



The Lacey Act's Success in Combatting the Illegal Timber Trade

The Problem

The illegal timber trade is the most profitable nature resource crime around the world, generating USD51 to 152 billion annually. As much as 23% to 30% of hardwood lumber and plywood traded globally is estimated to be illegally sourced, with even higher rates in countries whose tropical forests are the key to regulating the climate.

The illegal timber trade robs governments of tax revenue, fuels corruption, and undermines local economies and ecosystems. Deforestation from illegal logging is also a major contributor to climate change.

The Lacey Act Offers a Solution

Since 1900, the Lacey Act has been one of the U.S. strongest wildlife protection laws. In 2008, Congress added landmark amendments prohibiting the import of illegally sourced plant materials and products, such as timber and wood products, into the country.

Since 2008, the Lacey Act has successfully reduced imports of illegally sourced wood, demonstrating that demand-side laws can play an important role in protecting forests around the world.

Three high-profile enforcement actions demonstrate the power of the Lacey Act:

- Gibson Guitar Corp fined \$300,000 for illegally sourced rosewood and ebony
- 24 pallets of illegally sourced Peruvian wood seized and destroyed in 2017
- Lumber Liquidators fined \$13 million for importing illegally sourced wood

Evidence of Success

By reducing imports of illegally sourced wood in the country that is the largest consumer of wood products, the Lacey Act protects forests and forest communities, the climate, and the U.S. forestry sector.

The potential for expensive fines through the Lacey Act reduces financial incentives for importing illegally sourced wood and creates a strong incentive for companies to examine their supply chain.

A report by the Union of Concerned Scientists that analyzed U.S. imports of wood products from 35 high-risk countries found that after the Lacey Act was passed:

- **From 2008 to 2013, imports of illegal timber decreased between 32% and 44%.**
- 20% percent of shipments from Peru in 2013
- were listed as being independently certified legal and sustainable by the Forest Stewardship Council, up from 0% in 2007.
- The proportion of U.S. paper imports from Indonesia likely coming from illegal natural forest conversion decreased from 34% to 2%.

Further progress can be made by strengthening enforcement, and whistleblowers could help. **Using the Lacey Act, whistleblowers, including non-citizens and non-governmental organizations, can confidentially report U.S. importers who violate the Lacey Act.** Whistleblowers with information that leads to an arrest, criminal conviction, civil penalty or forfeiture of property may receive a financial reward.

The National Whistleblower Center is a nonpartisan, nonprofit organization dedicated to supporting whistleblowers in their efforts to expose and help prosecute corruption and other wrongdoing. We do this by educating whistleblowers about their rights under law, assisting in finding them legal aid, and providing support during high-impact whistleblower litigation. To learn more about NWC's Legal Assistance Program and how we assist whistleblowers, please visit our website at <https://www.whistleblowers.org/>.