-pattern assault rifles left over from past wars, old hunting and conservation department stockpiles, and guns stolen from South African farms.

Many of the serial numbers on the confiscated CZ rifles were sequential, or near to being so, suggesting that they were part of the same shipments.<sup>39</sup> These facts were telltale signs that a highly organized criminal arms pipeline had been established to traffic CZ rifles to poachers in Kruger.

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<sup>35</sup> Currently under investigation by South African authorities, the property owner goes by the name of Dries Grouws. See Environmental Investigation Agency, *Under Fire: Elephants In The Front Line*, 1992

<sup>36</sup> Both private and public anti-poaching forces provided CAP the initial data over the period of October 2014 to February 2015, which included Kruger poaching incident reports. Subsequently, CAP obtained additional data from the South African police and from Mozambican anti-poaching forces that not only confirmed the high number of high-caliber rifles but also the CZ brand of rifle as well

<sup>37</sup> The margin of error is within a range of a couple of guns due to the difficulty of deciphering data in some of the reports

<sup>38</sup> Documents and correspondence with anti-poaching forces on file with CAP

<sup>39</sup> Serial numbers which appear close in sequence are an indicator that they come from the same lot or batch

A steady stream of guns coming from a specific supply chain marked a shift in rhino poaching from small-time, opportunistic operations to industrial-scale commercial enterprises. The striking correlation between the sudden influx of CZ rifles and the exponential increase in poaching could not be coincidental. We deduced that a mastermind was at work, and that mastermind was a TCO with entrepreneurial ambitions aimed at taking rhino poaching to an entirely new and devastating level.

## 2.4 Kruger National Park's Missed Opportunity

The launch of our investigation in late 2014 happened to coincide with Africa's biggest arms show, the bi-annual Aerospace and Defense Exhibition. Held at an airbase not far from South Africa's capital, Pretoria, the exhibition featured side events and themed exhibit stands spotlighting South Africa's "Rhino War,"<sup>40</sup> then in its second year.<sup>41</sup> Local anti-poaching leaders and international experts alike descended on the exhibition to glimpse the latest in military-grade technology—drones and aerostats, electronic detection systems, and specially fitted aircraft—that could be experimented with in Kruger and other wildlife reserves. They also discussed how to turn teams of rangers and dogs into paramilitary forces capable of waging battle against the poachers. With the perceived enemy framed in counter-insurgency and border security terms, the exhibition made clear how the fight to save Kruger's rhinos had become a full-scale arms race.<sup>42</sup>

The deployment of military assets for conservation was not a new development. Arms manufacturers, technology firms, and private security companies have responded opportunistically to Africa's poaching crisis for years. Kruger's enthusiastic embrace of an expensive, militarized strategy, however, reflected a growing sense of desperation at the park.<sup>43</sup> And yet, despite their increasingly sophisticated arsenals and use of deadly force, Kruger's anti-poaching forces had failed to significantly reduce rhino casualty numbers. This failure was a product of the park's misguided focus on low-level poachers as the most imperative of targets. In reality, these low-level poachers are the pawns in a much grander scheme.

Kruger's anti-poaching forces were overlooking the more crucial role of the TCO's kingpins. These kingpins hailed from the highest ranks of the organized criminal underworld and had a proven aptitude for corrupting countries from within, spurring supply and demand for contraband, and working strategically across territorial boundaries. The TCO had been stockpiling arms and had no qualms about sacrificing its frontlines until every last rhino horn was within reach of its greed.

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<sup>40</sup> For background, see Elizabeth Lunstrum (2014) Green Militarization: Anti-Poaching Efforts and the Spatial Contours of Kruger National Park, *Annals of the Association of American Geographers*, <http://dx.doi.org/10.1080/00045608.2014.912545>; Humpreys & Smith 2014 The 'rhinofication' of South African security, <http://onlinelibrary.wiley.com/doi/10.1111/1468-2346.12141/f>

<sup>41</sup> Elizabeth Lunstrum (2014) Green Militarization: Anti-Poaching Efforts and the Spatial Contours of Kruger National Park, *Annals of the Association of American Geographers*, <http://dx.doi.org/10.1080/00045608.2014.912545>

<sup>42</sup> For example, a side event was entitled "U.S. – S.A. Borders Surveillance Technology Cooperation Symposium" held at CSIR on September 16, 2014, during which various weaponry and technology inputs were discussed

<sup>43</sup> SANParks has fundraised beyond its annual budget from international sources as diverse as the U.S.-based Howard G. Buffet Foundation (HGBF) and the Dutch and Swedish post code lotteries, and from local sources including businesses, NGOs, and professional associations. Kruger staff and allied anti-poaching entities sometimes refer to this financial store as Kruger's "war chest." SANParks received an initial grant funding of R254.8 million from HGBF in 2014, using it to purchase, among other items, helicopters and quad vehicles for anti-poaching mobility. See for example: SANParks media release September 14, 2015

By focusing on expensive militarized anti-poaching initiatives, South Africa's forces were overlooking important crime-fighting measures. One missed opportunity was the failure to choke off the TCO's supply of guns. This report serves as a proof of concept: The identification, tracking, and tracing of guns used in wildlife crime is an invaluable law enforcement tool for countering the TCO and holding its gunrunners and other enablers accountable.

## 2.5 Methodology

By the end of 2014, we had acquired sufficient evidence that not only pointed to CZ rifles as the rhino TCO's weapons of choice, but also to the existence of a dedicated gun supply pipeline. Given the absence of even nominal obstacles to the TCO's gun trafficking activities, CAP embarked in early 2015 on a full-scale global investigation with the following five-fold aim:

- (1) Build a serial number database using poaching incident reports and police case files;
- (2) Use the serial numbers to trace the weapons and identify the arms dealers and middlemen illegally supplying CZ rifles to the poachers;
- (3) Document the structure and modus operandi of the gun supply pipeline;
- (4) Collect forensic evidence to help arrest and prosecute offenders; and
- (5) Expose the legal loopholes and lax policies enabling these offenders to operate.

To fulfill those aims, we carried out extensive on-site research. We visited weapons factories, hunting exhibitions, importing companies, retail stores, and storage facilities containing confiscated weapons. We combed through thousands of pages of police and national park archives, licensing agency registers, and arms merchant ledgers.

In addition, we traveled on an international cargo flight with a shipment of CZ rifles destined for the rhino poaching syndicates to document how the guns moved across borders with the aid of government officials on-high. And despite great risks to our team, we interviewed all of the Rhino Rifle Syndicate's primary members. These interviews allowed us to gain first-hand knowledge of the discrete role played by each individual and company in the gun supply pipeline and provided us with detailed knowledge of how the CZ rifles were trafficked.

## 3. Background: A Short History About the Guns

### 3.1 Two Key Supply Chains

The TCO we investigated is among the fastest-moving and most aggressive organizations involved in wildlife crime to date. The criminal business its members run is highly predatory and creative, and it strategically shifts modus operandi at the earliest hint of detection.

By 2013, with acute entrepreneurial foresight and skill, the TCO had transformed Southern African rhino poaching into an industrial-level crime, netting higher volumes of horn and sharply increasing profits. In doing this, it relied upon two key supply chains: one to move horn from poacher to consumer, and another to furnish guns for poaching operations. It was not always that way.

### 3.2 Poaching Origins

The TCO conspiring to poach South Africa's rhinos began for the most part around 2003.<sup>44</sup> At that time, the plan was to gain a foothold in South Africa as surreptitiously as possible.<sup>45</sup> Rather than using “conventional” poaching methods, its members pioneered what is now known as pseudo-hunting—the killing of rhinos during bogus hunts on private lands. The hunts were organized by a South African wildlife crime fraternity that included professional hunters (PHs), safari outfitters, private rhino owners, and game farm breeders.

#### Pseudo-Hunting: Exploiting a CITES Loophole

In establishing the fraudulent practice of “pseudo-hunting,” the TCO exploited a loophole in international rhino protections that permitted the legal trophy hunting of white rhino in South Africa.

Under the Convention on International Trade in Endangered Species of Wild Fauna and Flora, an international treaty commonly referred to as CITES, rhino range states held a certain number of exemptions for trophy hunting. These exemptions allowed foreign sport hunters to carry home rhino horns for their personal use. Capitalizing on these exemptions, the TCO pioneered “pseudo-hunting.” It was an innovative if nefarious subterfuge for acquiring the requisite paperwork to export horn that was then laundered onto the Asian black market.

Working in tandem with Asian crime networks, dodgy hunting outfitters started recruiting foreigners, first from Asia and later, from the Czech Republic. Among them were strip club entertainers, sex workers, and unemployed laborers. By pretending to be hunting clients, the foreign recruits made it appear as if legitimate hunts were taking place. This facade allowed the criminals to obtain the requisite permits for transporting rhino horn out of South Africa as hunting trophies. Eventually, American and European hunting enthusiasts also participated in pseudo-hunting in Africa, though whether those hunters were aware of their involvement in criminal activity or were duped into taking part is a matter of dispute.

Pseudo-hunting prospered for nearly a decade before a public outcry, CITES scrutiny, and criminal proceedings against ringleaders in the U.S. and the Czech Republic prompted South Africa to impose more stringent trophy hunting regulations in 2012.<sup>46</sup> As a result, applications to hunt South Africa's rhinos plummeted from 231 in 2011 to 63 in 2015.<sup>47</sup> But the TCO had already whetted consumer appetite for rhino horn in Asia and was quick to adjust operations to meet demand.

#### Why The Czech Republic?

At first glance the Czech Republic seems an unlikely spot from which to recruit foreigners for pseudo-hunting.

<sup>44</sup> We are referring to the TCO behind the rhino crisis that began in the 21st century.

<sup>45</sup> Rhinos last faced heavy poaching from the late 1970s through the mid-1990s.  
[https://www.unodc.org/documents/data-and-analysis/wildlife/World\\_Wildlife\\_Crime\\_Report\\_2016\\_final.pdf](https://www.unodc.org/documents/data-and-analysis/wildlife/World_Wildlife_Crime_Report_2016_final.pdf)

<sup>46</sup> “In February 2012, South Africa's National Department of Environmental Affairs (DEA) issued instructions to stop granting hunting permits to Vietnamese citizens until it could be verified that they would not be misused to supply the illegal rhino horn trade.” <https://eia-international.org/wp-content/uploads/EIA-In-Cold-Blood-FINAL.pdf>;  
<https://iwbond.org/2016/04/19/whos-actually-killing-and-making-a-killing-from-rhino/>

<sup>47</sup> [https://www.iucn.org/downloads/iucn\\_informingdecisionsontrophyhuntingv1.pdf](https://www.iucn.org/downloads/iucn_informingdecisionsontrophyhuntingv1.pdf)

But the Czech Republic serves as the headquarters of the highly organized Vietnamese mafia's European branch. That branch's primary base of operations is a 35-hectare enclave called SAPA Market, or "Little Hanoi," near the capital city of Prague. The Vietnamese Syndicate's European branch has been caught smuggling an array of contraband including cigarettes, drugs, and counterfeit Gucci and Prada luxury goods. Czech police arrested members of a tiger-parts smuggling ring as recent as July 2018.<sup>48</sup>

In 2012, after Czech law enforcement arrested scores of suspected wildlife criminals and confiscated 10 horns as part of an effort dubbed "Operation Rhino," it became clear to authorities that the Czech-based Vietnamese Syndicate had added rhino horn smuggling to its list of criminal activities.<sup>49</sup> The operation pointed to the Czech Republic as a primary wildlife crime node between the Eastern and the Western hemispheres.<sup>50</sup> Pseudo-hunting, rhino horn smuggling, and the rhino poaching syndicates' CZ rifle supply chains all converge in the Czech Republic, raising questions about whether the Vietnamese Syndicate co-opted CZUB or any of its sales staff.

### 3.3 Diversification of Poaching Methods

Undeterred by new regulations and intensifying scrutiny, the TCO diversified and expanded its smuggling routes between Africa and Southeast Asia to include transshipment through other European countries. In the years that followed, authorities interdicted horn shipments in Slovakia, Italy, Poland, Germany, France, Belgium, and Sweden.<sup>51</sup> European authorities suspect that this expansion was aided by corrupt officials in Vietnam and China.<sup>52</sup>

Around 2012, with demand for rhino horn at an all-time high, the TCO looked for other sources of supply beyond the private rhino owners already in its pockets and broadened operations onto additional private properties and state lands through a new poaching method known as "darting."<sup>53</sup> This criminal scheme involved shooting rhinos with darts containing the powerful M99 tranquilizer drug. Once the rhinos were dead or unconscious, the poachers sawed off their horns.

### 3.4 South Africa: Corruption and Co-option

During pseudo-hunting, TCO-financed corruption was already a serious problem, but it surged to even more endemic proportions under darting.<sup>54</sup> The TCO co-opted veterinarians for access to government-controlled M99 drug stocks. They paid rangers kickbacks for information on rhino locations.<sup>55</sup> They bribed government

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<sup>48</sup> <https://europediplomatic.com/2018/07/19/criminal-tiger-trade-in-europe-florishes/>;  
<https://www.tol.org/client/article/27850-czech-republic-tigers-smuggling-illegal-trade.html>;  
<http://www.atimes.com/article/vietnamese-faces-charges-over-dead-tiger-in-czech-republic/>

<sup>49</sup> <http://www.cizp.cz/file/wh3/CITESnews-Prague105-Operation-RHINO.pdf>;  
<https://cites.org/sites/default/files/eng/com/sc/66/E-SC66-51-01-A6.pdf>

<sup>50</sup> <https://cites.org/sites/default/files/eng/com/sc/66/E-SC66-51-01-A6.pdf>

<sup>51</sup> [https://www.unodc.org/documents/data-and-analysis/wildlife/World\\_Wildlife\\_Crime\\_Report\\_2016\\_final.pdf](https://www.unodc.org/documents/data-and-analysis/wildlife/World_Wildlife_Crime_Report_2016_final.pdf)

<sup>52</sup> Interviews, Czech Republic authorities, Prague, 2015

<sup>53</sup> <https://www.theguardian.com/environment/2012/nov/27/dirty-war-africas-rhinos>

<sup>54</sup> Officials had to be paid off in order for the rhino TCO and poaching syndicates to acquire fraudulent hunting permits, get their hunts erroneously certified for having met all the regulatory specifications and to clear the way for their fake trophy exports

<sup>55</sup> <https://mg.co.za/article/2012-03-02-vets-charged-for-illegal-use-of-tranquillisers>

officials and airport authorities to allow the movement of horn out of the country.<sup>56</sup> They got accountants to set up secretive banking procedures, and they hired lawyers to fend off prosecutions.

Darting's growth was enabled by South Africa's criminal justice system, which proved incapable or unwilling to prosecute repeat offenders of wildlife crimes.<sup>57</sup> In one example, Dawie Groenewald, nicknamed the Butcher of Prachtig, was arrested in 2010 after authorities exhumed 20 rhino carcasses from a mass grave on his land.<sup>58</sup> But his trial stalled after a fellow hunter filed a lawsuit seeking to lift South Africa's ban on rhino horn trading. Groenewald later bragged that the lawsuit was filed at his behest. Although Groenewald was arrested again in June 2017, he was quickly released on bail, and his trial is not scheduled to begin until 2021.<sup>59</sup>

### 3.5 Taking Poaching To New Heights

Given the low risk of prosecution and the vast sums of money to be made, the time was right for the TCO to take the next leap and target the largest singular source of rhinos in the world: Kruger National Park. The TCO implemented this plan by recruiting a sizeable poaching corps, corrupting key government ministries, and enlisting arms merchants to move hunting rifles across multiple continents.

These three chess moves enabled industrial-scale poaching, the likes of which had never been seen in 21<sup>st</sup>-century South Africa, flooding the black market with illegal horn and putting the rhinos squarely in the position of checkmate. But with plenty of impoverished villagers and impressionable youth to exploit as poachers, and no shortage of greedy government officials looking for their cut, it was the influx of CZ rifles and high-caliber ammunition that determined the TCO's quantitative success.

### 3.6 The Choice of Mozambique and CZ Rifles

Before 2010, the TCO had little need for large numbers of guns or a resupply conduit for when stocks fell low. The guns used in pseudo-hunting were usually owned by safari operators or brought into the country as temporary imports. There were also enough guns floating around from past wars—or on offer by corrupt security forces and black-market networks—for the small-scale, opportunistic commercial poachers of that era.

When the TCO set its sight on industrial-scale poaching, it looked to establish a dedicated gun supply chain and the best location from which to run it. South Africa was a bad option because the country had tight gun regulations, especially when it came to the importation and sale of firearms. Mozambique, on the other hand, had gained a reputation as a trafficking hub.<sup>60</sup>

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<sup>56</sup> <https://mg.co.za/article/2012-03-02-vets-charged-for-illegal-use-of-tranquillisers>

<sup>57</sup> The conservation organization WildAid recently published a gallery of top-level criminals still awaiting justice. <http://wildaid.org/wp-content/uploads/2017/09/WildAid-Failure-to-Prosecute-LR.pdf>

<sup>58</sup> <https://www.justice.gov/opa/pr/owners-safari-company-indicted-illegal-rhino-hunts>; <http://news.nationalgeographic.com/news/2014/10/141023-rhino-wildlife-trafficking-south-africa-safari-club-nra-lacey-act-hawks-operation-crash-groenewalds/>

<sup>59</sup> <https://citizen.co.za/news/south-africa/1901908/groenewald-gang-to-go-on-trial-only-in-2021/>

<sup>60</sup> <https://www.bbc.com/news/10629329>; <https://www.theguardian.com/world/2014/apr/22/mozambique-africas-new-narco-state>; <https://www.news24.com/Africa/News/mozambique-now-a-key-hub-in-heroin-trade-report-20180705>; <http://www.afrol.com/articles/37037>



Similar to how the Czech Republic's Vietnamese mafia spread its tentacles from counterfeit goods to drugs to rhino horn as the opportunity presented itself—an adaptive process organized crime experts call *convergence*—the TCO expanded in Mozambique by piggybacking on pre-existing criminal networks.<sup>61</sup>

An emerging narco-state,<sup>62</sup> Mozambique was the perfect staging ground for a gun trafficking operation. The country suffered from entrenched corruption; it generated mounds of illicit profits that could be tapped for capital; it contained veteran smugglers with well-greased transport conduits linked to South Africa, Asia and the Middle East; it had ungoverned geography and porous borders; and it had pre-existing arms importers with high-level cover.

While Mozambique had strict gun control measures on paper, it was easy to get around them. Rhino Rifle Syndicate members described how simple it was for them to bribe politicians and ministry officials for arms licenses and protection.<sup>63</sup> As an added incentive, Mozambique's only two retail gun stores already sold high-caliber ammunition and rifles, and they were conveniently located within a half-day's drive from Gaza Province, home to the majority of Mozambique's rhino poachers.

The TCO's focus on CZ rifles was also not happenstance. CZUB and CZ-USA market their .375- and .458-caliber rifles as the ideal tool for big-game hunting. CZs are similar to AK-pattern rifles in that they are reliable, durable, and a great bang for the buck. But CZs are far more powerful. Rhino poachers using AK-pattern rifles have to spray their targets with bullets and hope they hit a vital organ before they get trampled. But poachers using CZs need only one well-placed shot to collapse a rhino to the ground almost instantly. Poachers have been caught in recent times with AK-pattern rifles, but these were often for use against rangers and anti-poaching forces, or to kill elephants and other game for meat.<sup>64</sup>

### 3.7 Added Poaching Incentive: Government Gun Diversion

Another feature that made Mozambique a natural choice for the TCO was that the country already had stockpiles of CZ rifles for the taking. In many other African countries, wildlife law enforcers, rangers, and security forces were typically issued military-grade weapons or shotguns.<sup>65</sup> But in Mozambique, the Ministry of Tourism issued CZ rifles to such units.<sup>66</sup> The Ministry of Agriculture also had CZ rifles for “problem animal control.”

#### The Problem With Problem Animal Control (PAC)

<sup>61</sup> <http://globalinitiative.net/what-kidneys-cigarettes-and-rhino-horn-have-in-common/>;

<sup>62</sup> <https://www.bbc.com/news/10629329>;  
<https://www.theguardian.com/world/2014/apr/22/mozambique-africas-new-narco-state>;  
<https://www.news24.com/Africa/News/mozambique-now-a-key-hub-in-heroin-trade-report-20180705>;  
<http://www.afrol.com/articles/37037>

<sup>63</sup> Interview Johan Stoltz, Matola, July 2015; Interview with Officer Joaquim Francisco Maholele, Magude, July 2015; Video on file with CAP

<sup>64</sup> <https://oxpeckers.org/2013/07/rhino-trafficking-down-the-rabbit-hole-at-kruger/>; Interviews with anti-poaching forces throughout the course of the investigation; police documents on file with CAP

<sup>65</sup> For a brief introduction to the role of rangers, see for example <http://www.gameranger.org/who-we-are/what-is-a-game-ranger.html>; <http://www.internationalrangers.org/about/>

<sup>66</sup> Changed to the Ministry of Land, Environment and Rural Development in 2015

Problem animal control is the selective removal of wildlife to prevent animals from coming into conflict with humans. For instance, it includes the shooting of an elephant that has raided crops on private lands or killing a lion that has threatened village livestock.

In Mozambique, a significant number of listed PAC incidents are actually illegal hunts authorized by corrupt Ministry of Agriculture officials.<sup>67</sup> These hunts are often carried out using state-owned guns. Safari clients were once allowed to take part in PAC hunts, but this practice was eventually banned because unethical operators were abusing it to circumvent the obligatory quota and permit regulatory systems.

The diversion of government-owned CZ rifles to poachers is an open secret in Mozambique.<sup>68</sup> Police records and anti-poaching incident reports show that CZ rifles flowed regularly from government possessors to poachers through rentals, sales, and/or controlled handovers for poaching operations.<sup>69</sup> Local media has also investigated and reported about the issue.<sup>70</sup> Arms dealers told us that high-ranking officials in the ministries of tourism and agriculture—especially those responsible for government arms tenders and procurements—evidenced involvement in ivory and rhino horn poaching, with some of them authorizing government arms purchases and permits even when the ministries or particular departments had no apparent need for more weapons.<sup>71</sup>

According to conservation officials, most of the government-owned stocks that “disappeared” or “leaked” were in areas with poor supervisory oversight or where the supervisors themselves were suspected of being corrupt.<sup>72</sup> One particularly egregious case occurred in Bahine National Park, where a 2015 conservation law enforcement inspection found most—if not all—of the park’s CZ rifles were stolen from the local police safe. Suspected in the theft were Bahine security forces.<sup>73</sup>

#### Diversion and Corruption in the Arms Trade

Expert studies show that diversion may occur at any time during the lifecycle of a gun. The opportunities are numerous. The guns may disappear during transit and transshipment or they may be stolen from government stockpiles. They may also be purchased from corrupt officials or security forces.

In addition to the problem of diversion is corruption during the sales process. Corruption in the arms trade comprises about 40 percent of all corruption in global transactions.<sup>74</sup>

### 3.8 Corruption at the Ministry of Interior

<sup>67</sup> Interview with Mozambique conservation officials, Maputo, throughout the course of the investigation. See also examples on the site [www.huntingreport.com](http://www.huntingreport.com) such as [http://www.huntingreport.com/hunting\\_article\\_details.cfm?id=2477](http://www.huntingreport.com/hunting_article_details.cfm?id=2477); [http://www.huntingreport.com/hunting\\_article\\_details.cfm?id=2443](http://www.huntingreport.com/hunting_article_details.cfm?id=2443)

<sup>68</sup> Interviews with law enforcement and anti-poaching sources about the ubiquitous nature of CZ rifles and high-caliber ammunition found at Mozambican poaching crime scenes. Mozambique law enforcement documents on file with CAP

<sup>69</sup> Mozambique law enforcement documents on file with CAP

<sup>70</sup> <https://oxpeckers.org/2013/07/rhino-trafficking-down-the-rabbit-hole-at-kruger/>

<sup>71</sup> Interviews with arms dealers in Mozambique throughout the course of the investigation. Video on file with CAP

<sup>72</sup> Interview, Mozambique enforcement officials and anti-poaching units throughout the course of the investigation

<sup>73</sup> Interview, Mozambique enforcement officials, Maputo; video on file with CAP

<sup>74</sup> <https://controlarms.org/blog/10-reasons-to-tackle-diversion-at-the-csp-2018/>; <https://www.sipri.org/yearbook/2011/01>

As the TCO moved to expand poaching into Kruger, it set up a conduit for trafficking rifles that drew on independent sources in addition to government stocks. The new conduit gave the TCO more guns, more control, and more profits.

But the scheme also required Ministry of Interior involvement and political cover on a far more substantive level. The TCO proved adept at penetrating the highest levels of government, hijacking high-level security forces and the office of the national Mozambique Police Force (Policia de Republica de Moçambique or PRM), the then-PRM Commander's closest advisors, and those in charge of the PRM arms licensing authority. These officials enabled the gunrunning network to obtain paperwork on false grounds. They cleared the way for its criminal activities by providing seemingly legitimate licenses for imports and sales. And they assisted in countering threats by preventing law enforcement monitoring and keeping criminal investigations and prosecutions from moving forward.

To set the scheme in motion, the TCO also needed compliant gun manufacturers. CZUB and CZ-USA stepped up to the plate, apparently willing to risk their notable international reputations to profit from a transnational criminal enterprise.

## 4. Follow-The-Guns Techniques & Tools

### 4.1 Serial Numbers

Upon opening an investigation into the Rhino Rifle Syndicate and the broader TCO in 2014, CAP began collecting serial numbers and other data about the physical characteristics of CZ rifles recovered at rhino poaching crime scenes in South Africa and Mozambique. Police, anti-poaching forces, local conservationists, gun dealers, and safari concession holders aided in this endeavor.<sup>75</sup>

Czech Republic and European Union laws require gun manufacturers to imprint serial numbers on their products. This is in part to assist with criminal investigations.<sup>76</sup> Serial numbers are crucial to charting a gun's path through a supply chain—from its manufacture and export to its local importation, sale, and distribution. In addition, serial numbers provide evidence capable of withstanding the strongest scrutiny in court.

The serial numbers we collected during our investigation allowed us to identify members of the Rhino Rifle Syndicate, connect evidence over wide-spread jurisdictions, and compile robust dossiers implicating entities in the gunrunning network. Preserved in our independent database, the serial numbers continue to prove their worth, disproving denials and thwarting attempted cover-ups.

### 4.2 Actionable Information

In February 2015, the head of Kruger's anti-poaching forces, Major General (retired) Johan Jooste, authorized his staff to release two pages of email correspondence from CZUB. The email contained the results of a trace on 28 CZ rifles recovered at rhino poaching crime scenes.<sup>77</sup> This trace was so illuminating that we began calling it the "smoking gun document."

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<sup>75</sup> Anti-poaching incident reports, police records, and correspondence with anti-poaching forces on file with CAP

<sup>76</sup> Under the European Union DIRECTIVE 2008/51/EC, EU "member states must ensure that any firearm or part thereof is marked and registered prior to entering the market..." For examples of other prescriptions, see <https://ec.europa.eu/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/trafficking-in-firearms>

<sup>77</sup> Document on file with CAP

The trace had been initiated at the request of Kruger's gunsmith after he recognized that CZ rifles were being recovered with alarming frequency. Although his primary role was to ensure park rangers' guns worked and functioned safely, the gunsmith's constant interactions with Kruger's rangers and anti-poaching staff placed him in a unique position to detect the pattern.

The trace identified the companies that had purchased the CZ rifles, as well as the year in which those purchases were made. The correspondence also showed that a military-grade CZ assault rifle had been recovered in Kruger months after being sold by a CZUB partner company likewise based in the Czech Republic. The recovery of the assault rifle had clearly set off alarms at CZUB, with the company writing, "where did you find this?"<sup>78</sup>

The smoking gun document was revealing on several levels. For starters, the document showed that Kruger's anti-poaching forces had acquired actionable crime-related information months earlier. We do not know whether Kruger shared this information with the Ministry of Environment, which oversees Kruger, or with South African law enforcement. Regardless, Kruger authorities told us that the park did not act upon the information in a concerted fashion at the time.

The smoking gun document also indicated CZ rifles were moving extraordinarily quickly from CZUB onto South Africa's rhino poaching crime scenes, a telltale sign that experienced gun traffickers were at work.

#### 4.3 Time-To-Crime

Time-to-crime is a widely used method of determining whether guns are trafficked. It is a measurement based on the span of time between the first retail sale of a gun and its confiscation by law enforcement. A gun with a short time-to-crime pattern—anything less than two years—indicates the individual who purchased the weapon likely intended to divert it for criminal use.

The smoking gun document revealed that Kruger had confiscated multiple CZ rifles within two years of them having left the manufacturing facility in the Czech Republic. Presuming the rifles were sold retail at a later date, the time-to-crime had to be even shorter, providing further confirmation that a sophisticated gun trafficking operation existed.

#### 4.4 Mapping Gun Purchasers

Among the most actionable pieces of information in the smoking gun document were the names of the arms wholesalers, or "consignees," who had purchased the rifles from CZUB.<sup>79</sup> The consignees included another Czech company as well as CZ-USA, who collectively bought three of the rifles. Another three rifles were purchased by clients in Portugal, but these were of less interest because the deals occurred before Kruger's rhino poaching crisis began in 2009. CZUB said that another three of the rifles could not be traced due to the receipt of insufficient data.

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<sup>78</sup> The rifle with serial number F1842 was purportedly consigned to The Excalibur Army, Ltd. See <http://www.excaliburarmy.com/en/>

<sup>79</sup> Consignee is a term commonly used by CZUB and other small arms manufacturers to refer to clients who purchase weapons wholesale

The remaining 19 rifles revealed a distinct pattern. They had been sold to four specific wholesalers. Two of those wholesalers—Fabitrade and Cacicambria—were located in Portugal. The other two—Fabicaça and ExploAfrica—were located in Mozambique. These four entities had bought the rifles between 2011 and 2014, just as rhino poaching in Kruger started to soar. CZUB appeared to have an advanced system for marking firearms and tracking their movements, allowing the company to quickly and easily flag for us the potential criminal elements trafficking the company’s products.

But before we tried to figure out how the rifles procured by the wholesalers wound up at poaching crime scenes, we needed to verify the information CZUB provided. For this reason, we traveled to the Czech Republic to meet with CZUB and other authoritative sources.

## 5. Questions For The Source: CZUB

### 5.1 First Encounter: Three Objectives

As a non-governmental organization, CAP is not hindered by the same bureaucratic red tape and jurisdictional confines that government authorities encounter during international investigations. Our independence affords greater mobility and allows us to bypass authorities and other entities that may have a vested interest in obstructing our goals.

Our first meeting with CZUB took place in February 2015 at the company’s headquarters in the southeastern town of Uherský Brod. We had three objectives at the onset of the meeting.

Our first goal was to put the company “on notice” that its guns were being used in mass-scale rhino poaching in South Africa. If CZUB continued to sell the rifles after receiving such a notification, then complicity would be easier to prove in a court of law. CZUB’s Africa sales staff had already been alerted to the problem,<sup>80</sup> as evidenced by the smoking gun document, but the company told us they had taken no action in response. During our first meeting with CZUB, we warned the company of serious consequences and suggested it voluntarily come forward and cooperate with law enforcement given that the survival of the rhino species was at stake.

#### Corporate Responsibility

An ethical—if not legal—onus was on CZUB to conduct due diligence assessments on its clients and weigh the risks of exporting arms to certain countries. When applying for export authorization and licenses, CZUB also should have informed the Czech government about the criminal end-use of multiple rifles previously sold to Mozambique. In turn, the Czech Government should have taken extra care to ensure CZUB’s arms exports were in compliance with relevant national and European Union regulations and international treaties, and not aiding and abetting transnational organized crime, cross-border arms trafficking, or other serious criminal offenses.

Our second objective was to enlist the company’s help in tracing two batches of randomly selected serial numbers from our independently constructed database. CZUB agreed to our request. The trace revealed that the overwhelming majority of the serial numbers pertained to rifles sold by CZUB to the same four

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<sup>80</sup> Interviews, CZUB sales staff, February 2015; email correspondence and documents on file with CAP

suspect wholesalers in Portugal and Mozambique.<sup>81</sup> As a means of verification, we had a reputable local journalist trace the same serial numbers using independent sources. The journalist confirmed the results.<sup>82</sup>

Finally, we asked CZUB to question the four wholesalers about the problem and obtain their client lists.<sup>83</sup> CZUB's willingness to cooperate would provide some indication as to whether the company or its sales agents were involved in the diversion of CZ rifles into the illegal market in Africa.

CZUB sales staff informed us that they would be meeting their wholesalers in less than two weeks at Europe's largest international hunting trade fair, the IWA Outdoor Classics (IWA). The event was to be held in Nuremberg, Germany. CZUB invited us to attend.<sup>84</sup> Two of the wholesalers had made advance appointments to meet with CZUB representatives at the company's exhibition booth, and CZUB suggested we jointly question them about the crime guns.

#### **IWA Advertisement 2018**

"The IWA & Outdoor Classics with its exclusive display of guns, gun parts and gun securities; ammunitions for hunting and sport, optics and electronics for outdoors, outdoor materials, knives, gifts, shooting accessories, clothing, hunting accessories, electronic products and many more related to arms and weapons. The event is a great platform to establish new business relations and connections and is widely recognized as the most important trade show for hunting guns and shooting sports..."<sup>85</sup>

Believing we might come across murky or illicit arms deals at IWA, we acquired video gear to record the exhibition. Video filmed ethically and in accordance with the law helps safeguard the credibility of investigators<sup>86</sup> and is a common tactic for compiling evidence in human rights and environmental crime investigations.

## **5.2 Second Encounter: IWA Proves A Game Changer**

When we arrived at IWA, the European Union (EU) was reeling from a spate of terrorist attacks involving illegal firearms.<sup>87</sup> In 2015 alone, Europol recorded 57 terrorist incidents in which firearms were used.<sup>88</sup> While the EU already boasted some of the strictest gun laws in the world, the terrorist incidents had prompted the bloc to consider imposing even tougher regulations.<sup>89</sup> But despite heightened concerns about

<sup>81</sup> Tracing documents exchanged between CZUB and CAP on file with CAP

<sup>82</sup> Interviews with journalist, Prague, 2015. Trace documents on file with CAP

<sup>83</sup> CAP interview, CZUB sales staff, Uherský Brod, February 25, 2015; Email correspondence with CZUB on file with CAP

<sup>84</sup> As IWA is not open to the general public, CZUB provided us a letter of invite to attend

<sup>85</sup> <https://10times.com/iwa-outdoor-classics>

<sup>86</sup> <https://vae.witness.org/video-as-evidence-field-guide/>

<sup>87</sup> [https://ec.europa.eu/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/trafficking-in-firearms\\_en](https://ec.europa.eu/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/trafficking-in-firearms_en)  
COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT Firearms and the internal security of the EU: protecting citizens and disrupting illegal trafficking at  
[https://www.all4shooters.com/en/Shooting/law/European-Commissionfirearms-internal-security-eu-protecting-citizens-disrupting-illegal-trafficking/COM\(2013\)](https://www.all4shooters.com/en/Shooting/law/European-Commissionfirearms-internal-security-eu-protecting-citizens-disrupting-illegal-trafficking/COM(2013))

<sup>88</sup> [http://www.flemishpeaceinstitute.eu/sites/vlaamsvredesinstituut.eu/files/files/yearreports/annual\\_report\\_2017\\_web.pdf?platform=hootsuite](http://www.flemishpeaceinstitute.eu/sites/vlaamsvredesinstituut.eu/files/files/yearreports/annual_report_2017_web.pdf?platform=hootsuite)

<sup>89</sup> [https://ec.europa.eu/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/trafficking-in-firearms\\_en](https://ec.europa.eu/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/trafficking-in-firearms_en);  
[https://ec.europa.eu/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/trafficking-in-firearms\\_en](https://ec.europa.eu/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/trafficking-in-firearms_en)  
COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT Firearms and the internal security of the EU: protecting citizens and disrupting illegal trafficking at

gun trafficking within the EU, the bloc had not paid much attention to the problem of firearms trafficked to Africa for the purpose of committing wildlife crimes. This was especially true of hunting rifles, which are widely considered innocuous recreational firearms.<sup>90</sup>

While we also had little past experience with cases involving hunting rifles as a tool of major transnational organized crime, the IWA hunting arms exhibition turned out to be a more familiar environment than we anticipated. The four-day exhibition beginning on March 6, 2015, billed itself as “the world-leading trade fair for hunting, shooting sports, outdoor activities and security.”<sup>91</sup> But this proved to be something of a veneer. Among its nine exhibition halls, 1,383 exhibitors, and 41,748 visitors were a good many international arms dealers brokering sales involving a wide variety of dual-use and military-grade weaponry, including the newest Israeli MZ-4, an automatic rifle similar to the American M-16.<sup>92</sup> At an IWA cafeteria, we recorded several Russian-speaking men clandestinely negotiating a surface-to-air missiles deal.<sup>93</sup>

Hunting rifles are regulated within the European Union. But because hunting rifles are ostensibly designed for recreational sport, they garner less scrutiny than handguns and military-grade weapons. At IWA, arms brokers were clearly exploiting that disinterest. We spoke with traders at the fair and observed African arms dealers from countries such as Mali and Zambia asking about buying hunting rifles and ammunition in volumes far too large for the legitimate markets in those countries. Mali, for instance, was under the constant threat of terrorist attack and had contingents of UN and French peacekeeping forces stationed within the country to assist with security, making it far from a hunter’s paradise.<sup>94</sup> Within a year after IWA, Zambia was hit with a poaching crisis of its own.

The genius behind the decision to acquire CZ rifles for rhino poaching was starting to come into focus. Hunting rifles were the perfect camouflage for the TCO’s dirty dealings. With Mozambique’s rulers engaged in armed conflict against the country’s opposition at the time, the TCO probably reasoned—correctly—that foreign hunting rifle imports and local sales would draw less scrutiny than other types of weaponry. They may have also known the Czech Republic would be loath to halt rifle exports to Mozambique when the two countries were in the process of consolidating a significant military cooperation agreement.<sup>95</sup>

Despite having previously pledged its assistance, CZUB refused to introduce us to the company’s wholesalers, even though meeting them was the main reason we attended IWA in the first place. In one instance, CZUB went so far as to run interference, ushering us into one door of an IWA meeting venue while simultaneously whisking the arms wholesalers out another. In the end, the only information we obtained from CZUB were business cards from two of its wholesalers, ExploAfrica and Fabitrade.

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[https://www.all4shooters.com/en/Shooting/law/European-Commissionfirearms-internal-security-eu-protecting-citizens-disrupting-illegal-trafficking/COM\(2013\)](https://www.all4shooters.com/en/Shooting/law/European-Commissionfirearms-internal-security-eu-protecting-citizens-disrupting-illegal-trafficking/COM(2013))

<sup>90</sup> CAP discussed these issues with multiple EU representatives at a conference held at the European Parliament in Brussels in March 2015. Titled “Arms Trafficking – Also an EU Origin Problem,” the conference was sponsored by the Alliance of Liberals and Democrats for Europe

<sup>91</sup> <https://www.iwa.info/en>

<sup>92</sup> <https://www.all4shooters.com/en/specials/trade-shows-2015/IWA-2015/summing-up-the-IWA-2015/>

<sup>93</sup> Video on file with CAP

<sup>94</sup> <http://news.nationalgeographic.com/2016/04/160406-elephants-wiped-out-alarming-scale-Southern-Africa/>

<sup>95</sup> <https://allafrica.com/stories/201505290911.html>



While we were unable to meet the wholesalers, we did manage to meet with CZUB's senior African sales representative, Mr. Petr Kallus.<sup>96</sup> During the conversation, we explained the thoroughness of our findings, the risks to CZUB's reputation if the company did not cooperate, and the need to take immediate action.<sup>97</sup> But Mr. Kallus brushed aside our concerns. He discounted the evidence pointing to the wholesalers' involvement in rhino poaching, saying the wholesalers told him that the rifles in question had been stolen.<sup>98</sup> His statement contradicted those from CZUB's junior staff, who told us they suspected that at least one of the wholesalers was involved in criminal activity.

Our conversation with Mr. Kallus at IWA on March 7, 2015, was the second time we had put CZUB on notice. Before our conversation concluded, Mr. Kallus informed us he would soon be traveling to South Africa and pledged to look into the matter while in the country. At our behest, he agreed to a follow-up interview at CZUB headquarters after he returned to the Czech Republic. He also promised to look for paperwork verifying the wholesalers' claims regarding the rifle thefts.

### 5.3 Third Encounter: The Confession

Our final interview with CZUB took place on May 5, 2015, after Mr. Kallus returned from his business trip to South Africa.<sup>99</sup> We had sent a list of questions in advance.<sup>100</sup> During the interview, which we recorded on video with CZUB's permission, Mr. Kallus acknowledged that CZUB's rifles were being used by criminals. He recalled how Kruger officials had told him about CZ rifles being at the center of the park's rhino poaching crisis, and he said he informed the Czech Ambassador to South Africa about the matter before departing the country. But he also said CZUB would not participate in any investigation unless the company received an official request from South Africa.

Mr. Kallus knew the identities of the culprits, reiterating how CZUB had traced many recovered poaching rifles to wholesalers in Mozambique. The annual purchases for those wholesalers totaled hundreds of units per year, Mr. Kallus said. CZUB had started selling to them in or around 2005—when Mozambique began to grapple with a rhino poaching crisis inside its own borders. While CZUB was “highly against” its weapons being used in poaching, Mr. Kallus said the company could not be held responsible. As long as the wholesalers provided CZUB the requisite paperwork, CZUB would continue to sell rifles to them.

To legally export the weapons out of the Czech Republic, CZUB had to obtain an End-User Certificate (EUC) from Mozambique. Mr. Kallus said an EUC issued by Mozambique guaranteed the rifle exports would “finish in that particular country.” But by CZUB's own admission, a massive number of rifles were subsequently transferred across the border to South Africa—contravening the intent of an EUC entirely, not to mention Mozambique's obligations as a signatory to international arms protocols such as the UN Program of Action on Small Arms.<sup>101</sup> The Rhino Rifle Syndicate apparently had the foresight to enlist corrupt

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<sup>96</sup> Mr. Kallus was also senior sales representative for Canada, Australia, and New Zealand

<sup>97</sup> Interview with CZUB Africa sales staff, Nuremburg, Germany, March 7, 2015; Video on file with CAP

<sup>98</sup> Interview with CZUB Africa sales staff, Nuremburg, Germany, March 7, 2015; Video and email correspondence on file with CAP

<sup>99</sup> Video on file with CAP

<sup>100</sup> Email with CZUB staff dated April 30, 2015 on file with CAP

<sup>101</sup> <https://www.un.org/disarmament/convarms/salw/programme-of-action/>;  
<https://unoda-poa.s3.amazonaws.com/poa-reports-le/2016%40135%402016%20-%20PoA%20-%20Mozambique%20-%200E.pdf>

Mozambican officials in charge of authorizing the EUCs, and it rightly counted on the lack of proper end-use monitoring by the Czech Republic.

#### What is an End-User Certificate?

An EUC is a document used in international arms transfers. It is issued by a government agency within the importing country and guarantees that the importing country will be the final destination for the arms. It is intended to certify that the recipient of the arms transfer will not divert the weapons to an undesired destination or an entity that the exporting country considers a threat.<sup>102</sup>

CZUB's attempt to normalize illicit arms deals was peculiar. The company exported arms to more than 92 countries, and its Mozambique market was, as Mr. Kallus put it, "really, really small," accounting for no more than about 0.1 percent of its overall sales. Why would the Czech Republic's flagship arms company risk its reputation for such a tiny piece of its business?

Mr. Kallus also stressed that not a single authority from the Czech Republic, Mozambique, or South Africa—including SANParks or Kruger—had asked the company to stop shipping CZ rifles to areas hard hit by rhino poaching. (The disinterest shown by South Africa and Kruger officials, given their explicit knowledge of the use of CZUB rifles in rhino poaching, also calls into question the motives behind their lack of official response.) Until one of those countries made such a request, and as long as the Czech Republic authorized the exports, CZUB would not change its exporting activities, despite knowing its guns were being used in the commission of wildlife crimes and causing violent encounters between poachers and counter-poaching forces. "We never do the business which we are not allowed to do," Mr. Kallus said.

As a signatory of the Arms Trade Treaty, the UN Convention Against Transnational Organized Crime, the UN Program of Action on Small Arms and various EU arms control directives, the Czech government was aware of its international and regional commitments to prevent arms exports from getting into the wrong hands. In fact, Mr. Kallus said Czech authorities had once ordered CZUB to halt rifle sales to Namibia because of a problematic customer in that country.

#### What is the UN Program of Action on Small Arms?

Adopted in 2001, the UN Program of Action on Small Arms (PoA) is a global policy framework and detailed instrument containing commitments from signatory states to prevent, combat and eradicate the illicit trade in small arms and light weapons in all its aspects. A byproduct of the PoA is the International Tracing instrument.<sup>103</sup>

Czech authorities knew about the rhino poaching crisis. They had shown a willingness to bust rhino-affiliated TCO operatives on Czech territory during Operation Rhino, and they had publicly called for robust action against wildlife crime at Interpol and CITES fora. To throw those efforts to the wind by approving the CZ rifle sales to Mozambique revealed a contradictory nature to its policies.

<sup>102</sup> <http://www.weaponslaw.org/glossary/end-user-certificate>; [https://en.wikipedia.org/wiki/End-user\\_certificate](https://en.wikipedia.org/wiki/End-user_certificate)

<sup>103</sup> <http://unrcpd.org/conventional-weapons/poa/>;  
<http://www.weaponslaw.org/instruments/2001-un-programme-of-action-on-small-arms>

Czech companies hoping to export military-grade guns have to go through a more onerous approval process than they do for exporting hunting rifles. Military-grade guns require additional permissions from the ministries of defense and interior, whereas hunting rifles only require approval from the ministries of foreign affairs and trade and industry.<sup>104</sup> With strict ownership licensing procedures for hunting rifles in the Czech Republic and South Africa, the standard practice may have been sufficient to prevent diversion into criminal hands in both of these countries. But CZUB admitted not knowing about the arms regulations within Mozambique—nor did it care to inquire about them.

CZUB's failure to engage in appropriate due diligence had clearly been exploited by the TCO. Mr. Kallus depicted hunting rifles as weapons “not considered as so dangerous for using against the people.” But this statement was patently false: the rifles were at the center of an escalating poaching war that had resulted in the killing of more than a thousand civilians and enforcement officers.

#### “Where did you find this?”

This alarming remark from CZUB piqued our attention. It was written beside the serial number of the only military-grade weapon listed in the smoking gun document. The weapon was a CZUB model 58, and as a military-grade assault rifle, it was subjected to stricter oversight than a recreational firearm. CZUB had identified the purchaser of the model 58 as Excalibur Army, and the year of sale as 2014. With that information in hand, we set about piecing together the life of this particular gun starting with its serial number, F1842.

The gun was originally produced for the Czech Army some 20 or 30 years ago. After the army no longer needed it, the gun was returned to a CZUB warehouse. It sat idle until 2005, when it was sold to one of the Czech Republic's leading defense firms, Excalibur Army, located in the town of Přelouč, east of Prague. Excalibur is in the business of refurbishing surplus military equipment and reselling it, mostly to foreign armed forces.<sup>105</sup> Senior Excalibur representatives informed us the gun had been shipped to the Iraqi army on Sept. 11, 2014, in a packet that included four magazines and a bayonet. The packet was part of a load of more than 50 other military-grade weapons sent to aid the Iraqi government in its battle against the Islamic State (IS), also known as ISIS, ISIL or Daesh.<sup>106</sup>

In an email, Excalibur spokesman Andrej Čírték told us the company had looked into how the gun could have traveled thousands of miles to Kruger within three months of being sold to the Iraqi government—and in violation of the Iraq EUC. The preliminary findings indicated the gun was probably captured by Islamic State fighters, who then transferred it to an organized criminal network with links to poachers in southern Africa.<sup>107</sup> This was entirely possible: The gun fired 7.62x39mm rounds, the same caliber of ammunition commonly used by poachers before the more powerful .357s and .458s swept onto the scene.

Mr. Čírték said a lot of western military equipment had fallen into the Islamic State's hands, but that didn't negate the “very important role” that arming the Iraqi military played in helping defeat the terrorist group, and he affirmed his company's commitment to “do as much as possible to find out how this case could happen.”

<sup>104</sup> Interview with Petr Kallus, Uherksy Brod, May 5, 2015. Video on file with CAP

<sup>105</sup> <http://www.excaliburarmy.com/en/about-us>

<sup>106</sup> Emails from Excalibur dated from February-March 2015 on file with CAP

<sup>107</sup> Email from Excalibur dated April 30, 2015 on file with CAP

The stakes for Excalibur were high given that one of its weapons had been linked to a terrorist organization. But its attitude was reassuring, as even amid the chaos of war, Excalibur proved willing to conduct an end-user verification for a single gun.

If CZUB had done the same, we could have identified members of the TCO's gunrunning network much faster—and notified law enforcement much earlier.

We subsequently discussed our trace results with Kruger staff who told us they had looked further into the matter only to discover that the serial number they provided us was incorrect. The correct serial number matched a gun formerly in the possession of South African defense forces.<sup>108</sup> While we were unable to independently conclude whether Kruger had made a legitimate error or something more nefarious was happening, it proved another example of South Africa's shoddy crime gun record-keeping.

Without the threat of punishment or fear of prosecution, CZUB could continue aiding and abetting the TCO's gunrunning network. CZUB told us that new orders, negotiated at IWA, were in the process of being finalized for delivery to the company's Mozambican clients.

Mr. Kallus said CZUB was grappling with the fallout from EU sanctions imposed on Russia in 2014 after its invasion of Ukraine and annexation of Crimea, cutting the company off from one of its biggest markets. To cover lost revenue, CZUB planned to step up sales to other African countries, even though they, too, were facing threats from rhino poaching.

CZUB was also looking to the U.S., where efforts to impose new gun-control policies had caused firearm sales to soar. Mr. Kallus said the U.S. had become CZUB's most significant market. CZUB was counting on its "daughter" company, CZ-USA, to seize on the buying spree and make up for losses incurred in Russia.

CZ-USA does not manufacture rifles itself. Rather, it imports them from CZUB and customizes them for American consumers. According to the smoking gun document and poaching incident reports, rifles meant to have been imported by CZ-USA and sold to American clients were instead diverted to poachers in South Africa, where they surfaced at rhino crime scenes (See Section 11 The American Connection).

#### 5.4 A Surprising New Lead - Investcon

Although we were unable to convince CZUB to voluntarily halt arms sales to Mozambique, the company did provide leads that proved crucial to unlocking the gunrunning conspiracy.

On April 3, 2015, CZUB sales staff forwarded us a client list from its Mozambican wholesaler, Casa Fabião.<sup>109</sup> The client list showed that a private company named Investcon, also known as Investicom, had purchased 61, or 80 percent, of the 76 .375- and .458-caliber rifles sold by Casa Fabião from February 12 to August 15, 2014.

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<sup>108</sup> Interviews, Kruger staff, Skukuza, May-June, 2015. Gun records on file with CAP

<sup>109</sup> Email dated April 3, 2015 on file with CAP

The unusually large number of rifles sold to a single company defied explanation. As experts in the arms industry, CZUB should have recognized this anomaly and immediately investigated it. If CZUB had done its due diligence, the company would have quickly concluded that many of the rifles bought by Investcon had been recovered at rhino poaching crime scenes.

The Casa Fabião client list made Investcon one of our primary targets. Over time, we were able to document Investcon's role as the gunrunning intermediary between the Mozambican wholesalers and poaching communities. [See Section 8 The Arms Middlemen]

We also obtained the client list from CZUB's other Mozambican wholesaler, ExploAfrica, a little more than a month later. The ExploAfrica client list revealed a similar pattern: Investcon bought 52, or nearly half, of the 120 .375- and .458-caliber rifles sold by ExploAfrica's retail shop from April 14, 2013, to November 27, 2014. In fact, Investcon was ExploAfrica's second-largest buyer of high-caliber CZ rifles, trailing only slightly behind the Mozambican Ministry of Tourism.<sup>110</sup>

CZUB had received ExploAfrica's client list one week after our May 2015 interview with Mr. Kallus, but the company never provided it to us (We obtained it from another source whose identity we are withholding for safety reasons). CZUB also failed to provide this incriminating information to relevant authorities at the time.<sup>111</sup>

## 5. 5 Questions Remain

After the interview with Mr. Kallus, we submitted several follow-up inquiries to CZUB but never received a response. The company essentially severed all official contact despite having agreed to provide additional serial number trace results. CZUB had also agreed to inform us of its findings regarding the wholesalers' claims that certain poaching rifles had been stolen. CZUB has never explained its sudden communications withdrawal.

Three years passed before we heard from CZUB again. In May 2018, CZUB was sent an email laying out the allegations contained in this report and providing the company a right of reply. Below is an excerpt. For more information about CZUB's response, see Section 11.

## 6. Follow-The-Guns Slow To Catch On

### 6.1 Czech Inaction

The trace results provided by CZUB prior to its communications withdrawal exemplified the effectiveness of our methodology. But the extent of CZUB's role in the scheme remained unclear, so we turned to Czech authorities hoping they would be able to answer some of our questions.

Between March and April 2015, we met with the Czech Environmental Inspectorate, national prosecuting authorities, and organized crime police. They took an interest in the dossier on CZUB and opened an

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<sup>110</sup> Email from ExploAfrica to CZUB dated May 12, 2015. ExploAfrica/Afrocaça client list on file with CAP

<sup>111</sup> CAP interviews, Maputo, 2015 and Czech Republic, 2015. Email from ExploAfrica to CZUB dated May 12, 2015. ExploAfrica/Afrocaça client list on file with CAP

inquiry.<sup>112</sup> Scheduling problems prevented us from meeting with the Czech trade and industry officials responsible for arms export licensing, though we did send a letter informing them of the problem and met with a junior staff member who said he would brief his superiors.<sup>113</sup>

The Czech authorities expressed concerns about CZUB possibly being engaged in illegal activity. But wildlife crime was still a nascent and, therefore, low-priority issue in the Czech Republic, not to mention the broader world stage. On an international level, attention had only recently turned to the predatory, highly organized nature of the wildlife crime syndicates.<sup>114</sup> 2010 saw the creation of the International Consortium on Combating Wildlife Crime. The consortium marked the start of a collaborative effort by CITES, Interpol, the World Bank, the World Customs Organization, and the UN Office of Drugs and Crime (UNODC) to bring wildlife criminals to heel.<sup>115</sup> But when we met with Czech authorities five years later, the first UN General Assembly Resolution setting out a framework for tackling illicit wildlife trafficking was still several months away, and the Czech police and prosecutor were worried that the lack of international resolve would make mounting a successful investigation into the Rhino Rifle Syndicate exceedingly difficult.<sup>116</sup>

#### Wildlife Crime - A Growing Problem

Today, wildlife crime is a \$20 billion a year industry, making it the world's fourth most lucrative form of contraband, trailing only behind drugs, arms, and human beings.<sup>117</sup> Mainstream media cover wildlife crime extensively, and the global conservation community has been pushing hard to make it a focal point of national, regional, and multilateral bodies.<sup>118</sup> Governments are responding in kind. In October 2018, the United Kingdom hosted the London Illegal Wildlife Trade Conference, which brought together global leaders with the stated aim of eradicating wildlife crime and better protecting the world's most iconic species from the threat of extinction.<sup>119</sup>

While wildlife crime is still not the enforcement target of a specific international treaty, it is increasingly recognized as a global problem necessitating international cooperation.

The Czech Republic's lax attitude regarding the sales and export of hunting rifles—especially compared to military-grade weapons—presented another problem. Czech authorities faced an uphill battle justifying a multi-jurisdictional organized crime case involving recreational firearms sold with the Czech government's approval. As long as the export and import paperwork appeared legitimate, it would be difficult to launch a costly international investigation on an issue of minimal concern to the Czech public and the international community.

<sup>112</sup> CAP meetings with law enforcement, environmental inspectorate, and prosecutor, Prague, March 10, 2015. Email correspondence on file with CAP

<sup>113</sup> Email dated May 3, 2015 on file with CAP. Interview with ministry staff, Prague, April 30, 2015

<sup>114</sup> For a timeline of key events, see [https://cites.org/sites/default/files/eng/news/pr/2015/IWT-events\\_2015.pdf](https://cites.org/sites/default/files/eng/news/pr/2015/IWT-events_2015.pdf)

<sup>115</sup> <https://cites.org/eng/prog/iccwc.php>

<sup>116</sup> [https://cites.org/eng/news/pr/CITES\\_welcomes\\_new\\_powerful\\_UN\\_resolution\\_to\\_tackle\\_wildlife\\_trafficking\\_12092017](https://cites.org/eng/news/pr/CITES_welcomes_new_powerful_UN_resolution_to_tackle_wildlife_trafficking_12092017)

<sup>117</sup> [https://cites.org/eng/international\\_dimension\\_of\\_illegal\\_wildlife\\_trade](https://cites.org/eng/international_dimension_of_illegal_wildlife_trade)

<sup>118</sup>

[http://www.unodc.org/unodc/en/frontpage/2017/July/first-major-event-of-un-inter-agency-task-force-held-in-bangkok--as-countries-of-africa-and-asia-unite-to-address-wildlife-crime.html?ref=fs1\\_a](http://www.unodc.org/unodc/en/frontpage/2017/July/first-major-event-of-un-inter-agency-task-force-held-in-bangkok--as-countries-of-africa-and-asia-unite-to-address-wildlife-crime.html?ref=fs1_a)

<sup>119</sup> <https://www.gov.uk/government/topical-events/london-conference-on-the-illegal-wildlife-trade-2018>

Arms trafficking networks often rely on falsified paperwork and corrupt officials within government arms licensing departments to provide a façade of legitimacy. To better illuminate CZUB's suspect business practices, we needed to identify the other members of the gun supply chain. We foresaw CZUB's cover story unraveling as we made our way, tier by tier, from the manufacturer down to the rhino poachers, and we hoped that once we exposed the entire criminal conspiracy, Czech authorities would be in a stronger position to act.

But one thing we had to keep in mind were the growing ties between the Czech Republic's and Mozambique's commercial and security sectors. The two countries signed a Memorandum of Understanding (MoU) in May 2015 following a visit to Mozambique by a Czech delegation that included various officials associated with the arms industry. Speaking to reporters during this visit, the Czech Foreign Minister said his country had a strong interest in supplying armaments, military equipment, and training to the Mozambican government. The MOU meant that the Czech Republic had a vested interest in staying on good terms with Mozambique and would likely view our investigation as a threat to the agreement.

## 6.2 Kruger Disregards CZUB Gun Trace Offer

During our interview with Mr. Kallus in May 2015, he affirmed CZUB's commitment to fulfilling serial number trace requests submitted through official South African channels.

After meeting with Czech authorities, we returned to Kruger National Park, where we briefed General Jooste and other Kruger ECI staff members. Among the points we shared was that CZUB was unlikely to help disrupt the flow of illegal rifles into the park unless South African officials reached out directly to the company or Czech authorities and emphasized the need for action.

South African officials—including General Jooste—had often called for international cooperation in combating rhino poaching, and they had numerous channels through which they could have easily requested Czech assistance. The Czech embassy in Pretoria was located just down the road from South Africa's Department of International Relations and Cooperation. Prior to his appointment as Kruger's anti-poaching czar, General Jooste worked as head of business development for a major international arms firm and could be expected to have developed the expertise and contacts to professionally intervene on the matter. Another option was INTERPOL, which the South African Police Services (SAPS) could have used as a vehicle to approach Czech authorities.

### Interview at CZUB HQ with Petr Kallus

We informed our ambassador in South Africa that our weapons had been found in Kruger Park... but nothing official was sent [from South Africa]. so you know how it is with the government, if there is no official claim, they cannot say officially anything...

Until now, no official discussion, but as I told you, we are ready to discuss in an official way, if there will be an official request, either from the side of police or any official authorities either in South Africa or in Mozambique, and if they will send it through to our officials, which is the embassy, for us...



I can say that we will cooperate with the officials, if we'll be requested. So, that's the main thing, because we would like to play the role not only of the gun seller but also of someone who is taking care about the after-market, and what is happening with our products.

### 6.3 Crime Guns Remain Low Priority For Kruger

We made repeated attempts throughout 2015 to persuade Kruger to enlist CZUB's assistance for tracing the serial numbers of crime guns. But park authorities neglected our calls and generally demonstrated little appetite for using a follow-the-guns methodology to dismantle the TCO and its gunrunning network. One exception was when Kruger granted us permission in late May to work with its ECIs on preparing lists of serial numbers for tracking. During this time, our primary ECI contact drafted a letter requesting CZUB's assistance on gun traces should Kruger and SANParks management change its mind and take the company up on its offer.

Save for allowing us to work with ECIs, Kruger largely continued its strategy of catching or killing low-level poaching teams, a move that was not altogether surprising. The park was plagued with corruption and had a vested interest in keeping the rhino war going. International donors had poured tens of millions of dollars into Kruger since the crisis began, a money stream that would likely evaporate if the park won the war and hostilities ground to a halt. South Africa had elevated rhino poaching to a National Priority Crime in 2014, and Kruger officials had repeatedly emphasized publicly how they were doing everything within their power to combat the problem, but the rejection of gun traces defied that rhetoric, raising serious questions about the park's commitment to ending rhino poaching once and for all.

Kruger's decision to carry on business as usual ultimately proved disastrous. The subsequent influx of new CZ rifles allowed the TCO to form bigger poaching teams and launch coordinated operations over an ever-widening geographical area. In the first eight months of 2016, the number of illegal incursions into Kruger shot up more than 27%—to a staggering 2,115—over the same period one year prior.<sup>120</sup> The poaching corps operating in Kruger became one of the fastest-growing in the world, and it would have to be reckoned with for years to come as it expanded throughout the region and started killing not only increasing numbers of rhinos but also more elephants, lions, pangolins and other forms of wildlife.<sup>121</sup>

Kruger's refusal to engage directly with CZUB put us back at square one in South Africa. As the criminals continued to scale up, our only option was to assist the ECI team in tracking CZ rifles back to their purchasers one crime scene at a time. We were willing to work within this narrow confine because it still gave us access to the data we needed to meet our goal of identifying the gunrunning network supplying the TCO and its poaching syndicates, and we believed our proof of concept would eventually lead South African authorities to act against the kingpins.

## 7. CZUB's Two Clients in Mozambique – The Gun Sellers

<sup>120</sup> [https://www.environment.gov.za/mediarelease/molewa\\_highlightsprogress\\_onrhinopoaching2016](https://www.environment.gov.za/mediarelease/molewa_highlightsprogress_onrhinopoaching2016)

<sup>121</sup> <https://ewn.co.za/2018/04/22/sanparks-concerned-with-growing-number-of-elephants-poaching>;  
[https://www.theguardian.com/environment/2018/nov/05/lion-poaching-the-brutal-new-threat-to-africas-prides?CMP=share\\_btn\\_link](https://www.theguardian.com/environment/2018/nov/05/lion-poaching-the-brutal-new-threat-to-africas-prides?CMP=share_btn_link)

### 7.1. Mission To Mozambique

Below CZUB in the supply chain hierarchy were the company's wholesalers. CZUB and other manufacturers often refer to their wholesalers as "consignees" or "clients." Serial number traces conducted by CZUB at our request provided the names of the four wholesalers who had purchased most of the recovered poaching rifles. These were ExploAfrica and Casa Fabião, located in Mozambique; and Cacicambra and Fabitrade, located in Portugal.

ExploAfrica and Casa Fabião were based in Mozambique's capital, Maputo. We chose to focus on ExploAfrica and Casa Fabião given their proximity to South Africa and the fact that they had sold a larger quantity of recovered poaching rifles than Cacicambra and Fabitrade. Also, CZUB had told us it was preparing new arms deliveries for its clients in Mozambique, and we were alarmed at the prospect of more rifles winding up with the rhino poaching syndicates.<sup>122</sup>

### 7.2. Backdrop: ExploAfrica

A reputed hotspot for traffickers dealing in a variety of contraband, Mozambique provided a springboard for the TCO to vastly expand its poaching operations. ExploAfrica and Casa Fabião are the type of shady, well-connected arms suppliers preferred by organized crime, and their proximity to the South African border made them an ideal fit for the TCO. Adding to the appeal was the fact that both firms had ties to high-level politicians and belonged to a sprawling web of family-owned, geographically dispersed firms, making it difficult for law enforcement to investigate them.

ExploAfrica is part of a network of interlocking arms and explosives companies in Portugal, Spain, Angola, the Democratic Republic of Congo, and Guinea.<sup>123</sup> The firm is run by Mr. Nuno Miguel da Silva Vieira (Mr. Vieira), a Portuguese national who became a naturalized Mozambican citizen in 2015.<sup>124</sup> The majority shareholder (60%) of ExploAfrica is a Portuguese company, ExploNorte.<sup>125</sup> The owners of ExploNorte are Mr. Vieira, his relatives, and their family business, which is named Moura, Silva, & Filhos, Lda.<sup>126</sup>

According to public records, company filings, and media sources, Mr. Vieira and the broader ExploAfrica Group are linked to about a dozen other Mozambican companies. Many of those companies are involved in importing, transporting, and distributing arms, explosives, and ammunition. ExploAfrica was not only a Mozambican distributor for CZUB, but also for other firearms manufacturers, such as the Brazilian manufacturer Taurus S.A.<sup>127</sup>

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<sup>122</sup> Interviews with CZUB sales staff, May 2015; Video on file with CAP

<sup>123</sup> Interviews with ExploAfrica staff, including Mr. Nuno Miguel da Silva Vieira, throughout the course of the investigation. Public records and video on file with CAP

<sup>124</sup> Boletim da República - Moçambique – dated October 30, 2015

<sup>125</sup> The full name is ExploNorte - Distribuidora de Explosivos do Norte LDA; <http://www.explonorte.com/index.php>; Boletim da República - Moçambique – dated July 19, 2007

<sup>126</sup> [https://www.einforma.pt/servlet/app/portal/ENTP/screen/SProducto/prod/ETIQUETA\\_EMPRESA\\_GESTOR/nombre\\_em\\_presa/%20EXPLONORTE+-%20DISTRIBUIDORA+DE+EXPLOSIVOS+DO+NORTE,+LDA/gestor/Jorge+Filipe+da+Silva+Vieira/duns\\_empresa\\_seleccionada/4%2055456905/nif/503445177](https://www.einforma.pt/servlet/app/portal/ENTP/screen/SProducto/prod/ETIQUETA_EMPRESA_GESTOR/nombre_em_presa/%20EXPLONORTE+-%20DISTRIBUIDORA+DE+EXPLOSIVOS+DO+NORTE,+LDA/gestor/Jorge+Filipe+da+Silva+Vieira/duns_empresa_seleccionada/4%2055456905/nif/503445177); <http://www.mourasilvaexplosivos.com/noticias.php>

<sup>127</sup> Interviews with ExploAfrica staff throughout the course of the investigation; [http://webcache.googleusercontent.com/search?q=cache:http://www.taurusexport.com/en/distributors-taurus&gws\\_rd=cr&ei=5STHV8CwKlvtvgSy-IngDw; ExploAfrica documents on file with CAP](http://webcache.googleusercontent.com/search?q=cache:http://www.taurusexport.com/en/distributors-taurus&gws_rd=cr&ei=5STHV8CwKlvtvgSy-IngDw; ExploAfrica documents on file with CAP)

### 7.3. ExploAfrica's Dirty Secrets

Both Mr. Vieira and his family business, Moura, Silva, and Filhos, Lda have a dubious track record. They were investigated by both the Portuguese and Spanish police for supplying the explosive Goma 2 Ecco to terrorists involved in the March 2004 Madrid train bombings, which killed more than 190 people. The following year, working off a tip, the Portuguese police raided four warehouses belonging to Moura, Silva, and Filhos, Lda, seizing 785 kilos of explosives, including 70 kilos of Goma 2 Ecco, which were not listed in the company's inventory system.<sup>128</sup>

Mr. Vieira's dealings in the Mozambican defense sector have also been fraught. Companies in which Mr. Vieira was a partner were cited for grand corruption, ill-gotten gains, and violating UN sanctions on North Korea. In one case, Mr. Vieira's company Sociedade Distribuidora de Explosivos partnered with Monte Binga. Monte Binga was an investment firm created by the Defense Ministry of Mozambique and later owned by the government's Institute for the Management of State Holdings (IGEPE) as well as Gestão de Investimentos, Participações e Serviços, Limitada, reputed to be an offshoot of Mozambique's secret services. These three entities worked together to create the company Mudemal in 2012. Mudemal's activities include manufacturing ammunition, explosives, and pyrotechnics; the distribution and sale of ammunition, explosives, and related products; the provision of transport services and the transit of arms; as well as import and export.<sup>129</sup>

Four years after Mudemal was established, Monte Binga became embroiled in an international scandal involving grand corruption and the misuse of USD \$2 billion in clandestine Mozambican government loans, most of which had been doled out to the security sector. The loans left Mozambique in debt and precipitated an economic downfall in the country.<sup>130</sup> In 2018, the U.S. issued indictments for bribery, corruption, and kickbacks against several foreign bankers and Mozambican officials involved in the scandal leading to arrests in early 2019.<sup>131</sup>

Monte Binga garnered headlines again in 2017 after a UN Panel of Experts faulted the company for having violated the UN-mandated sanctions regime on North Korea.<sup>132</sup> According to the panel's report, Monte Binga and North Korea entered into a USD \$6 million military cooperation contract in 2013 involving the supply of man-portable air defense systems, surface-to-air missiles, and radar to Mozambique.

<sup>128</sup> Vegar, José (2008) 'The Grey Threat: Presence of Jihadist Terrorism and Failings in the Portuguese National Security System', *Studies in Conflict & Terrorism*, 31:5, 456 – 479. Interview with Portuguese Police, Lisbon, October 2015; Interview with ExploAfrica staff during the course of the investigation. Video on file with CAP

<sup>129</sup> Boletim da República - Moçambique – October 15, 2012

<sup>130</sup> Monte Binga owned 50% of ProIndicus, one of the arms companies at the heart of the scandal.  
[https://translate.google.com/translate?hl=en&sl=pt&u=http://macua.blogs.com/moambique\\_para\\_todos/2016/04/num-simples-apontamento-as-voltas-e-reviravoltas-entre-a-frelimo-e-os-d%25C3%25B3lares.html&prev=search](https://translate.google.com/translate?hl=en&sl=pt&u=http://macua.blogs.com/moambique_para_todos/2016/04/num-simples-apontamento-as-voltas-e-reviravoltas-entre-a-frelimo-e-os-d%25C3%25B3lares.html&prev=search);  
<http://www.theafricareport.com/Southern-Africa/mozambique-the-anatomy-of-corruption.html>;  
<https://www.worldfinance.com/special-reports/the-mozambique-debt-crisis>;  
[https://www.open.ac.uk/technology/mozambique/sites/www.open.ac.uk/technology/mozambique/files/files/2017-06-23\\_Project%20Montague%20-%20Independent%20Audit%20Executive%20Summary%20English%20\(REDACTED%20FOR%20PUBLISHING\).pdf](https://www.open.ac.uk/technology/mozambique/sites/www.open.ac.uk/technology/mozambique/files/files/2017-06-23_Project%20Montague%20-%20Independent%20Audit%20Executive%20Summary%20English%20(REDACTED%20FOR%20PUBLISHING).pdf)

<sup>131</sup> <https://www.cnn.com/2019/01/04/ex-credit-suisse-bankers-arrested-on-us-charges-over-mozambique-loans.html>;  
<http://www.fcpablog.com/blog/2019/1/4/ex-credit-suisse-bankers-charged-with-fcpa-violations.html><https://www.wsj.com/articles/mozambique-corruption-probe-marks-new-u-s-approach-11547548201>;  
<https://qz.com/africa/1519653/mozambique-finance-minister-arrested-credit-suisse-fbi-caught-up/>;  
<https://www.ft.com/content/1b59b5e4-32ab-11e9-bd3a-8b2a211d90d5>

<sup>132</sup> [https://www.securitycouncilreport.org/atf/cf/%7b65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7d/s\\_2017\\_150.pdf](https://www.securitycouncilreport.org/atf/cf/%7b65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7d/s_2017_150.pdf)

Mr. Vieira also owns shares in a company alongside the son of Mozambican President Filipe Nyusi (The son is named Jacinto Ferrão Filipe Nyusi). Prior to becoming president, the elder Mr. Filipe Nyusi served as Mozambique's Minister of Defense, a position he held from 2008 to 2014, which is also the period in which the clandestine government bank loans were doled out to the security sector and the military cooperation contract with North Koreans was signed.

With deep ties to Mozambique's political and business elite, ExploAfrica also muscled its way into the local gun retail business. The two retailers prior to its entry were Casa Fabião and Afrocaça. Both had shops in Maputo. However, Afrocaça's majority shareholders were part of Cacicambra (Comercio E Industria De Artigos De Caca, SA), Portugal's largest armaments company, headquartered in the industrialized zone of Santa Maria da Feira about 300 kilometers from Lisbon.<sup>133</sup> Around early 2010, ExploAfrica began leveraging its high-level government connections to exploit Cacicambra's geographic vulnerability and orchestrate a hostile takeover of Afrocaça.<sup>134</sup> The takeover, completed by 2013, was aided by CZUB, a strong indicator that people within the Czech arms company may have aligned themselves with the TCO's gunrunning network early on.

#### Hostile Takeover Mozambique-Style

Roughly between 2010 and 2012, Afrocaça and its parent company Cacicambra held a Mozambique public tender for .375 and .458-caliber CZ hunting rifles. While Afrocaça and Cacicambra waited for CZUB to deliver the stock, ExploAfrica ordered a near identical type and quantity of firearms. CZUB fulfilled ExploAfrica's order and exported the weapons to Mozambique, precipitating the demise of Cacicambra's long-standing and substantial business there.

Through machinations involving Mozambican government officials, ExploAfrica eventually muscled Cacicambra aside and took over ownership of Afrocaça. This move gave ExploAfrica the Mozambique tender and control of an already well-established CZ retailer. Cacicambra, meanwhile, was left with a surplus of CZ inventory in Portugal, which at the time of our visit remained unsold for lack of customers.

Serial number traces conducted by CZUB at our request identified Cacicambra as the source of several Kruger poaching rifles. These rifles bore serial numbers beginning with "A" (referred to as the "A Series") and were consigned to Cacicambra in or around 2011.<sup>135</sup> But it was not until after ExploAfrica took over Afrocaça that rhino poaching in Kruger dramatically surged. After 2011, most of the poaching rifles recovered in the park bore serial numbers beginning with "B." And most of these we traced to either ExploAfrica/Afrocaça or Casa Fabião.

#### 7.4 The ExploAfrica-Afrocaça Enterprise

It seemed a perfect partnership: ExploAfrica imported the CZ rifles, then Afrocaça sold them out of its retail shop. "ExploAfrica buys. Afrocaça sells," Dercio Daude, the director of Afrocaça, told us.<sup>136</sup> But in practice,

<sup>133</sup> <http://www.cacicambra.pt/p24-empresa-pt>; Documents and video on file with CAP

<sup>134</sup> Interviews ExploAfrica/Afrocaça staff during the course of the investigation; Afrocaça and Cacicambra documents and video interviews on file with CAP

<sup>135</sup> CZUB trace documents on file with CAP

<sup>136</sup> Interview, Maputo, June 2015. Video on file with CAP

the two companies operated almost like a single entity, with the two firms abiding by the same practices and commingling funds in their banking accounts.<sup>137</sup>

An employee of Mr. Vieira's, Mr. Daude handled many aspects of ExploAfrica and Afrocaça's operations. He attended the international arms exhibitions. He negotiated the arms deals with the manufacturers and the suppliers. He acquired the import and end-user licenses, managed the financial transactions, and acted as a spokesperson for both companies. He managed the Afrocaça retail shop but listed ExploAfrica as his employer in correspondence with foreign arms suppliers and when seeking visas to travel to the U.S. and Europe.<sup>138</sup>

We first interviewed ExploAfrica and Afrocaça staff in June 2015.<sup>139</sup> During those interviews, we learned that CZUB never told them about our attempts to meet with ExploAfrica at the IWA arms exhibition. In addition, we obtained email correspondence showing ExploAfrica sent its client list to CZUB on May 12, 2015. This was one week after we interviewed Mr. Kallus at CZUB headquarters, and about the same time CZUB stopped responding to our inquiries. We now suspect that CZUB's withdrawal has a lot to do with what the client list contained. Just as with Casa Fabião, the client list from ExploAfrica/Afrocaça showed the private company Investcon had purchased the bulk of the rifles recovered in Kruger. This fact alone should have been a worrying sign for CZUB, especially given the company's expert knowledge of the hunting armaments industry.

Prior to our June 2015 visit to ExploAfrica/Afrocaça, Kruger had given us serial numbers from recovered poaching rifles and asked us to investigate them. We provided those serial numbers to ExploAfrica/Afrocaça's staff, who in turn showed us the inventory records for the rifles. The records indicated that all of the CZ rifles had been bought from its shop. Even more telling was that all of the guns had been purchased by the same customer: Investcon.

We immediately passed the information to Kruger and its conservation enforcement counterparts in Mozambique. At the time, the two sides were working jointly under a 2013 bilateral anti-poaching effort dubbed "Operation Lebombo."<sup>140</sup>

Having identified another cog in the gun pipeline, one of the TCO's rifle supply chains was taking shape: CZBU • ExploAfrica • Afrocaça • Investcon.

But experience has taught us that TCOs prefer to have back-up plans in case one of their supply chains is detected. Having more than one supply chain also creates competition, which in turn generates heftier profits. If we hoped to disrupt the TCO's gunrunning system as a whole, we would also have to investigate CZUB's other Mozambican client, Casa Fabião.

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<sup>137</sup> Documents on file with CAP

<sup>138</sup> Documents on file with CAP

<sup>139</sup> Video on file with CAP

<sup>140</sup> Bilateral collaboration between South Africa and Mozambique has improved significantly through Operation Lebombo, a standing joint initiative between South Africa (principally SANParks) and the Mozambique Police, to facilitate joint cross-border operations and share information and intelligence with ANAC, Mozambique's conservation authority. <https://cites.org/sites/default/files/eng/cop/17/WorkingDocs/E-CoP17-68-A5.pdf>; <https://www.peaceparks.org/operation-lebombo-success-through-cooperation/>

## 7.5 Backdrop: Casa Fabião

Like the ExploAfrica Group, Casa Fabião belonged to a labyrinthine network of interwoven companies. Transnational criminal organizations involved in the gun trade commonly set up dizzyingly complex supply chains as a means to frustrate authorities, spread profits, and provide a measure of plausible deniability should any one entity within the chain fall under scrutiny.

Two clues allowed us to jump start our probe into Casa Fabião. The first was a business card for António José Fonseca Fabião, which CZUB had given us at IWA. Another was the client list Casa Fabião sent to CZUB. The list—dated February 2, 2015—documented Casa Fabião’s gun sales for every month except for September, a gap that remains unexplained. Underneath Casa Fabião on the client list’s letterhead was the name of another company, Fabricaça.

Based on web research, publicly available records, and interviews with key staff, we pieced together the primary companies and individuals connected to Casa Fabião. Two Portugal-based companies, Fabricaça and Fabitrade, were in the business of selling and exporting hunting rifles and ammunition.<sup>141</sup> Neither was registered in Mozambique, though the companies described themselves on their website as having a strong presence in Africa, and they listed Casa Fabião as a business affiliate with operations in Maputo and Nampula, a city more than 850 miles to the north.<sup>142</sup>

The individuals we identified included António José Fonseca Fabião (Antonio) and his sister Maria Isabel da Fonseca de Jesus Fabião (Isabel). They jointly owned Fabricaça and Fabitrade. Casa Fabião’s manager, whom we identified only as Anna, worked under the supervision of Ms. Isabel Fabião.<sup>143</sup> Ms. Isabel Fabião said she worked at Casa Fabião and Fabricaça in Maputo and Nampula in her social media profiles.<sup>144</sup>

Like ExploAfrica Group, Casa Fabião enjoyed deep connections to Mozambique’s business and political elite.<sup>145</sup> At the time of our research, there was only one Casa Fabião listed in the Mozambican registries.<sup>146</sup> While the entry does not name Ms. Isabel Fabião or Mr. Antonio Fabião, it lists Casa Fabião Limitada as a shareholder, along with several other politically connected individuals in Mozambique and Zimbabwe, e.g. Chissano, Bila, and Mugabe.<sup>147</sup>

The second gun supply chain had come into focus: CZBU•Fabitrade•Fabricasa•CasaFabião•Investcon.

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<sup>141</sup> [http://www.fabitrade.pt/index\\_ing.html](http://www.fabitrade.pt/index_ing.html); <http://www.supremocartuchos.com/>; Screenshots on file with CAP

<sup>142</sup> [http://www.fabitrade.pt/index\\_ing.html](http://www.fabitrade.pt/index_ing.html); <http://www.supremocartuchos.com/>; <https://www.linkedin.com/in/fabica%C3%A7a-mo%C3%A7ambique-74839850>; [http://www.fabitrade.pt/index\\_ing.html](http://www.fabitrade.pt/index_ing.html); Interviews with staff, screen shot and video on file with CAP

<sup>143</sup> Interviews with both individuals in Maputo throughout the course of the investigation. Video on file with CAP

<sup>144</sup> <https://www.facebook.com/isabel.Fabião/>;  
[https://www.linkedin.com/in/isabel-Fabião-29bb8126?authType=name&authToken=vjty&trk=prof-sb-browse\\_map-name](https://www.linkedin.com/in/isabel-Fabião-29bb8126?authType=name&authToken=vjty&trk=prof-sb-browse_map-name)

<sup>145</sup> Interviews with Ms. Isabel Fabião, Maputo, during the course of the investigation. Boletim da República - Moçambique, dated March 27, 2007; Video on file with CAP

<sup>146</sup> Boletim da República - Moçambique, dated March 27, 2007

<sup>147</sup> Chissano is the family name of Mozambique’s second president. Mugabe is the family name of Zimbabwe’s first prime minister. Bila is the family name of a political and financial kingmaker in Mozambique



While the Fabitrade/Fabicasa/Casa Fabião members competed with their ExploAfrica/ Afrocaça counterparts, there was no denying that the top and bottom rungs of these two supply chains were CZUB/CZ-USA and Investcon respectively.

CZUB's traces initially pointed to four key entities involved in funneling rifles into Kruger. But our research showed that these four entities made up only two conduits. The initial confusion stemmed from the interlocking dual Portuguese-Mozambican company ownership. Records gathered during the first month of our Mozambique mission in 2015 indicated that these two supply chains had collectively funneled at least 101 guns to Investcon from 2013 to 2014.

## 7.6 Lethal Quid Pro Quos

Greed typically drives black market arms traffickers and the corrupt officials abetting them. But with the Fabiões, there was an additional lure. Interviewed separately by us, Mr. Antonio Fabião and Ms. Isabel Fabião admitted to supplying rifles and ammunition to the gunrunning network; in exchange, they said authorities allowed their other businesses in Mozambique to thrive.

For his part, Mr. Antonio Fabião said he was granted permission to trade in other types of commodities, including foodstuffs, heavy machinery, and auto accessories.<sup>148</sup> For Ms. Isabel Fabião, participation allowed her to protect her interests in the oil sector.<sup>149</sup> Speaking through a translator, she stated:

This is Africa. We have to sell. We can't go against the government. If they ask us to sell to a five- or six-year old child, then we must do it. She would even sell to a six-year old if they came with a government license.<sup>150</sup>

Mr. Antonio Fabião placed orders and paid CZUB for the CZ firearms consignments through Fabitrade. Ms. Isabel Fabião acquired licenses from the Mozambican government to import the firearms into the country and subsequently sell them through Casa Fabião and Fabicaca.

Consigning the rifles to a company in one jurisdiction and then exporting them to a company in another jurisdiction without further processing signaled that the two Fabiões were engaged in the practice of "re-exporting." Typically, re-exports are used as a way of sidestepping sanctions regimes, regulatory controls, and/or tariffs. The Fabiões may have structured their CZ gunrunning enterprise this way to maximize profit margins and shield revenue streams from taxation and/or officials on the take. Both CZUB and the Czech government admitted that three of CZUB's Portuguese clients had engaged in the re-exportation of CZ firearms to Mozambique, though they did not disclose the names of those clients.<sup>151</sup>

Mozambique's Ministry of Interior was involved in the Fabiões' scheme. Ms. Isabel Fabião told us that three entities kept copies of the Mozambican licenses for Fabicasa/Casa Fabião's gun business: (1) her; (2) the

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<sup>148</sup> Interviews, Lisbon, October 2015. Video on file with CAP

<sup>149</sup> Video on file with CAP

<sup>150</sup> Interview, Maputo, April 23, 2016. Video on file with CAP

<sup>151</sup> 1 Czech Embassy in South Africa written admission dated May 16, 2018



national commander of Mozambique's police force; and (3) the arms licensing office, known in short as Armas E Explosivos, which falls under the purview of the national police commander.<sup>152</sup>

## 7.7 Paperwork and Arms Licenses

International arms transfers require a lot of paperwork, including export/import documents, EUCs, customs declarations, and cargo shipment instructions. The paperwork that accompanies illicit arms transfers is often fraudulent, forged, or purchased through bribes or kickbacks to corrupt government officials. To acquire the relevant permits and licenses, the TCO co-opted the office of the national police commander in Mozambique. In addition to securing the requisite paperwork, this corruption guaranteed political cover for every member of the two gun supply chains. And because every national law enforcement action in Mozambique required Ministry of Interior participation, the TCO and poaching kingpins could operate with little fear of being held to account.

Mozambique's national laws, regulations, and administrative procedures for controlling firearms are embodied in the 2007 Arms and Ammunition Act (AAA).<sup>153</sup> Licenses are processed by the Office of Arms and Explosives under the control of the national police commander. The then-commander's special advisor and the chief of this office, Abílio Arnaldo Ambrósio, signed off on nearly all of the Rhino Rifle Syndicate's licenses in our possession. The licenses not signed by Mr. Ambrósio were instead approved by a colleague, Rogerio Moises Chiau.<sup>154</sup>

A national firearms registry structure is required by both the UN Program of Action On Small Arms and the SADC Firearms Protocols. Mozambique is a signatory to both of these agreements.<sup>155</sup> While the Mozambique police kept paper files on registered firearms holders and some licenses issued by the office of arms and explosives, we found that these records were often incomplete. In one instance, we asked Mr. Abílio Arnaldo Ambrósio for licenses and records related to Investcon. In our presence, Mr. Ambrósio then phoned Officer Joaquim Maholele—a police officer in a distant provincial town—and asked him if he had the records. As documented in subsequent sections of this report, Officer Joaquim Maholele later admitted to us that he had manufactured paperwork to help Investcon cover up its illegal CZ rifle transactions.<sup>156</sup>

At the time of our research, Mozambique demonstrated a reluctance to act upon offers of international assistance for the development of an advanced integrated and digitized national firearms register and management system, an indication that the national police may be wary of crime-fighting tools that could spotlight the systematic diversion of firearms from legal to illegal users.<sup>157</sup>

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<sup>152</sup> Video on file with CAP

<sup>153</sup> Arms and Ammunition Act, Decree 8/2007 Statute 10/87 Boletim da República - Moçambique, 2007; <http://www.poa-iss.org/CASACountryProfile/PoANationalReports/2010@135@NationalReport2010-Mozambique.pdf>; <http://www.poa-iss.org/CASACountryProfile/PoANationalReports/2012@135@Mozambique-PoA-2012-E.pdf>

<sup>154</sup> Both Ms. Isabel Fabião and Mr. Daude told us Mr. Abílio Arnaldo Ambrósio was the individual who always signed their licenses. Documents and video on file with CAP

<sup>155</sup> <https://www.un.org/disarmament/convarms/salw/programme-of-action/>; <http://www.poa-iss.org/CASACountryProfile/PoANationalReports/2012@135@Mozambique-PoA-2012-E.pdf>; <https://www.sadc.int/documents-publications/show/796>

<sup>156</sup> Video on file with CAP

<sup>157</sup> <http://www.poa-iss.org/CASACountryProfile/PoANationalReports/2010@135@NationalReport2010-Mozambique.pdf>

The national police (PRM) are also charged with the regular inspection of hunting rifles. The illegal possession of a hunting rifle could result in a sentence of up to 12 years in prison. But instead of regulating and monitoring hunting rifle ownership, the PRM aided and abetted the trafficking of hunting rifles to the TCO. Investcon—an obscure private company with no visible marketing of firearm-related services—received preferential treatment in this scheme. Ms. Isabel Fabião told us the Ministry of Interior would phone her store instructing her manager to give Investcon the guns it requested.<sup>158</sup> Defying reason and rule of law over several years, the PRM allowed Investcon to acquire more CZ hunting rifles than all other private individuals and companies in Mozambique combined.<sup>159</sup>

## 8. The Arms Middlemen

### 8.1 Investcon Unmasked

As the front company used to acquire the CZ rifles, Investcon was integral to the gun trafficking conspiracy. Investcon was registered in 2006 by two South Africans, Johan Rudolph Stoltz and Gabriel Petrus Stoltz, as well as a Mozambican named Isaac Arnaldo Samuel.<sup>160</sup> In researching the Stoltzs' network of associates, we learned that the father-son team hailed from the same South African wildlife crime fraternity as the notorious Groenewald brothers and were perfectly suited to act as the middlemen between the CZ gun sellers and the TCO's rhino poaching syndicates.<sup>161</sup>

Mr. Johan Stoltz was Investcon's principal manager and handled most of the company's affairs. He had emerged from relative obscurity in the South African bushveld in the mid-2000s to partnering in at least seven South African and Mozambican businesses by 2016, including a hunting concession, a game farm, lodging and tourist facilities, agricultural farms, a mining operation, an import-export firm, and a transborder transport company.<sup>162</sup> Close relatives told us they viewed his entrepreneurial leap with much suspicion.<sup>163</sup> Kruger ECI staff and South African police told us they suspected Mr. Johan Stoltz used some of his registered businesses to launder money and transport illegal goods. Several had fake street addresses, and several were co-owned with other wildlife suspects under criminal investigation by South African law enforcement.

The address listed on Investcon's registration paperwork was the same as Vaquita Guesthouse, a hotel in Matola run by Mr. Johan Stoltz and his mother Elizabeth Stoltz. Vaquita Guesthouse is where Mr. Stoltz did most of his wheeling and dealing.<sup>164</sup> Traffickers commonly have ways of communicating through symbols and icons, and the name of Stoltz's hotel would have resonated within smuggling circles. Vaquitas are porpoises that live off the Mexican shoreline and are precariously close to extinction. Like rhinos, one of the

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<sup>158</sup> Video on file with CAP

<sup>159</sup> Firearms sales records and licenses on file with CAP

<sup>160</sup> Boletim da República - Moçambique, dated April 27, 2007, June 13, 2007, August 31, 2007

<sup>161</sup>

<http://news.nationalgeographic.com/news/2014/10/141023-rhino-wildlife-trafficking-south-africa-safari-club-nra-lacey-act-hawks-operation-crash-groenewalds/>; <https://www.justice.gov/opa/pr/owners-safari-company-indicted-illegal-rhino-hunts>; police and anti-poaching documents on file with CAP

<sup>162</sup> Interview Johan Stoltz, Matola, July 2015. Documents and video on file with CAP

<sup>163</sup> Interviews, February 2016. Video on file with CAP

<sup>164</sup> Interview Johan Stoltz, Matola, July 2015. Documents and video on file with CAP

principal causes of the Vaquita's decline is Asia-based criminal syndicates with international smuggling networks.<sup>165</sup>

A statue of porpoises adorns the Maputo Shopping Center, a well-known money-laundering hub for the international drug trafficker Mohamed Bashir Sulieman.<sup>166</sup> Mr. Sulieman is not only a U.S.-designated Foreign Narcotics Kingpin, he is a reputed figure in the world of rhino horn smuggling.<sup>167</sup> According to South African and Mozambican law enforcement officials, Mr. Johan Stoltz has drug trafficking ties to Sulieman through associates at Vaquita Guesthouse, as well as through a transport business he ran named Tube Mech Services, which sometimes trades as TubemechMlandi and Limnetzi Transport.<sup>168</sup> Although drug trafficking was beyond the scope of our investigation, we obtained information linking it to the illegal rhino horn trade at nearly every level of the rifle supply chain in Mozambique.

In addition to signaling Mr. Johan Stoltz's fealty to organized crime, Vaquita Guesthouse offered the perfect smokescreen as an operational headquarters for rhino syndicate-related activities. Vaquita's gated lodgings and public restaurant and bar provided an excuse for people and vehicles to be coming and going. Even the large transport trucks parked out front on the quaint side street were not likely to attract suspicion.

Vaquita's location in Matola put Mr. Johan Stoltz close to the most readily available sources of CZ rifles in Mozambique: ExploAfrica. Aside from selling guns, ammo, and explosives, ExploAfrica boasted the only firing range in the country, and its premises housed Restaurante Tio Manel, a favorite lunch spot and reported money-laundering hub for local and foreign business elites. Nestled down the street from a Mozambican military base, the restaurant typically reserved a large table for Mozambique's top security officials. Matola is also only a short drive from Maputo, where the Casa Fabião and Afrocaça stores are located.

To establish a pretext for acquiring large quantities of high-caliber hunting rifles, Investcon set up Limnetzi Safaris, a game farm and safari outfitter in Crooks Corner, a notorious smuggling haven in the northwestern corner of Gaza Province, where Mozambique meets South Africa and Zimbabwe. Limnetzi Safaris offered rhino, elephant, buffalo, and crocodile hunts and marketed its services in the U.S.<sup>169</sup>

In order to give Limnetzi Safaris an air of legitimacy, Investcon needed to drum up business for the outfitter. The company launched a website for Limnetzi Safaris in 2010 and added the Limnetzi logo to the homepage of the website for Vaquita Guesthouse.<sup>170</sup> An early version of the Limnetzi Safaris website included a page featuring photographs of a white rhino and an elephant beside a list of legally allowable trophy sizes for indigenousness wildlife from Mozambique. The page's terms and conditions indicated that some species

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<sup>165</sup> [https://porpoise.org/save-the-vaquita/?gclid=Cj0KCQiAg\\_HhBRDNARIsAGHLV52LYv5V2wZ6DW1SXRkRA\\_KAyy9io4MVB72MwbYBOENeRz7q0\\_ajRxUaAka8EALw\\_wcB](https://porpoise.org/save-the-vaquita/?gclid=Cj0KCQiAg_HhBRDNARIsAGHLV52LYv5V2wZ6DW1SXRkRA_KAyy9io4MVB72MwbYBOENeRz7q0_ajRxUaAka8EALw_wcB); <https://www.worldwildlife.org/press-releases/last-call-for-vaquita-the-world-s-smallest-porpoise>

<sup>166</sup> <https://www.treasury.gov/press-center/press-releases/Pages/tg729.aspx>

<sup>167</sup> <http://www.treasury.gov/press-center/press-releases/Pages/tg729.aspx>; <http://www.afrol.com/articles/37037>

<sup>168</sup> Interviews with local law enforcement throughout the course of the investigation; CAP video on file; [www.tubemechmladina.com](http://www.tubemechmladina.com)

<sup>169</sup> Interview with Johan Stoltz, Matola, July 2015. Webpage screenshots, documents and video on file with CAP

<sup>170</sup> Webpage screenshots and documents on file with CAP

required CITES permits, which Limnetzi Safaris could assist in obtaining. “Necessary export documentation will be processed on your behalf,” the page read. Local law enforcement believed this advertisement was designed to attract pseudo-hunting clients similar to the Groenewald case in South Africa.<sup>171</sup> Jo

The Stoltzs were also partners with Eugenio Numaio. A two-time governor of Gaza and a ruling parliamentarian, Mr. Numaio had deep-seated government and business connections in the province where many of the poaching bosses were located. In August 2007, Mr. Numaio replaced Mr. Samuel as the third officer at Investcon.<sup>172</sup> Mr. Numaio helped justify Investcon’s acquisition of high-caliber hunting rifles by acquiring land and hunting concession rights near Kruger’s border, albeit under questionable circumstances.<sup>173</sup> Mr. Numaio officially registered game farms under entirely different names like the Chiqualaquala Game Ranch and Tourism and Twin Cities.<sup>174</sup> Using multiple business names to sow confusion and throw investigators off the trail is another tried and true trick of traffickers.

With Limnetzi Safaris up and running, Investcon was able to stay out of the public eye. The Investcon name was used behind the scenes, known only to those involved in its bulk purchases of CZ rifles. In a written response to our inquiry, Mr. Numaio claimed he was a non-executive partner with the company.<sup>175</sup> But his name appears alongside Mr. Johan Stoltz’s on authorization requests to the Mozambican national police commander for bulk hunting rifle purchases. For instance, the names of Mr. Numaio and Mr. Johan Stoltz appeared together on a 2014 request for 20 rifles, ostensibly for Investcon’s base of operations in the town of Chokwe, which is more than 300 kilometers away from Investcon’s safari and hunting concessions in Crooks Corner.<sup>176</sup> Dotted with smuggling villas and businesses, Chokwe is a notorious entrepot for a host of trafficked goods, with stolen South African vehicles and rhino horn topping the list, but no game farms anywhere in sight. Mozambique police documents in our possession refer to Chokwe as a primary point of sale for rhino horn smuggled by poaching kingpins in Gaza Province.<sup>177</sup>

## 8.2 Investcon’s Straw Purchasing

Using Investcon as its front, the Stoltzs and Mr. Numaio appear to have acted as straw purchasers. A key element of trafficking tradecraft, straw purchasing is where a person or entity buys guns illegally on other people’s behalf because those people are unwilling or unable to purchase firearms themselves, or because they fear penalties if those weapons are used in a crime. Straw purchasing is intended to put some distance between criminals and their contraband. It is common for straw purchasers to stock their arsenals, report their guns stolen, and then cry innocence if and when investigators come knocking.

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<http://news.nationalgeographic.com/news/2014/10/141023-rhino-wildlife-trafficking-south-africa-safari-club-nra-lacey-act-hawks-operation-crash-groenewalds/>; <https://www.justice.gov/opa/pr/owners-safari-company-indicted-illegal-rhino-hunts>; Interviews with South African and Mozambican law enforcement officials during the course of this investigation

<sup>172</sup> Boletim da República - Moçambique, dated April 27, 2007, June 13, 2007, August 31, 2007.

<sup>173</sup> Local leaders and communities in and around Massingir claim Mr. Numaio appropriated land through corrupt government practices, amounting essential to a “land grab” scenario. Video interviews on file with CAP

<sup>174</sup> Official Mozambican documents and email letter from Eugenio Numaio dated June 22, 2018 on file with CAP

<sup>175</sup> Email letter from Eugenio Numaio dated June 22, 2018 on file with CAP

<sup>176</sup> Ministry of Interior documents on file with CAP

<sup>177</sup> Documents on file with CAP

Once Mr. Johan Stoltz had everything in place for the gunrunning operation to launch, he tested the waters. In 2010, Mr. Johan Stoltz notified Mozambican police that five firearms were stolen from his property in Matola while he was away watching a World Cup soccer match.<sup>178</sup> In what appears to have been an effort to determine whether the theft raised suspicions, one of Mr. Johan Stoltz's business associates, Adolf "Dolf" Hendrikus Roelof Kampman,<sup>179</sup> phoned a Kruger warden a year later asking whether any of the stolen rifles had surfaced in the park.

The random query from Mr. Kampman—who was already under suspicion in South Africa for his involvement in wildlife crime—should have raised red flags among South African law enforcement. After Mr. Kampman's phone call, Kruger received a follow-up email inquiry from Mr. Johan Stoltz.<sup>180</sup> The failure of Kruger investigators to investigate after receiving Mr. Kampman's phone call or Mr. Stoltz's email inquiry proved a fatal mistake for many of Kruger's rhinos.

### Missing Guns

Using the exact details provided by Mr. Johan Stoltz, we asked the South African police to conduct a check on the guns he claimed to have lost to theft:

Krioco 22 # 53490  
Savage 250 #505242  
Musgrave .375 H&H mag #375HH0260K98  
Marlin 45/70 Gov # 04086357  
Mauser 7x57mm Serial Nr 8306

Mr. Johan Stoltz told us he imported the rifles from South Africa, but none appear to have been ever listed on the South African Central Firearms Registry. In fact, the only gun that the South African police had listed under his name was a 9mm pistol,<sup>181</sup> which was technically illegal, as it had not been re-registered as required under a law passed in 2004.

Finding himself in the clear, Mr. Johan Stoltz, together with Mr. Numaio, subsequently used Investcon to buy seven new rifles from the Afrocaça and Casa Fabião gun shops. Six of them were CZs, including four Safari Classic models that typically would have been customized and sold by CZ-USA.<sup>182</sup>

To complete the purchase, Mr. Johan Stoltz was required to follow the same process as anyone buying guns in Mozambique. Under the country's laws, prospective buyers must first undergo a background check. If they pass, the next step requires them to obtain a pre-purchase license from the Ministry of Interior. The license lays out the number and type of firearms they are allowed buy. After they use the pre-license to buy

<sup>178</sup> Interview Johan Stoltz, Matola, July 2015. Interview Officer Maholele, Magude, July 2015. Video on file with CAP

<sup>179</sup> CAP interview Johan Stoltz, Matola, July 2015. Interviews Kruger ECI during the course of the investigation. Kruger document on file with CAP

<sup>180</sup> Kruger document on file with CAP

<sup>181</sup> Interview Johan Stoltz, Matola, July 2015. South African police document on file with CAP

<sup>182</sup> Letter from Johan Stoltz dated July 8, 2015; Interview with Johan Stoltz, Matola, July 2015; Video on file with CAP

the guns, they must then bring their new weapons back to the Interior Ministry, register them, and obtain a second license to possess them. The second license is referred to as a “livret.”<sup>183</sup>

Even though Mozambique’s gun laws appear rigid on paper, Mr. Johan Stoltz had little trouble skirting them. While it can take an average person as many as three weeks to obtain a license to buy a gun, Mr. Johan Stoltz told us he got the interior ministry to sign off in as little as two hours by paying officials less than \$100 in bribes.<sup>184</sup> He referred to these bribes as “DHL fees” or “courier services.”<sup>185</sup> Mr. Johan Stoltz also told us he commonly relied on front men for dealings with Mozambican government agencies. It would prove no different for his gunrunning enterprise.

Mr. Johan Stoltz bought the first batches of CZ rifles in person from the gun shops. Both gun shop owners positively identified him from a photo we showed them. But after a short while, he stopped showing himself at the gun stores. He also stopped appearing for licenses at the PRM licensing authority—as required under the law. Instead, Mr. Johan Stoltz dispatched a police officer to collect the rifles and process the paperwork at the Interior Ministry on his behalf. That policeman was Officer Joaquim Maholele.

### 8.3 Investcon’s Gunrunning Front Man

Officer Joaquim Maholele met Mr. Johan Stoltz at a police station in Matola when the officer processed the paperwork for the alleged theft of Stoltz’s guns during the World Cup event in 2010. Mr. Johan Stoltz saw in Officer Maholele a well-connected front man who was well-versed in navigating Mozambique’s bureaucracy. Officer Maholele, meanwhile, had found a black market businessman to supplement his meager government salary. The two men shortly entered into a contractual relationship. Officer Maholele’s job was to fetch Investcon’s rifles from the gun shops,<sup>186</sup> process or doctor Investcon’s paperwork, and transport the rifles into the heart of rhino poaching territory.

Mr. Johan Stoltz introduced Officer Maholele at Afrocaça and Casa Fabião as his hired hand and told employees he was authorized to retrieve and register firearms for Investcon. Officer Maholele was also accepted as Investcon’s company man at the Ministry of Interior. In or about 2012, the Ministry of Interior transferred Officer Maholele from his modest post in Matola to a plum job in the town of Magude, a rhino-poaching epicenter near Gaza Province. As chief of Magude’s criminal investigations division, Officer Maholele was responsible for investigating gun trafficking and rhino poaching. In reality, though, he was using his post to thwart the administration of justice.

In a July 2015 interview, Officer Maholele told us that the CZ rifle distribution operation had run trouble-free—churning out up to 100 hunting rifles a year—until a month earlier when he began getting calls from Maputo about Investcon’s guns. Among those who phoned were Afrocaça, Mr. Stoltz, and officials from the Ministry of Interior. (Evidence suggests these calls were precipitated by our inquiries in June 2015).

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<sup>183</sup> Arms and Ammunition Act, Decree 8/2007 Statute 10/87 Boletim da República - Moçambique – 2007 Video on file with CAP

<sup>184</sup> Interview Johan Stoltz, Matola, July 2015. Video on file with CAP

<sup>185</sup> Interview Johan Stoltz, Matola, July 2015. Video on file with CAP

<sup>186</sup> Interview Johan Stoltz, Matola, July 2015. Interview Officer Maholele, Magude, July 2015. Video on file with CAP



Officer Maholele told us he had been asked to doctor evidence and to take the fall for the illicit gun business. In exchange, police would get him out of jail should such an occasion arise.<sup>187</sup>

Officer Maholele provided us the paperwork he processed for Investcon's acquisition of the CZ rifles from the gun shops. While the paperwork proved essential to the development of our criminal dossier, it does not tell the whole story. Officer Maholele told us that at some point he stopped filing paperwork for many of the rifles altogether because of time constraints and the distance he had to travel to deliver the weapons to Xinavane, Xia-Xia, and Chicualacuala, among other places. On the few occasions when questions arose about Investcon's documentation, Interior Ministry officials allowed Officer Maholele to backdate or falsify the paperwork, or, as Officer Maholele's put it, "To make legal what was illegal."<sup>188</sup>

By mid-2015, we had obtained irrefutable evidence that Investcon purchased at least 113 CZ rifles from Afrocaça and Casa Fabião from 2013 to 2015. The gun shops' other customers, which included various government ministries responsible for wildlife management and national parks, collectively purchased 96 rifles over the same period.<sup>189</sup> In other words, Investcon was by far the largest retail purchaser of CZ rifles in Mozambique during that two-year timeframe.

#### Johan Stoltz When Questioned About CZ Guns

So here the people believe in one caliber, you know they buy .4 5 8, they buy .3 7 5.

I can talk to customs guys, and I'll get the rifles in. I give them 1, and I take 4. I can get rifles into Mozambique, plenty. No licenses, no nothing. And I can sell them. No paperwork. Plenty. And those rifles, those guys who is hunting rhino and stuff like that, that's how they get their hands on those rifles, because there's a lot of money involved in the rhino horn and, and that poaching. A lot of money. I think it's more than gold. So, who cares about to spend two thousand dollars for a rifle. No license. Cops come, they chuck it. They're getting a million rand a horn. Who worries about twenty thousand \*\*\*\* rand, for a rifle? Just get another one.

You can't just, somebody can't just say, I want to buy rifles in the States, and ship them to Mozambique. I mean there must be legislations from the exporters side...it's probably been allocated to a country, but it never reached that county, but it came here 6 months later, ...but not via the right channels.

The importers side...you can apply for a license and say get the right bloke to sign it off. There are ways that the guys do that. Money makes things that is bent, straight here. And if I do not have the document and I have the money, I'll get you the document. Because I have the money.<sup>190</sup>

#### 8.4. Boom Times for Investcon

When we began our investigation in 2014, the Rhino Rifle Syndicate had long been acquiring vast quantities of rifles every year. With law enforcement and anti-poaching forces neglecting to investigate the gun

<sup>187</sup> Interview Officer Maholele, Magude, July 2015. Video on file with CAP

<sup>188</sup> Interview Johan Stoltz, Matola, July 2015. Interview Officer Maholele, Magude, July 2015. Interviews with Abilio Arnoldo Ambrosio, Maputo, over the course of the investigation. Video on file with CAP

<sup>189</sup> Documents on file with CAP

<sup>190</sup> Interview Johan Stoltz, Matola, July 2015; Video on file with CAP



trafficking scheme, the Rhino Rifle Syndicate members became comfortable in their individual roles. But together, their actions met the legal definition of a transnational criminal organization.

Mozambique's security forces and political and administrative organs streamlined the Rhino Rifle Syndicate's operations. The Ministry of Interior proved an especially nefarious actor, having conspired from the outset to facilitate Investcon's acquisition of guns. As the years flew by, the ministry and Investcon became increasingly indifferent about the prospect of getting caught, and stopped bothering to ensure the legally required documentation appeared in good order. Each member of the Rhino Rifle Syndicate we interviewed told us they had official cover.

When juxtaposed on a timeline, Investcon's activities appear to have directly coincided with the rapid increase of rhino poaching in Kruger. The surge generated newfound wealth not only for Mr. Johan Stoltz and Mr. Numaio; as many as 20 poaching bosses based in Gaza and Maputo provinces also benefited. These bosses fell below Investcon on the supply chain, where CZ rifle supply intersected with CZ rifle demand. While investigating the role of these bosses, we also uncovered the darker side of Mozambique's conservation and safari industry.

## 9. Mozambique's Poaching Bosses

### 9.1 Gaza Province In Mozambique Attracts TCO

In the early 2000s, Kruger merged with Limpopo National Park in Mozambique and the Gonarezhou National Park in Zimbabwe to form one large conservation area named the Great Limpopo Transfrontier Park (Great Limpopo Park).<sup>191</sup>

Most of the Mozambican portion of Great Limpopo Park lies within Gaza Province and is still referred to as Limpopo National Park (Limpopo Park). The conservation area was originally devised as part of a laudable long-term goal aimed at expanding animal migratory routes, reinvigorating wildlife habitat, and spurring tourism. But as officials put the plan into action, entire communities were displaced from their ancestral, agricultural, grazing, and traditional hunting lands. As many as 30,000 local Mozambicans—mostly in Gaza—were ultimately affected by this change.<sup>192</sup>

The TCO exploited the local grievances that naturally emerged as a result, seizing on Gazans' sense of economic marginalization to transform the province into the nerve center of its gun distribution network. Gaza was a prime location, as its entire eastern border abutted Kruger, giving the TCO a base from which it could easily launch poaching operations in the park.<sup>193</sup> The TCO, including corrupt Mozambican elites, offered Gazans cash in exchange for joining its ranks, and in so doing, began to build a rhino poaching apparatus unlike anything seen in the 21st century.

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<sup>191</sup> <http://www.greatlimpopo.org/maps/project-maps/>; [https://en.wikipedia.org/wiki/Great\\_Limpopo\\_Transfrontier\\_Park](https://en.wikipedia.org/wiki/Great_Limpopo_Transfrontier_Park); <http://www.peaceparks.org/tfca.php?pid=19&mid=1005>

<sup>192</sup> <http://citeseerx.ist.psu.edu/viewdoc/download;jsessionid=3F5D21C0968A8775270AED20B9E442C8?doi=10.1.1.475.3827&rep=rep1&type=pdf>; For background on the drivers of Mozambique's poachers, see: U.S. State Department Report, Poaching Rhino Horn in South Africa and Mozambique, Community and Expert Views From the Trenches, Kenly Greer Fenio, November 2014.

<sup>193</sup> For background on the drivers of Mozambique's poachers, see: U.S. State Department Report, Poaching Rhino Horn in South Africa and Mozambique, Community and Expert Views From the Trenches, Kenly Greer Fenio, November 2014.

Making matters worse, the open-fence agreement that accompanied the formation of Great Limpopo Park allowed rhinos to freely migrate from Kruger into the Gaza section of the new conservation area. Once in Gaza, the rhinos proved easy pickings for the TCO's fledgling poaching corps. The few police and game rangers not in on the take lacked the training to deal with the potent criminal network. Nearly all of the rhinos that migrated from Kruger were killed once they crossed into Mozambique, yet their losses were often not included in South Africa's rhino death statistics, obscuring Kruger's mortality rates.

To ensure Great Limpopo Park's success, two new border posts at Giryondo and Parfuri became operational. These posts were set up to accommodate visitors traveling between Kruger Park on the South African side and Limpopo Park on the Mozambican side. Both Kruger and Mozambican police records show that corruption and lackluster policing allowed these border posts to become a "super highway" for the cross-border movement of poaching bosses and operations.<sup>194</sup> One of the top Mozambican poaching bosses, Justice "Nympini" Ngoveni, acquired enough construction materials to build a hotel with more than two dozen rooms by funneling rhino horn profits through the Giryondo border post into the South African town of Phalaborwa, often with the knowledge of South African police and park officials.<sup>195</sup>

Before the migrating rhinos were all but wiped out in Limpopo Park, a second wildlife reserve was established to the immediate south. This new wildlife reserve—called the Greater Lebombo Conservancy (Greater Lebombo)—consisted mostly of private hunting concessions.<sup>196</sup> Much like Limpopo Park, Greater Lebombo Conservancy was bolstered by allowing gaps in the fences to clear the way for migratory wildlife, and it wasn't long before Kruger's rhinos moved in.<sup>197</sup> The Greater Lebombo Conservancy was marketed as a transboundary security buffer. Instead, it became a hotbed of poaching as dodgy concession stakeholders, corrupt concession staff, and poaching networks conspired to avail themselves of the killing field at their doorstep.<sup>198</sup> Mr. Numaio, the Stoltz, Dolf Kampman, some of their business associates, and other Mozambican elites such as Mr. Bila were among them.

By 2013, Mozambique's rhino population had dropped from around 300 to less than a dozen.<sup>199</sup> The horn acquired simultaneously from poaching in Mozambique and pseudo-hunts in South Africa enabled the TCO to drive up Asian market demand through the use of sophisticated marketing strategies. It would take another 10 years and 7,000 more rhino deaths across southern Africa before demand reduction initiatives in Asia began to counteract this new criminally-contrived market trend.<sup>200</sup>

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<sup>194</sup> Operation Lebombo documents from 2013-2014 on file with CAP

<sup>195</sup> Interviews with Justice Ngoveni and Operation Lebombo officials during the course of the investigation; Video and documents on file with CAP

<sup>196</sup> Official Mozambique records indicate only 2 out of 18 in the area registered as eco-tourism in 2012. Documents on file with CAP

<sup>197</sup> [https://www.environment.gov.za/sites/default/files/docs/rhino\\_security\\_greaterlebombo\\_0.pdf](https://www.environment.gov.za/sites/default/files/docs/rhino_security_greaterlebombo_0.pdf);  
<http://www.iapf.org/index.php/ourwork/campaigns/greater-lebombo-conservancy>

<sup>198</sup> Interviews with Kruger staff, local law enforcement, anti-poaching forces, concession holders, and poaching bosses during the course of the investigation. Video on file with CAP

<sup>199</sup>

<https://www.telegraph.co.uk/news/worldnews/africaandindianocean/mozambique/10028738/Last-rhinos-in-Mozambique-killed-by-poachers.html>;

<sup>200</sup> <https://wildaid.org/world-rhino-day-2018/>

## 9.2 Guns Supplied By Political Elites

With Gaza firmly under the grip of the governing FRELIMO party, the commercialization of poaching that began there in the mid-2000s could only have been instigated with explicit backing from members of Mozambique's ruling class. The illicit economy has long been a source of finance for Mozambique's ruling party and other powerful individuals in the country.<sup>201</sup> Such corruption allowed poaching to flourish unchecked for years even as the rhino population edged closer to extinction.

Historically, Gaza Province had a relatively small home-grown poaching corps consisting primarily of war veterans or older adult males. Many of these poachers had experience in hunting and the bushmeat trade, while others emerged from organized crime enterprises like cross-border vehicle smuggling and so-called "cash-in-transit" heists.<sup>202</sup> But nearly all of them lived close to Kruger's border, and more importantly had easy access to security forces' weapons or possessed hunting rifles on their own.

To transform the opportunistic poaching into an industrial-scale system, Mozambican elites assisted the TCO by tapping key individuals as poaching bosses. These poaching bosses ran local cartel-like operations similar to the drug trade, in part by controlling the guns going out and the movement and payments for the rhino horn coming in. They also absorbed attention from the press, conservation, and anti-poaching circles, shielding their benefactors in exchange for protection from prosecution.

In interviews, top-level poaching bosses consistently told us that they were recruited by Mozambican "big men" and "generals" who subsidized their start-ups and sustained their operations through the regular provision of guns.<sup>203</sup> Local community and village chiefs reiterated this point: The guns, the payments for poachers and horn, and the political "greenlight" to poach came from on high in Mozambique.<sup>204</sup> Numerous Gazans referred us to a local speech given in the mid-2000s by then-President Armando Gubeza that was interpreted as encouragement to cross into South Africa for the purpose of poaching.<sup>205</sup>

Investcon partner Mr. Numaio were among the big men that poaching bosses identified. Other benefactors included Sylvestre Bila—a prominent businessman and ruling party financier who was reportedly under investigation for corruption—security forces, and ranking officials connected to the interior, tourism, and agriculture ministries. Our research on the sale and distribution of rifles recovered from rhino poaching crime scenes corroborated what poaching bosses told us about the role of Mr. Numaio, Mr. Bila, and other prominent generals and officials.<sup>206</sup>

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<sup>201</sup> <http://globalinitiative.net/wp-content/uploads/2018/10/TGIATOC-North-Mozambique-Report-WEB.pdf>;  
<https://qijn.org/2019/01/07/doc-of-the-day-a-2-billion-fraud-in-mozambique/>;  
[https://www.transparency.org/files/content/corruptionqas/Country\\_Profile\\_Mozambique\\_2014.pdf](https://www.transparency.org/files/content/corruptionqas/Country_Profile_Mozambique_2014.pdf)

<sup>202</sup> <https://mq.co.za/article/2018-05-10-00-cash-in-transit-heists-are-a-mutating-spreading-virus>;  
<https://www.news24.com/SouthAfrica/News/cash-in-transit-heists-how-they-pull-it-off-20180610-2>;

<sup>203</sup> Video interviews with poaching kingpins on file with CAP

<sup>204</sup> Video interviews with local community leaders and chiefs on file with CAP

<sup>205</sup> CAP did not independently verify the occurrence of this speech. We included this reference since it was widely cited by locals during our visits to Massingir throughout the course of the investigation

<sup>206</sup> Other elites were name and we also collected circumstantial evidence of their involvement; however, we have chosen to name only those demonstrated to be involved with the gun supply networks according to our own forensic evidence collection.

Most of the political and business elites that we investigated held wildlife concession portfolios either to the south of Limpopo Park—in the area of the Greater Lebombo Conservancy—or north of Limpopo Park in an area called Crooks Corner. Some hailed from the country’s top ruling families. Although counter-poaching forces and enforcement officials developed dossiers on some of these suspects, corruption has hobbled efforts to hold them accountable.

Before the emergence of the Rhino Rifle Syndicate, poaching bosses acquired guns from a hodgepodge of sources. Mozambique’s government purchased CZ rifles for park rangers and problem animal control. Security forces, elites, and safari concession holders amassed CZ stockpiles for hunting and other purposes. These rifles were routinely sold, loaned or “rented out,” stolen, or otherwise diverted to the poaching bosses for use in Kruger.

#### Local Gunsmith At Poachers’ Service

Another frequent source of rifles was Michael Martins. Also known as Amilcar Martins and “Mad Mike,” Martins is a Mozambican citizen with a residence and gun workshop in Matola. In an interview with CAP, Mr. Martins said he routinely acquired rifles at the request of Mozambique’s “generals” and other elites, including Sylvestre Bila.<sup>207</sup> Mr. Martins also said that he not only supplied guns; he also reloaded bullets, providing a steady stream of ammunition to the underground market.

A regular customer at many of South Africa’s gun shops, Mr. Martins bought guns, gun parts, ammunition, and bullet-reloading materials. He trafficked these arms and equipment across the border into Mozambique for use in poaching. He made some purchases under false names.<sup>208</sup> During our interviews with Mr. Martins, he told us he was getting out of the illicit gun business, but not because he feared being arrested or prosecuted; rather, his wife was demanding a lifestyle change.

These early sources provided enough rifles for the TCO to get off the ground, but in order to expand, the TCO needed a more reliable partner. The TCO found that partner in Investcon.

### 9.3 Deadly Combination: Animals, Access and Arms

In 2010, rhino poaching in Kruger surged, signaling the TCO’s shift from western Mozambique, where the rhino population had dwindled, to South Africa, which had one of the largest concentrations of rhinos in the world. Poachers rushed in hoping to get a piece of the pie, causing demand for rifles to skyrocket. With corrupt politicians, business elites, and poaching bosses having already built the infrastructure needed to sustain a gunrunning enterprise, the pump for Investcon was primed.

CZ rifles supplied by Investcon allowed Mozambique’s poaching bosses to expand their operations. As the distribution network reached prime capacity in or around 2013, multiple poaching teams from Mozambique began attacking Kruger’s rhinos on a nightly basis. To a creature that had inhabited the Earth for 50 million years, the specter of extinction came about as if overnight.

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<sup>207</sup> Interviews with Michael Martins during the course of the investigation. Handwritten document and video on file with CAP

<sup>208</sup> Interviews with gun shop dealers in South Africa throughout the course of the investigation. Video on file with CAP

The consistent flow of CZ rifles also led to an increase in the number of poaching bosses, which in turn led to an increase in the number of poachers.<sup>209</sup> By 2014, Mozambican police and Kruger investigators had identified approximately 17 poaching bosses, some of which used aliases. These aliases included Bin Laden, Biggie, Pastor, and Big.<sup>210</sup> Other bosses—with aliases such as Boss Calisto, Papa Poni, Boss Donaldo, Amor, Fish, and Matemisse, which means “calm”—were eventually added to the list. Officials sometimes referred to Mr. Bila as Big Boss.<sup>211</sup>

The two most prominent bosses investigated under Operation Lebombo were Justice “Nympini” Ngoveni and Simon “Navara” Ngoveni (Mr. Simon Ngoveni earned the nickname “Navara” by allegedly carjacking numerous eponymous Nissan models).<sup>212</sup> Operating in Pablo Escobar-like style, these two bosses brought a trickle-down economic benefit to the local people, but with collateral costs measured in human lives. Hundreds of poachers were killed during anti-poaching operations in Kruger, some extrajudicially. Others were imprisoned. As many families had come to rely on poaching as a source of income, the loss of so many breadwinners to death and incarceration left entire communities destitute.

While poachers were routinely killed or captured, poaching bosses went largely untouched despite international calls for action. Mr. Simon Ngoveni went so far as to orchestrate the arrest by Mozambican authorities of two international journalists investigating his involvement in the illegal rhino horn trade in February 2015.<sup>213</sup> Mr. Simon Ngoveni is wanted on murder charges in South Africa, but he is protected by high-level officials and continues to travel within and between Mozambique and South Africa with seemingly little fear of being arrested.

As their riches accumulated, the poaching bosses became increasingly flashy. They bought villas, hotels, discos, and four-wheel drive vehicles, and fill their social media accounts with pictures of horn and cash. Such ostentatious displays attracted young villagers from Gaza and Maputo provinces, who came to see poaching as a ladder out of poverty.<sup>214</sup>

#### Common Motto of Poaching Bosses

“NI TAFA NINGA VABJANGA NI GANYA NI NGA TIRANGA.” which translates: “To die without getting sick and to get rich without working hard”

Operation Lebombo document dated March 2014<sup>215</sup>

To safeguard their profits, the poaching bosses needed to maintain command and control over their poaching crews. These crews typically consisted of three members: a tracker, a shooter, and a carrier. The bosses exercised control over them by dictating rules over how rifles were to be distributed and used. They

<sup>209</sup> Interviews with poaching bosses during the course of the investigation. Mozambique Ministry of Interior documents on file with CAP. Video on file with CAP

<sup>210</sup> Mozambique Ministry Interior document dated May 26, 2014 on file with CAP

<sup>211</sup> Documents on file with CAP

<sup>212</sup> We came across both Navarra and Navara spellings during the course of our investigation

<sup>213</sup> <http://www.spiegel.de/international/world/investigation-into-rhino-poaching-turns-into-kidnapping-a-1022611.html>

<sup>214</sup> Interviews with local law enforcement and anti-poaching forces during the course of the investigation. Poaching incident reports, and arrest records on file with CAP. Speech by President Joachim Chissano in Maputo on the 18 September 2015 on the 10th anniversary of the Joachim Chissano Foundation

<sup>215</sup> Mozambique Ministry of Interior documents dated March 21, 2014 on file with CAP

often charged crews for renting the rifles, specified how many days they were allowed to use the guns before having to return them, and set limits on the amount of ammunition each crew was to be allotted. The poaching bosses often ordered the rifles brought to a specific location and distributed them just prior to the commencement of a poaching operation. In some instances, rifles were passed between crews as they exited and entered Kruger. Other times, departing crews hid the rifles in the bush and told their incoming comrades where they could find them.

By the time the Rhino Rifle Syndicate landed on the scene in 2014, Mozambicans were reportedly responsible for 80 percent of all rhino poaching incidents in Kruger.<sup>216</sup> When anti-poaching forces developed hot-spot maps to figure out where most of the poachers in Gaza and Maputo provinces were coming from, entire towns and villages radiated red. These included Kabok, Magude, Mavodze, Nyangone, Chibotane and Massinger, entire communities built upon poaching and the economic opportunities it provided. Other towns—Chiqualaquala, Chokwe, Moamba and Matola—were hubs for smuggled guns and horn. Mozambican police officers intent on combating rhino poaching and associated cross-border crimes came to grips with the extent of the problem in Gaza Province that year:

The negative evolution of this practice towards illicit enrichment is reaching unprecedented proportions where individual hunters or armed groups are being replaced by duly armed organized crime groups that step in to feed cross-border / international trafficking networks. This new "industry" overlaps the laws of individual states and even threatens the governance capacity of these States.<sup>217</sup>

The same police officers cited the proliferation of weapons as a primary cause—and a consequence—of the escalation in poaching.<sup>218</sup>

#### **Kruger Park Data - Operation Lebombo**

While poaching incidents in the Park occurred from the years 2007 to 2014, the most critical to highlight were from 2010-2014 in the following order:

|                               |                       |                |
|-------------------------------|-----------------------|----------------|
| 2010 .....                    | 164 dead rhinos ..... | 67 detentions  |
| 2011 .....                    | 232 dead rhinos ..... | 82 arrests     |
| 2012 .....                    | 267 dead horses ..... | 73 detentions  |
| 2013 .....                    | 322 dead rhinos ..... | 123 detentions |
| 2014 (January to March) ..... | 52 dead rhinos .....  | 29 detentions  |

Operation Lebombo document dated March 31, 2014<sup>219</sup>

## **9.4 Poaching Rifles Are Key Evidence**

<sup>216</sup> Interviews with local law enforcement and anti-poaching forces during the course of the investigation. Poaching incident reports, and arrest records on file with CAP. U.S. State Department Report, Poaching Rhino Horn in South Africa and Mozambique, Community and Expert Views From the Trenches, Kenly Greer Fenio, November 2014; [https://www.environment.gov.za/speech/molewas\\_r250milliondonation\\_sanparks](https://www.environment.gov.za/speech/molewas_r250milliondonation_sanparks)

<sup>217</sup> Mozambique Ministry of Interior document on file with CAP

<sup>218</sup> Mozambique Ministry of Interior document on file with CAP

<sup>219</sup> Operation Lebombo and Mozambique Ministry of Interior documents on file with CAP

Operation Lebombo documents show large numbers of rifles were seized either directly from rhino poachers or at the crime scenes they left behind. The rifles yielded actionable intelligence and forensic evidence that would have helped authorities dismantle the TCO's networks, but they did not act upon this information in a concerted or sustained fashion. Mozambique issued warrants charging certain poaching bosses, including Mr. Simon Ngoveni, with illegal gun possession, but these warrants appear to have been counter-remanded or at the very least, ignored.<sup>220</sup> Mr. Simon Ngoveni and Mr. Justice Ngoveni frequently traveled to South Africa and were not arrested there either, despite actionable information on their cross-border movements.

Operation Lebombo documents provided clues as to why the recovered poaching rifles yielded no enforcement benefits. In some instances, prosecutors assigned to investigate aspects of wildlife crime were killed. Other times, weapons confiscated from poachers and handed into police stations were subsequently returned to those same poachers or their bosses. The documents also stated that police officers serving the provincial command had frequently been spotted in poaching villages and towns and were suspected of collaborating with the poachers there.<sup>221</sup>

In hopes of breaking this cycle of impunity, Mozambican police instituted new district-level protocols in or around 2014. Under these rules, each gun that officers seized had to be documented with paperwork signed by three individuals: the officer who seized the gun and brought it back to the police station, the duty officer whose job it was to register the gun at the station, and the district commander. Once this paperwork was complete, a copy had to be sent to the provincial command office.<sup>222</sup> Assuming officers have regularly followed these protocols, this paperwork may be a gold mine of evidence useful for building cases against members of the Rhino Rifle Syndicate.

In March 2014, high-level South African and Mozambican officials—including Kruger's ECI chief and the head of Mozambican police investigations—discussed the specific need to ascertain the provenance of the rifles recovered from rhino poaching crime scenes. Kruger said that the origin of poachers' guns was a top concern for South Africa. Kruger also said that in December 2013, it had commenced an investigation into the problem, which pointed to the involvement of manufacturers in the Czech Republic, the U.S., and Germany.<sup>223</sup> But when we arrived in late 2014, the investigations appeared to have already ground to a halt, with anti-poaching forces telling us that Kruger had done next to nothing against the gunrunners or their suppliers.

Kruger's apathy came into sharper relief as we visited police vaults at the park and in nearby towns and found hundreds of recovered poaching rifles sitting idly in plastic bags. The South African police should have been processing these rifles for evidence and documenting their markings and physical characteristics. But evidence suggests that officers were instead stealing the rifles out of the vaults and placing them back into poachers' hands. We found one rifle that appeared to have been recovered by South African authorities on

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<sup>220</sup> Mozambique Ministry of Interior documents on file with CAP

<sup>221</sup> Operation Lebombo and Mozambique Ministry of Interior documents on file with CAP

<sup>222</sup> Mozambique Ministry of Interior dated May 29, 2014 on file with CAP

<sup>223</sup> Operation Lebombo and Mozambique Ministry of Interior documents on file with CAP



three separate occasions. This is either a reflection of shoddy recordkeeping practices or criminal behavior on the part of police.<sup>224</sup>

## 10. Official Actions By Mozambique, South Africa and Portugal in 2015

### 10.1 Mozambique's Organized Crime Model

As Investcon's gunrunning activity soared in 2013, Mozambique's weak laws coupled with entrenched corruption hobbled efforts to regulate the country's national conservation areas and combat poaching and wildlife trafficking.

In 2014, Mozambique implemented new penalties for wildlife crime, giving conservation enforcement a much-needed boost. At around the same time, the National Administration of Conservation Areas (ANAC), a branch of the Ministry of Land, Environment and Rural Development (MITADER), strengthened its enforcement wing by installing leaders committed to bringing the rhino crisis to heel.<sup>225</sup> After we arrived in Mozambique for the first time in 2015, ANAC's enforcement wing—headed by Carlos Lopes Pereira—conducted a thorough investigation of the Rhino Rifle Syndicate using our dossier as a reference.

ANAC built an organized crime case targeting the Rhino Rifle Syndicate principals under Mozambique's jurisdiction and submitted its findings to the Mozambique Attorney General's Office, or PGR, in September 2015. ANAC's organized crime-fighting approach was a bold and pioneering move that contrasted sharply with South Africa—particularly Kruger—which was still pursuing a militarized strategy focused on ground-level poachers instead of the much more potent kingpins.<sup>226</sup>

We also turned over our Rhino Rifle Syndicate dossier to the Mozambican Attorney General's Office (PGR) in July 2015. Within a matter of weeks, PGR told us it had opened a criminal case. We subsequently held substantive meetings with top PGR officials on this case.

### 10.2 South Africa – Operation Bruno

Once ANAC initiated its organized crime investigation in Mozambique, we traveled to South Africa hoping for similar results. Two of the primary suspects, Johan and Petrus Stoltz of Investcon, were South African citizens, and most of the CZ rifles had been recovered on South African soil, so it seemed urgent that we share our recent findings with the authorities there. In July 2015, we presented our dossier to Kruger's ECI unit as well as a veteran prosecutor well-versed in rhino-related cases.<sup>227</sup> The strength of the evidence prompted Kruger to launch an initiative dubbed "Operation Bruno." The primary aim of this multi-agency effort was to target members of the CZ rifle network who had operated within South Africa's jurisdiction.

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<sup>224</sup> Observations and interviews with local law enforcement and anti-poaching forces during the course of the investigation. South African crime data records on file with CAP

<sup>225</sup> The ANAC is responsible for nearly 26 percent of Mozambican territory, including the country's national parks, reserves, sport hunting areas and game farms. <http://www.anac.gov.mz/en/anac/>; <http://www.biofund.org.mz/en/mozambique/conservation-areas-of-mozambique/>; <https://clubofmozambique.com/news/biodiversity-and-conservation-in-mozambique-changes-on-the-way-as-anac-becomes-public-institute/>

<sup>226</sup> <https://www.pressreader.com/south-africa/sunday-times/20180624/281973198382547>

<sup>227</sup> Documents and video on file with CAP

Entrusting Kruger with the Rhino Rifle Syndicate case seemed reasonable at the time. As Head of Special Projects, General Jooste had overall command and authority over SANParks' efforts to stop rhino poaching and fulfill its mandate to combat wildlife crime and corruption.<sup>228</sup> When General Jooste was appointed to his position in 2012, the media lauded his drive for a more forceful and militarized approach to tackling poaching, and in the years that followed, he remained an influential public official who repeatedly vowed to make every effort to save the rhinos.<sup>229</sup> This included going after the CZ hunting rifles, which he acknowledged as being at the heart of the problem.

General Jooste instructed us to work on the case with the ECI unit and the local prosecutor. With the help of ECI investigators and other officials, we quickly identified 17 South African poaching cases involving the recovery of CZ rifles. (Each of these rifles was likely used in multiple poaching incidents in addition to incident that resulted in its recovery.)<sup>230</sup> But while General Jooste teamed us up with ECI, he rejected our requests to enlist CZUB's help in tracing crime guns and halting future shipments. There were various informal and diplomatic avenues through which SANParks could have reached out to CZUB and the Czech government. For instance, as a result of Operation Rhino, South Africa and the Czech Republic had opened channels to facilitate cooperation among law enforcement authorities investigating rhino poaching. In 2011, the South African Ambassador to the Czech Republic led a delegation that visited the CZUB factory to enhance bilateral contacts, which could have been leveraged for assistance.<sup>231</sup> South Africa could have also used Interpol and CITES forums. But South Africa did none of this, and largely chose to ignore the follow-the-guns strategy that we had put at their fingertips.

General Jooste's unwillingness caused consternation among staff members, one of whom threatened to resign. After learning about the brewing mutiny at Kruger, we contacted other South African authorities, including Colonel Johan Jooste of the Directorate for Priority Crimes Investigation—better known as the Hawks—who held the portfolio within the South African police for cross-border wildlife crimes.<sup>232</sup> Hawks officials expressed interest in moving the Rhino Rifle Syndicate case forward and said they wanted to involve multiple national jurisdictions in the investigation via Interpol.

In late September 2015, we received actionable intelligence that a new consignment of CZUB rifles was headed to ExploAfrica and would be transported on a TAP Air Portugal flight that would touch down for a stopover in Portugal before moving onward to Mozambique. This was the same consignment that CZUB had referenced in May when the company told us they intended to sell additional rifles to its Mozambican wholesalers even though they knew the guns were likely intended for criminal use.

Mozambican authorities doubted that they could mount an operation to intercept the rifles because corrupt officials would likely intervene, but the Mozambicans nevertheless assisted us in reaching out to Portugal. We also met with General Jooste. He pledged support for our plan to stop the shipment before it reached Mozambique's criminal network. We needed to get to Portugal before the shipment arrived there. That time constraint meant we were unable to meet with the Hawks prior to our departure from South Africa, but

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<sup>228</sup> General Johan Jooste, 2018, BCCSA ADJUDICATION NO: 49/A/2018

<sup>229</sup> General Johan Jooste, 2018, BCCSA ADJUDICATION NO: 49/A/2018

<sup>230</sup> Evidentiary documents on file with CAP

<sup>231</sup> EMBASSY OF SOUTH AFRICA RUSKA 65, 100 00 PRAGUE 10 NEWSLETTER - NOVEMBER 2011 (No.11)

<sup>232</sup> <https://www.saps.gov.za/dpci/index.php>

General Jooste and Kruger's ECI staff convinced us that they would involve the relevant authorities when the time came.

All of the 17 South African case files linking CZ rifles to Kruger's poaching crimes involved Portuguese members of the illicit CZ gun supply chain. We left South Africa feeling confident that the Portuguese police would take immediate action in the face of such incontrovertible evidence.

### 10.3 Portugal Fiasco

We met with Portuguese authorities on the morning of October 5, 2015. The CZ rifle consignment was due to leave Lisbon later that day on a regularly scheduled TAP passenger flight to Maputo. During our meeting with the police, it became clear that the Portuguese authorities already knew about some of the Portuguese entities involved in the gunrunning network. But in order to pursue a criminal inquiry, the Portuguese needed South Africa to confirm that the CZ rifles were linked to South African suspects or rhino-related crimes. If South Africa provided this confirmation, even informally, Portugal said it would halt the CZ rifle consignment.

While waiting for the confirmation from South Africa, Portugal took the CZ rifles into custody as potential evidence. We immediately reached out to General Jooste, Colonel Jooste, Kruger's ECI, and Interpol South Africa. General Jooste initially signaled support: "I believe in this venture - let us do it."<sup>233</sup> But our hopes for Kruger's cooperation were dashed a short while later when ECI told us that General Jooste had in fact not authorized the unit to engage in further action.<sup>234</sup>

Colonel Jooste of the Hawks also refused to cooperate. He took issue with our overtures to other authorities and said we should have let his agency spearhead the case. Interpol South Africa, meanwhile, denied that South African police had cases involving CZ rifles but said it would be "happy" to investigate should more information arise. All of these refusals raised red flags and remain a stain on South Africa's reputation to prioritize rhino poaching crimes.

Unable to obtain the confirmation from South Africa, Portugal released the rifles. We boarded the plane and flew with the shipment to Maputo.

Three months later, those rifles started popping up next to freshly slain rhinos in Kruger as well as wildlife reserves in KwaZulu Natal.

## 11. The American Connection

### 11.1 Troubling Signs of U.S. Complicity

South Africa's inaction cast serious doubts on the country's commitment to Operation Bruno. Kruger and South African officials had publicly promised to do everything in their power to protect rhinos, but their refusal to cooperate with Portugal belied that rhetoric.<sup>235</sup> The Rhino Rifle Syndicate case appeared to be at a standstill in South Africa. At the same time, high-level corruption was thwarting the case's progress in

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<sup>233</sup> Email chain with SANPark's General Jooste dated October 2015 on file with CAP

<sup>234</sup> Text and email chain with ECI dated October 2015 on file with CAP

<sup>235</sup> South Africa had failed to readily cooperate in the past with the Czech Republic as well, for example see: <https://cites.org/sites/default/files/eng/com/sc/66/E-SC66-51-01-A6.pdf>

Mozambique. Given these setbacks, we focused our attention on the Rhino Rifle Syndicate's connections to the U.S., hoping American law enforcement would step up to the plate.

We had evidence indicating the rhino TCO had acquired rifles from CZUB's American subsidiary, CZ-USA. Anti-poaching reports and photographs showed some of the rifles recovered at rhino crime scenes were CZ-USA products. Our ground-level sources—Kruger's gunsmith, South African-based CZ gun dealers, professional hunters, and experienced rangers—said recoveries of CZ-USA rifles had been on the rise, and that the uptick coincided with the escalation in rhino poaching.<sup>236</sup> The smoking gun document showed that at least two rifles traced by CZUB were from CZ-USA.<sup>237</sup> CZUB sales and shipping records confirmed the U.S. origin of additional CZ-USA rifles recovered from poachers on later dates.<sup>238</sup>

CZ-USA was further implicated by the Portuguese and Mozambican arms merchants who stocked CZ-USA weapons in their inventories. The Mozambican firms ExploAfrica and Afrocaça said they acquired shotguns and hunting rifles from CZ-USA. Some of those rifles arrived in Mozambique packaged in USA-labeled boxes replete with CZ-USA manuals.<sup>239</sup> The Portuguese dealer Cacicambra said it had consigned CZ-USA models to the Mozambique retailer Afrocaça.<sup>240</sup> We did not question the Portuguese firm Fabitrade about CZ-USA, nor did we speak to its Mozambican affiliate, Casa Fabião, about the possible receipt of firearms from the American subsidiary. But traces conducted on recovered poaching rifles indicated that they, too, had received CZ-USA firearms. Gunrunner Johan Stoltz told us he obtained his CZ-USA Safari Classics from the Mozambican retailers Afrocaça and Fabicaça. In other words, all of the parties involved dealt in CZ-USA products at some point or another.

While the evidence we had collected in Africa pointed to CZ-USA's links to the gunrunning networks, we needed to determine the depth of the subsidiary's involvement to spark an investigation by U.S. law enforcement. Part of the issue was figuring out precisely how many CZ-USA rifles were flowing to rhino poachers. The recovered CZ-USA rifles were stamped with unique roll marks, but local police often failed to note the roll marks in their reports, complicating our efforts to distinguish the subsidiary's products from the parent company's products. We could have used serial numbers to distinguish between the two, but the serial numbers were often omitted from the reports, too. Eventually, however, we learned that certain makes were exclusive to CZ-USA, and we could use these makes to isolate some of the rifles that passed through the U.S. Still, the shoddiness of South Africa's recordkeeping practices underscored a deep disregard for crucial pieces of evidence and further demonstrated the importance of bringing U.S. law enforcement on board.

The influx of CZ-USA rifles was substantial enough to raise questions among anti-poaching forces and local conservationists about how these guns were getting into the hands of poachers in southern Africa. Some posited that American hunters and safari operators were responsible, as Mr. Johan Stoltz advertised his *Limnetzi Safaris* hunts in the U.S. and entertained American big game hunters on his Crooks Corner game

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<sup>236</sup> Interviews with the Kruger gunsmith, professional hunters, anti-poaching forces and local CZ gun dealers in Mozambique and South Africa, 2014-2018. Video and photographs on file with CAP

<sup>237</sup> The serial numbers of those CZ-USA firearms are A670153 and A091381

<sup>238</sup> Documents on file with CAP

<sup>239</sup> Interviews, Maputo, 2015-2018. Video on file with CAP

<sup>240</sup> Interviews, Cacicambra, Lisbon, October 2015

farm. Anti-poaching forces feared that Stoltz had modeled his operation after the infamous Groenewalds, who had used their American outfit, *Out of Africa Adventurous Safaris*, to poach rhinos.<sup>241</sup> And while Mozambican police and Kruger officials singled out the American origin of poachers' guns as a key element contributing to the large-scale slaughter of rhinos, we saw no signs that they followed up with American officials.<sup>242</sup>

In mid-2015, we contacted Department of State officials and U.S. law enforcement about CZ-USA in hopes that they might act upon the problem. Wildlife poaching and trafficking had been declared a U.S. national security threat, and as such, links to U.S. parties warranted high-level scrutiny. U.S. authorities questioned CZ-USA in July 2015 but did not bring any charges. Seeking to garner a higher U.S. prioritization of the case, we significantly expanded our investigation later that year with the aim of determining the level of CZ-USA's culpability.

## 11.2 Spin Instead of Answers

Not long after widening our probe, we learned in late 2015 that some of the nefarious Mozambican arms dealers were headed to the U.S. to negotiate new CZ rifle shipments. The arms dealers planned to meet with CZ-USA during the SHOT Show in Las Vegas, Nevada, at the end of January 2016.<sup>243</sup> The SHOT Show is an annual arms trade show and the largest hunting, shooting and firearms event of its kind in the world.<sup>244</sup> It is also a perfect spot for arms dealers to negotiate new weapons deals without attracting unwanted attention.

Prior to the event, we traveled to Kansas City, Kansas, and tried to speak with senior CZ-USA management officials about the Mozambican dealers and their illicit links to CZ-USA products. But when we arrived, CZ-USA prohibited us from entering the company's headquarters and refused to talk to us in person.<sup>245</sup> Instead, they asked us to send our questions in an email to the company's general counsel, Dan Spencer.

We sent Mr. Spencer our concerns and questions on January 26, 2016.<sup>246</sup> Our email relayed the following:

As you should be aware, rifles issued from your company are at the center of wildlife crime in Mozambique and South Africa and are possibly linked to entities on the US SDN list. Serial numbers and related police file case information as well as additional information previously have been provided to the senior management of CZ in the Czech Republic.

I would welcome the cooperation of your organization to address this problem and to further discuss CZ due diligence practices.

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<http://news.nationalgeographic.com/news/2014/10/141023-rhino-wildlife-trafficking-south-africa-safari-club-nra-lacey-act-hawks-operation-crash-groenewalds/>; <https://www.justice.gov/opa/pr/owners-safari-company-indicted-illegal-rhino-hunts>

<sup>242</sup> Operation Lebombo and Mozambique Ministry of Interior documents on file with CAP

<sup>243</sup> Travel itineraries, visa applications, and scheduling correspondence on file with CAP

<sup>244</sup> <http://shotshow.org/>

<sup>245</sup> Visit to CZ-USA HQ, Kansas City, Kansas, January 2016

<sup>246</sup> We sent follow up emails on February 24, 2016 and March 2, 2016. Correspondence on file with CAP

One entity on the U.S. SDN list was Mohammed Bashir Sulieman. American companies are expected to take precautionary measures when confronted with the risk that they are doing business with an entity on the U.S. SDN list. But CZ-USA refused to follow up on the matter. Mr. Spencer responded two days later, saying in an email that CZ-USA complied with all U.S. regulations and had no knowledge of wildlife crimes involving CZ firearms. Mr. Spencer also said CZ-USA “transfers firearms exclusively to federally-licensed federal firearms licensees (wholesalers and dealers) who are themselves subject to the same rules as we are.” We later determined that this statement was patently false.<sup>247</sup>

Before departing Kansas, we put CZ-USA on notice about its potential liabilities. By putting the company on notice, we ensured CZ-USA could not later deny knowledge of the involvement of CZ-USA rifles in criminal activity in South Africa and Mozambique.

Our investigation eventually revealed that CZ-USA and CZUB were engaged in a deliberate effort to hide fraudulent business practices. In responding to questions about our findings, CZUB tried to cover for CZ-USA, saying in a statement:

It should be noted that although the firearms were marked “CZ-USA”, the American entity CZ-USA had nothing to do with the rifles. Rather, the marking “CZ-USA” was applied to the rifles by CZUB as an international name brand only. CZUB is the sole distributor of CZUB firearms to South Africa and Mozambique.<sup>248</sup>

But by this time, we had already documented CZ-USA’s seemingly willing participation in deceptions that furthered the aims of the criminal enterprise engaged in funneling illegal weapons to Africa’s rhino poaching networks. With annual revenues of \$50,000,000, we wondered why the American subsidiary would risk damaging its reputation and federal government contracts for miniscule sales to disreputable Portuguese and Mozambican clients.<sup>249</sup> While greed should never be underestimated, we suspect there is more behind CZUB and CZ-USA’s motives than their paltry sales to Mozambique.

### 11.3 Deciphering What Is “American”

One way CZUB and CZ-USA created opacity around their business dealings was by making it difficult to distinguish between each other’s product lines. As we previously noted, every rifle sold by CZ-USA was manufactured by CZUB in Uhersky Brod.<sup>250</sup> The guns slated for sale in America were roll marked at the Czech factory with an import stamp reading “CZ-USA, Kansas City, KS.” After receiving the roll mark, the guns were supposed to be shipped to the U.S. for resale by CZ-USA.<sup>251</sup>

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<sup>247</sup> Email from CZ-USA General Counsel Dan Spencer dated February 26, 2016

<sup>248</sup> CZUB written admission dated May 30, 2018 on file with CAP

<sup>249</sup> FBI contract obtained through a FOIA request and on file with CAP

<sup>250</sup> Interviews with CZUB sales staff in 2015 and email exchange with CZ-USA General Counsel Dan Spencer, February 26, 2016

<sup>251</sup> Interviews with CZUB and CZ-USA sales staff during the course of the investigation. CZUB written admission dated May 30, 2018. Phone interview, Harlan Satrang, July 19, 2018. Documents, correspondence, and video on file with CAP

There is nothing unusual about a foreign gun manufacturer applying import stamps prior to exporting products to federally licensed distributors in the U.S. But it highly unusual to knowingly sell and ship firearms with U.S. roll marks and import stamps to third-party countries or distributors without them ever touching U.S. soil. The evidence shows CZUB directly shipped firearms bearing the CZ-USA roll mark directly to unsuspecting Portuguese and Mozambican wholesalers.<sup>252</sup> U.S. authorities questioned CZ-USA in early 2016 about roughly 80 or so rifles that fit this fact pattern. Some of these firearms wound up being used in rhino poaching.

The roll marks and import stamps are supposed to tell consumers something about the provenance of the weapons that they are buying. The stamp also assists law enforcement in tracing guns used in crimes. By exporting CZ-USA-marked rifles directly to third parties, CZUB was effectively deceiving its customers into thinking they were buying American products. This practice, which would have required consent from CZ-USA, also frustrated potential law enforcement efforts to hold the company accountable for crimes committed with its guns.<sup>253</sup>

The labyrinthine relationship between CZUB and CZ-USA also spread potential liabilities among conspirators. With complex transactions occurring through multiple venues, prosecuting one entity would be difficult. In law enforcement parlance, this practice is known as “layering.”

CZ-USA sales representatives brushed aside our questions about the company’s deceitful business practices, as show in the following excerpt:

| Conversation With CZ-USA Sales Rep Jason Morton <sup>254</sup> |  |
|--|--|
| CZ-USA:  | Normally if it says Kansas City, it was brought into the U.S. But that’s not always the case.  |
| Investigator:  | Why wouldn’t it be the case?   |
| CZ-USA:  | Well in order to bring a gun into the U.S., you have to mark it with the importer, which is Kansas City, Kansas. Okay? ... But you can still take a gun, that was originally intended for the U.S. market, even if it never went to the U.S. market, and sell it anywhere in the world. Because nobody else cares. |
| Investigator:  | What do you mean, ‘nobody else cares?’ Because it says Kansas City...everyone keeps saying to me, it’s an American gun.  |
| CZ-USA:  | ...If it says Kansas City, Kansas on it, it was intended for the U.S. market. Mostly likely. But for some reason, you know, some go to other places without ever hitting the U.S.  |
| Investigator:  | Okay. But are you concerned about that?  |
| CZ-USA:  | No   |

## 11.4 Trademark Confusion

<sup>252</sup> Interviews with CZ-USA representatives, Las Vegas, Nevada, January 2016. CZUB written admission dated May 30, 2018. Documents and correspondence on file with CAP

<sup>253</sup> Interviews with U.S. authorities throughout the investigation

<sup>254</sup> Video on file with CAP



CZUB and CZ-USA's fraudulent practices extended beyond the U.S. import stamp. CZ-USA marketed certain products as exclusive to the American market. This includes the *Safari Classic* rifle, a model developed at the urging of CZ-USA's president, Alice Poluchova, who emigrated from the Czech Republic to establish CZUB's American arm in 1998.<sup>255</sup>

The CZ-USA Corporation has owned the trademark for the *Safari Classic* since at least 2006.<sup>256</sup> CZ-USA tailors *Safari Classic* rifles to the preferences of American hunters. The rifle fetches a higher price than similar CZUB models, in part because the *Safari Classic* is customized to each customer's specifications. Since about 2004, this customization has taken place at Triple River Gunsmithing, also known as the CZ-USA Custom Shop, in Warsaw, Missouri, about 100 miles southeast of CZ-USA's headquarters.<sup>257</sup> Harlan Satrang, the owner of Triple River, told us in a phone interview that at some point CZUB started stamping *Safari Classics* rifles with the CZ-USA roll mark at the parent company's Czech factory, sowing confusion about the rifles' origins. "They should not have done that," he said.<sup>258</sup>

**In the words of CZ-USA's custom gunsmith....**

"You have to understand actions, barrels, and wood stock. The actions are all made in the Czech Republic. These actions are imported by CZ-USA. Then CZ-USA sends us (Triple River) the actions, which we take into our shop and assemble in Safari calibers using barrels and wood stocks from our own inventory. All Safari Classics are a product of CZ-USA. If it says made in the U.S. or has the Kansas City roll mark, it means it was assembled in the U.S. and had to be imported into the U.S. If it goes out of the Czech Republic with that on the gun, then it was supposed to have come into and out of the U.S. first. If not, then it was in violation of U.S. import laws."

"We did hear that the Czech Republic company stamped certain actions with the Safari Classic, which should never have happened.... Sounds like you are after a lawsuit... I wouldn't say it was a misrepresentation since it is the same company. But we don't know why they did that. They should not have done that."

Harlan Satrang, July 8, 2018<sup>259</sup>

CZ-USA's lawyer Dan Spencer was not as forthcoming about discussing the problem as Mr. Satrang. When we asked how to distinguish between CZUB and CZ-USA products, Mr. Spencer referred us to CZ-USA's website.<sup>260</sup> We looked at the website, but we could not find any information to answer this question. Experienced gun dealers told us that they, too, had trouble distinguishing between the two product lines. They said they considered all *Safari Classics* rifles and any guns stamped with CZ-USA roll marks to be American, but our research found that the models and import stamps were unreliable indicators of the provenance of the guns.

<sup>255</sup> <http://czusapresidentialice.blogspot.com/>; <https://le.cz-usa.com/alice-poluchova/>

<sup>256</sup> See records for Safari Classic on <https://www.uspto.gov/trademarks-application-process/search-trademark-database>

<sup>257</sup> <http://tripleriver.net/>

<sup>258</sup> Phone interview, Harlan Satrang, July 19, 2018

<sup>259</sup> Phone interview, Harlan Satrang, July 19, 2018

<sup>260</sup> CZ-USA General Counsel Dan Spencer email correspondence dated February 26, 2016

CZUB claimed to have shipped all of the CZ-USA-marked rifles directly from its factory to its Portuguese and Mozambican buyers.<sup>261</sup> But we obtained irrefutable evidence from CZUB trace data that bonafide CZ-USA guns had in fact traveled from the U.S. to South Africa and were recovered from rhino poaching crime scenes.

CZUB and CZ-USA's obfuscation of the truth signaled to us that their export practices required closer examination.

### 11.5 Smurfing

Even though CZ-USA refused to discuss the crime gun problem with us in Kansas, we managed to speak with company representatives the following week during the 2016 SHOT Show at the Sands Expo Center in Las Vegas, Nevada. During the trade show, representatives from CZUB and CZ-USA planted themselves at a shared exhibition booth beneath a CZ-USA banner,<sup>262</sup> negotiating and engaging in the business of dealing firearms with wholesalers and retailers around the globe.

During these dealings, we interacted with the companies' American and overseas clients and sales representatives. We were particularly struck by an exchange between CZ-USA sales representative Jason Morton and his most important CZ rifle wholesaler in Africa. The African wholesaler told us he was unable to acquire CZ-USA products because they were only sold in the U.S. Hearing this, Mr. Morton interrupted our conversation, telling the wholesaler that his request for CZ-USA products could be fulfilled—i.e., shipped to Africa—as long as the firearms were sent in batches of ten or so at a time.<sup>263</sup>

Mr. Morton went on to describe how export/import regulations could be skirted by keeping transactions below a certain threshold. Mr. Morton's statements suggested that CZ-USA had engaged in the practice of "smurfing." In legal jargon, smurfing is when individuals or entities break down transactions into units small enough to avoid regulatory requirements or detection.

Smurfing remains a possible explanation for how some CZ-USA guns wound up in Mozambican gun shops and beside the carcasses of dead rhinos. The rifles could have been smurfed via the U.S. direct or via a third-country exporter i.e., the Portuguese arms dealers linked to the Rhino Rifle Syndicate.

CZUB sales invoices and the company's correspondence with ExploAfrica show that CZ-USA-marked guns were normally ordered in batches of a dozen or less at a time. For example, a CZUB invoice for ExploAfrica—dated April 17, 2015—shows a shipment of 12 CZ-USA shotguns of the CZ 912 model (cal. 12, barrel 28"). A separate ExploAfrica order form—dated February 12, 2016—shows an order for 10 CZ-USA shotguns of the CZ 912 model and 10 CZ-USA shotguns of the CANVASBACK model.<sup>264</sup> The 2016 order was never filled, however, as CZUB ceased all sales to Mozambique sometime after receiving warnings from U.S. law enforcement in March 2016.<sup>265</sup>

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<sup>261</sup> CZUB written admission dated May 30, 2018 on file with CAP

<sup>262</sup> This practice was reversed at IWA with CZ-USA working out of the CZUB booth in Nuremberg, Germany

<sup>263</sup> SHOT Show, Las Vegas, Nevada, January 2016

<sup>264</sup> Documents on file with CAP

<sup>265</sup> Interview, US officials, March 2016

After CZUB imposed a moratorium on sales to Mozambique, ExploAfrica began ordering CZ rifles from European retail companies, such as Espingardaria Altamira in Portugal. But each order was for a limited number of rifles, suggesting the company was trying to avoid detection by law enforcement.<sup>266</sup>

### 11.6 Crime Guns Five Ways Too Many

After multiple conversations with CZ-USA staff and clientele, we determined there were five methods by which CZ-USA-marked rifles could have made their way to South Africa and Mozambique. The rifles could have been brought in by American hunters, exported directly from the U.S. in small quantities via an authorized exporter, re-exported by arms dealers from Portugal (and possibly other European countries), exported directly in a fraudulent manner from the Czech Republic without ever touching U.S. soil, and/or smuggled whole or in parts out of the U.S. before being transferred to Mozambican arms dealers.

The Rhino Rifle Syndicate may have counted on the difficult process of matching CZ-USA-marked poaching crime guns to specific exports from the U.S. or third-party countries. The process was difficult because most of the recovered poaching guns were not identified by local rangers or police according to Czech- or U.S.-origin, and some guns appeared to have been marked as originating in the U.S. when in fact they had emanated from elsewhere. Shoddy recordkeeping practices among South Africa and Mozambique authorities compounded the problem even further.

Even if crime gun data were readily available from Africa, the act of tracing CZ-USA-marked guns exported directly from the Czech Republic or through a third-party country would require extensive multi-jurisdictional cooperation, and success would depend upon the relevant export/import paperwork being in good order. To find CZ-USA guns exported directly from the U.S, law enforcement might need to search for export permits from a third-party export entity and conduct an extensive review of import/export documents. Such an effort would be tantamount to law enforcement searching for the proverbial needle in a haystack. The easiest CZ-USA rifles to identify would be those belonging to American hunters, as they are legally required to obtain temporary import permits to transport guns to South Africa and Mozambique for hunts and to bring their guns back to the U.S. after their trip.

Based on our interviews, observations, and analyses, we believe that the majority of CZ-USA-marked rifles used in rhino poaching were exported directly from CZUB in the Czech Republic. This conclusion is supported by CZUB's official response to our questions.<sup>267</sup> Some of these exports may have violated U.S. trademark laws, and the rifles themselves may have been sold at grossly inflated prices to customers duped into believing they were buying superior, American-made products.

#### CZUB Official Reply on May 30, 2018<sup>268</sup>

"It should be noted that although the firearms were marked "CZ-USA", the American entity CZ-USA had nothing to do with the rifles. Rather, the marking "CZ-USA" was applied to the rifles by CZUB as an international brand name only. CZUB is the sole distributor of CZUB firearms to South Africa and Mozambique...

<sup>266</sup> Arms import license dated May 17, 2017 on file with CAP

<sup>267</sup> CZUB written admission dated May 30, 2018 on file with CAP

<sup>268</sup> CZUB written admission dated May 30, 2018 on file with CAP

The brand name “CZ-USA” was applied to firearms by CZUB at CZUB’s factory in the Czech Republic. Once this issue was brought to CZUB’s attention, CZUB ceased marking firearms with CZ-USA unless they were manufactured for the purpose of exporting to CZ-USA in the United States.”

CZUB’s explanation of how CZ-USA-marked rifles traveled to Mozambique and South Africa did not absolve CZ-USA of guilt. CZ-USA sales representatives we interviewed at the SHOT Show said CZ-USA granted permission for CZUB to sell and export CZ-USA-marked inventory, proof that CZ-USA committed overt acts in conjunction with CZUB and was a willing partner in CZUB’s deceptive sales practices.<sup>269</sup>

CZUB’s explanation also undermined Mr. Spencer’s claim that CZ-USA only transferred guns to federal firearms licensees. Contrary to Mr. Spencer’s statement, CZ-USA approved firearm transfers to third parties overseas, apparently bypassing the federally licensed U.S. import/export channels.

While our evidence at the very least suggests nefarious behavior by CZUB and CZ-USA, law enforcement is best positioned to determine whether the companies violated U.S. trademark and licensing laws, among other possible criminal actions.

### 11.7 Who Cares Attitude

CZUB’s and CZ-USA’s responses to our questions suggested the companies relied on a low-risk operating environment and a lax attitude by law enforcement to evade accountability for their malfeasance. The CZ products used to further criminal ends were hunting rifles, which are not typically thought of as tools of violent crime. The criminal activity involving the rifles could also be rationalized as “victimless,” as the majority of casualties were rhinos, and the deaths of animals carry far less weight in law enforcement contexts than the deaths of people. However, such a shortsighted view overlooked CZ rifles as being at the center of thousands of firefights and extrajudicial killings of poachers, not to mention the deaths of anti-poaching forces and police.

CZUB and CZ-USA also seemed to have banked on the fact that the gunrunners would be transferring the rifles to poachers in Mozambique. By professing to know little about Mozambican arms regulations, the companies gave themselves a measure of plausible deniability. However, CZUB and CZ-USA continued selling rifles to Mozambique even after being put on notice by our organization, South African arms dealers and distributors, and U.S. law enforcement, thus evidencing the companies’ clear knowledge and intent.<sup>270</sup>

### 11.8 U.S. Stakes

Governments around the world have singled out wildlife trafficking as a major source of funding for terrorist groups and transnational criminal organizations.<sup>271</sup> Acknowledging the problem as an international crisis

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<sup>269</sup> Video on file with CAP

<sup>270</sup> In 2014, CZUB was put on notice by its South African wholesaler and other dealers that a significant number of CZ manufactured firearms had been used in the commission of crimes related to rhino poaching in Kruger National Park. We put CZUB on notice in March 2015; CZ-USA was put on notice by CAP in January 2016, although CZ-USA admitted to prior knowledge. Video on file with CAP

<sup>271</sup>

<https://www.justice.gov/opa/speech/attorney-general-jeff-sessions-delivers-remarks-forum-combating-wildlife-poaching-and>  
<http://www.nytimes.com/aponline/2015/07/30/world/europe/ap-un-united-nations-wildlife-trafficking.html?emc=eta1>;

and national security threat, President Obama issued Executive Order 13648 on July 1, 2013, establishing a Presidential Task Force and a National Strategy to Combat Wildlife Trafficking.<sup>272</sup>

President Trump followed up on February 9, 2017, with Executive Order 13773, aimed at strengthening enforcement to combat TCOs engaged in weapons and wildlife trafficking, among other criminal activities.<sup>273</sup> The U.S. Attorney General reaffirmed the American commitment to fight the scourge of wildlife poaching and trafficking in a Department of Justice forum on October 26, 2018.<sup>274</sup> During the forum, he pointed out that President Trump had issued an executive order identifying wildlife trafficking as an important category of transnational organized crime and remarked, “We at DOJ embrace that charge.”<sup>275</sup>

The U.S. has also actively participated in the passage of three key UN General Assembly resolutions on this problem, the first having been adopted in July 2015.<sup>276</sup> These UN resolutions call on all countries to combat wildlife crime perpetrated by organized criminal groups. They also urge Member States to take decisive steps to prevent, investigate, prosecute, and appropriately punish those involved.<sup>277</sup>

Beyond U.S. national security interests and multilateral commitments are the serious violations of law and custom and human rights, which should compel the U.S. to bring the arms dealers to heel. In addition to firearms trafficking, the criminal enterprise has engaged in a slew of other illegal activities, including racketeering, corruption, fraud, and bribery. The criminal enterprise is also responsible for cross-border armed incursions involving the recruitment and use of children for both armed violence and criminal activity as well as the provision of material assistance to illegal armed groups operating across national borders.<sup>278</sup>

Hundreds of people, including youth and enforcement officers, have been killed as a result of the armed violence involving these U.S.-linked firearms. U.S. conservation groups and U.S.-funded programs in Mozambique are at risk of complicity for enabling transnational criminal organizations through their direct

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<https://www.dhs.gov/sites/default/files/publications/ICE%20-%20Illegal%20Trafficking%20of%20Wildlife%20and%20Other%20Natural%20Resources.pdf>;

<https://www.gov.uk/government/speeches/foreign-secretary-remarks-at-illegal-wildlife-trade-event>

<sup>272</sup> <https://obamawhitehouse.archives.gov/the-press-office/2013/07/01/executive-order-combating-wildlife-trafficking>. For Department of Homeland Security (DHS) efforts in response, see <https://www.dhs.gov/sites/default/files/publications/ICE%20-%20Illegal%20Trafficking%20of%20Wildlife%20and%20Other%20Natural%20Resources.pdf>

<sup>273</sup>

<https://www.whitehouse.gov/presidential-actions/presidential-executive-order-enforcing-federal-law-respect-transnational-criminal-organizations-preventing-international-trafficking/>

<sup>274</sup>

<https://www.justice.gov/opa/speech/attorney-general-jeff-sessions-delivers-remarks-forum-combating-wildlife-poaching-and>

<sup>275</sup>

<https://www.justice.gov/opa/speech/attorney-general-jeff-sessions-delivers-remarks-forum-combating-wildlife-poaching-and>

<sup>276</sup> UN Resolutions 69/314 of 30 July 2015, 70/301 of 9 September 2016 and 71/88 of 5 September 2017. See for example, <http://undocs.org/A/71/L.88>

<sup>277</sup>

<https://news.un.org/en/story/2015/07/505452-amid-steady-rise-rhino-poaching-and-elephant-killings-un-urges-action-tackle#VbtZGltHigF>; <http://undocs.org/A/71/L.88>

<sup>278</sup> Such activities have been independently documented by a number of prominent and credible groups and during South African prosecutions of poachers

commerce with the illicit arms dealers. We have invoices on file showing U.S. entities have unwittingly purchased arms and ammunition from these dealers.

U.S. federal government and law enforcement agencies who contract with CZ-USA and CZUB are also at risk of complicity. In January 2016, CZ-USA signed a contract to supply the Federal Bureau of Investigations (FBI) with \$9,095 in small arms and ordnance. The ink was barely dry when Mozambican arms dealers from ExploAfrica and Afrocaça arrived in the U.S. for the Las Vegas Shot Show to start an order for 100 CZ firearms at a cost of more than \$56,000.<sup>279</sup> Those firearms included 38 .375-caliber American Safari Magnums, rifles commonly used in rhino poaching.

Beyond possible breaches of U.S. laws and regulations, the firearm commerce has also adversely impacted stated U.S. policy goals, including enforcing sanctions against North Korea, protecting endangered species, and combating transnational criminal organizations. There are also strong indications that the criminal enterprise is linked to a drug trafficking kingpin on the U.S. sanctions list, a concern made known to CZ-USA in January 2016.<sup>280</sup>

In October 2018, we provided the U.S. House Committee on Foreign Affairs with a report on our three-year investigation into the use of illegally exported hunting rifles in poaching crimes. The Committee opened its own investigation, and as part of its oversight role, requested that the U.S. Departments of Commerce, Treasury, and State provide information related to CZUB and CZ-USA and the selling of rifles to transnational criminal organizations.<sup>281</sup> We had briefed officials in all three of those agencies prior to this Congressional action. We believe that the U.S. Department of Commerce is well-positioned to take a leadership role on this issue, as earlier this year, President Trump transferred control over the U.S. exports of small arms from State to Commerce.<sup>282</sup>

As an urgent matter of policy, the U.S. should address concerns that U.S. firearms may be responsible for the alarming increase in rhino poaching in southern Africa. In addition, U.S. law enforcement should actively pursue those responsible, including members of the Rhino Rifle Syndicate and the larger rhino TCO that it is aiding and abetting.

#### U.S. Agencies Responsible For Prosecuting Wildlife Crime

The Department of Justice's Environment and Natural Resources Division (ENRD), together with United States Attorneys' Offices across the country, is responsible for prosecuting international wildlife trafficking

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<sup>279</sup> FBI contract obtained through a FOIA request and on file with CAP

<sup>280</sup> A drug kingpin on the US Department of Treasury Special Designated Nationals list, Mohammed Bashir Sulieman, allegedly is linked to Mozambique's illegal rhino trade; <http://www.treasury.gov/press-center/press-releases/Pages/tg729.aspx>; <http://www.afrol.com/articles/37037>. Email correspondence with CZ-USA General Counsel Dan Spencer, January 26, 2016

<sup>281</sup> <https://www.nytimes.com/2018/12/25/us/politics/rhinos-poachers-south-africa-czub.html>

<sup>282</sup>

<https://www.ustradeblog.com/2018/05/proposed-shift-for-small-arms-export-controls-from-state-department-to-commerce-department-authority/>;

<https://www.bis.doc.gov/index.php/forms-documents/federal-register-notices-1/2220-cats-i-iii-myths-v-facts-posted-5-24-18/file>



crimes, primarily under the Endangered Species Act (ESA) and the Lacey Act, as well as crimes related to wildlife trafficking, such as smuggling, money laundering, and criminal conspiracy.

United States Attorney General, October 2018<sup>283</sup>

### 11.9 Conspiratorial Acts On US Soil

Our investigation shows that Mozambican arms dealers belonging to the Rhino Rifle Syndicate were negotiating firearm purchases on U.S. soil by at least 2013, and possibly earlier. The arms dealers included ExploAfrica and Afrocaça representatives, who attended the annual SHOT Show in Las Vegas, Nevada, with the specific purpose of buying firearms from CZUB and CZ-USA.

In 2016, ExploAfrica and Afrocaça representatives traveled to the SHOT Show to negotiate the purchase of CZ firearms in an amount that was nearly double their usual quantity. At least some of the weapons were suspected of being destined for the criminal market in Mozambique.<sup>284</sup> We observed ExploAfrica and Afrocaça representatives in meetings with CZUB and CZ-USA staff in Las Vegas and afterwards interviewed them to learn more about their prior purchases of CZ-USA weapons.

Mr. Kallus and other members of the CZUB sales staff told us that CZUB never made deals without physically meeting their wholesalers either at the Las Vegas SHOT Show or the IWA trade fair in Nuremberg, Germany. Both CZUB and CZ-USA staff were usually in attendance at both shows. The Mozambican arms dealers, in turn, told us they needed to meet with CZUB and CZ-USA at these exhibitions to obtain information on the latest models, specs, and prices before concluding their wholesale purchases.

The negotiations between the sellers and dealers tied to the Rhino Rifle Syndicate continued over the internet. The two parties sealed their arms deals after the wholesalers made payments through international wire transfers.<sup>285</sup> CZUB arranged the exports. Sometimes CZUB shipped the firearms directly to Mozambique from Prague; other times, the company consigned the firearms first to Portugal, where they were then re-exported from Portugal to Mozambique.<sup>286</sup> The hundreds of pages of documentation that we obtained were for CZUB exports emanating out of the Czech Republic, leaving open the question of how CZ-USA firearms made it into the mix. U.S. and Czech investigative efforts should seek to answer that question.

ExploAfrica typically transacted CZ gun purchases in Euros. However, ExploAfrica's bank accounts included funds that were commingled with tainted profits from rifle sales on behalf of the rhino TCO. ExploAfrica used these commingled profits and funds to acquire other foreign arms and equipment through U.S. dollar bank accounts, with Citibank and the Bank of New York acting as the correspondent banks for the international wire transfers. We documented such acquisitions for the period 2014-2016, with

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<sup>283</sup>

<https://www.justice.gov/opa/speech/attorney-general-jeff-sessions-delivers-remarks-forum-combating-wildlife-poaching-and>

<sup>284</sup> Email correspondence between CZUB and ExploAfrica dated between February and March 2016 on file with CAP

<sup>285</sup> Financial records on file with CAP

<sup>286</sup> CZUB written admission dated May 30, 2018. Czech Embassy in South Africa written admission dated May 16, 2018. Documents on file with CAP



ExploAfrica buying arms from Taurus in Brazil, Fobus International in Israel, and Sarsilmaz in Turkey.<sup>287</sup> The Las Vegas SHOT Show served as a forum for ExploAfrica to broker these deals in addition to those it negotiated with CZ-USA and CZUB.<sup>288</sup>

One year after ExploAfrica attended the 2016 SHOT Show, we discovered that wholesaler had a partnership with Monte Binga, an entity accused by the UN of violating international sanctions on North Korea by engaging in a secretive weapons deal with North Korea.<sup>289</sup> This association alone put the U.S. banking system at serious risk of being compromised.

CZUB, CZ-USA, and ExploAfrica were not the only parts of the illicit gun supply chain to operate on U.S. territory. Gunrunner Johan Stoltz advertised his Limnetzi Safaris hunts in the U.S. and maintained at least one representative in Florida.<sup>290</sup> Limnetzi Safaris also hosted American hunting clients, who paid into U.S. dollar bank accounts for their Mozambican hunts.<sup>291</sup>

Conducting illicit arms sales on U.S. territory—and threatening American interests abroad and U.S. commerce at home—provided an immensely powerful nexus for U.S. enforcement.

### 11.10 U.S. Action Pivotal

After determining that our evidence met the threshold for action, U.S. law enforcement launched another investigation in early 2016. The move proved timely. After meeting with CZ sales representatives at the January 2016 SHOT Show, ExploAfrica sent CZUB a new purchase order on February 12, 2016.<sup>292</sup> In the purchase order, ExploAfrica asked CZUB for more than 110 firearms. ExploAfrica and CZUB continued to transact the deal until U.S. law enforcement intervened in March 2016, warning CZ-USA of negative consequences if sales to the Mozambican gunrunning network continued.

Those consequences included the possibility that CZ-USA and CZUB would lose lucrative federal government contracts.<sup>293</sup> The companies could have also run afoul of the Department of Treasury for violating sanctions against a major drug kingpin in Mozambique, a concern we pointed out to CZ-USA in our email correspondence with the company in January 2016.<sup>294</sup>

Penalties for violations of the Kingpin Act range from civil fines up to \$1.075 million per violation to more severe criminal sanctions. Criminal penalties for corporate officers may include up to 30 years in prison and fines up to \$5 million. If convicted of criminal charges under the Kingpin act, corporate officers can face as much as 30 years in prison and fines of up to \$5 million. Criminal fines for corporations may reach \$10 million.<sup>295</sup>

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<sup>287</sup> Bank transactions and invoices for multiple years on file with CAP

<sup>288</sup> ExploAfrica documents on file with CAP

<sup>289</sup> [https://www.securitycouncilreport.org/atf/cf/%7b65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7d/s\\_2017\\_150.pdf](https://www.securitycouncilreport.org/atf/cf/%7b65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7d/s_2017_150.pdf)

<sup>290</sup> Advertisement through the Florida entity on file with CAP

<sup>291</sup> Interviews with Limnetzi Safaris professional hunting staff during the course of the investigation. Video on file with CAP

<sup>292</sup> Documents on file with CAP

<sup>293</sup> Interviews with US law enforcement throughout the investigation

<sup>294</sup> Email correspondence with CZ-USA General Counsel Dan Spencer dated January 26, 2016

<sup>295</sup> <https://www.treasury.gov/press-center/press-releases/Pages/tg729.aspx>

If CZ-USA and/or CZUB did not undertake sufficient due diligence—operating as they did in both the high-risk country of Mozambique and high-risk industry of armaments—they could also be at a heightened risk of having facilitated sanctionable conduct on the part of their downstream clients in Mozambique, especially in regard to violations of UN sanctions on North Korea.<sup>296</sup>

There is also the strong possibility that CZ-USA could face administrative sanctions, financial penalties, or criminal charges for its participation in a transnational criminal conspiracy to supply guns to the rhino TCO.

U.S. law enforcement warnings may have been effective. On March 8, 2016, we received an email from Mr. Spencer in response to our ongoing inquiries:

received your 3/2 email. CZ-USA has received similar questions in a U.S. government investigation. CZ-USA intends to fully cooperate with and assist that investigation. CZ-USA is not able to respond to the inquiries of other entities while that investigation is ongoing.<sup>297</sup>

This email was the last time CZ-USA responded to our inquiries.

Even though the American subsidiary was under U.S. investigation, the race to stop future CZ rifle shipments to Mozambique wasn't over. One day after Mr. Spencer's email, CZUB informed ExploAfrica that the licenses were being prepared to fulfill ExploAfrica's most recent order.<sup>298</sup> By mid-March, ExploAfrica had obtained an export permit from the Mozambican Ministry of Interior to advance the deal. We obtained correspondence between CZUB and ExploAfrica showing that the arms deal was close to being finalized.<sup>299</sup> But then, on March 23, 2016, the deal began to collapse, with CZUB informing ExploAfrica that "our production postponed the plan for producing CZ 550 MAGNUM LUX 458 WM."<sup>300</sup> Those .458-caliber hunting rifles were among the most concerning weapons for U.S. law enforcement. The email signaled the end was in sight for CZUB's and CZ-USA's participation in the illicit gun supply chain. The arms companies' moment of accountability had finally come, and our follow-the-gun methodology received its most momentous payoff yet.

The precise date that CZUB and CZ-USA halted rifle deliveries to the criminal enterprise is unclear. CZUB and the Czech Embassy in South Africa told us separately that CZUB had halted Mozambique deliveries in September 2015.<sup>301</sup> But that date is clearly incorrect, as we had accompanied a CZ shipment aboard a plane traveling from Portugal to Mozambique one month later, in October 2015.

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<sup>296</sup> [https://www.treasury.gov/resource-center/sanctions/Programs/Documents/dprk\\_supplychain\\_advisory\\_07232018.pdf](https://www.treasury.gov/resource-center/sanctions/Programs/Documents/dprk_supplychain_advisory_07232018.pdf)

<sup>297</sup> Email from CZ-USA General Counsel Dan Spencer March 8, 2016

<sup>298</sup> Email correspondence between CZUB and ExploAfrica on file with CAP

<sup>299</sup> Documents on file with CAP

<sup>300</sup> Document on file with CAP

<sup>301</sup> CZUB written admission dated May 30, 2018. Czech Embassy in South Africa written admission dated May 16, 2018

U.S. law enforcement officials say they were told the CZ firearms shipments to Mozambique stopped in June 2016. That month, however, ExploAfrica placed a new order for a handful of CZ hunting rifles with a Portuguese arms shop, Espingardaria Altamira in Lisbon.<sup>302</sup> Although we did not further investigate this order, we believe it suggests ExploAfrica relied on the practice of “smurfing” via European retail shops—another possible conduit for the shipment of CZ-USA rifles to Mozambique. Contradicting what CZ-USA told U.S. law enforcement, CZUB told Mozambique authorities that the company committed to a six-month voluntary ban on firearms sales to Mozambique in December 2016.

Regardless of the actual moratorium date, CZUB’s freeze on rifle deliveries to Mozambique demonstrates how the likelihood of facing legal jeopardy, prosecution, and/or other penalties are among the strongest deterrents to criminal activity. Not until CZ-USA and CZUB felt direct pressure from U.S. law enforcement were they willing to modify their illicit behavior. If Kruger or South African officials had similarly intervened with the company in 2014, when proof emerged linking CZ rifles to the rhino syndicate’s gunrunning network, thousands of rhinos might have been saved.

Certain Mozambican officials also tried to stem the influx of CZ rifles by presenting charges against the organized crime syndicate to the Attorney General’s office in October 2015, but that effort was nixed, possibly due to high-level corruption.<sup>303</sup> The net result was that CZUB and CZ-USA continued engaging with a criminal enterprise conspiring to outfit the rhino TCO with CZ weapons even after we put them on notice for being potentially complicit in massive wildlife crime.

A little over a year after receiving warnings from U.S. law enforcement, CZUB responded to ExploAfrica’s request for an update on its pending 2016 order. In an email dated April 3, 2017, CZUB stated that it could not send arms to Mozambique because of outstanding issues with CZ rifles in Kruger Park.<sup>304</sup> But the email also referred to those rifles as having been “stolen.” The stolen rifles cover story was another patent falsehood, but certain Rhino Rifle Syndicate members nevertheless saw it as a potential life raft should they find themselves in legal jeopardy. ExploAfrica replied via email the same day: “Thanks for the information I hope to resolve soon so we can buy again.”<sup>305</sup>

Even though U.S. law enforcement intervened with CZ-USA and CZUB in 2016, not one member of the gunrunning enterprise has been arrested. This impunity has encouraged the rhino TCO to search out new sources of firearms and firearm distribution methods. ExploAfrica began acquiring other foreign arms to fill the vacuum left by the exodus of CZUB and CZ-USA in 2016.<sup>306</sup>

Our research illuminates how the most egregious arms traffickers survive simply by riding out law enforcement’s attention span. Even in the well-resourced jurisdiction of the U.S., the Rhino Rifle Syndicate appears to have been given a free pass from justice despite the criminal enterprise’s tie-in to three major national security concerns.

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<sup>302</sup> Proforma invoice and documents on file with CAP

<sup>303</sup> See Section 13 in report

<sup>304</sup> Document on file with CAP

<sup>305</sup> Document on file with CAP

<sup>306</sup> Interviews, ExploAfrica, Maputo, 2017. Documents on file with CAP

## 12. South Africa – Mixed Results 2016-2018

### 12.1 Failure Redux

After the arms interdiction fiasco in Portugal, Lt. General Vinesh Moonoo, the Divisional Commissioner of the SAPS Detective Services, invited us back to South Africa to discuss the Rhino Rifle Syndicate dossier.<sup>307</sup>

He assigned his Stock Theft and Endangered Species Unit—under the command of Major Steve Roets—to facilitate a meeting with the National Prosecuting Authority (NPA).<sup>308</sup> That meeting, which occurred at SAPS headquarters in February 2016, included the NPA, Lt. General Moonoo's staff, the chief of the SAPS Stock Theft and Endangered Species Unit, and Kruger's ECI unit.

But before we could present our evidence in the meeting, Kruger's ECI team—acting under General Jooste's authority—said they no longer wished to work with us on the criminal dossier.<sup>309</sup> SAPS Detective Services then decided to hand over the case to Colonel Jooste of the Hawks, whose specialized police unit was operating under a mandate to pursue cross-border wildlife crime. We handed our dossier over to Major Roets before departing.

We made repeated attempts to meet with Colonel Jooste of the Hawks over the next year, but he refused.<sup>310</sup>

At one point, he said the reason for his uncooperative attitude was that he never received the Rhino Rifle Syndicate case file from the SAPS Detective Services. Colonel Jooste told us that without this administrative transfer and authorization, he was not allowed to work on the case.<sup>311</sup> We later learned that the SAPS officially registered the case for investigation in early 2016;<sup>312</sup> however, we were never called back to provide a fact-based or expert witness statement though earlier we had thoroughly briefed various law enforcement agencies and handed over forensic evidence.

In February and March 2016, we returned to Kruger to meet with local police at Skukuza headquarters. After our inquiries in late 2015, they conducted a paper audit of Kruger's crime guns and introduced a computerized data management system to keep better track of them. The audit had found that only about 5 percent of the rifles recovered after the fiasco in Portugal still had a serial number intact.<sup>313</sup> Whether the serial numbers were obliterated before or after the recovery of the rifles in the national park remains an open question.

The audit also revealed that paperwork problems at SAPS headquarters in Pretoria had prevented the timely destruction of guns recovered from rhino poaching crime scenes. We also learned that police had in many instances failed to conduct proper ballistic examinations on the recovered crime guns, if at all.<sup>314</sup> Both of these failures worked to the TCO's advantage.

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<sup>307</sup> Email correspondence beginning October 2015 on file with CAP

<sup>308</sup> Email correspondence beginning November 2015 on file with CAP

<sup>309</sup> In fairness, General Jooste later claimed that the approach we took “made it undesirable to officially cooperate” with us. General Johan Jooste, 2018, BCCSA ADJUDICATION NO: 49/A/2018. Documents on file with CAP

<sup>310</sup> Emails and text correspondence on file with CAP

<sup>311</sup> Email correspondence dated February 11, 2016 on file with CAP

<sup>312</sup> General Johan Jooste, 2018, BCCSA ADJUDICATION NO: 49/A/2018. Documents on file with CAP

<sup>313</sup> Police records and video interviews on file with CAP

<sup>314</sup> Interviews, Skukuza, February and March, 2016. Documents and video on file with CAP

In June 2016, we met General Jooste for the last time. During that meeting, he informed us that he had exhausted all options to advance the Rhino Rifle Syndicate dossier, target the suspects, and dismantle the gunrunning network. We told General Jooste that if Kruger or SANParks did not act, we would have no other choice but to share our results with the local South Africa media for the sake of transparency and accountability. In response, General Jooste told us such a move would be considered “rogue.”<sup>315</sup>

In late 2016, a new prosecutor, Joannie Spies, received our statement setting forth the facts in support of criminal charges against key South African suspect, among others. But Prosecutor Spies insisted that we provide our supporting evidence through a third-party, as opposed to conventional criminal justice structures, a step that would violate proper chain-of-custody procedures and confidentiality agreements. After we refused her unusual request, she told us she closed the case.<sup>316</sup>

In August 2017, we met with Kruger’s new chief ranger Xolani Nicholas Funda who expressed the park’s renewed interest in our gun data and analysis. Mr. Funda told us that we needed to file a SANParks research application before he could receive our information and cooperation.<sup>317</sup> We never received a response to the SANParks application that we filed at his request in August 2017.<sup>317</sup>

## 12.2 Inaction Allows TCO To Expand

The collective failure of Czech, Mozambican, and South African authorities to address the gun supply chains—despite the evidence provided in 2015 and 2016—enabled the TCO to continue its expansion.

Not long after we handed over dossiers to those countries, the TCO stopped using Investcon to buy rifles, undoubtedly aware that it was now compromised. Instead, it began relying on a broader network of intermediaries that included both private Mozambican citizens as well as local police officers acting in their personal capacity. We traced freshly recovered poaching rifles in South Africa to these individuals in the same way we had previously traced Investcon’s crime guns.<sup>318</sup> But the broader array of suspects—and their locations across multiple districts—presented new and formidable resource and jurisdictional challenges to Mozambican and South African police.

By diversifying its rifle distribution channels beyond Investcon, the TCO weakened its command and control over the guns. We spoke to recent poachers-turned-bosses who had paid for new CZ rifles and recruits using their own profits from the horns.<sup>319</sup> As a result, both the number of poaching bosses and the number of poachers increased exponentially.

The enlistment of new personnel enabled the TCO to spread its distribution network across a broader geographical area. Using CZ rifles from the Portugal shipment we had failed to halt, the TCO expanded southward, bearing down on South Africa’s second largest source of rhinos: KwaZulu Natal Province. This southward expansion within South Africa also precipitated the corresponding establishment of a new gun

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<sup>315</sup> Interview with General Jooste, Skukuza, June 26, 2016. Video on file with CAP

<sup>316</sup> Email correspondence with Joannie Spies dated from May 2017. Video on file with CAP

<sup>317</sup> Email correspondence between CAP and SANParks dated August 2017, including CAP proposal submission. Documents on file with CAP

<sup>318</sup> Documentary evidence pertaining to new suspects on file with CAP

<sup>319</sup> Interviews with poachers during the course of the investigation. Video on file with CAP

and horn trafficking hub among border communities in the area of Mozambique's far southern boundary. Local elders and community members there told us the rifles distributed from this new hub were used to target South Africa's Ndumo Game Reserve and Tembe Elephant Park as well as other rhino hot spots in KwaZulu Natal.<sup>320</sup>

In addition to enabling the TCO's expansion, the CZ rifles helped nefarious private anti-poaching forces bilk international donors. In June 2016, the Hawks anti-corruption unit asked us to analyze a small sample of .375- and .458-caliber CZ rifles recovered from rhino poaching crime scenes in KwaZulu Natal Province. The Hawks believed the rifles may have been planted at crime scenes by a private anti-poaching unit trying to secure more funding by boosting its arrest numbers. This unit is alleged to have killed people whom it claimed were poachers, but whom law enforcement believed were innocents lured into a death trap. Our analysis for the Hawks produced a 100% match—each rifle on the list was part of the October 2015 shipment that South African authorities had refused to halt in Portugal.<sup>321</sup> While the issue of anti-poaching forces profiting off false arrests and extrajudicial killings requires greater research, the serious human rights concerns it raises should not be overlooked.

### 12.3 New Allies Taking On The Guns

The useful evidence we shared with the Hawks on the 2016 anti-corruption case earned our investigation two new allies. One was Ezemvelo KZN Wildlife, the government organization for wildlife conservation in KwaZulu Natal Province. The second was Brigadier Dumisani Khumalo, the commander of a high-level national rhino crisis task force. Brigadier Khumalo's task force brought police, intelligence, and analytical resources to bear in executing police operations against rhino poachers and poaching syndicates around the country. The task force is credited with numerous successful operations and arrests in 2018 and 2019.<sup>322</sup>

The connection between rampant corruption and rhino poaching in KwaZulu Natal Province had been covered extensively in the media by the time we began cooperating with new authorities in this region.<sup>323</sup> To safeguard our investigative efforts, Ezemvelo's anti-poaching unit and Brigadier Khumalo's task force ensured every security and administrative protocol was followed so that our gun data could be effectively utilized for ongoing investigations as well as the identification of trafficking patterns for crime-prevention and crime-solving purposes. This practice stood in stark contrast to our experience with SANParks and Kruger, both of which had trumpeted their commitments to tackling the guns under Operation Bruno but produced no tangible results.

Authorities in KwaZulu Natal also took steps to improve the forensic handling of recovered poaching rifles. To prevent their diversion back into the hands of criminals, a new policy was enacted requiring officers to transport recovered crime guns to Pretoria for ballistic examinations and safe storage as soon as feasible.

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<sup>320</sup> Interviews, border communities on both sides of Mozambique-South Africa border, during the course of this investigation. Video interviews on file with CAP

<sup>321</sup> We are withholding names to protect law enforcement investigations. Official documents and video on file with CAP

<sup>322</sup>

<https://www.iol.co.za/news/south-africa/gauteng/27-alleged-poachers-arrested-firearms-and-rhino-horn-recovered-17092298>; <https://www.iol.co.za/dailynews/news/anti-poaching-unit-nabs-365-poachers-in-six-months-16652963>

<sup>323</sup> <https://www.bbc.com/news/world-africa-45089699>;

<https://news.nationalgeographic.com/2017/11/wildlife-watch-rhino-poaching-trial-south-africa/>

## 12.4 Decision to Disclose

For several years, we've refrained from releasing the findings of our investigation in an effort to give South African law enforcement every possible opportunity to bring the Rhino Rifle Syndicate to justice. By late 2017, we concluded that official action was unlikely unless the gunrunning network's illicit activities were spotlighted in the public domain.

In 2018, we teamed up with *Carte Blanche*, Africa's premier investigative journalism program, to produce a 40-minute documentary titled "Follow The Guns."<sup>324</sup> The award-winning program exposed the gunmakers and dealers behind the mass slaughter of South Africa's rhinos and highlighted the systemic failures by Kruger and other South African authorities to arrest and prosecute the culprits.

Each of the individuals named in the documentary were given the right to reply, and their statements were featured during the show as well as on *Carte Blanche*'s website. While acknowledging it was in their interest to stop wildlife crime, SANParks officials did not respond to assertions that they failed to act decisively when presented with evidence implicating members of the gunrunning enterprise. Rather, SANParks issued a media release defending Kruger's reputation and asserting that the exposé cast aspersion on SANParks commitment to fight wildlife crime and corruption.<sup>325</sup> The South African police said they could not discuss an open investigation. The Hawks wrote that Colonel Jooste was too busy to respond. The NPA prosecutor said we did not provide evidence to pursue a criminal investigation—but our documentation shows that the NPA refused to even review the evidentiary dossier we had prepared (same as Colonel Jooste of the Hawks). After the documentary aired, General Jooste of SANParks independently filed a complaint for reputational damage with South Africa's media ethics board, but the board dismissed the claim.<sup>326</sup>

Individuals implicated in the criminal enterprise also provided statements. Investcon's Johan Stoltz replied through his lawyer, saying he would share evidence against other culprits in exchange for protection. The Portuguese and Mozambican arms dealers did not deny their involvement but said the blame lay with Mozambique's arms licensing authorities. Statements made by CZUB, CZ-USA and the Czech government through its embassy in Pretoria are featured earlier in this report. None of the entities disputed the facts presented to them by CAP or *Carte Blanche* prior to the TV program's release.

## 13. Mozambique – Forward Looking

### 13.1 ANAC's Seminal Case

When ANAC filed an organized crime case with the Attorney General's Office (PGR) in September 2015, it signaled a change in the agency's crime-fighting strategy. For the first time, Mozambique law enforcement had compiled evidence on arms traffickers linked to serial wildlife crimes and used this evidence to build a case against TCO kingpins. ANAC's approach was groundbreaking.

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<sup>324</sup> The program first aired on June 24, 2018 on the DSTV cable network M-NET. *Carte Blanche*'s producer on the show, Sasha Schwendenwein, won a top South African environmental journalism award for the story

<sup>325</sup> <https://www.sanparks.org/about/news/?id=57528>

<sup>326</sup> General Johan Jooste, 2018, BCCSA ADJUDICATION NO: 49/A/2018. Documents on file with CAP



The PGR took the case forward, and, in December 2015, met with South African prosecutors.<sup>327</sup> A high-level Mozambican prosecutor, Alberto Paulo, also was appointed to the case.<sup>328</sup> Charges against members of the Rhino Rifle Syndicate seemed a real possibility, but then several developments deflated our optimism.

During a meeting at the Ministry of Interior in January 2016, the deputy minister of public security and top aides of the national chief police told us they had recently received a report claiming the CZ rifles belonging to Investcon were stolen. These officials appeared unaware that we had already presented evidence to the PGR showing that these proclaimed thefts were a farce aimed at concealing the Rhino Rifle Syndicate's illegal activities.

After our meetings with Ministry of Interior officials, we made several unsuccessful attempts in 2017 to meet again with Prosecutor Paulo and present further evidence. Based on our observations and research, we believe that this setback was the product of entrenched corruption within Mozambique's judicial system and the involvement of Ministry of Interior officials and politically connected Mozambican elites in wildlife crime and the gunrunning enterprise.

### 13.2 TCO Transforms Operations

After its key members and methods were exposed, the Rhino Rifle Syndicate shifted operations in what seemed an attempt to stave off further scrutiny. The police transferred Officer Maholele from his posting in Magde, where he had managed the distribution of Investcon's rifles while overseeing the police criminal division.<sup>329</sup> And in March 2016, the national police dismissed the commander whose top aid had signed off on Investcon's licenses.<sup>330</sup>

Mr. Johan Stoltz made a deal with other professional hunters—one of whom was subsequently arrested for illegally poaching in Limpopo National Park—to take over Limnetzi Safaris.<sup>331</sup> Investcon also stopped buying weapons from the Mozambican shops under its own name.<sup>332</sup> Despite the criminal case opened against him, Mr. Numaio, too, continued to prosper. One of his game farms bordering Kruger and co-owned by a wealthy South African businessman attracted American and South African billionaire investors.<sup>333</sup>

In 2018, the Mozambique government shut down the ExploAfrica complex, including the restaurant Tio Manel, citing the need to make way for a highway construction project.<sup>334</sup> By this point, ExploAfrica's Mr. Vieira was linked to North Korea sanctions busting and grand corruption through his business interests in Monte Binga and Mudemol.

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<sup>327</sup> Interviews with South African and Mozambican officials, 2016. Video on file with CAP

<sup>328</sup> Meeting with Alberto Paulo, Maputo, April 2016; Correspondence on file with CAP

<sup>329</sup> Interviews, Mozambique law enforcement officials, Maputo, 2016

<sup>330</sup> <https://allafrica.com/stories/201603050261.html>

<sup>331</sup> <https://africageographic.com/blog/south-african-arrested-mozambiques-limpopo-national-park-poaching-charge/>; <http://linkis.com/co.za/hiujH>

<sup>332</sup> Interviews with arms dealers, law enforcement, and relatives, 2016. Video on file with CAP

<sup>333</sup> <https://naturalcapitalcoalition.org/connecting-finance-and-natural-capital-case-study-for-karingani-game-reserve/>. Documents on file with CAP

<sup>334</sup> Interviews with ExploAfrica and Afroça staff, Matola and Maputo, 2018. Video on file with CAP

By 2016, the Mozambican and Portuguese arms dealers—ExploAfrica, Afrocaça, Fabitrade, Fabricasa, and Casa Fabião—no longer sold CZ rifles directly to Investcon. Instead, they dealt with a new crop of clients acting as “fronts.” Based on traces of CZ rifles recovered at rhino poaching crime scenes in 2016, we identified some of these clients. Examples include men with the following surnames: Ubissi, Bila, Nuvunga, and Albino.<sup>335</sup>

The TCO also began acquiring weapons from new sources, including Serbian and Turkish manufacturers. In 2018, Turkish authorities seized two separate caches of rhino horn smuggled from Mozambique and South Africa.<sup>336</sup>

### 13.3 Glimmer of Hope - 2017 & 2018

Three developments in 2017 helped break the logjam over the Rhino Rifle Syndicate case in Mozambique.

In May, a new conservation law came into force allowing ANAC the opportunity to bring wildlife crime cases directly to the Attorney General’s Office (PGR).<sup>337</sup> At about the same time, the PGR announced that it was prioritizing such cases as part of a countrywide anti-corruption drive. Then in October, Mozambique appointed a new national police commander, Bernardino Rafael, installing new leadership over an institution long opposed to investigating the Rhino Rifle Syndicate.<sup>338</sup>

The new law and the prioritization of wildlife crimes allowed ANAC and CAP to jointly present the Rhino Rifle Syndicate case anew to the PGR. In May 2018, PGR reopened the criminal inquiry with Deputy Prosecutor Amabelia Chuquela overseeing its progress. That same month, we met with Commander Bernardino Rafael and provided him our evidence on the Rhino Rifle Syndicate, including evidence implicating officials within the Ministry of Interior. Commander Bernardino Rafael subsequently announced that he would immediately initiate an official inquiry into the alleged crimes outlined in our dossiers.<sup>339</sup>

### 13.4 Cautionary Note - Problematic Developments in 2019

In February and March 2019, we returned to key poaching villages and towns in Mozambique. We witnessed poaching bosses in and around Massingir planning for the forthcoming visit of a high-level delegation from Maputo. Confirmed by both Maputo officials and local leaders, the delegation was expected to include deputy attorney general Albino Macamo, among others.<sup>340</sup> We also witnessed Kruger staff participating in the planning meetings alongside the poaching bosses. We were told that South African authorities might also accompany the Maputo delegation.<sup>341</sup>

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<sup>335</sup> We are withholding full names to protect law enforcement investigations. Documents on file with CAP

<sup>336</sup>

<https://www.dailysabah.com/turkey/2018/12/09/turkish-authorities-seize-22-million-worth-of-rhino-horns-at-ataturk-airport>;  
<https://www.thesouthafrican.com/3-3m-worth-rhino-horns-seized-istanbul-airport/>

<sup>337</sup> Boletim da República - Moçambique – dated May 11, 2017

<sup>338</sup> <https://clubofmozambique.com/news/president-makes-new-appointments-in-police-and-armed-forces-mozambique/>

<sup>339</sup> Carte Blanche, *Follow The Guns* program, June 24, 2018 on the DSTV cable network M-NET. Video on file with CAP

<sup>340</sup> Video interviews and documents on file with CAP

<sup>341</sup> Interviews Kruger staff and South African anti-poaching agencies, February-March, 2019

The stated objective of the official delegation to Massingir was to reach an agreement—referred to locally as the “Massingir Declaration”—whereby the Massingir community would cease poaching activities in exchange for amnesty. Every official we spoke to said the agreement would not require Massingir to surrender its firearms and ammunition; nor would it subject poaching bosses and other kingpins to arrest.

Based on our interviews and observations, those behind the agreement appeared to be intent on weakening law enforcement and stifling government initiatives aimed at holding the TCO, corrupt officials, ruling party elites, and poaching bosses accountable. These entities have engaged and continue to engage in criminal activity including mass-scale rhino poaching, illegal trafficking and possession of guns, cross-border offenses, corruption and bribery, and murder and other violent acts. The culprits should be prosecuted for these crimes, not granted amnesty.

#### 14. Arms Trade Treaty Imperatives

In December 2018, Mozambique became the 100th State Party to ratify the global Arms Trade Treaty (ATT).<sup>342</sup> The ATT is recognized as the world’s only treaty aimed at “ensuring transparency, responsibility and accountability in international transfers of conventional arms.”<sup>343</sup> To uphold its commitment to the ATT, Mozambique must endeavor to stop illicit transfers of rifles into South Africa.

The Czech Republic and Portugal are also signatories of the ATT. As such, all three countries are required to prevent the diversion of international arms transfers into the hands of UN sanctions busters, terrorists, and major organized crime groups, including those members of the Rhino Rifle Syndicate and TCO identified in this report.

#### 15. Conclusion

National governments and multilateral organizations have failed to halt the proliferation of rifles among transnational organized crime, allowing them to become the weapons of choice for rhino poachers in southern Africa. Concerted action to better regulate and monitor the export, sale, and possession of hunting rifles and other recreational and sporting weapons is required to help reduce Africa’s poaching and wildlife crimes. Curtailing the global illicit trade in hunting rifles and other recreational weapons will simultaneously help reduce international security threats posed by wildlife TCOs, sanctions busters, and terrorists profiting from wildlife crime. Wildlife now ranks as the world’s fourth most lucrative form of contraband, trailing only behind drugs, arms, and human beings.

Our four-year-long investigation revealed how the Rhino Rifle Syndicate exploited lax arms control policies and systemic corruption to establish two overlapping conduits for arming rhino poachers in southern Africa with high-caliber CZ rifles from the Czech Republic. Despite having received criminal dossiers implicating syndicate members, authorities in the five affected countries—the U.S., Czech Republic, Portugal, Mozambique and South Africa—have so far failed to hold these criminals to account and close the gaps that allowed their illegal enterprise to flourish virtually unchecked.

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<sup>342</sup> <https://www.un.org/press/en/2018/dc3795.doc.htm>;  
<https://controlarms.org/blog/mozambique-becomes-the-100th-att-state-party/>

<sup>343</sup> <https://www.un.org/press/en/2018/dc3795.doc.htm>

Our investigation also demonstrated the usefulness of a “follow-the-guns” approach. Such an approach is effective for identifying key players within wildlife crime syndicates as well as criminal patterns and typologies. Law enforcement authorities, anti-poaching agencies, and conservation watchdog groups should work together to incorporate follow-the-guns approaches in the monitoring, detection and solving of wildlife crime. Finance and banking industries, anti-money laundering platforms, and arms control regimes can also play a role. The “follow-the-guns” approach should be a major topic of discussion within the United Nations as well as during the next CITES meeting to be held in Sri Lanka from May 23 to June 3, 2019.<sup>344</sup>

In October 2018, the United States Attorney General reaffirmed America’s commitment to tackling wildlife crime, saying President Donald Trump “fully supports strong prosecution of those involved in the illegal wildlife trade.”<sup>345</sup> The U.S. should live up to these words by prioritizing law enforcement activities against the Rhino Rifle Syndicate and the TCO identified in this report. By levying criminal charges and seizing assets as warranted, the U.S. can bolster its reputation as a global leader in the fight against wildlife crime.

The Czech Republic, Portugal, Mozambique and South Africa should likewise allocate resources to investigating the Rhino Rifle Syndicate and prosecute any and all entities and individuals as appropriate. In the meantime, all countries should work through international bodies such as the UN to strengthen cooperation with the aim of pursuing TCO members wherever they operate and/or reside. This work should focus on dismantling the arms trafficking networks and preventing future illegal gun supply chains from taking root.

Or, in short: Follow The Guns. Save A Species.

## 16. Country-Specific Recommendations

### 16.1 To U.S. Government:

- ❖ Conduct a comprehensive investigation into the criminal activities of U.S. and foreign entities linked to the Rhino Rifle Syndicate and prosecute those falling under U.S. jurisdiction as warranted;
- ❖ Ensure the departments of State, Treasury, and Commerce fully cooperate with the Congressional inquiry into the use of U.S.-linked guns—including hunting rifles—by TCOs involved in wildlife crime;
- ❖ Require domestic and foreign arms manufacturers who are a party to U.S. contracts to immediately disclose all information and evidence of TCO-related activity involving their firearms;
- ❖ Close the loophole that allows foreign arms manufacturers with wholly-owned U.S. subsidiaries to subvert U.S. arms export regulations by selling firearms overseas when they are stamped, trademarked, or intended solely for the American market;

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<sup>344</sup> [https://cites.org/eng/news/pr/CITES\\_CoP18\\_will\\_be\\_held\\_in\\_Colombo\\_Sri\\_Lanka\\_in\\_May\\_2019\\_14122017](https://cites.org/eng/news/pr/CITES_CoP18_will_be_held_in_Colombo_Sri_Lanka_in_May_2019_14122017)

<sup>345</sup> <https://www.justice.gov/opa/speech/attorney-general-sessions-delivers-statement-behalf-united-states-london-illegal-wildlife>

- ❖ Consider making conservation-related funding to Mozambique and South Africa contingent upon their full cooperation in dismantling the Rhino Rifle Syndicate and holding its relevant members accountable.

#### 16.2 To U.S. Congress:

- ❖ Ensure a robust investigation into the problem of U.S.-linked firearms used by TCOs to perpetuate wildlife crime and hold a public hearing on the issue as soon as feasible.

#### 16.3 To Czech Republic:

- ❖ Reopen investigations into the criminal activities of Czech individuals and companies linked to the Rhino Rifle Syndicate and prosecute as warranted.
- ❖ Impose a legal moratorium on Czech arms exports to Mozambique until the Rhino Rifle Syndicate is dismantled and Mozambique arms regulations and controls are tightened;
- ❖ Investigate how Czech arms export policies and controls failed to stop a TCO from systematically obtaining Czech weapons with the knowledge and willingness of Czech authorities, including the Embassy of the Czech Republic in South Africa;
- ❖ Strengthen Czech arms export policies and controls, paying particular attention to country-specific vetting procedures, end-user certification schemes, end-user verification practices, and other measures to better monitor and detect illicit arms transfers to criminal entities abroad;
- ❖ Tighten the arms export policies that allow for the re-export of Czech weapons from third-party countries, including other EU nations;
- ❖ Close the loophole that allows Czech arms manufacturers with wholly-owned U.S. subsidiaries to sell guns stamped, trademarked, or intended solely for the American market to be sold overseas, a practice that may subvert U.S. arms export regulations;
- ❖ Provide support to other jurisdictions investigating the Rhino Rifle Syndicate and the illegal gun supply chains aiding and abetting wildlife TCOs, support which may include the tracing of firearms exported from the Czech Republic.

#### 16.4 To Portugal:

- ❖ Conduct a comprehensive investigation into the criminal activities of Portuguese and foreign entities linked to the Rhino Rifle Syndicate and prosecute those falling under Portugal's jurisdiction as warranted.

- ❖ Tighten the arms export policies that allow Czech weapons to be re-exported by Portuguese arms dealers, especially to Mozambique;
- ❖ Provide support to other jurisdictions investigating the Rhino Rifle Syndicate and the illegal gun supply chains aiding and abetting wildlife TCOs, support which may include the tracing of firearms exported or re-exported from Portugal.

#### 16.5 To Mozambique:

- ❖ Ensure that the Attorney General's Office continues to aggressively pursue the Rhino Rifle Syndicate case;
- ❖ Ensure that the Office of the National Police Commander completes its independent investigation of the Rhino Rifle Syndicate and the involvement of Ministry of Interior officials, and ensure swift and appropriate action in response to its findings;
- ❖ Urge the Central Anti-Corruption Office (GCCC) to conduct an investigation into the links between officials from the agriculture, tourism, and interior ministries and both the Rhino Rifle Syndicate and larger rhino TCO;
- ❖ Institute measures to ensure greater accountability and transparency within the arms licensing process, measures which may include stricter controls on the importation, sales, and/or possession of hunting rifles;
- ❖ Develop an integrated, digitized national firearms register and management system;
- ❖ Strengthen record keeping, storage, and control requirements to prevent corrupt authorities from diverting government-owned or government-seized firearms to poaching networks;
- ❖ Abide by Arms Trade Treaty imperatives, paying particular attention to protocols aimed at preventing the diversion of weapons to criminals and across national borders;
- ❖ Increase law enforcement activities against the poaching bosses who are operating cross-border networks;
- ❖ Strengthen UN sanctions monitoring, detection, and compliance procedures, particularly as it pertains to sanctions on North Korea;
- ❖ Provide support to other jurisdictions investigating the Rhino Rifle Syndicate and the illegal gun supply chains aiding and abetting wildlife TCOs.

#### 16.6 To South Africa:

- ❖ Conduct a comprehensive investigation into the criminal activities of South African and foreign entities linked to the Rhino Rifle Syndicate and prosecute those falling under South Africa's jurisdiction as warranted.
- ❖ Strengthen record keeping, storage, and control requirements to prevent corrupt authorities from diverting government-owned or government-seized firearms to poaching networks;
- ❖ Ensure the timely destruction of seized crime guns;
- ❖ Provide support to other jurisdictions investigating the Rhino Rifle Syndicate and the illegal gun supply chains aiding and abetting wildlife TCOs.

#### 16.7 To South Africa Parliament:

- ❖ Launch an inquiry into the failures of the South African government, and SANParks in particular, to address the proliferation of CZ hunting rifles during early stages of the country's rhino crisis.

#### 17. Note About CAP

CAP is an independent expert and does not take funding from nor works on behalf of any government. Our primary mandate is to detect and build cases against illicit arms trafficking networks. We often do this by trailing their weapons. CAP also targets the corruption and poor corporate practices that aid and abet transnational organized crime and violations of international law. Poor corporate practices include failing to perform substantive due diligence inquiries and willfully “turning a blind eye” when a company knows that its products or services are being used in the commission of crimes. CAP also documents how individuals, corrupt government officials, and corporations try to cover up their actions and obstruct justice.

CAP adheres to the highest human rights and investigative standards available to non-judicial bodies. We endeavor to ensure our evidence is admissible in court by following correct chain-of-custody procedures and other investigative best practices. We focus on investigating cases with the potential to set precedents and end cycles of impunity. High-profile prosecutions have a strong deterrent effect, and if those prosecutions are successful, they can break the spine of major transnational criminal organizations and trafficking networks. Throughout the course of this investigation, CAP voluntarily informed and cooperated with relevant law enforcement agencies and worked diligently to protect whistleblowers and provide those implicated in this report with the right to reply to our findings.

#### 18. Acknowledgements

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