

LUKAS  
STRAUMANN

# MONEY LOGGING

ON THE TRAIL OF THE  
ASIAN TIMBER MAFIA

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*A unique way of life in the rainforests has been destroyed  
in a single generation. Read this book and weep. But then get angry.*

Wade Davis

Bestselling author of "Into the Silence"

# MONEY LOGGING

ON THE TRAIL OF THE ASIAN TIMBER MAFIA



BY LUKAS STRAUMANN

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## TABLE OF CONTENTS

DEDICATION	7
FOREWORD	9
BY MUTANG URUD	
___ 01 FOLLOW THE MONEY	15
___ 02 PARADISE LOST	43
___ 03 THE WHITE RAJAHS	65
___ 04 SARAWAK'S MACHIAVELLI	85
___ 05 BLOWPIPES AGAINST BULLDOZERS	107
___ 06 BRUNO MANSER'S LEGACY	165
___ 07 OFFSHORE BUSINESS	181
___ 08 TRAIL OF DESTRUCTION	203
___ 09 GREEN WASTELAND	227
___ 10 RAINFORESTS WITHOUT CORRUPTION	251
ENDNOTES	273
SARAWAK CHRONOLOGY	301
ACKNOWLEDGEMENTS	305
PHOTO CREDITS	307
INDEX	309



IN MEMORY OF BRUNO MANSER  
(1954–2000)

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Hedda Morrison

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*Penan man encountered in  
the deep jungle c.1950*

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Gelatin silver photograph

National Gallery of Australia,

Canberra

Bequest of Hedda Morrison

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1992

# FOREWORD

By Mutang Urud

I was born in a village in the “Heart of Borneo” as Tom Harrison described it, near the remote headwaters of the Limbang River, in the Malaysian state of Sarawak. There is nothing more beautiful than the rainforests of Borneo where I spent my childhood. It was both our playground and our sweets shop. We foraged for *rinuan* honey and ground fruits on the forest floor, and climbed up vines and fruit trees to feed our sugar-starved young souls. Growing up surrounded by mountains, the forest was our only world, and under the dark canopy where the noon-day seems like dusk, only the calls of birds and cicadas told us the time of day. Borneo’s virgin forest is also home to tens of thousands of insects, hundreds of bird species, and many mammals that are found nowhere else. A single hectare of our forest supports more tree species than all of Europe.

As a young adult in the 1970s, I watched the loggers not only destroy the forest, but divide communities with corrupting bribes and pay-offs. They were like thieves in the night; indeed, they were working in such haste that their machinery could be heard at midnight, even on Sunday. Our ancestral land has been desecrated, our history erased, the very memory of our origins lost. As a young idealist, I could not stand by while this crime was occurring. In the late 1980s, I helped organise blockades to stop the bulldozers and chainsaws. I founded the Sarawak Indigenous Peoples’ Alliance as a rallying point for our peoples’ resistance. Only reluctantly did I travel to twenty-five cities in thirteen countries to tell the world what was happening to our homeland. Back in Sarawak, police attacked our blockades and sent many people to jail. I was arrested, interrogated, and held in solitary confinement. Upon my release, I left Malaysia to speak about these environmental crimes at the Earth Summit in Rio de Janeiro. In 1992, I addressed the United Nations General Assembly in New York in support of land rights for indigenous peoples. Unable to return home, I studied anthropology in Canada in order to acquire new skills that would help me save some of what was being lost.

Fearing arrest, for twenty years I dared not return to my homeland. When I finally did, I found that the ecological crimes had only increased. The forest I had loved was almost gone. Rainforests that had been the

home of human beings for at least 40,000 years had been destroyed in little more than thirty. Close to 90% of Sarawak’s ancient forest is now gone. Only 11% of the primary growth remains. How did it disappear?

I applaud my dear colleague Lukas Straumann for his diligence and investigative skill in writing the book that follows. His research exposes the wanton greed that has fuelled the destruction of the place I call home.

This book investigates two crimes. The first is how a single man, Abdul Taib Mahmud, along with a small group of very rich politicians and businessmen could destroy the richest ecosystem on earth despite not owning it, despite local and global outcry, despite international laws and regulations. Simply put: Who has stolen our trees?

The second crime is more subtle. Surely, if my people have lost their ecosystem, their traditional way of life, their clean drinking water, and their freedom to roam the forests, they must have gained something. Yet they haven’t. Many of the people of Sarawak are as poor as they were when I was born. And yet, the value of the trees that have been felled is estimated to exceed US\$50 billion. This profit has fed corruption, kept oligarchs in power, been used to commit further crimes. Fortunes have moved through the world’s financial system, mostly secretly, to places as distant as Zurich, London, Sydney, San Francisco, and Ottawa.

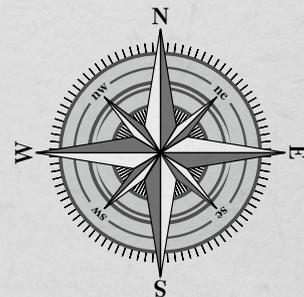
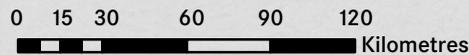
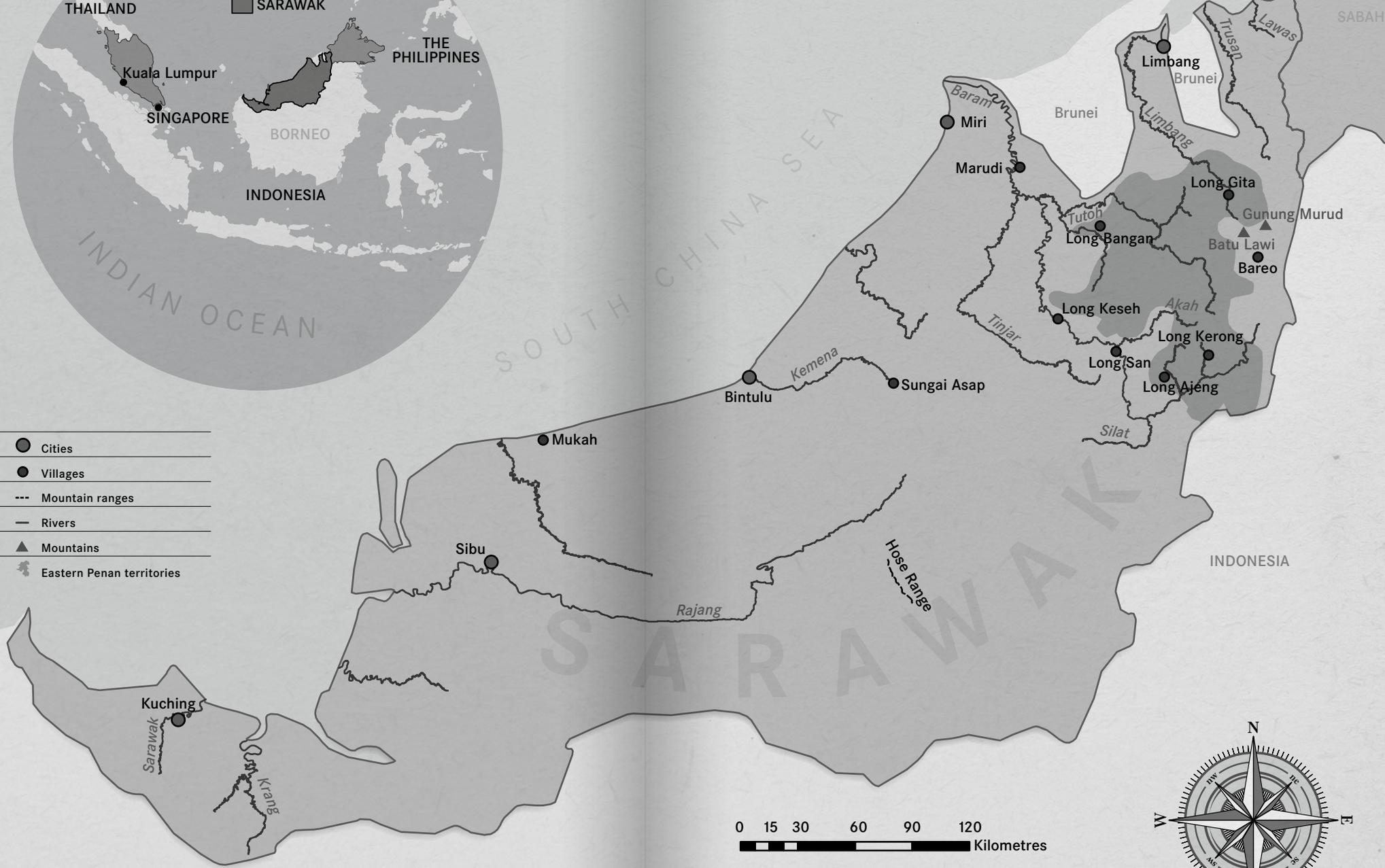
Lukas Straumann shows how this, one of the greatest environmental crimes in history, is much bigger than just the theft of trees. It is also about power, more precisely, how a corrupt autocrat has liquidated a forest in order to keep himself at the helm of a state. For my people it is also more than a question of trees. It is about our culture they have stolen.

This book should be essential reading for anyone who uses a bank, buys property, or invests in the stock market. Only by understanding how a rainforest can be converted into a building as far away as the FBI headquarters in Seattle can we hope to stop the kind of corruption that threatens the world’s natural places, and the people for whom these are home.

Mutang Urud  
Montreal, Canada  
July 2014



- Cities
- Villages
- Mountain ranges
- Rivers
- ▲ Mountains
- ☼ Eastern Penan territories



# FOLLOW THE MONEY

An insider tells all: Rainforest despot Taib has amassed a worldwide real estate empire worth hundreds of millions of dollars. Even the FBI is one of Taib's tenants. The nerve centre of the property empire is in an upmarket suburb of the Canadian capital, Ottawa. A secret rendezvous with the whistle-blower ends in a nightmare.

## TAIB'S SECRET REAL ESTATE EMPIRE

On 20 June 2010, Clare Rewcastle's Blackberry flashed. A curious message had landed in her inbox: "I was Sulaiman Taib's Chief Operating Officer in the US for twelve years. I have sensitive information and am ready to share it. But are you ready to fight with Taib? Careful, my phones are tapped and my computer is compromised. Ross Boyert."

Four months later, Ross Boyert was dead.

Clare Rewcastle, a former BBC journalist, did not hesitate for long before contacting the Bruno Manser Fund. "We've got to meet Boyert at once," she said to me over the telephone. "This man holds the key to Taib's secret real estate empire. We've got to go over to the US as soon as possible. I never thought we'd find him." Two days later, I was sitting in an aircraft bound for Los Angeles.

Clare Rewcastle lives in London now and is married to a brother of the former British Prime Minister, Gordon Brown, but she spent her childhood in Sarawak, Malaysia, as the daughter of British colonial servants. She left at the age of eight, returning to the United Kingdom with her family. At the end of 2005, she travelled to Sarawak to attend an environmental conference and was shocked to find the country of her childhood unrecognizable. 90% of Sarawak's exploitable timber had been felled. Land that had once been covered in dense rainforests had been replaced by palm oil plantations. The indigenous inhabitants' longhouses were gone, and in their place were the logging companies' camps. The people in the countryside were poorer and worse off than they had been when Clare was a child, but, in stark contrast, the mansions of the leading politicians and timber barons glistened in the towns and cities.

One man had ruled Sarawak for over thirty years: Abdul Taib bin Mahmud, known in Malaysia as "Taib Mahmud" or simply "Taib". With holdings in more than 400 businesses in twenty-five countries and off-shore financial centres, Taib's family is a global player. It is estimated that Taib's wealth is worth a total of 15 billion US dollars, making him one of the richest and most powerful men in Southeast Asia.<sup>1</sup> Under Taib's rule,

Sarawak had become a "hotspot" in the global crisis afflicting tropical rainforests.<sup>2</sup>

Clare Rewcastle first visited us at the Bruno Manser Fund in Basel, Switzerland, in 2009, and we agreed to work together to expose the crimes of Taib and his entourage. Early in 2010, the energetic journalist launched her blog *Sarawak Report*, which soon became one of Malaysia's best-read news pages. Together, we scoured the Internet—Clare, from her base in London, and myself, in my office in Basel—searching for information about Taib's global businesses. Very quickly it became clear to us that Taib must have earned billions illegally from the timber trade, and he must have parked that fortune somewhere abroad. But where? If we could find it, we would be one step closer to the smoking gun we needed in our fight for the rainforests of Sarawak. "Follow the money" had become our motto, and now, out of the blue, we were suddenly hot on the trail of Taib's investments abroad.

Ross Boyert's existence was not news to us. We'd heard about him through the Californian NGO The Borneo Project, but all our attempts to track down the whistle-blower had ended in failure. We had not even known whether he was still alive. Until now.

We met Ross Boyert and his wife Rita (name changed) on Wednesday, 23 June 2010, at eight o'clock in the morning in the bar of the Marriott at Los Angeles airport, a high-rise hotel built in the 1970s that was beginning to show signs of age. Clare and I had flown in from Europe the evening before. The Boyerts turned out to be a fashionable pair, both around sixty and both dressed in designer clothes. The strong, dark-haired Ross with his bushy eyebrows greeted us jovially. Rita, too, a graceful blonde woman in a dark dress with a pearl necklace, was visibly pleased to see us. "Don't give us any advance notice of when you're coming and don't call until you're here," Ross had warned us on the telephone. "We'll come to the airport immediately. That's the only way we can meet without being shadowed. Since I initiated proceedings against the Taib family, our life has become hell."

With the introductions completed, we hurriedly withdrew to a meeting room in the Marriott basement, where we would be able to talk with-

out being interrupted. As a final gesture, Ross turned to look anxiously at the hotel entrance, but there was no one there to be seen.

“It’s terrible. We’re being followed day and night,” Rita Boyert burst out the instant the door to the meeting room was closed.

Ross added: “Taib and his people have inflicted the same on us as on the Borneo rainforest: destruction, annihilation, theft, and betrayal. Ruination for the sake of ruination. I see no future any more, and that’s precisely what they want.”

Always a shrewd journalist, Clare had started recording the conversation. She began asking precise questions. I merely watched and listened.

“Taib owns properties worth 80 million US dollars in San Francisco and Seattle,” Ross explained, “and I administered them for twelve years on behalf of his son, Sulaiman. Sakti International Corporation, Wallysons Inc., and W.A. Boylston are companies owned by the Taib family, with properties on the west coast of the USA. The companies are registered in the names of Taib’s children and his brothers and sisters, but in reality they belong to him in person. Here’s proof.”<sup>3</sup>

Ross Boyert put a hand into his leather case and pulled out a sheaf of photocopies. He placed one document in the middle of the wide conference table. “Articles of Incorporation of Sakti Corporation” read the title of the deed creating Taib’s Sakti real estate business on 5 March 1987.

Ross flipped through the documents and then snatched a second paper. Its title was “Certificate of Amendment of Articles of Incorporation”, and at the bottom was the official seal of the State of California. The document proved that the Sakti Corporation had changed its name to the Sakti International Corporation on 10 September 1987, and that act was witnessed with the neat signatures of the company’s directors at the time, Taib’s two brothers, Onn and Arip, and the elder of Taib’s two sons, Mahmud Abu Bekir, known as Abu Bekir.

“But here’s the real proof,” said Ross. He stood and pointed triumphantly at a two-page document dated 8 April 1988 with the cumbersome title of “Action by Unanimous Written Consent of the Board of Directors of Sakti International Corporation”. The document reported the issuing of one thousand Sakti shares at one dollar per share, split unequally

between five people: Taib’s two brothers: Onn and Arip; and three of Taib’s children: Abu Bekir, Jamilah, and Sulaiman Abdul Rahman.

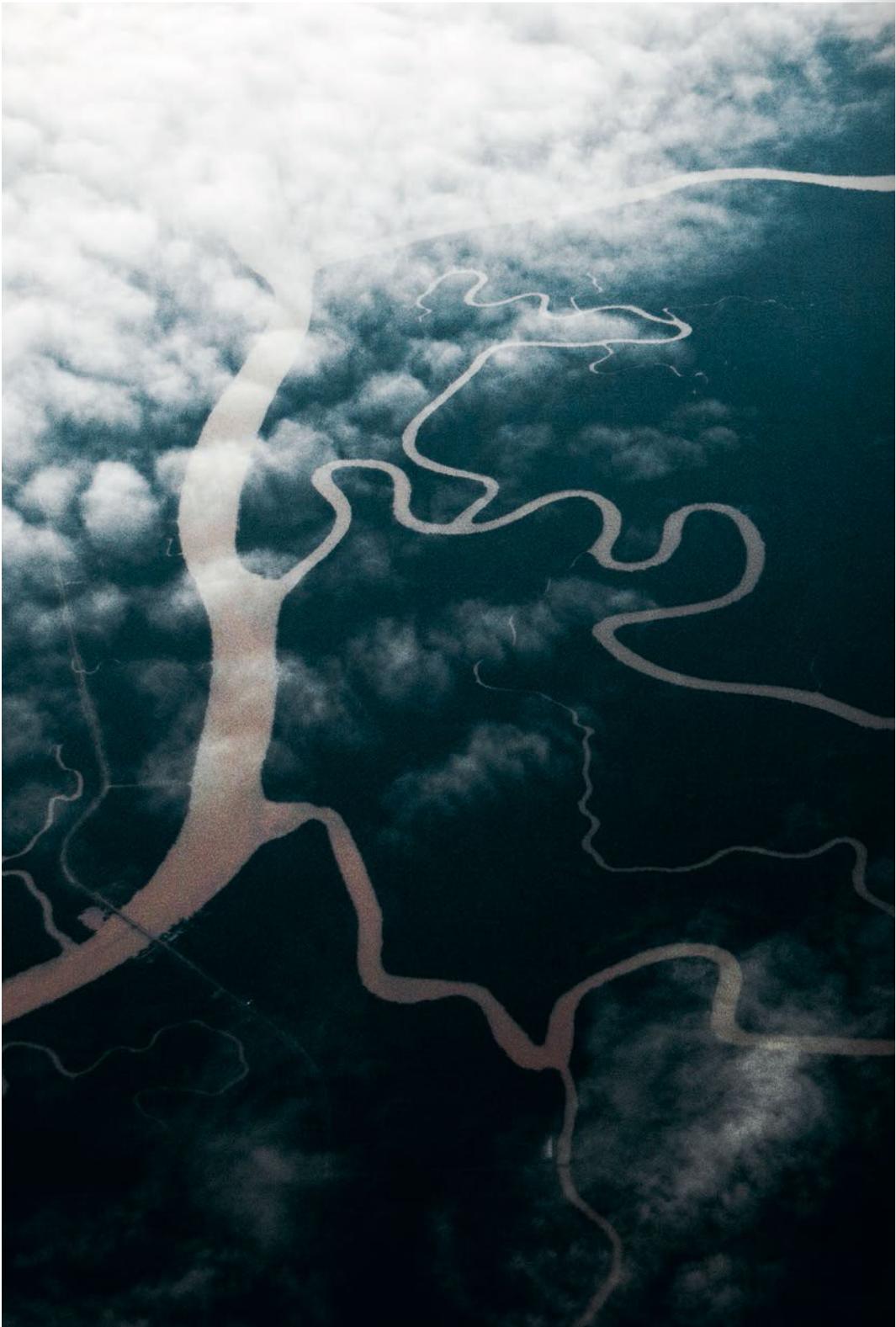
“All the shares are formally held by Taib’s brothers and children,” Ross Boyert explained, “but the trick is that half the shares are held in trust for Taib personally. His name does not appear in the share register, although he is the biggest Sakti shareholder.” And, in point of fact, in the column with the heading “Number of Shares”, it became clear for whom it was that Taib’s brothers and children held the shares: “200 of which to be held in trust for Abdul Taib Mahmud” was the endorsement next to the 400 shares of his brother Onn. In the case of his brother Arip and his two sons, it was 100 shares each, giving Taib a total holding of 500 out of the 1,000 shares being held in trust for him. With the secret 50% shareholding, it is also clear who had control over the company: the chief minister in person and he alone. Here, for the first time, we had proof of the chief minister’s secret wealth.

Ross Boyert handed the documents over to Clare and me, and then he sat down again. Suddenly it seemed as if that blazing fire inside him had been snuffed out. He was once again very apprehensive. Slowly, quietly, and haltingly in that windowless cellar meeting room, Ross and Rita Boyert began to relate the story of their life as Taib’s confidential agents in the USA.

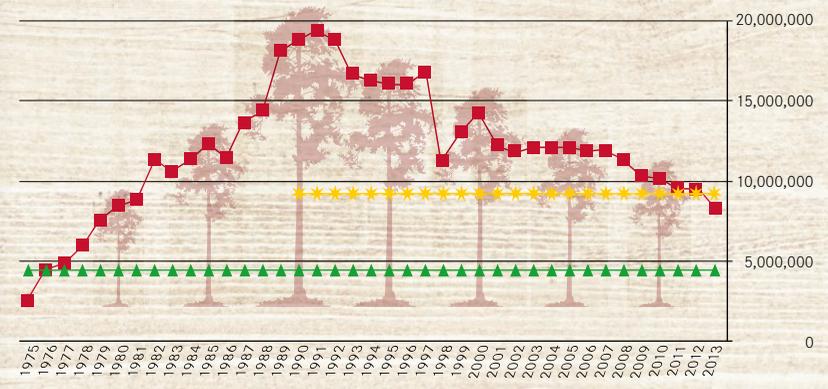
## AMERICAN DREAM

Ross Boyert was born in 1950 and grew up in California in a family with a Polish background. Despite having a tough time in his younger years, Ross completed his studies at the University of Southern California in Los Angeles and wanted to give himself a better life than his parents had known. He chose a safe but potentially lucrative career—accountancy—and went on to specialise in real estate management.

While studying, Ross Boyert shared an apartment with the future film star Kurt Russell, and was at home in a circle of upwardly mobile young people. Hollywood was nearby, with its prosperity, glamour, and a glitzy



**SARAWAK LOG PRODUCTION 1975-2013  
(LOG PRODUCTION IN M<sup>3</sup>)**



■ Log production in m<sup>3</sup>
★ ITTO recommendation in m<sup>3</sup>  
▲ FAO recommendation in m<sup>3</sup>

**SARAWAK'S SIX LARGEST TIMBER GROUPS  
AND THEIR BUSINESSES 2010**

Company	Timber concessions in Sarawak in ha	Plantation concessions in Sarawak in ha	International timber business									
			Shipping	Trade	Construction	Natural resources	Property development	Media	Finance	Tourism		
Samling Group	> 1,300,000	> 632,876	x	x	x	x	x	x			x	
Rimbunan Hijau	> 1,000,000	685,073	x	x	x	x	x	x	x	x	x	
WTK Group	850,000	264,472	x	x	x	x					x	
Ta Ann Group	> 577,000	413,644	x					x				
KTS Group	N.A.	430,909	x	x	x	x	x	x	x		x	
Shin Yang Group	N.A.	372,918		x	x	x	x	x	x		x	

Sources: 1 STIDC; Forest Department Sarawak; ITTO; Jomo et al. 2004.  
2 Annual Reports; KLSE; Stock Market Announcements; Faeh 2011.



LUKAS STRAUMANN

# MONEY LOGGING

ON THE TRAIL OF THE ASIAN TIMBER MAFIA

**Money Logging** investigates what Gordon Brown has called “probably the biggest environmental crime of our times”—the massive destruction of the Borneo rainforest by Malaysian loggers. Historian and campaigner Lukas Straumann goes in search not only of the lost forests and the people who used to call them home, but also the network of criminals who have earned billions through illegal timber sales and corruption.

Straumann singles out Abdul Taib Mahmud, current governor of the Malaysian state of Sarawak, as the kingpin of this Asian timber mafia, while he shows that Taib’s family—with the complicity of global financial institutions—have profited to the tune of 15 billion US dollars. *Money Logging* is a story of a people who have lost their ancient paradise to a wasteland of oil palm plantations, pollution, and corruption—and how they hope to take it back.

*One of the most comprehensive and brutally honest investigations into the intrigues of the Malaysian and international timber mafia.*

Süddeutsche Zeitung

*In thrilling chapters historian Lukas Straumann gives the portrait of a clan of kleptocrats, who, through the granting of timber concessions and export licenses, have managed to become billionaires.*

Neue Zürcher Zeitung



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Bergli

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