

GEM Manufacturing LLC fined \$1.8 Million for Illegally Trading Protected Coral

9. November 2011 By Jeanne Long

GEM Manufacturing LLC, a high-end jewelry and sculpture company headquartered in St. Thomas, U.S. Virgin Islands, pled guilty to seven counts of violations of both the Endangered Species Act and the Lacey Act. Last Wednesday, the company was sentenced in the federal court in St. Thomas for knowingly trading in falsely-labeled, protected black coral that was shipped into the United States.

The Lacey Act makes it a felony to falsely label wildlife that is intended for international commerce. The Endangered Species Act is the U.S. law that implements the Convention on International Trade in Endangered Species of Wild Fauna and Flora. Black coral is protected by the Endangered Species Act and is subject to strict trade regulations. For violating these acts, GEM was sentenced to pay a criminal fine of \$1.8 million. GEM was sentenced to pay an additional \$500,000 in community service payments for projects to study and protect black coral. GEM was also ordered to forfeit dozens of jewelry items, ten artistic sculptures, and over 13,655 pounds of raw black coral, the total value of which exceeds \$2.17 million. The aggregate financial penalty is \$4.47 million. This is the largest fine ever levied for a company engaged in illegal coral trade, and the fourth largest fine for any U.S. case involving the illegal trade of wildlife.

Black coral is a precious coral that can be polished to a high sheen, so it is often worked into artistic sculptures and used in jewelry. The coral are slow-growing, have very long life spans, and typically found in deep waters. The coral often support a diverse marine ecosystem. Black coral are under pressure from overharvesting, and the introduction of invasive species has threatened this coral. Furthermore, recent seizures of illegal black coral around the world have led many to believe that black coral poaching is becoming more frequent.

Several federal agencies worked together to investigate GEM's illegal black coral trade. U.S. Fish and Wildlife Service, National Oceanic and Atmospheric Administration, Customs and Border Control,

and U.S. Immigration and Customs Enforcement's Homeland Security Investigations in Puerto Rico all worked together as part of "Operation Black Gold" to investigate and ultimately seize the illegal black coral. These organizations are hopeful that the hefty fine will serve as a deterrent to others who are illegally trading protected species. To read the press release, click here:

<http://www.justice.gov/opa/pr/2011/October/11-enrd-1410.html>.