

LUKAS  
STRAUMANN

# MONEY LOGGING

ON THE TRAIL OF THE  
ASIAN TIMBER MAFIA

*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*

Bergli Books

# MONEY LOGGING

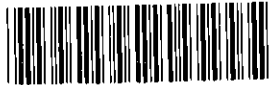
ON THE TRAIL OF THE ASIAN TIMBER MAFIA



BY LUKAS STRAUMANN



PUSTAKA PERDANA



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First published in German as *Raubzug auf den Regenwald. Auf den Spuren der malaysischen Holzmafia* Copyright © 2014 Salis Verlag AG, Zurich

This book was made possible through the generous support of the Bruno Manser Fund.

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Cover design: Christoph Lanz, moxi ltd, Biel, Switzerland

Illustrations: Daniela Trunk, Zug, Switzerland

Tables: Johanna Michel, Bern, Switzerland

Printed by the Bruno Manser Fund: Basel, Switzerland

ISBN 978-3-905252-72-9

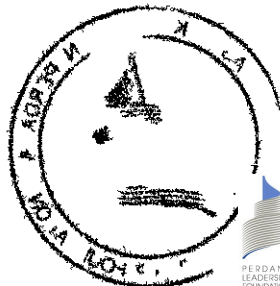
ISBN E-Book (EPUB) 978-3-905252-69-9

ISBN E-Book (PDF) 978-3-905252-70-5

ISBN E-Book (Mobipocket) 978-3-905252-71-2

333.7513095953 STR

www.bergli.ch



333.7513  
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LEADERSHIP  
FOUNDATION  
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## TABLE OF CONTENTS

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



WORD

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

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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 noonday 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.

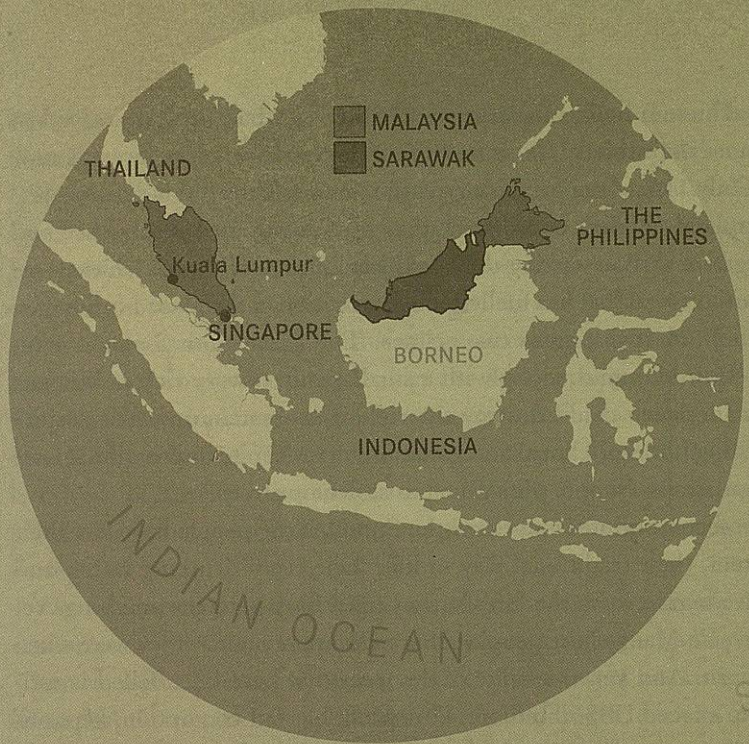
This book investigates two crimes. The first is how a single man, Abdul Taib Mahmud, along with a small group of very rich politicians and businessmen could destroy the richest ecosystem on earth despite not owning it, despite local and global outcry, despite international laws and regulations. Simply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

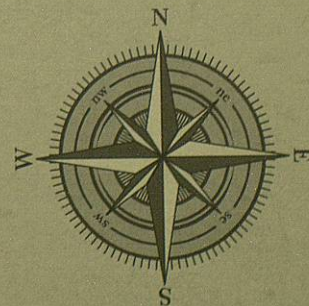
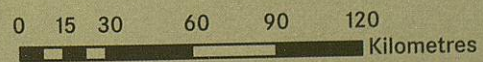
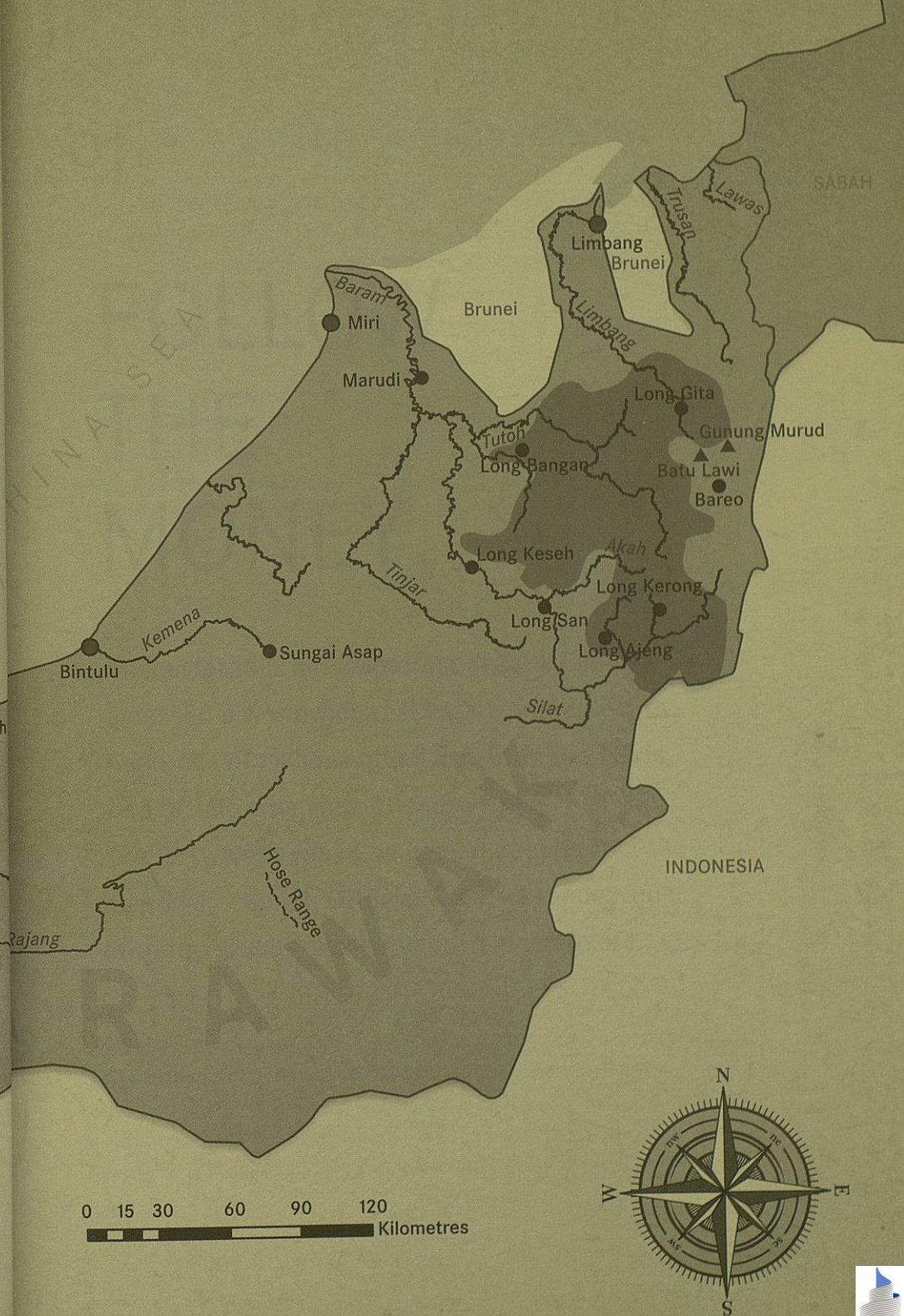
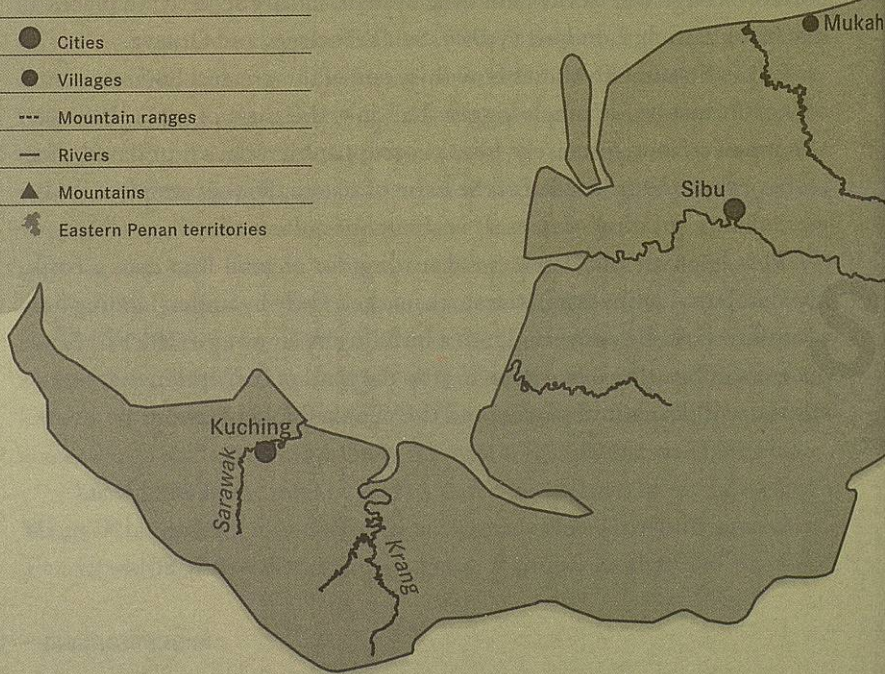
Lukas Straumann shows how this, one of the greatest environmental crimes in history, is much bigger than just the theft of trees. It is also about power, more precisely, how a corrupt autocrat has liquidated a forest in order to keep himself at the helm of a state. For my people it is also more than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

life full of fun and enjoyment. The American dream seemed within his grasp. He was offered a good job when he turned thirty, and it took him to the oil metropolis of Houston, Texas. It was there, in 1984, that he married Rita Nowak (name changed), who had Polish roots as he did. The couple had one daughter, who was born the following year.

Ross went on to various important positions in real estate in Texas and California. Then, at the end of 1994, when he was in his mid-forties and well-experienced, he joined Taib's Sakti International Corporation at its headquarters in San Francisco. At that time, the company was in serious financial difficulties.

"Taib's son had squandered a huge amount of money in a very short period of time, and the company was on the verge of bankruptcy," Ross told us. "He had had absolutely no experience of business when Taib entrusted him with executing projects of which he hadn't the faintest idea. He was in urgent need of an experienced real estate manager. It was a tailor-made job for me."<sup>4</sup>

Ross was hired by Taib's younger son, Sulaiman Abdul Rahman, who was called Rahman or "Ray" in the USA, whereas he was known as "Sulaiman" at home in Malaysia (in order to avoid any confusion with Taib's uncle Rahman, he is referred to as "Sulaiman" throughout this book). Sulaiman, the Taibs' third child, was born in 1968. At the end of the 1980s, he went to California to study. As a son of the chief minister of Sarawak, he had been born with all the wealth he could ever need, and the ardent automobile enthusiast was determined to enjoy the American way of life to the full.

One of Sulaiman's student friends from the Philippines, looking back on those days, wrote that Sulaiman "was the first person I knew that had personally owned a vast number of ultra exotic automobiles. He seemingly had a new car every couple of weeks, and had a dedicated car shop and storage facility that catered to his every whim. He had everything from an old K-type Mercedes Benz worth over a million dollars, an SL Gullwing, Ferrari 355 Spider, Rolls Royce Corniche, Maserati Kamsin, to a 'regular' S500 Mercedes. He had so many cars that he would routinely send them off to his home in Sarawak to clear his garage of the

clutter.”<sup>5</sup> The student from Sarawak was most definitely not short of money. An acquaintance, who stole a secret glance inside Sulaiman’s bank book one day, reports seeing the sum of four million dollars—presumably pocket money from his father, Taib.

In 1991, the 23-year-old Sulaiman married the 20-year-old Elisa (later Anisa) Chan, daughter of George Chan, a Sarawak politician of Chinese origin, who was soon to become one of Taib’s most important political allies and would even ascend to the rank of Taib’s deputy.<sup>6</sup> The matrimonial bond within Sarawak’s political establishment was celebrated as the marriage of the year, with 7,000 roses and 20,000 guests. The couple later went on to have four children. Sarawak’s press, with its loyal, pro-government line, reported on the wedding at epic length and published photographs showing the newly-wed couple beaming in front of a wedding cake several metres high.

Playboy Sulaiman, however, had a dark side to him too. “Once, in a fit of rage, he wrecked one of his Bugattis, one of the most expensive cars in the world, with a fire extinguisher,” Ross Boyert remembers. “I saw the battered sports car with my own eyes. The windscreen and the hood had been smashed up. It was a shocking sight.” Later, Sulaiman would beat his wife as well (after a few years she filed for divorce). In 2003, Sulaiman was in the headlines again, this time for beating up his girlfriend—a well-known Malaysian television presenter—so brutally in a bar in Kuala Lumpur that she needed hospital treatment.<sup>7</sup>

In Ross Boyert, who was more than twenty years his senior, the 26-year-old Sulaiman had found a capable and discreet manager for the properties owned by the family on the west coast of the USA. Ross set to work without delay. He began by working from home, but after a few months moved into an office in Sakti’s headquarters in the financial district of San Francisco, with the cable cars rattling right past the doorstep. The historic building at 260 California Street had been built not long after the Great Earthquake of 1906, when the whole city still lay in ruins. In 1988, the Taibs had acquired the elegant eleven-storey building for 13 million US dollars.<sup>8</sup>

Shortly after Ross’s appointment, Sulaiman left the USA and moved back to Malaysia with his family. He kept in touch with Ross by telephone

and fax, and Ross had to report on Sakti's financial results to various cover addresses in Singapore and Kuala Lumpur, always with the strictest confidentiality, so that it would not be possible for anyone to learn any details regarding the ownership of Sakti International.

"Keep up the good work!" Sulaiman wrote cordially to Ross from Malaysia at the end of 1995. He told Ross of the birth of his youngest daughter and sent him photographs from Malaysia, so that he would be able to gain some impression of life in Southeast Asia. At that time, Ross was working incessantly for Sakti, organising mortgages, negotiating with potential tenants, and supervising the renovation work on Taib properties in San Francisco and Seattle that were in need of improvement.

The work for Sakti proved to be profitable for Ross Boyert. In addition to his basic salary of 115,000 US dollars, he received bonuses for the successful negotiation of mortgages and the conclusion of rental contracts for Taib properties.<sup>9</sup> In his most successful business year, 1999, he pocketed "incentive loan fees" worth more than 700,000 US dollars. Everyone was satisfied with his performance.

The Boyert family owed its social ascent to the abundant flow of Taib dollars, and they sought to rub shoulders with America's best and brightest. In the spring of 1999, the Boyerts moved out of San Francisco to the affluent residential district of Atherton, some 50 kilometres to the south. There they purchased a property worth over a million dollars, surrounded by towering trees. Their only daughter was given a horse of her own and sent to an expensive private school. It was not long, however, before the dark clouds began to gather in the Californian sky. The seeds of Ross's demise had already been planted in his greatest successes.

## TOP SECRET—THE TAIBS AND THE FBI

Ross Boyert managed his biggest coup at the end of 1998. It so happened that the FBI was urgently in need of new premises for its northwest headquarters. Ross negotiated a long-term lease with the US federal government for the Abraham Lincoln Building, a multi-storey edifice in the cen-

tre of Seattle purchased seven years before by Sulaiman Taib, the student, for 17 million dollars<sup>10</sup>—on behalf of his father, the chief minister, according to Ross. More than ten million dollars were needed for refurbishment of the building, and the funds had to be found at once. Ross claimed that at this point, Taib's son promised Ross 50% of the resulting profits if he could complete the renovation work without needing additional capital. It was a casual promise, and Sulaiman never confirmed it in writing, just as he had never given Ross a written employment contract.

The renovation work at 1110 E 3rd Avenue was indeed completed in a year, and the FBI moved in. Ever since then, emblazoned below the man-sized FBI seal, surrounded by thirteen golden stars, stands the motto of America's top crime-fighting organisation: "Fidelity—Bravery—Integrity". Taib could be satisfied that Ross had found such respectable tenants for his property.

"As the manager of the FBI building, I needed 'top secret' security clearance before I was allowed into the place," Ross recounted with an evident note of pride in his voice. "After all, Seattle is one of the two FBI locations from which it combats global terrorism." Every time Ross travelled abroad, he had to face questioning by the FBI on his return, and give precise details about the purpose, itinerary, and duration of his stay abroad.

It is unthinkable that the FBI did not know that its new Seattle headquarters belonged to the family of a corrupt Malaysian politician. There is no evidence, however, that this was a source of concern for any of the senior FBI personnel, although the Seattle FBI boasts on its website that one of its priorities is to "combat public corruption at all levels".<sup>11</sup> Taib was probably helped behind the scenes by his ever-improving relationships in the very highest political and business circles.

For Ross, leasing the Abraham Lincoln Building to the FBI was confirmation that Taib's purported corruption and intrigues could not be all that bad after all, and that he had no reason to question his association with the family. And yet, as someone with a keen interest in the world around him, he used the still-young Internet more and more to follow news from Sarawak. He couldn't help but begin to wonder how the Taibs

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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ISBN 978-3-905252-72-9



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