Cambodia's Family Trees

Illegal logging and the stripping of public assets by Cambodia's elite

global witness



A Report by Global Witness, June 2007

CONTENTS

ABBREVIATIONS 3
RECOMMENDATIONS 4-5
SUMMARY 6-8
Table 1: Issues that Cambodia's Judicial Authorities Must Now Investigate 9

CHAPTER I: FORESTS AND CAMBODIA'S SHADOW STATE 10-18
1. Asset-stripping Cambodia 10-12
Figure 1: Cambodia's Tycoon-Senators/ Cronyometer 11
2. Cambodia's Forest Sector 12-16
Box 1: Furnishing the National Assembly 15
Box 2: Measuring Forest Cover and Deforestation in Cambodia 17
3. Cambodia's International Donors – Aiding Cambodians or Abetting the Government? 18

CHAPTER II: KEEPING IT IN THE FAMILY 19-59
1. Introducing Cambodia's Premier Logging Syndicate 19-21
1.1 Dy Chouch, also known as Hun Chouch 19
1.2 Seng Keang 20
Chart 1: Cambodia's Premier Logging Syndicate and Friends 21
1.3 Khun Thong 21
2. Kingwood – Rise and Demise of a Logging Concessionaire 22-28
2.1 Illegal Logging 22-23
2.2 Bad Debts 23-24
Box 3: Ky Tech 24
2.3 A Very Hostile Takeover 24-28
2.4 Competing Claims 28
Box 4: Kingwood's Assets – Property of the Cambodian People? 28
3. Tumring Rubber Plantation – the New Face of Industrial-Scale Logging in Cambodia 29-38
3.1 A Family-Scale Enterprise 29-30
Box 5: Resin Tapping 31
Box 6: Prey Long Forest at the Crossroads 32-33
3.2 The "Benefit of Conversion" 34
3.3 Log Laundering 35
3.4 Firewood Collection 36
3.5 Further Benefits 37
3.6 Old logs and Donor Amnesia 38
4. Anatomy of an Illegal Logging Operation 39-47
4.1 Processing Capacity 39-40
4.2 Feeding the Factories 40
Box 7: Colexim – Cambodia's Model Concession Company 41
4.3 The Suppliers 42
4.4 Transportation 43
4.5 The Markets 43
Box 8: Cambodia's Invisible Timber Exports 44-45
4.6 Outputs and Financial Returns 46-47
Chart 2: Forest Destruction and Institutional Corruption in Cambodia 48-49
5. A Rural Gangland 50-54
5.1 Resin Tree Theft 50
5.2 Dealing with Dissent 51-53
Box 9: Account of the Shootings of 10 July 2005 52
Box 10: In Search of Mr. 95 54
6. Crackdown or Pause? 55-57
Box 11: The Logging Syndicate's Next Big Score 56
A Short History of Forest Management in Cambodia 58-59

CHAPTER III: INSTITUTIONALISED CORRUPTION IN PREY LONG 60-67
1. Forest Administration 60-62
Box 12: Chan Sarun and Ty Sokhun's Forest Administration Job Auction 61
2. Military Police 63
3. RCAF Kompong Thom Provincial Military Sub-Operation 64
4. RCAF Military Region II 64
5. Military Intelligence 64
Box 13: Bearing the Burden of Corruption 65
6. Police 66
7. Local Government 67

CHAPTER IV: THE BRIGADE 70 CONNECTION 68-88
1. Brigade 70 and the Bodyguard Unit – a Private Army for the Prime Minister 68-69
Box 14: General Kun Kim and Lieutenant General Hing Bun Heang 69
Box 15: Illegal Logging and RCAF Forces Loyal to Hun Sen 70
2. Hak Mao 71
3. Timber Trafficking 72-81
Box 16: The Royal Cambodian Armed Forces Get a Helping Hand from the US Government 73
3.1 Exports 75
3.2 The Clients 75-81
4. Transportation of Smuggled Goods by Brigade 70 82-86
Box 17: Attwood Import Export Co. Ltd 82
4.1 Smuggling Through Sre Ambel Port 83
4.2 Smuggling through Oknha Mong Port 84
Box 18: Mong Reththy 84-85
Box 19: Special Deliveries 86
Chart 3: Brigade 70, the InterContinental Hotel and Attwood 86
5. The Bottom Line – Hak Mao's Income and Expenditure 87
Box 20: Long Meng Group 88

CONCLUSION 89

APPENDIX 1: CAMBODIA'S TYCOON-SENATORS/CRONYOMETER REFERENCES 90

REFERENCES 91-94



Abbreviations

CDC	Council for the Development of Cambodia
CG	Consultative Group
CPP	Cambodian People's Party
DFW	Department of Forestry and Wildlife (renamed Forest Administration in 2003)
ELC	economic land concession
ESIA	environmental and social impact assessment
FA	Forest Administration
FAO	Food and Agriculture Organisation
FLEG	Forest Law Enforcement and Governance process
ha	hectare
IFM	independent forest monitoring
IFSR	Independent Forest Sector Review
km	kilometre
m³	cubic metre
MAFF	Ministry of Agriculture, Forestry and Fisheries
MRII	Military Region II
MRIII	Military Region III
MRIV	Military Region IV
NGO	non-governmental organisation
RCAF	Royal Cambodian Armed Forces
RGC	Royal Government of Cambodia
SEZ	special economic zone
SFMP	sustainable forest management plan
SGS	Société générale de surveillance
UN	United Nations
UNOHCHR	United Nations Office of the High Commissioner for Human Rights
UNTAC	United Nations Transitional Authority in Cambodia
WGNRM	Working Group on Natural Resource Management

RECOMMENDATIONS

CAMBODIA'S JUDICIAL AUTHORITIES SHOULD:

1. Hold accountable those responsible for illegal logging and associated crimes

- Investigate and prosecute all those responsible for the cases of illegal logging, corruption, smuggling, attempted murder and kidnapping detailed in this report.
- Prioritise investigation of the following people: Minister for Agriculture, Forestry and Fisheries (MAFF) Chan Sarun,[1] Director General of the Forest Administration (FA) Ty Sokhun,[2] Hun Sen Bodyguard Unit commander Lieutenant General Hing Bun Heang,[3] Brigade 70 Brigadier General Hak Mao,[4] logging syndicate leaders Dy Chouch,[5] Seng Keang,[6] Khun Thong[7] and Seng Kok Heang.[8]

THE ROYAL GOVERNMENT OF CAMBODIA SHOULD:

1. Hold accountable those responsible for illegal logging and associated crimes

- Support the efforts of the judicial authorities to investigate and prosecute those responsible for the illegal activities detailed in this report.
- Dismiss any government ministers, officials and military officers responsible for these illegal activities.

2. Protect the Prey Long Forest

- Take Prey Long, mainland Southeast Asia's largest lowland evergreen forest, out of production. Develop an alternative management regime for Prey Long, based on consultation with local populations, which prioritises conservation and safeguards the usage rights of people living in and around the forest.

3. Reform forest management

- Reinstate independent forest monitoring (IFM) based on a robust institutional framework and terms of reference, following a period of public consultation. Appoint a qualified organisation on the basis of an open tendering process conducted in line with international best practice.
- Terminate the logging concession system, in line with recommendations of the 2004 Independent Forest Sector Review (IFSR).[9]
- Cancel plans to introduce a new system of annual bidding (logging) coupes.
- Terminate all economic land concessions (ELCs) and mining concessions that are situated in forest or are otherwise contrary to existing law.
- Develop a new forest management regime based on the recommendations of the IFSR. This should centre on expanded community forestry, partnership forestry and landscape-based conservation programmes.[i]
- Recognise the prior claims of indigenous minorities, as required by the Land Law, in determining the status and usage of forested areas.
- Ensure that any future logging and tree plantation ventures meet Forest Stewardship Council (FSC) or equivalent standards and follow consultation with affected communities.
- Complete and pass the new Protected Areas Law and all outstanding sub-decrees and *prakas* (ministerial declarations) required under the 2002 Forestry Law. Ensure that drafts are made publicly available prior to passage, allowing sufficient time for public comment.
- Impose a moratorium on the construction of roads through forested areas, in line with the recommendations of the 2004 IFSR.

4. Take immediate steps to increase transparency in the management of public assets

- Ensure full and continued disclosure of information concerning the management of public assets such as forests, land, oil and gas, mineral deposits, fisheries, heritage sites and state-owned buildings.
- Ensure that this information includes the following: investment agreements, contractual conditions and compliance status (completion of satisfactory environmental and social impact assessments (ESIAs), payment of royalties etc); exploration, exploitation, transportation and export permits awarded; names and details of the beneficial owners of the companies concerned.

5. Strengthen the legal framework governing the management of public assets

- Include in the draft Anti-Corruption Law the following provisions:
  - A guarantee that all Cambodian citizens have rights of access listed above.
  - Prohibition on individuals or companies that have a record of illegal activities managing public assets of any kind.

[i] Partnership forestry is a new model proposed by the 2004 Independent Forest Sector Review. It would give a greater say in forest management decision-making to elected commune councils, with the Forest Administration playing a regulatory role.

  - Requirement that all contracts between the government and companies concerning the management, exploration or exploitation of natural resources and other public assets proceed from an open tendering process conducted in line with international best practice.
  - Requirement that all private sector operators holding concessions on public assets annually disclose the payments they make to the government in the form of taxes, royalties, signature bonuses etc.
  - Requirement that the government annually discloses details of all taxes, royalties, signature bonuses etc. received from concessions on public assets.
  - Requirement that the government maintains a regularly updated and publicly accessible register of senior officials' business interests and personal assets, as well as those of their family members.
- Pass and implement the Anti-Corruption Law without further delay.

6. Ensure transparent management of oil and gas revenues
- Implement the revenue management measures set out in the IMF's Guide on Resource Revenue Transparency.[10]
- Join the Extractive Industries Transparency Initiative.[11]

7. Reform the Royal Cambodian Armed Forces (RCAF)
- Withdraw all military units stationed inside or on the boundaries of protected areas.
- Disclose the location and legal status of all the military development zones. Terminate all those that are situated on forests, in protected areas, or are otherwise contrary to existing law.
- Overturn the recently introduced conscription law and embark on a comprehensive restructuring of RCAF to create a professional military force that meets Cambodia's defence needs.

CAMBODIA'S INTERNATIONAL DONORS SHOULD:

1. Use their influence proactively to ensure that aid benefits ordinary Cambodians
- Donors should link disbursement of non-humanitarian aid to demonstrable progress in implementing the measures outlined above, in accordance with set time-lines.

2. Withhold support from state institutions engaged in serious criminal activities
- In particular, donors should not provide funding or other forms of support to RCAF until such time as it ceases its involvement in large-scale organised crime.

3. Support Cambodian civil society's efforts to increase government accountability
- Provide more support to Cambodian organisations working to build government accountability with respect to the management of public assets. Specifically, build the capacity of local civil society to document, monitor and scrutinise the management of natural resources and other public assets and ensure transparent public sector spending.

4. Help to protect Cambodia's forests as part of international efforts to combat climate change
- Act on the conclusion of the recent UK government-commissioned Stern Review on the Economics of Climate Change, that international efforts to combat climate change must prioritise the preservation of existing natural forests.[12]
- With respect to Cambodia, dedicate funds and expertise to developing new incentives and institutional frameworks for preserving key areas such as Prey Long Forest.



Cambodia's Prey Long Forest

SUMMARY[ii]

This report makes the case for greater efforts by the Cambodian government and the international community to strengthen the governance of forests and other public assets on which Cambodia's people depend. It is based on in-depth investigations into illegal logging and associated criminality carried out by Global Witness between the end of 2004 and the beginning of 2007.

The report's main findings are as follows:

1. A kleptocratic elite is stripping Cambodia's forests

- Cambodia is run by a kleptocratic elite that generates much of its wealth via the seizure of public assets, particularly natural resources. The forest sector provides a particularly vivid illustration of this asset-stripping process at work.
- Illegal logging is causing severe damage to Cambodia's remaining forests. The last global forest cover survey by the Food and Agriculture Organisation (FAO) found that Cambodia had lost 29% of its primary tropical forest over a five year period.
- Cambodia's army, military police, police and Forest Administration (FA) are all heavily involved in illegal logging.
- In many cases illegal logging is taking place under the guise of legally dubious plantation developments and harvesting permits. Many of these plantations and permits are being allocated to a small group of individuals who have close relations with senior politicians.
- A particular concern is the damage illegal loggers are causing to Prey Long, which is the largest lowland evergreen forest in mainland Southeast Asia. The Cambodian government is currently developing plans to clear tens of thousands of hectares of Prey Long to make way for plantations.



Hun Sen greeting senior officials

2. Cambodia's most powerful logging syndicate is led by relatives of Prime Minister Hun Sen[13] and other senior officials

- The most powerful logging syndicate in Cambodia is led by Dy Chouch, also known as Hun Chouch, his ex-wife Seng Keang and Khun Thong, their business partner. This group operates under the name Seng Keang Company.
- Dy Chouch is the first cousin of Prime Minister Hun Sen.
- Seng Keang is a friend of Bun Rany, the wife of Hun Sen.
- Khun Thong is the brother-in-law of Minister for Agriculture, Forestry and Fisheries (MAFF) Chan Sarun and father-in-law of Director General of the Forest Administration Ty Sokhun.
- Seng Keang's brother, Seng Kok Heang, who supervises operations for Seng Keang Company, is an officer in the Royal Cambodian Armed Forces (RCAF) Brigade 70 elite military unit.

3. Activities in which members of this logging syndicate are implicated include the following:

- The apparent abduction and detention of Lia Chun Hua,[14] the managing director of the Kingwood Industry logging company.
- Large-scale illegal logging in the Prey Long Forest carried out under the guise of the Tumring Rubber Plantation development.
- Felling of thousands of resin-producing trees tapped by local people who depended on them as a source of income. Resin trees are protected under Cambodian law.
- A reported attempt by Seng Kok Heang to kill two community forest activists in Tumring who protested against the Seng Keang Company's felling of resin trees.
- Use of fraudulent transportation permits describing logs as lesser-value firewood. This may have cost the Cambodian treasury over a million dollars in lost tax revenues.
- The export to China of millions of dollars-worth of plywood on which no taxes appear to have been paid.
- Establishment in Tumring of a factory for sawing wood and making veneer. Cambodia's Forest Law prohibits construction of wood-processing facilities in forest areas.
- This factory's processing of over 100,000 cubic metres (m^3) of logs a year into timber products worth more than US$13 million annually. Most of the logs used were cut illegally in Prey Long.
- The above activities are covered by existing Cambodian law and are punishable by prison sentences and fines. Dy Chouch, Seng Keang, Khun Thong and Seng Kok Heang have not been prosecuted, however.

[ii] References for the points covered in this section can be found in the main body of the report.



Prime Minister Hun Sen



Hun Sen's wife, Bun Rany



Hun Sen's first cousin Dy Chouch, also known as Hun Chouch



Dy Chouch's ex-wife, Seng Keang



Seng Keang's brother Seng Kok Heang, also known as Mr. 95



Khun Thong's brother-in-law, Minister of Agriculture, Forestry and Fisheries, Chan Sarun



Khun Thong's son-in-law, Director General of the Forest Administration, Ty Sokhun



Hun Sen Bodyguard Unit commander, Lieutenant General Hing Bun Heang



Head of Cambodia's Military Police, General Sao Sokha



4. Senior officials are complicit in these activities

- Prime Minister Hun Sen personally inaugurated the Tumring Rubber Plantation that provided the basis for massive illegal logging of Prey Long by the Seng Keang Company.
- Establishment of this plantation followed a survey of the Tumring site by MAFF, which is run by Chan Sarun. His brother-in-law, Khun Thong, is a leading figure in the Seng Keang Company. This MAFF survey misleadingly categorised the area as land containing only small amounts of valuable forest.
- Despite claiming a lack of valuable timber in the area, Chan Sarun awarded exclusive rights to Seng Keang Company to collect and process all wood cut in Tumring Rubber Plantation.
- Chan Sarun subsequently gave the company the permit to establish its wood-processing factory in Tumring, despite the fact that this was illegal.
- The FA, which is run by Khun Thong's son-in-law Ty Sokhun, has played a key role in facilitating Seng Keang Company's illegal logging and other criminal activities.

5. Evidence suggests that some of these senior officials are directly responsible for corruption within the institutions that they head

- There is substantial evidence that Chan Sarun and Ty Sokhun have illegally sold 500 or more jobs in the Forest Administration.
- Officials have calculated that selling jobs netted Chan Sarun more than US$2.5 million in bribes.
- The desire to recoup the costs of purchasing these positions appears to account for the increasingly corrupt behaviour of many FA officials.
- Corruption and collusion in forest crime are both covered by existing Cambodian law and punishable by prison sentences and fines. No senior official has yet been either charged or disciplined in connection with the sale of jobs or the illegal logging in Prey Long, however.

6. Hun Sen's private army is financed through illegal logging and smuggling

- In transporting illegally-logged timber out of Prey Long, the Seng Keang Company has worked closely with Royal Cambodian Armed Forces Brigade 70. Brigade 70 acts as a reserve force for Hun Sen's 4,000 strong Bodyguard Unit. The two units comprise what is essentially a private army controlled by the prime minister.
- Aside from its activities in Prey Long, Brigade 70 acts as a nationwide timber trafficking service. It transports illegally-logged timber all over Cambodia and exports significant quantities to Vietnam.
- The officer organising these operations is Brigadier General Hak Mao. His main protectors and patrons include Hun Sen Bodyguard Unit commander Lieutenant General Hing Bun Heang and national head of the military police General Sao Sokha.[15]
- Brigade 70's clients are a 'who's who' of major timber barons in Cambodia, including the infamous Pheapimex company run by Hun Sen crony Yeay Phu, as well as government officials and generals.
- In the second half of 2006, Brigade 70 was transporting an average of 1,260 m^3 illegally-logged timber per week. Through these timber trafficking operations, Hak Mao makes approximately US$1.2 million per year.
- Brigade 70 operates a parallel service transporting smuggled goods through ports on Cambodia's south coast, notably Oknha Mong Port, which belongs to Mong Reththy,[16] a tycoon who is also a senator for Hun Sen's Cambodian People's Party (CPP).
- The Brigade 70 illegal timber and contraband trafficking operations combined are worth between US$2 million and US$2.75 million annually.
- The profits are used to pay for the operations of Brigade 70 itself. In addition, a large cut is handed over to Hun Sen Bodyguard Unit commander Lieutenant General Hing Bun Heang.
- These activities are covered by existing Cambodian law and are punishable by prison sentences and fines. To date none of those responsible have been prosecuted.
- Despite the evidence of entrenched criminality within the Royal Cambodian Armed Forces international donors such as China and the USA are now providing direct military assistance to Cambodia.

7. Cambodia's international donors are not using their influence effectively

- International donors annually provide approximately US$600 million per year in aid to Cambodia. This is equivalent to half the national budget.
- Donors have not used the leverage that this aid gives them effectively. Specifically, they have refused to acknowledge the fact that the government is thoroughly corrupt and does not act in the best interests of the population.
- As a result, billions of dollars-worth of aid funded by western taxpayers have done relatively little to improve the lives of ordinary Cambodians.
- Moreover, donor support has failed to produce reforms that would make the government more accountable to its citizens. Instead, the government is successfully exploiting international aid as a source of political legitimacy.

TABLE 1: ISSUES THAT CAMBODIA'S JUDICIAL AUTHORITIES MUST NOW INVESTIGATE[iii]

Individuals	Activity	Relevant Laws & Penalties for Violations
Dy Chouch Seng Keang Khun Thong	Apparent detention of Lia Chun Hua and forced takeover of Kingwood Industry Company	**Law on the Aggravating Circumstances of Crimes** Article 7: Detention and illegal confinement Penalty: 5-10 years in prison Article 6: Robbery Penalty: 5-10 years in prison
Seng Kok Heang	Reported attempt to kill two community forestry activists	**Law on the Aggravating Circumstances of Crimes** Article 3: Murder Penalty: 15-20 years in prison
Dy Chouch Seng Keang Khun Thong Seng Kok Heang	Industrial-scale logging outside the boundaries of the Tumring Rubber Plantation and cutting of thousands of resin trees belonging to local people	**Forest Law** Article 98: Misuse of a permit to harvest forest products; harvesting forest products without a permit; felling rare tree species and trees that local people tap for resin Penalty: 1-5 years in prison and fines of 10-100 million riel (US$2,500-US$25,000) **Land Law** Article 259: Infringement against public property Penalty: 1-5 years in prison and/or a fine of 5-50 million riel (US$1,250-US$12,500) **Law on the Aggravating Circumstances of Crimes** Article 6: Robbery Penalty: 5-10 years in prison **UNTAC Penal Code** Article 52: Wrongful damage to property Penalty: 1-3 years in prison
	Transporting millions of dollars-worth of logs cut during these operations	**Forest Law** Article 96: Transporting forest products obtained via illegal harvesting Penalty: Fine 2-3 times the value of the forest products
	Use of 'firewood' collection permits to facilitate log transportation	**Law on Taxation** Article 127 & Article 135: Tax evasion Penalty: 1-5 years in prison and/or a fine of 10-20 million riel (US$2,500-US$5,000) **Forest Law** Article 96: Transporting forest products contrary to those described in a transport permit Penalty: Fine 2-3 times the value of the forest products
	Processing these logs	**Forest Law** Article 96: Processing forest products obtained via illegal harvesting Penalty: Fine 2-3 times the value of the forest products
	Transporting the finished products	**Forest Law** Article 96: Transporting forest products obtained via illegal harvesting Penalty: Fine 2-3 times the value of the forest products
	Selling these items	**Forest Law** Article 96: Trading forest products obtained via illegal harvesting Penalty: Fine 2-3 times the value of the forest products
	Payments to officials to protect or turn a blind eye to the above activities	**UNTAC Penal Code** Article 54: Intentional corruption Penalty: 1-3 years in prison
	Establishing an informal association dedicated to undertaking the above activities	**UNTAC Penal Code** Article 36: Organised crime Penalty: 3-15 years in prison
Chan Sarun	Issuing a permit that provided a cover for industrial-scale logging outside the boundaries of the Tumring Rubber Plantation and cutting of villagers' resin trees	**Forest Law** Article 100: Officials directly or indirectly allowing activities contrary to the Forest Law Penalty: 1-5 years in prison and fines of 10-100 million riel (US$2,500-US$25,000) UNTAC Penal Code Article 69: Complicity Penalty: the same punishment applicable to the principal offender
	Authorising construction of a veneer factory and sawmill by Seng Keang Company within Prey Long forest	**Forest Law** Article 30: Prohibition on constructing sawmills within 5 kilometres of the Permanent Forest Reserve Article 100: Officials directly or indirectly allowing activities contrary to the Forest Law Penalty: 1-5 years in prison and fines of 10-100 million riel (US$2,500-US$25,000)
Chan Sarun Ty Sokhun	Selling hundreds of jobs in the Forest Administration	**UNTAC Penal Code** Article 38: Extortion Penalty: 3-7 years in prison and a fine of double the sum of money extorted; prohibition on standing for election or holding public office for 2 years after sentence served
Hing Bun Heang Dy Phen	Demanding and receiving payments from subordinates	**UNTAC Penal Code** Article 38: Extortion Penalty: 3-7 years in prison and a fine of double the sum of money extorted; prohibition on standing for election or holding public office for 2 years after sentence served
Hak Mao	Transporting millions of dollars-worth of logs and timber products sourced from areas where there are no legal harvesting operations	**Forest Law** Article 96: Transporting forest products obtained via illegal harvesting Penalty: Fine 2-3 times the value of the forest products
	Managing and protecting the transportation of goods on which the requisite import duties have not been paid	**Law on Taxation** Article 127 & Article 135: Tax evasion Penalty: 1-5 years in prison and/or a fine of 10-20 million riel (US$2,500-US$5,000) Article 128 & 136: Obstruction of implementation of tax Penalty: 1 month to 1 year in prison and/or a fine of 5-10 million riel (US$1,250-US$2,500)
	Collecting, storing and delivering these items	**UNTAC Penal Code** Article 51: Receiving and concealing stolen goods Penalty: 1-5 years in prison

[iii] References for the points covered in this table can be found in the main body of the report.

CHAPTER I: FORESTS AND CAMBODIA'S SHADOW STATE[iv]

"One does not need expertise in human rights to recognise that many policies of the government have subverted the essential principles of democracy and due process, deprived people of their economic resources and means of livelihood, and denied them their dignity. I have come to believe that these policies are integral to the political and economic systems through which the government rules, which has manipulated democratic processes, undermined legitimate political opposition, and used the state for the accumulation of private wealth. In short I believe that the deliberate rejection of the concept of a state governed by the rule of law has been central to the ruling party's hold on power."

Yash Ghai, Special Representative of the United Nations (UN) Secretary General on Human Rights in Cambodia, statement to the UN Human Rights Council, 26 September 2006

In 1991 the international community undertook to bring democracy and development to post-conflict Cambodia. More than fifteen years later, what a UN Special Representative has described as Cambodia's "shaky façade of democracy" overlays a shadow state built on patronage, corruption and coercion.[17] Cambodia's shadow state misappropriates public assets, extorts from businesses and manages an extensive illicit economy. It is administered by senior ministers who are fluent in the jargon of good governance and sustainable development.

Prime Minister Hun Sen and his inner circle have successfully pursued this two-faced approach to government since the late 1980s. After maintaining a veneer of socialism to placate Vietnamese mentors, they now project a semblance of liberal democracy tailored to western donors. Along the way they have progressively tightened their grip on power by both political and economic means.

1. Asset-stripping Cambodia

Cambodia's shadow state generates much of its illicit wealth via the expropriation of public assets, particularly natural resources, as well as through institutionalised corruption.[18] With particular reference to the forest sector, this report looks at three of the main ways in which this works:

The allocation of public assets to cronies and relatives of the Cambodian leadership

This involves the allocation of concessions on forests, land, mineral deposits, fisheries and heritage sites, together with 'land swap' deals on state-owned buildings. Many of these transactions are unlawful. The beneficiaries are a relatively small group of tycoons with political, business or familial ties to senior officials. The effect is to place valuable public assets under the private control of individuals who are themselves part of the shadow state structure.

In an illustration of this overlap between politics and business, six of the most prominent tycoons have recently been appointed senators for Hun Sen's political party, the CPP. The six are Kok An, Kong Triv, Ly Yong Phat, Lao Meng Khin (who along with his wife Yeay Phu runs the Pheapimex company), Men Sarun[20] and Mong Reththy[16]. Figure 1 summarises their main interests.

Information about deals involving public assets is not made available to the Cambodian people to whom they collectively belong. For ordinary citizens whose livelihoods depend on the resources being signed away, the first they hear of new concessions is often the sound of chainsaws cutting down their forests or bulldozers flattening their crops.

The immediate human impact of this asset-stripping is to deny Cambodians access to natural resources and in some cases to evict them from their homes. More broadly, it deprives the entire population of the revenue that could be derived from sustainable management of these public goods. The corruption that facilitates asset-stripping concessions undermines the rule of law, while elite families' accumulation of wealth gives them increased power and impunity. The end result is that already poor Cambodians get poorer and find it more difficult to hold the country's rulers to account.



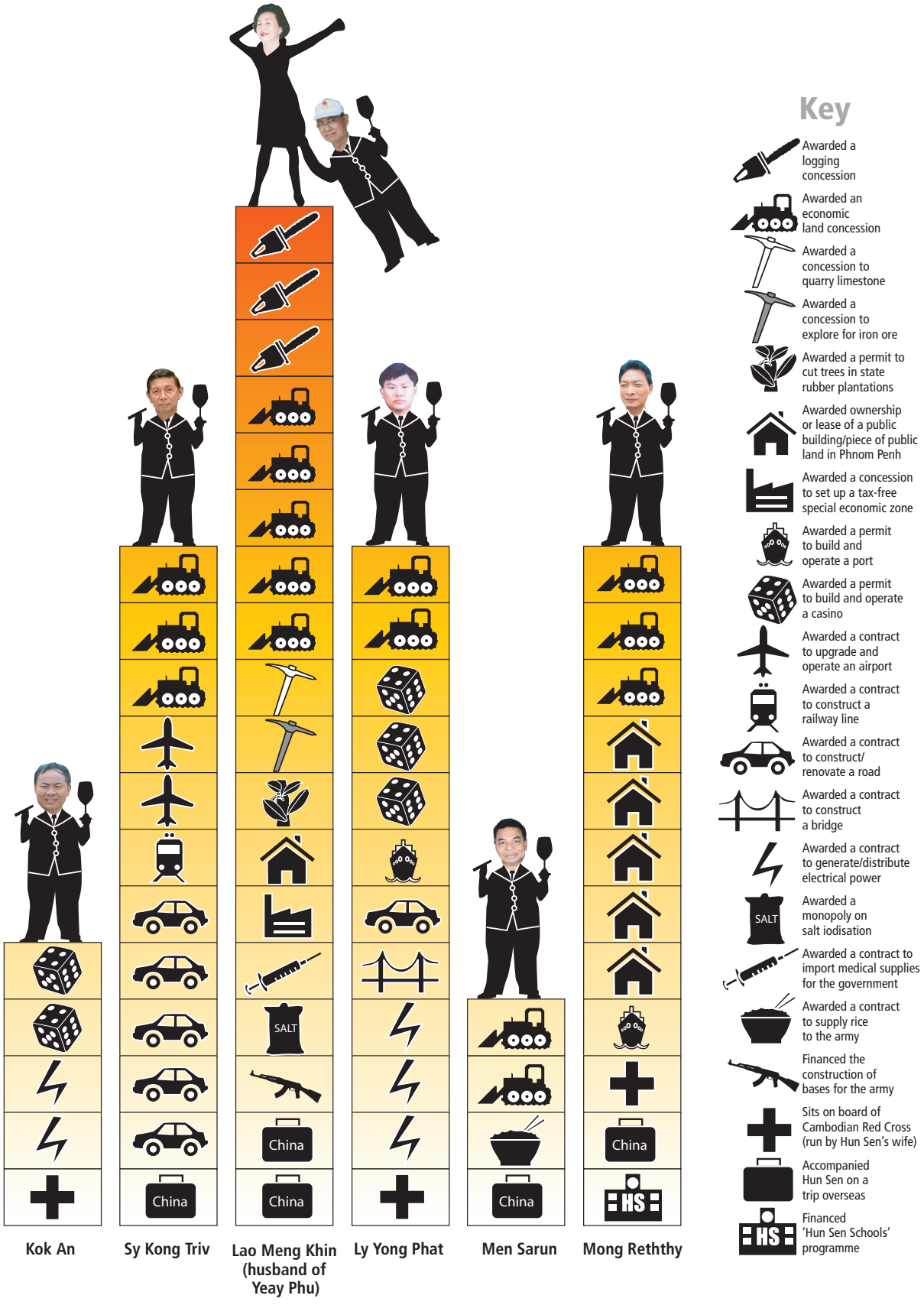
Lao Meng Khin and Choeung Sopheap (also known as Yeay Phu) together run Pheapimex, arguably Cambodia's most powerful company. Through its logging and economic land concessions, Pheapimex controls 7.4% of Cambodia's total land area[19]

[iv] 'Shadow State' is a term coined by academic William Reno to describe the style of government adopted by certain African heads of state. Characteristic features of these 'shadow states' include the use of informal networks to accumulate personal wealth and exercise power, deliberate undermining of formal institutions of government and a highly personalised style of rule that makes no reference to the law. (William Reno, 'Clandestine Economies, Violence and States in Africa', Journal of International Affairs, Vol. 53, 2000.)

CRONYOMETER

concessions on public assets, government contracts & permits, access to the Hun Sen family

Figure 1: Cambodia's Tycoon-Senators



References for the data displayed in this figure are set out in Appendix 1.



Hun Sen flanked by Commander-in-Chief of the Royal Cambodian Armed Forces General Ke Kimyan (left) and Minister of Defence General Tea Banh (right)

Corruption within government institutions that enriches senior officials

Corruption in Cambodia is sometimes portrayed solely as a survival mechanism by badly-paid civil servants. In those institutions with the greatest scope for rent-seeking, however, staff generally pay for their jobs, make regular payments to keep them and expect to recoup these expenses through corruption.[21] Money generated through corrupt practices flows upwards through a pyramidal structure, with the largest share accumulating in the pockets of those at the top of the hierarchy.[22] The burden of everyday corruption in Cambodia falls proportionately most heavily on those without the power and connections to resist.

Military management of the illicit economy

The Royal Cambodian Armed Forces (RCAF) have little strategic purpose and questionable operational capacity. They are heavily involved in high-level deals involving public assets, notably via an undisclosed portfolio of 'military development zones' covering 700,000 hectares (ha) or almost four percent of Cambodia's land area.[23] RCAF's senior officers are major players in illegal business activities such as logging and trafficking drugs.[24] They also generate large sums of money through extortion.[25]



Pass issued by the Khmer Rouge to loggers operating in the areas they controlled

2. Cambodia's Forest Sector

Cambodia's forest sector provides a particularly vivid illustration of how the country's elite has looted a public asset.

In the last years of Cambodia's civil war, which ended in 1998, both the Khmer Rouge and the Phnom Penh government used logging to fund military campaigns and then used military campaigns as a pretext for more logging. Cambodia's leaders have since found it hard to kick the habit of treating the country's forests as a slush fund for political campaigns, personal enrichment and rewarding key clients.

In the mid-1990s, senior government ministers secretly awarded between 30 and 40 logging concessions to Cambodian and foreign-owned companies. The contracts signed away over seven million hectares of forest, i.e. 39% of Cambodia's land area, on terms that greatly favoured the interests of the concessionaires over those of Cambodia.[26] All the concessionaires proceeded to break the law or the terms of their contracts or both. By the end of the decade, they were responsible for most of the illegal logging in Cambodia.

Reform

Global Witness first began exposing illegal logging in Cambodia and its links with conflict, corruption and human rights abuses in 1995. International pressure on the government to curb forest destruction mounted and at the end of 1998 Hun Sen declared that he would tackle forest crime and institute reforms. The prime minister's apparent epiphany coincided with a decline in the capacity of his rivals to compete for logging revenues. This related to the CPP's coup against its Funcinpec coalition partners in July 1997, its victory in national elections the following year and the final disintegration of the Khmer Rouge.

The government duly suppressed the activities of less well-connected illegal loggers, passed new laws and in 1999 agreed to appoint Global Witness as independent monitor of its efforts to combat forest

crime. In September 2001 Cambodia signed up to the East Asia Forest Law Enforcement and Governance (FLEG) initiative under which the government committed to "take immediate action to intensify national efforts, and to strengthen bilateral, regional and multilateral collaboration to address violations of forest law and forest crime, in particular illegal logging, associated illegal trade and corruption; and their negative effects on the rule of law".[27]

For their part, the logging concessionaires failed to abide by the terms of a restructuring process that required them to produce sustainable forest management plans (SFMPs) and environmental and social impact assessments (ESIAs). Some carried on logging illegally. Under pressure to act, the government finally suspended the concessionaires' operations from January 2002.

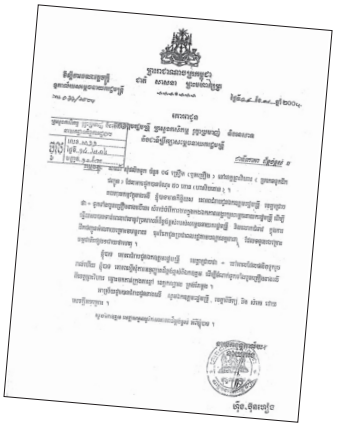
In 2003 international donors and the Cambodian government commissioned a team of international consultants to carry out an Independent Forest Sector Review (IFSR) and draw up a 'road map' for forest sector reform. In 2004 these consultants recommended that the government terminate the logging concession system and devolve forest management responsibilities to elected commune councils, with the Forest Administration (FA) playing a regulatory role. The rationale for this 'partnership forestry' model was the empowerment of populations living in and around the forest and greater institutional checks and balances aimed at reducing corruption. However, the government has demonstrated limited enthusiasm for the Independent Forest Sector Review's proposals and the international donor community has not backed them strongly enough.

The shadow state strikes back

However, even as senior ministers publicly committed to reform processes, Cambodia's shadow state continued to generate money from the timber sector. The same officials charged with implementing reforms actively subverted them, with the result that illegal logging has continued in a variety of forms:

Permits

In the aftermath of the crackdowns and the suspension of logging concession operations, the issuing of permits and licences which were themselves illegal, or designed to provide a cover for illegal activities, increased and diversified. These included permits to collect 'old logs' – a practice banned by Hun Sen in 1999 because of its widespread use as a cover for illegal logging operations. Innovative variations on the 'old log' collection theme also emerged, notably licences to collect tree stumps, branches and poles, authorisations to cut timber for racing boats and permits to build wooden towers for the parachute regiment to jump off.[28]



Permit authorising the parachute regiment to cut logs



A logging concessionaire's loaded trucks

Plantations

The opportunistic issuing of permits has accompanied more ambitious schemes to facilitate logging. The most lucrative of these is cutting in the name of plantation development, courtesy of government-led development projects or economic land concessions (ELCs). Through these schemes, officials have allocated to pro-CPP tycoons land which contains valuable forest. The forest is then cut down, nominally to make way for plantations, and the timber is extracted and sold. Allocating ELCs on land that is forested contravenes Cambodia's 2001 Land Law, which classifies forests as *state public property* and only allows ELCs on *state private property*. Many ELCs exceed the law's 10,000 ha limit for this type of concession. Most, if not all, the ELC holders have failed to meet legal requirements to conduct environmental impact assessments.

The clear-cutting operations that characterise 'plantation development' result in the complete eradication of the forest. The damage is terminal. Chapter II describes a case of plantation development being used as a pretext for renewed industrial-scale logging in Prey Long, the largest lowland evergreen forest in mainland Southeast Asia.

Military logging

While permits and plantation developments provide logging with a bureaucratic gloss, the Royal Cambodian Armed Forces have kept up an assault on the country's forests that does not even pretend to be legitimate. Many RCAF units are stationed in or around forests and carry out illegal logging operations geared towards enriching their commanders.

In November 2004, in the midst of a 'War on Corruption' announced by Hun Sen, Global Witness published *Taking a Cut*, an in-depth exposé of military logging and extortion in Mount Aural Wildlife Sanctuary that named some of the senior RCAF officers profiting. A government spokesman criticised Global Witness for making the information public without giving it to the government first, but did not rebut the specific allegations made.[29] The authorities took no serious action to halt forest crime in Aural and, as Chapter IV shows, the military remains heavily involved in illegal logging of protected areas and production forest across the country.

Annual bidding coupes

Since the suspension of logging concessions, the Forest Administration has been developing so-called annual bidding coupes as an alternative. The concession system gives companies control over large forests but typically subdivides these into 25 units, of which the concessionaire may harvest one per year. By contrast, annual bidding coupes are smaller parcels of forest that companies log for just 12 months. In theory the FA could now split a concession-sized forest into 25 annual bidding coupes and allocate them all for logging simultaneously, thus greatly increasing the rate of destruction.

There is little transparency in FA decision-making and the fact that annual bidding coupe boundaries will be redrawn each year could make an already bad situation much worse. Members of the public will find it harder to track which companies have harvesting permits at any one time and therefore harder to hold them to account. Standards of management planning, environmental and social impact assessments, public consultation and law enforcement, already abysmal under the concession regime, are likely to deteriorate.

The new system will also involve the construction of road networks through forested areas in order for logging companies to access their annual bidding coupes. Road building in Cambodia, as elsewhere in Southeast Asia, has provided a cover for uncontrolled cutting and has opened up previously inaccessible forests to poaching, land encroachment and secondary illegal logging operations. In recognition of these threats, the 2004 Independent Forest Sector Review recommended a moratorium on the construction of roads in forest areas.

As Box 1 shows, the first annual bidding coupe permit to be given out since the suspension of the logging concessions has provided the basis for an illegal logging operation.



Economic land concession being used as a pretext to clear 5000 ha of Prey Long forest by HMH company, September 2006 (Inset) Processing the timber

Box 1: Furnishing the National Assembly

The first annual bidding coupe to have become operational in Cambodia is officially described as a "special coupe to supply timber to the new National Assembly Construction Committee".[30] The chairman of this committee, CPP parliamentarian Cheam Yeap,[31] wrote to the Minister for Agriculture, Forestry and Fisheries, Chan Sarun, in May 2004 to inform him that the new National Assembly building would require luxury timber for furniture and grade I and II wood for other unspecified purposes.[32] Luxury grade timber comes from rare tree species that are protected by law.[30] In March 2005 Chan Sarun directed the Forest Administration to establish a coupe on the cancelled Hero Taiwan logging concession in Ratanakiri Province.[30] This decision contravenes the Sub-decree on Forest Concession Management, which states that forest in cancelled logging concessions cannot be reallocated to another company.

Chan Sarun's instructions to the FA called for the harvesting of 10,577 m^3 of logs in order to generate 6,509 m^3 of sawn wood. The inventory that the FA subsequently drew up went much further, however, and proposed felling 16,747 m^3 of logs.[33] These plans suggested that Cambodia's new National Assembly building might be among the most comprehensively furnished in the world. Global Witness does not have the specifications for the proposed items of furniture. However, it is worth considering that processing 16,747 m^3 of logs into rather thick 25 mm wood panel at the conversion rate specified by Chan Sarun would generate 41 ha of panelling or enough to cover 1,580 tennis courts.

In 2005 the government awarded a permit to cut timber in the coupe to a company named Heng Brothers.[34] To the best of Global Witness' knowledge, this permit allocation did not follow any kind of open bidding process.[35] Heng Brothers was previously involved in illegally logging Botum Sakor National Park in Koh Kong Province in 2004, in cahoots with an offshoot of controversial Indonesian firm Asia Pulp and Paper.[36] For the special coupe Heng Brothers teamed up with Ly Chhuong Construction Company [37] which is building the new National Assembly and is reportedly owned by the son-in-law of Cheam Yeap.[38]



Head of the new National Assembly Construction Committee, Cheam Yeap

Heng Brothers commenced operations in April 2005 and was still logging the coupe midway through the following year.[39] In September 2006 Global Witness received reports from a source close to the company that timber cut in the special coupe was not going to the National Assembly as required but was instead being transported across the border for sale in Vietnam.[40] This account is corroborated by separate investigations in Ratanakiri by NGO workers.[33]

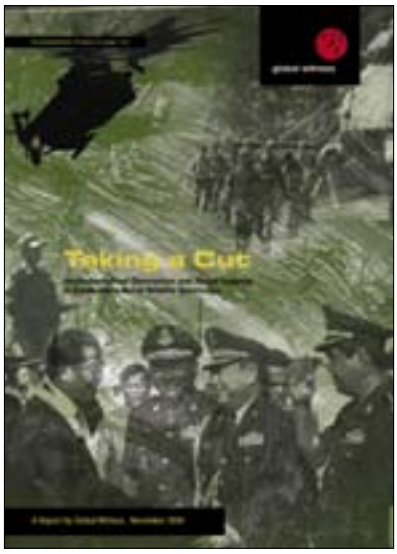
In August 2006 Cheam Yeap announced that the coupe had so far yielded only 257 m^3 timber for the National Assembly construction.[41] Global Witness wrote to him in February 2007 to ask for an update on this figure, but has not yet received a reply.



Cambodia's new National Assembly under construction, December 2006

Suppression of critical voices

Since the formation of a new CPP-led government in June 2004 there have been a number of violent attacks on villagers, junior officials and NGO workers involved in combating forest crime. These include at least three murders and two attempted murders.



At the same time, the authorities have also tried to suppress reports of illegal logging and associated corruption. A development strategy prepared by officials for the donor-government Consultative Group (CG) meeting of December 2004 declared that "The Royal Government welcomes the work in Cambodia of Global Witness, other NGOs and civil society organisations concerned with forest law enforcement".[42] In February 2005, however, customs officials confiscated 2,000 copies of Global Witness' *Taking a Cut* report at Phnom Penh International Airport and the following month the Council of Ministers announced it was investigating Global Witness' activities in Cambodia. In July, soldiers and police delivered threats to several of the organisation's Cambodian staff and the government banned five international employees from entering the country. These developments coincided with Global Witness investigating illegal logging by relatives of Hun Sen and the elite Brigade 70 military unit.

In view of the deteriorating security situation, Global Witness closed its Phnom Penh office in September 2005. That same month, Hun Sen declared that the organisation was "finished".[43] In 2006 Global Witness' London-based staff completed the investigations begun by the Phnom Penh office the previous year. The findings form the basis of this report.



Riot police confiscate kites at a peaceful demonstration calling for greater freedom of expression, November 2006. Officials justified the confiscation with the argument that the kites might interfere with the flight paths of aeroplanes

Box 2: Measuring Forest Cover and Deforestation in Cambodia

Estimating Cambodia's forest cover and deforestation is a contentious issue. Successive surveys of Cambodia's forest cover have rarely, if ever, used the same methodology twice, thereby restricting the scope for cross-comparison and accurate measurement of forest loss. Moreover, recent forest cover surveys have relied on satellite image interpretation, with little or no ground-level verification. These recent surveys offer only limited insights into forest quality, in terms of either biodiversity or standing timber volume.[44]

Cambodia's last national forest cover survey was conducted in 2003 by the Forest Administration and funded by a loan from the World Bank. The survey's main finding – that forest cover had increased – ran counter to evidence gathered by NGOs and others over several years that illegal logging was causing a decline in forest cover and forest quality in Cambodia.

Global Witness interviewed a consultant who worked on the 2003 study and asked him to explain how the survey came to mark as fully forested areas that the previous (1997) survey had marked as forest-free. In response, the consultant said that this reflected the inability of the 2003 forest cover survey to distinguish adequately between forest and bamboo.[45]

Despite widespread doubts about the reliability of the 2003 forest cover survey, officials seized on its findings as evidence of their wise stewardship of the forest estate. Speaking on the eve of a national election, Prime Minister Hun Sen said that:

"It is a significant achievement that Cambodia's forest cover has increased from 58.6% (10,638,209 hectares) in 1997 to 61.14% (11,104,285 hectares) in 2002. This is an important achievement of the second term of the Royal Government."[46]

The most recent Food and Agriculture Organisation (FAO) assessment of global forest cover paints a different picture, however. Its findings indicate that Cambodia lost 29% of its primary tropical forest between 2000 and 2005.[47] While this figure may possibly be too high, there can be little doubt that forest destruction in Cambodia is continuing at an alarming rate.



Tumring Rubber Plantation. Forest was cleared in Kompong Thom Province to make way for this rubber plantation

3. Cambodia's International Donors – Aiding Cambodians or Abetting the Government?

"There is a frenzy now across the country by the rich and powerful in Cambodia to acquire land. I think the donor communities and the UN agencies need to be much more outspoken. What I find missing here is a sense of outrage that should be there." **UN Special Rapporteur on Housing Rights Milan Kothari, 2005**[48]

For over a decade, international donors have consistently provided Cambodia with aid equivalent to half its national budget. Total international aid to Cambodia currently stands at around US$600 million per year. Despite the leverage that this gives them, the donors' track record in ensuring that their aid produces results for Cambodia's citizens has been unimpressive.

In the late 1990s donors did, to their credit, place illegal logging and reform of forest management at the top of the agenda in their dialogue with the Cambodian government. In 1996 the IMF froze funding to Cambodia because of massive irregularities in the government's management of logging revenues. This catalysed concerted donor action which saw the World Bank make disbursement of its US$15 million Structural Adjustment Credit contingent upon the implementation of forest management reforms.

The momentum generated by this donor pressure and initial government crackdowns against politically dispensable loggers gradually dissipated, however. With its refusal in January 2003 to allow Global Witness to continue working as independent monitor and threats to prosecute its in-country representative, the government signalled that it had moved as far as it intended to go. Many donors retreated from a sector increasingly perceived as being too difficult.

Donors' shortcomings are not confined to the forest sector however, and the donor track record with regards to rural poverty, infant mortality and literacy is equivocal at best. In terms of establishing a genuine democracy, rule of law, respect for human rights and good governance it is even less convincing. In private, ministers describe the donors as 'dunces' who will continue to bankroll the government no matter how much of their taxpayers' money is misappropriated.[49] In public they present the aid the government receives as a sign of the international community's approval of their actions.[50]

Donors frequently justify their failure to work harder for the interests of ordinary Cambodians by arguing that a more robust stance will push Hun Sen further into the arms, or rather pockets, of China. China's growing influence in Cambodia is undeniable. However this argument overlooks the fact that China, despite its generosity, cannot offer the Cambodian government the international respectability it seeks. The government's continued pursuit of international recognition can be seen in its efforts to secure a seat on the UN Security Council, gain entry to the WTO, contribute to UN peacekeeping forces and join the US-led 'War on Terror'. It is similarly eager to sign up to all manner of international conventions which it generally then fails to implement. The 2001 East Asia Forest Law Enforcement and Governance Ministerial Declaration is just one example.

A more banal but more plausible explanation for donors' supine behaviour is simple indifference. As an international event Cambodia has lost its novelty value and policymakers' priorities have long since moved on. Donor representatives and diplomats on the ground know they will not be rewarded by their head offices for rocking the boat and putting Cambodia back on a crowded foreign policy agenda. It is easier to keep heads down and the money flowing.

It is not just NGOs that are disturbed by the donors' reluctance to exert themselves. In 2006, UN Secretary General's Special Representative on Human Rights in Cambodia Yash Ghai noted that:

"If it is indeed true that donor agencies are not mindful of human rights or democracy, but just wish to build a cosy relationship with the government, then it seems to me that they are not only failing the people of Cambodia, but also their own domestic taxpayers as well, who approve these grants in the expectation that these countries will be the beneficiaries."[51]



Hun Sen meeting a Chinese delegation. Many donors cite China's increasing influence as justification for turning a blind eye to kleptocratic behaviour by Cambodia's government

CHAPTER II: KEEPING IT IN THE FAMILY

1. Introducing Cambodia's Premier Logging Syndicate

This chapter examines the careers of a group of timber barons who together constitute Cambodia's most powerful logging syndicate. Boasting familial links to Prime Minister Hun Sen, the Minister of Agriculture, Forestry and Fisheries, Chan Sarun and Forest Administration Director General Ty Sokhun, their careers illustrate how the country's political elite has successfully subverted forest management reforms and continued looting a valuable public asset. There is substantial evidence that this group's activities extend beyond illegal logging to encompass kidnapping and attempted murder. Moreover, there are strong indications that corruption and nepotism at the highest levels explain the impunity with which its members have operated for almost a decade.

While this syndicate has operated under various labels, most recently 'Seng Keang Import Export Company Ltd', its public profile is relatively low considering the immensely damaging impact it has had on the country's forests.

1.1 Dy Chouch, also known as Hun Chouch

Dy Chouch, better known as Hun Chouch, is a first cousin of Prime Minister Hun Sen. In the mid 1990s Dy Chouch operated a range of businesses with Hun To,[52] a nephew of the prime minister whom well-placed sources name as a major drugs trafficker.[53] Another of Dy Chouch's early business associates was renegade RCAF commander Sat Soeun.[54] Over the past decade, Sat Soeun has faced charges relating to three different murders, two attempted murders and one physical assault.[55] According to residents of Kompong Cham, Dy Chouch, Hun To and Sat Soeun's early ventures centred on smuggling fish and rubber tree wood across the border to Vietnam.[56]

Dy Chouch and his ex-wife Seng Keang have gone on to manage logging operations for several of the forest concessionaires, including Kingwood Industry, (whose activities are described in detail later in this chapter), Cambodia Cherndar Plywood and Mieng Ly Heng. Global Witness has documented illegal acts by all three of these concessionaires over a number of years.[57] Cherndar Plywood, despite its nominal Taiwanese ownership, is referred to within the timber business as "Hun Chouch's company" or "Seng Keang's company".[58] The exact nature of the couple's links with Cherndar Plywood has proved difficult to establish, however.



Logging syndicate member Dy Chouch at Mieng Ly Heng's Baksna logging camp, 2001



Hummer belonging to Dy Chouch associate Hun To



Dy Chouch associate Sat Soeun

Dy Chouch and Seng Keang's relationship with Mieng Ly Heng is equally murky and Dy Chouch has appeared reluctant to advertise his association with the firm.[59] During a visit to the Mieng Ly Heng logging camp at Baksna in Kompong Thom in 2001, Global Witness staff met with a man who introduced himself as 'Li Seng', the head of company security. When asked how, as a security supervisor, he was able to afford the solid gold, diamond-studded Rolex Oyster Perpetual watch he was wearing, 'Li Seng' explained that it had been given to him by his boss in recognition of his services to the firm. Global Witness photographed 'Li Seng', who was subsequently identified as Dy Chouch by two people that know him.[60]

In social circles, however, Dy Chouch is less reticent and introduces himself as an *oknha*. *Oknha*, which has a meaning similar to 'Sir', is an honorific title conferred on businessmen and women who have made donations of at least US$100,000 to the state.[61] Dy Chouch has been known to threaten with a gun those who have declined to address him by this title.[62]

1.2 Seng Keang

While 'Hun Chouch' commands greater name recognition, Seng Keang's influence within the timber industry appears to equal or exceed that of her ex-husband. Like Dy Chouch, Seng Keang has worked as a subcontractor supplying logs to Cherndar Plywood, Mieng Ly Heng and Kingwood Industry.[63] She has also played a similar role for the Chinese state-owned Everbright CIG Wood logging concessionaire.[64] Forest Administration officials have named Seng Keang, moreover, as the principal shareholder in Mieng Ly Heng.[65]

Seng Keang has a number of friends in high places. She is friends with Hun Sen's wife Bun Rany[66] and periodically appears with her at public events broadcast on national television. She is also close to Leang Vouch Chheng,[67] the wife of the prime minister's brother and Kompong Cham Provincial Governor Hun Neng.[62] Global Witness has received reports from a well-placed source that Seng Keang and Leang Vouch Chheng run lucrative racketeering ventures in Kompong Cham in partnership with the wives of two other provincial officials. These activities are said to include levying protection money from taxi operators in Kompong Cham town.[62]

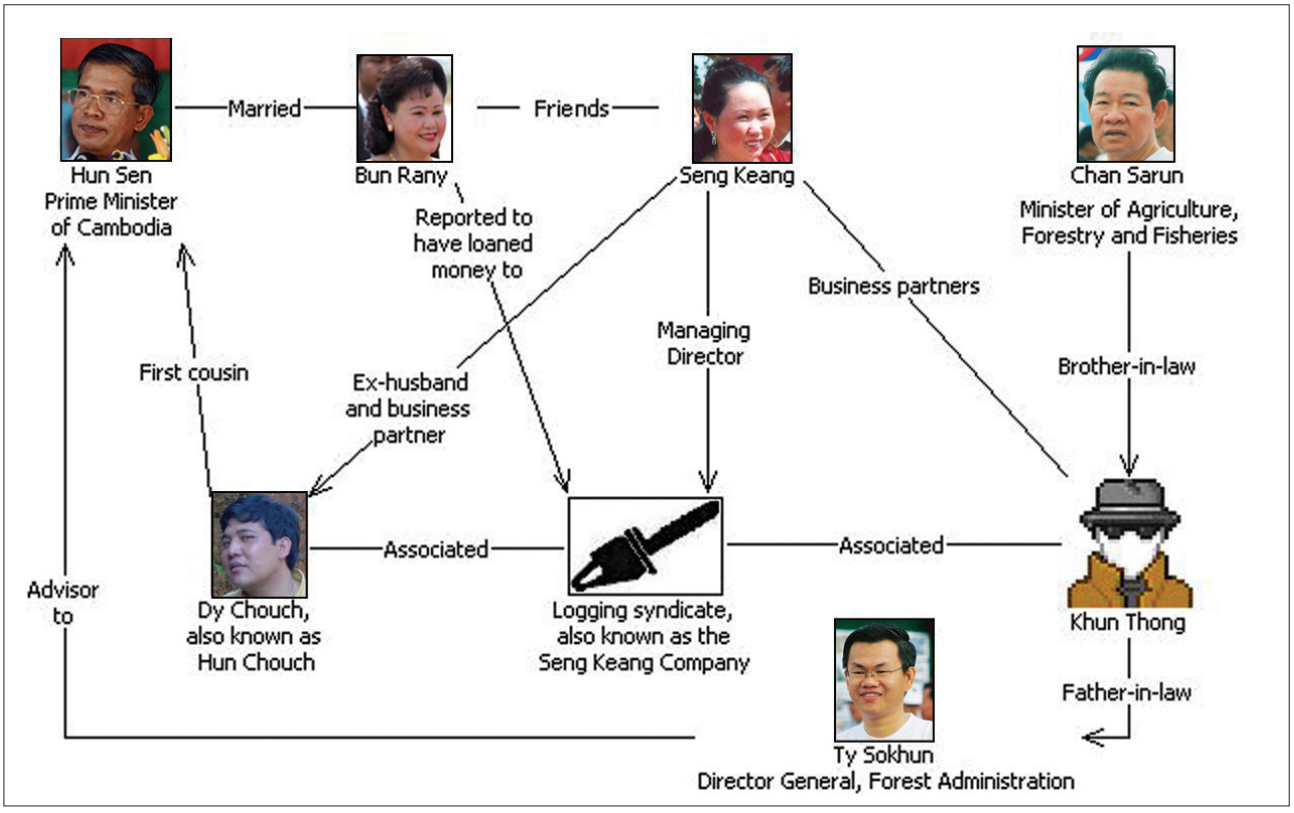
Dy Chouch and Seng Keang divorced in 2005.[68] According to timber industry insiders, they continue to do business together, however.[69]



Logging syndicate member Seng Keang (left) and her friend, Prime Minister's wife Bun Rany



Prime Minister's sister-in-law Leang Vouch Chheng (left), one of Seng Keang's well-connected business associates



Cambodia's premier logging syndicate and friends

1.3 Khun Thong

Khun Thong has the dual distinction of being the brother-in-law of Minister for Agriculture, Forestry and Fisheries Chan Sarun and the father-in-law of Director General of the Forest Administration Ty Sokhun.[70] Phnom Penh telephone directories previously listed one of Khun Thong's sawmills as Ty Sokhun's residential address.[71]

Like Seng Keang and Dy Chouch, Khun Thong is a logging subcontractor and has worked with Kingwood Industry and Everbright CIG Wood.[72] In 2001, in its capacity as official independent forest monitor, Global Witness exposed a large-scale illegal logging operation by Everbright outside its concession. Members of the government team that subsequently investigated the case blamed Khun Thong's relationship with Ty Sokhun for their inability to mount a successful prosecution against the company.[73]

In addition to his work with Kingwood and Everbright, Khun Thong is known to have generated additional income by extorting money and timber from rival wood traders along the Mekong River. According to those he targeted, Khun Thong would accompany his demands with threats to invoke 'crackdowns' by forestry officials answerable to his son-in-law, Ty Sokhun.[74]

A low-profile figure, Khun Thong has nonetheless been described by Dy Chouch as the "backbone" to his timber business and his name appears on a range of documents relating to the group's activities.[75]



Khun Thong likes to keep a low profile



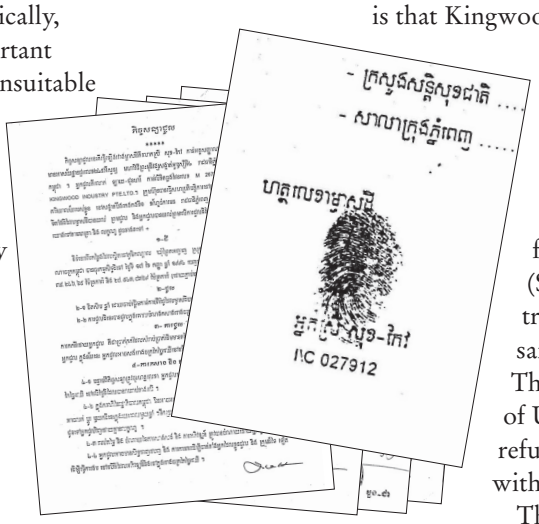
Khun Thong's brother-in-law; Minister of Agriculture, Forestry and Fisheries, Chan Sarun



Khun Thong's son-in-law; Director General of the Forest Administration, Ty Sokhun

2. Kingwood – Rise and Demise of a Logging Concessionaire

The Cambodian government's allocation of between 30 and 40 logging concessions in the mid 1990s set the stage for what an Asian Development Bank review described as "total system failure".[76] Specifically, it placed arguably the country's most important natural resource in the hands of the most unsuitable commercial operators, many of whom operated under the patronage of the country's ruling families. Typifying these new custodians of Cambodia's forests was Kingwood Industry, a company incorporated in Cambodia by Taiwanese, Singaporean and Indonesian businessmen, which obtained a 301,200 ha concession in 1995 covering parts of Kratie, Stung Treng and Mondulkiri provinces.[77] In common with all but two of the concessionaires, Kingwood had no experience of managing a forest. Like many others, it rapidly demonstrated a willingness to break the law in pursuit of a quick profit.



Sok Keo's thumbprint signature on a rent-free lease to Kingwood

Another exemplary aspect of the Kingwood operation was its associations with a politically influential family. Prior to obtaining its concession, Kingwood had already formed an alliance with Khun Thong's sister Sok Keo.[78] Sok Keo is the wife of Chan Sarun, then Director General of the Department of Forestry and Wildlife (DFW) and currently the Minister of Agriculture, Forestry and Fisheries (MAFF). In September 1994, she helped Kingwood acquire a 25 ha plot on the Mekong River in Kandal Province's Muk Kampoul District, 21 km from Phnom Penh. Within four days of acquiring title deeds for the land in her name, Sok Keo signed an agreement with Kingwood's Taiwanese managing director Lia Chun Hua to pass control of the site to the company. The document states that she is leasing the land to Kingwood on a rent-free basis for 70 years; while Kingwood is providing her with an interest-free loan of US$430,984. The only condition attached to the lending is that Kingwood be allowed to build a factory on the site:[79]

"In case of the Cambodian Government not allowing (Kingwood) to build a wood-processing factory on the said land, (Sok Keo) has to sell, transfer or dispose of the said land within one year. The mortgage loan of US$430,984 shall be refunded to (Kingwood) without condition."[79]

The contract does not say whether Sok Keo intended to take an active role in ensuring that Kingwood received authorisation to construct a factory; however it gave her a very strong incentive for doing so. The agreement thereby set up a potential conflict between Chan Sarun's responsibilities as an impartial regulator of the forest sector and his wife's business interests. In February 2007 Global Witness wrote to Chan Sarun to ask him whether he was aware of his wife's dealings with Kingwood and whether he helped the company obtain its factory construction permit. As this report went to print, Chan Sarun had not replied to this letter.

After receiving permission to build on the land leased from Sok Keo, Kingwood's directors took out initial loans of at least US$9.4 million to finance the construction of a plywood factory.[80] A 2001 loan agreement between the company and the Cambodian Public Bank describes Sok Keo as the owner of both the factory premises and the machinery within it.[81] In February 2007 Global Witness wrote to Sok Keo to ask her to explain her association with Kingwood. Sok Keo has yet to reply.



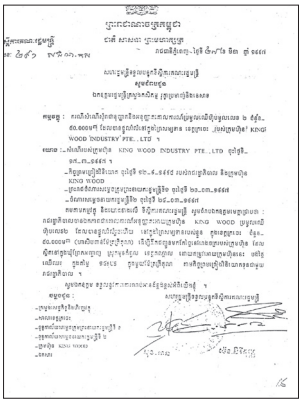
Sok Keo (left) and her husband Chan Sarun meeting King Norodom Sihamoni (right) at a Cambodian Red Cross event, May 2005

2.1 Illegal Logging

According to industry analysts, the factory Kingwood built was capable of producing 96,000 m^3 of finished product per year, with practical capacity of 84,000 m^3 per year.[80] To operate at full practical capacity, and therefore full efficiency, thus required an annual supply of around 164,000 m^3 of round logs – almost five times the 35,000 m^3 per year Kingwood

was legally permitted to cut in its large but sparsely forested concession.[80] Processing over-capacity has been a feature of Cambodia's concession system as a whole. For the concessionaires, it created a strong incentive either to log illegally or try to source timber from other concessions. Kingwood opted to do both.

In 1997, the company cut trees illegally in the Macro-Panin concession adjacent to its own, using the excuse that it was collecting 50,000 m^3 of 'old logs'.[82] Over the same period the firm employed a military commander to cut logs in a 100 km^2 area outside its concession and haul them back within Kingwood boundaries to be passed off as a product of the company's own harvesting operations.[83] During the 1997-1998 dry season Kingwood also undertook a major harvesting operation in its own concession, despite the fact that it had no cutting permit.[83] In addition, the 2000 Asian Development Bank review of logging concessionaires' performance revealed that the company failed to honour its contractual commitments to invest US$76.5 million in Cambodia and pay the government US$300,000 royalties and deposits.[84]



Old log collection permit used and abused by Kingwood

In its efforts to supply its factory, Kingwood contracted Sok Keo's brother Khun Thong, together with Seng Keang, to supply logs.[85] The advantages to Kingwood included Seng Keang and Khun Thong's ability to source wood from other concessions in which they operated as subcontractors; notably that of Cherndar Plywood.

2.2 Bad Debts

Despite its factory's intensive production activity, Kingwood's operations were underwritten by an expanding array of loans. A source close to the company claimed that it needed to borrow because its directors were laundering sales revenue through affiliated companies in Indonesia, Singapore and Taiwan.[86] Global Witness wrote to the Kingwood directors in February 2007 to ask them to comment on this claim but has not yet received a reply. Whether or not the allegation is true, there is no doubt that the company's financial situation became increasingly precarious.

During its start-up phase in the mid 1990s, Kingwood obtained three loans totalling around US$9.4 million from Maybank of Malaysia.[80 87] These loans took the form of a debenture because Kingwood claimed that it did not own any land that it could mortgage as collateral. The stringent terms of the debenture agreement prohibited Kingwood from transferring control to or borrowing from any other party.[88] Despite this, the company went on to borrow from three other banks in Cambodia.[86] In June 2001 for example, Chan Sarun's wife Sok Keo took out a loan from the Cambodian Public Bank on behalf of Kingwood, mortgaging the factory site and machinery.[81] The mortgage agreement was signed not only by Sok Keo and a representative of Cambodian Public Bank but also by Cambodian Bar Association President Ky Tech.[81] A source close to Kingwood claims that Cambodian Public Bank lent the company a total of around US$3 million.[86]



Kingwood's plywood factory, 21 kilometres north of Phnom Penh

Box 3: Ky Tech

President of the Cambodian Bar Association Ky Tech is described by well-placed sources as an advisor to Hun Sen's wife Bun Rany and he has close links with powerful players in Cambodia's timber industry.[89] In early 2001 he represented the logging concessionaire Everbright in its unsuccessful legal action against staff from Global Witness for alleged trespass. At the time Global Witness was the official independent monitor of government efforts to tackle forest crime and the alleged trespassing was an official inspection, mandated by the Council of Ministers, of the Everbright plywood factory. During this inspection, Global Witness uncovered evidence of large-scale royalty evasion by the company.



Building used by the joint UN-Cambodian government tribunal set up to try former leaders of the Khmer Rouge, who are held responsible for the deaths of as many as two million Cambodians between 1975 and 1979. Many Cambodians are hoping the tribunal will help raise standards in the country's judiciary

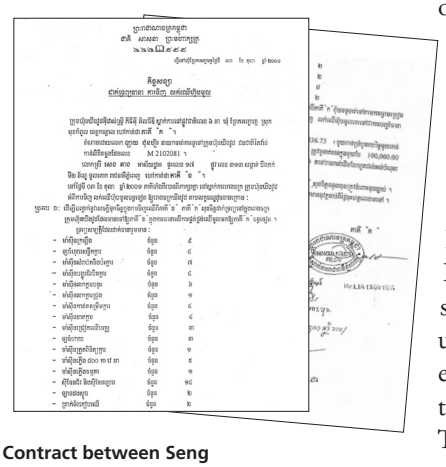
Like Kingwood, Everbright's principal subcontractors included Seng Keang and Khun Thong. As described elsewhere in this chapter, Ky Tech has represented Seng Keang in her dealings with Kingwood's directors and the Cambodian judiciary.

Ky Tech has attracted recent media attention for his vocal criticism of proposals to allow foreign lawyers to practice at the trial of former Khmer Rouge leaders.[90] He is also reported to have said that Cambodian lawyers participating in training organised by the International Bar Association in support of the Khmer Rouge Tribunal are in breach of Cambodian law.[91] Global Witness wrote a letter to Ky Tech in February 2007 to ask him whether these reported comments are an accurate reflection of what he said and, if so, to explain their meaning. Ky Tech has not yet replied to this letter. Human rights workers have expressed concerns that Ky Tech is acting on instructions from senior Cambodian officials who want to see the tribunal process stall or disintegrate altogether.[92]

By late 2001 Kingwood's list of creditors included not only banks, but also its subcontractors. On 3 October 2001, Kingwood Managing Director Lia Chun Hua and Seng Keang signed an agreement governing past and future purchases of logs. Khun Thong countersigned the document as a witness.[85] The agreement states that Kingwood owed Seng Keang over US$1.9 million, which Lia Chun Hua committed to repay in instalments of US$100,000 per month over 20 months. Lia Chun Hua also promised to continue buying logs from Seng Keang and ceded to her temporary control of 94 items of industrial machinery in the Kingwood factory as a guarantee. Her possession of these items would become permanent in the event of any default on the repayments.[85] The machinery ceded to Seng Keang is the same equipment mortgaged to Cambodia Public Bank by Sok Keo. It is not clear whether either the bank or Sok Keo knew about Lia Chun Hua's agreement with Seng Keang.

Kingwood's prospects of keeping up its debt repayments were not enhanced when, under pressure from NGOs and international donors, the Cambodian government imposed a moratorium on harvesting in logging concessions with effect from January 2002. The moratorium followed the concessionaires' failure to meet the deadline for submission of sustainable forest management plans (SFMPs) and Environmental and Social Impact Assessments (ESIAs) set for the end of November 2001.

The moratorium on cutting was followed by a moratorium on the transportation of logs, which came into full effect in May 2002. Some concessionaires, notably GAT International and Pheapimex, initially continued logging and transporting wood in violation of the moratoria. Following Global Witness' exposure of GAT's activities, however, Hun Sen cancelled the firm's two concessions in June 2002.[93] Hereafter the logging concession system entered a state of near-total inactivity.



Contract between Seng Keang and Lia Chun Hua regarding log supply and Kingwood's debts

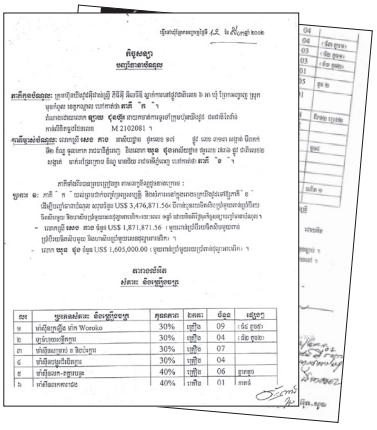
2.3 A Very Hostile Takeover

For Dy Chouch, Seng Keang and Khun Thong, concession companies such as Kingwood had provided a useful façade behind which they could exercise control over a large slice of the logging industry in Cambodia. The 2002 moratoria on harvesting and log transportation changed this completely, however.

A source close to the Kingwood operation informed Global Witness that, in August 2002, Kingwood's Managing Director Lia Chun Hua attempted to cut his mounting losses and leave Cambodia for good. According to this source, he was prevented from doing so by Seng Keang, whose entourage abducted Lia, confiscated his passport and held him hostage in the factory compound. Global Witness has investigated these claims and gathered information from a range of sources which points to the need for a credible judicial investigation into the fate of Lia and the current ownership of Kingwood. This information is summarised below:

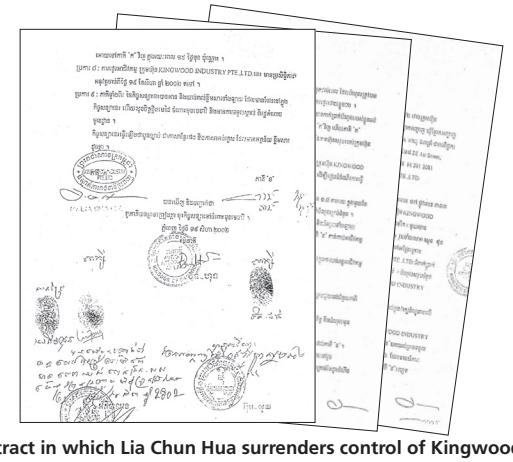
i) Documents concerning Lia Chun Hua's surrender of control of Kingwood

Lia Chun Hua relinquished control over Kingwood in a series of written agreements signed with Seng Keang and Khun Thong during the second half of August 2002. On 12 August, he signed an agreement on behalf of the company acknowledging debts of US$1,871,871.56 to Seng Keang and US$1,605,000 to Khun Thong. This document effectively superseded the agreement on log purchases of October 2001. It reiterated that Seng Keang, and now Khun Thong also, would hold the same 94 items of factory machinery as collateral until Lia cleared his debts. Lia also agreed to pay interest of 1.8% per month. The document is countersigned by the deputy district governor and the commune chief.[94]



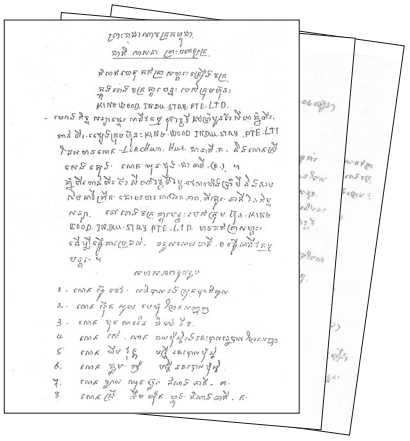
Contract in which Lia Chun Hua acknowledges debts of nearly US$3.5 million to Seng Keang and Khun Thong, 12 August 2002

One week later, on 19 August, Lia signed a second agreement in which he effectively surrendered all control over Kingwood. This second contract states that Lia has ceded the entire Kingwood operation and assets to Seng Keang and Khun Thong until the debts and interest are paid. It adds that once the last repayments are made, Seng Keang and Khun Thong will retain a 30% share in the company. The document also commits Lia to assist in the running of the factory. Once again it is witnessed by the deputy district governor and the commune chief.[95]

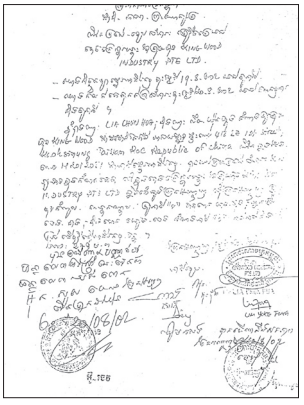


Contract in which Lia Chun Hua surrenders control of Kingwood, 19 August 2002

The next day, Seng Keang, Khun Thong and Lia signed a memorandum listing the same 94 items of machinery referenced in previous agreements. This handwritten document carries the signatures of 13 different people, including local officials and police officers. It is accompanied by a fourth contract, also signed on 20 August, which certifies that control of all the Kingwood factory machinery has passed to Seng Keang, Khun Thong and an individual named Yiem Seng.[96] The signatories to this last agreement are Lia and Malaysian businessman and Kingwood shareholder Lim Yok Fong.[97]



Contract signed by Seng Keang, Khun Thong and Lia Chun Hua, 20 August 2002



Second agreement signed by Lia Chun Hua and Lim Yok Fong regarding the handover of Kingwood assets, 20 August 2002

The outcome was the de facto transfer of ownership of Kingwood's assets and operations to Seng Keang and Khun Thong. While the terms of the various contracts indicate that Lia Chun Hua could regain partial, if not complete, control of the company in the future, the level of debt he is committed to repay, not to mention the interest payments, are extremely high.

Cambodia's investment law requires that the government Council for the Development of Cambodia (CDC) gives its consent to any transfer of company ownership a full 30 days before the transaction takes place.[97] To the best of Global Witness' knowledge, neither Kingwood's board, nor Seng Keang nor Khun Thong approached the CDC for its authorisation, however. CDC officials did subsequently learn of the takeover and contacted Seng Keang. She informed them that she took control of Kingwood the way she did to avoid assuming responsibility for the company's existing debts.[86]

The transfer of control leaves many questions unanswered. The document that Lia Chun Hua signed on 12 August gave Seng Keang and Khun Thong possession of items of factory machinery until he cleared his debts. This does at least maintain a degree of internal consistency with the agreement on debt repayment and log supply of October 2001. Why then, only one week later, did Lia Chun Hua agree to hand over complete control of Kingwood's operations? Nothing in the document accounts for the rapid change in circumstances. What, moreover, accounts for the drafting of four overlapping and in some cases crudely written documents? While the paper trail is not in itself evidence of coercion, it gives the appearance of a hurried and unorthodox transfer of control.

ii) Accounts from individuals employed by or associated with the logging syndicate

In 2004 Global Witness interviewed a close associate of Seng Keang who confirmed that the logging syndicate was holding Lia prisoner within the factory. This person added that, although the timber barons were confident that Lia could not escape, they were concerned that he might attempt suicide. The interviewee also reported the presence at the factory of ten other Taiwanese nationals whom Dy Chouch and Khun Thong were employing as technicians. These technicians were said to be prohibited from leaving the factory for fear that they might divulge information about the syndicate's activities.[98]

The same year Global Witness interviewed a second individual closely associated with the Kingwood operation who also maintained regular access to the factory. This person had not met Lia Chun Hua since his abduction but claimed to have heard from workers that he was being kept in harsh conditions that were adversely affecting his health, that his phone was no longer connected and that he had no further contact with the outside world. The interviewee reported that guards accompanied Lia Chun Hua at all times within the factory compound.[99]

In a separate interview in 2004, a business associate of Seng Keang informed Global Witness that Lia Chun Hua was living inside the Kingwood compound. This individual did not talk in terms of abduction or



Kingwood offices: a number of sources informed Global Witness that Lia Chun Hua was being held hostage in a building inside the Kingwood factory compound

imprisonment and claimed that Lia was being "well looked after". They did not offer any explanation, however, for why Lia would have left his home to live inside an industrial processing facility or why he needed to be looked after.[100]

In 2005 an employee of the logging syndicate informed Global Witness that Lia Chun Hua continued to live inside the factory compound and was being guarded by military police employed by Dy Chouch.[101]

iii) Account from an official who has investigated the case

A prominent government official who has conducted his own investigations of Kingwood told Global Witness in 2004 that Seng Keang and Khun Thong were keeping Lia Chun Hua and other foreign workers hostage inside the factory compound and had confiscated their passports. The official added that the authorities had been unable to free the men because the logging syndicate represents the business interests of Bun Rany, Prime Minister Hun Sen's wife.[102]



The logging syndicate is reported to represent the business interests of Prime Minister's wife Bun Rany

iv) Evidence of the logging syndicate imposing strict security measures at the Kingwood factory

According to a security guard at the Kingwood factory, the person responsible for security since 2002 is a military police officer named Keo Sarim.[103] In the first half of 2005, Keo Sarim's group consisted of three military police officers each armed with an AK-47 and a pistol, together with six additional guards each equipped with an AK-47 only.[104] All were being paid by Dy Chouch. Two of these guards were detailed to accompany Lia Chun Hua at all times within the factory compound. The guards' other duties included screening and searching factory staff as they arrived for work each day and excluding unwanted visitors.[105] The latter include members of the local authorities, who have been prevented from conducting mandated checks on the factory's operations and the visa compliance of its foreign staff.[86]

v) Sightings of a man resembling Lia Chun Hua

During a visit to the Kingwood factory in December 2002, Global Witness investigators observed a middle-aged ethnic Chinese man, together with four ethnic Chinese women, being escorted to a waiting vehicle by two men wearing uniform and carrying guns. While not possible to confirm the man's identity, his physical appearance and his armed escort match descriptions of Lia Chun Hua and the conditions of his alleged detention.[106]

In April 2005 Global Witness staff observed four guards with AK-47s escorting a man into the Kingwood compound. An employee of the logging syndicate accompanying Global Witness identified the man as Lia Chun Hua. This employee added that Lia was not allowed to leave Cambodia and had to be escorted at all times by armed guards.[107]



Lia Chun Hua is said to have been guarded by members of Cambodia's military police

vi) Reports that Lia Chun Hua has failed to respond to summons from the courts in Phnom Penh

Since the time of the Kingwood takeover, Maybank of Malaysia has pursued a legal action to reclaim unpaid debts from the company. Lia Chun Hua has failed to answer summons to appear before the court in Phnom Penh on at least three occasions. His place has been taken by lawyers hired by Seng Keang who have failed to explain his repeated non-appearance.[88] Court documents record Lia Chun Hua as having a permanent residence in Phnom Penh but "presently living in Kingwood sawmill, Prek Anhchanh Commune, Muk Kampoul District, Kandal Province".[108]

In October 2006 a public official informed Global Witness that they had received letters recently signed by Lia Chun Hua on Kingwood's behalf.[109] While this information gives little insight into Lia's current circumstances, it does suggest that he is still in Cambodia and remains associated with the company's operations.

In February 2007 Global Witness wrote letters to Lia Chun Hua as well as Seng Keang, Dy Chouch and Khun Thong and other Kingwood shareholders to ask about Lia's current whereabouts. At the time

of publishing, Global Witness had not received any responses to these letters.

In summary, there are grounds for believing that the reports of Lia Chun Hua's abduction are correct and that his personal safety may be seriously at risk. It is evident that the authorities are aware of the situation but are either unwilling or unable to act. Given the close connections between the logging syndicate and senior officials, this situation seems unlikely to change in the absence of outside pressure on the Cambodian government.

2.4 Competing Claims

After taking over the Kingwood factory, Dy Chouch, Seng Keang and Khun Thong serviced selected debts owed to other Kingwood creditors. They may also have borrowed money themselves: a source close to Hun Sen's family told Global Witness that Bun Rany had been making loans to Seng Keang for the Kingwood operation.[110] Global Witness wrote to Bun Rany in February 2007 to ask for her comment on this claim. As this report went to print she had not replied.

One Kingwood creditor that the timber barons refused to pay, however, was Maybank, which received little or no repayment on the approximately US$9.4 million it lent Kingwood in the mid 1990s.[88] The magnitude of this potential loss spurred the bank to embark on legal proceedings in 2003.

Maybank targeted its legal action at Kingwood directors Lia Chun Hua and Lee Kwan Siang.[111] This posed a serious challenge to the position of the logging syndicate. In the first instance it threatened their hold over Lia, who faced summons to appear before court, not to mention the possibility of a prison sentence if found guilty. A win for Maybank, moreover, would pave the way for the bank to enforce its claim on the same Kingwood assets that Seng Keang and Khun Thong seized in August 2002.

The timber barons vigorously contested the case, with Seng Keang appointing her lawyer, Chet Boravuth[112] to 'represent' Lia Chun Hua. In pre-trial hearings Chet Boravuth argued that Maybank's action was invalid because Kingwood now belonged to Seng Keang. He was unable to supply any documentary proof to substantiate this claim however, and the trial went ahead.[86]

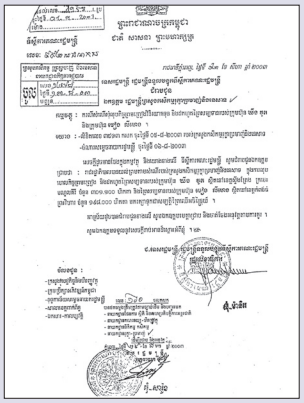
Sources within Cambodia's judiciary informed Global Witness that Seng Keang's representatives subsequently tried to bribe the judge and, when this failed, to intimidate him. These sources claim these threats were delivered separately by Chet Boravuth and Ky Tech, the lawyer who helped Sok Keo and Kingwood secure a loan from Cambodian Public Bank in 2001. Both sources allege that Chet Boravuth and Ky Tech told the judge that Hun Sen's wife Bun Rany would have him sacked if he found in favour of Maybank.[89] Global Witness wrote to Chet Boravuth and to Ky Tech in February 2007 to ask them to comment on this allegation. As this report went to print, neither had replied to these letters.

In April 2004, the court found in favour of Maybank, convicting Lia Chun Hua and Kingwood Chairman Lee Kwan Siang for breach of trust. Lia Chun Hua and Lee Kwan Siang received sentences in absentia of six months imprisonment, suspended pending their repayment of the loan, plus interest and a US$250,000 fine. Following an unsuccessful appeal by Seng Keang's lawyers, the courts confirmed the conviction and sentences in August 2005.[108] This paved the way for Maybank to seize control of the factory to reclaim Kingwood's debts. To date, however, the authorities have taken no action to enforce the court's verdict.

Box 4: Kingwood's Assets – Property of the Cambodian People?

In August 2003, the Council of Ministers issued a *prakas* (ministerial declaration) terminating Kingwood's investment agreement, along with that of Mieng Ly Heng.[113] These cancellations related to the poor quality of the concessionaires' sustainable forest management plans and environmental and social impact assessments rather than the illegal takeover of Kingwood, however.

For Dy Chouch, Seng Keang and Khun Thong, termination of Kingwood's investment agreement had little consequence in terms of timber supply, as the forest in the Kingwood concession was largely exhausted. The legal implications were potentially far-reaching, however.



Council of Minister's order cancelling Kingwood's investment agreement

The Asian Development Bank-funded concession review published in 2000 concluded that termination of companies' investment agreements implied a simultaneous cancellation of their Forest Timber (harvesting) Licence.[114] Under the terms of Kingwood's original Forest Timber Licence agreement with MAFF, the company agreed to forfeit all buildings and plant that it did not remove upon the licence expiring. This indicates that the Cambodian government is now empowered to seize the Kingwood factory and other remaining assets as state property.[115] Given that MAFF Minister Chan Sarun's wife Sok Keo owns the Kingwood site and her brother Khun Thong now controls the factory, it is perhaps unsurprising that no such seizure has taken place.

3. Tumring Rubber Plantation – the New Face of Industrial-Scale Logging in Cambodia

"If the logging companies still don't listen, take away their licences. This morning I read the Cambodia Daily. It said that many companies won't obey the order of the Ministry of Agriculture. Just you try, if you aren't going to obey, just you try. If I don't take away your concessions and close down your factory I will cut my throat!" **Prime Minister Hun Sen, December 2001**

Following the imposition of the cutting and log transportation moratoria, forest concessions no longer provided a vehicle for elite logging interests. However, with the connivance of those senior officials responsible for enforcing the timber industry's suspension, the more powerful timber traders continued their activities under a range of new guises. The most lucrative and destructive of these has been the use of plantation developments – whether government-mandated development projects or so-called economic land concessions (ELCs) – as a pretext for clear-cutting forest.

Few timber barons are as well placed to take advantage of such schemes as Dy Chouch, Seng Keang and Khun Thong. By the time the government suspended forest concession operations, the group was already positioning itself for the next logging bonanza, courtesy of Tumring Rubber Plantation. Tumring is a flagship development initiative of the Cambodian government. It is also a classic example of how corrupt misallocation of public assets benefits the country's political elite at the expense of the rural poor.

3.1 A Family-Scale Enterprise

In August 2000, Prime Minister Hun Sen issued a communiqué calling for the establishment of "family-scale rubber plantations", as a component of the government's rural development policy.[116] The following year officials announced the creation of a new rubber plantation. The designated site comprised 6,200 ha excised from three logging concessions – Colexim Enterprise[117] (3,577 ha), GAT International (2,181 ha) and Mieng Ly Heng (442 ha) – at their point of convergence in Tumring Commune in Sandan District, Kompong Thom Province. The area is in the heart of Prey Long – mainland Southeast Asia's largest lowland evergreen forest and an important part of Cambodia's natural heritage.[118]

This process was expedited via a survey by the Kompong Thom Department of Agriculture, Forestry and Fisheries in November 2000. This survey team classified the Tumring site as land containing only small amounts of valuable timber, when in reality much of the 6,200 ha was forested.[129]

The government established the plantation not as an economic land concession allocated to a private company, but as a state-led development project mandated by a sub-decree. A sub-decree is a binding legal instrument signed by the prime minister but not subject to the approval of Cambodia's National Assembly. Sub-decrees on the usage of particular areas of state land are unusual although not unprecedented. Issuing one specifically devoted to Tumring reflected the importance the prime minister and other senior officials attached to the project.



Dy Chouch (left) and his ex-wife Seng Keang (centre left) posing with Hun Sen's daughter Hun Mana and her husband Moeung Kompeak, who is the son of Royal Cambodian Armed Forces General Moeung Samphan

Having signed the sub-decree establishing Tumring Rubber Plantation in August 2001, Hun Sen personally inaugurated the project the same month.[118] Addressing local residents, he expounded his vision of a new Tumring:

"If you tap resin, the logging concessions aren't happy. And you don't know when they'll cut down your trees ... The first recommendation is that we need to change people here, from slash and burn farmers and resin tappers ... Make this a place ... Change from collecting resin, tapping resin ... from tapping resin to tapping rubber."

Hun Sen concluded with a personal assurance:

"If Hun Sen says something, he will do it. I have not come to cheat you, I have not come to cheat you. And I don't know how to cheat people. I don't know how to cheat people, Hun Sen doesn't know how to cheat people. Hun Sen means honest. That's it."[137]

The government turned over control of the 6,200 ha site to Chup Rubber Company,[138] a parastatal firm which runs large rubber plantations in Tboung Khmum District, Kompong Cham Province. According to the UN Office of the High Commissioner for Human Rights, "Chup Rubber Plantation has a poor record in human rights and labour rights compliance".[139] In Tumring, the company received a mandate to implement industrial-scale rubber production on 4,359 ha, with 1,841 ha available for local families in three hectare parcels. Officials encouraged families to cultivate rubber, and the sub-decree signed by Hun Sen stated that Chup would provide them with technical assistance over the six to ten years that the trees would take to mature.[118]









Hun Sen makes a point

Box 5: Resin Tapping

Liquid resin, tapped from *chhoeuteal* and other species of Dipterocarp tree is the most widely harvested and traded non-timber forest product in Cambodia and a source of income for roughly 100,000 people living in or around forested areas.[130] It is used for lighting, water-proofing boats and for making paints and varnishes.[131]

Resin tapping involves cutting a hole in the trunk of a mature tree and thereafter burning a handful of grass or twigs in this cavity every few days to stimulate a flow of resin. Over the course of a year, tappers collect around 20,000 tonnes of resin in this way across Cambodia. Available evidence suggests that tapping does not harm the trees, which can continue to yield resin for several decades.[130]

While agriculture is the dominant form of economic activity for most rural Cambodians, for many resin tapping is a vital secondary source of income with which to buy rice in times of shortage.[132] Research undertaken in 2004 in Preah Vihear and Kompong Thom provinces found that households derived almost one-third of their income from resin tapping.[132]

The activities of logging companies pose a direct threat to resin tappers' livelihoods.[133] The trees that rural Cambodians tap for resin are those same commercial grade species that the timber companies target for use in production of plywood and veneer. Records of logging concessionaires' harvests during the last cutting season (2000-2001) before the government suspended their operations clearly illustrate this. The harvesting records of one concessionaire state that 89% of the trees it cut comprised the principal resin-producing tree species.[134] Another concession company informed Global Witness that resin trees accounted for 80% of its harvest.[135]

Article 17 (g) of the 1988 Decree-Law on Forest Practice Rules made it illegal to cut trees that people were tapping for resin. This law has been superseded by the 2002 Forest Law, Article 29 of which extends this protection to "trees of species that people tap for resin". The logging companies have consistently violated these laws, however. Resin tappers living in and around logging concessions in one province have reported losing as many as 20-30% of their trees to company harvesting operations.[136] The impact of the Tumring Rubber Plantation project on households in the centre of Prey Long forest has been even more severe.



Resin tapper in Prey Long Forest *(courtesy of Andrew McDonald)*



***Chhoeuteal* – resin tree**

Box 6: Prey Long Forest at the Crossroads

Industrial-scale logging in tropical regions typically targets lowland rainforests over upland areas because they are easier to access and yield higher volumes of timber. The consequence in Southeast Asia has been the disappearance or severe degradation of most rainforests of this type.[119]

The Prey Long forest landscape in northern Cambodia is the largest contiguous area of lowland dry evergreen and semi-evergreen forest left standing in mainland Southeast Asia. Situated to the west of the Mekong River, it covers an area of approximately 5,250 km^2.[120]

Surveys carried out in the Prey Long region reveal a diverse and unique natural heritage at risk and in need of preservation. A 2004 study found seven distinct types of forest, including the rare first-growth evergreen forests and evergreen marsh forests.[121] Prey Long is also home to rare wildlife species such as elephant, gaur, banteng, tiger and Asiatic black bear.[122]

Prey Long is critically important to the lives of some 256,000 people living in 340 villages in and around the forest. For these communities, the forest provides a livelihood not only through resin tapping (described in Box 6), but also via its provision of building materials, medicine and food.[120] It also plays an important role in cultural terms, as it contains large numbers of burial groves and spirit trees that have particular significance for indigenous minority groups such as the Kuy.[123] In addition, forests such as Prey Long provide important watershed management services to Cambodia's rural population as a whole through their regulation of water flows to agricultural areas.[124]

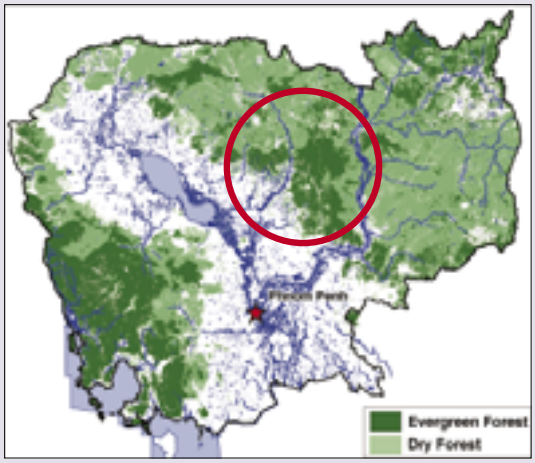
Prey Long's importance is highlighted in a number of studies of forest management in Cambodia, not least the 2006 World Bank Inspection Panel report and the 2004 Independent Forest Sector Review. It has been included in a tentative list of sites proposed for UNESCO World Heritage status.[125] However, Prey Long is not currently under any kind of protective management regime and it has been at the epicentre of logging concession activity over the past decade.[120] Despite the failure of all Cambodia's concessionaires to meet requirements to produce adequate sustainable forest management plans and environmental and social impact assessments, four logging concessions covering much of Prey Long remain in place.[123]

Although these concessions have been largely inactive since the 2002 moratoria on their operations, industrial-scale logging in Prey Long has continued via the Tumring Rubber Plantation profiled in this chapter. In 2006 the government granted at least one new ELC in Prey Long and officials are currently drawing up plans to convert tens of thousands of hectares to more rubber plantations.[126]

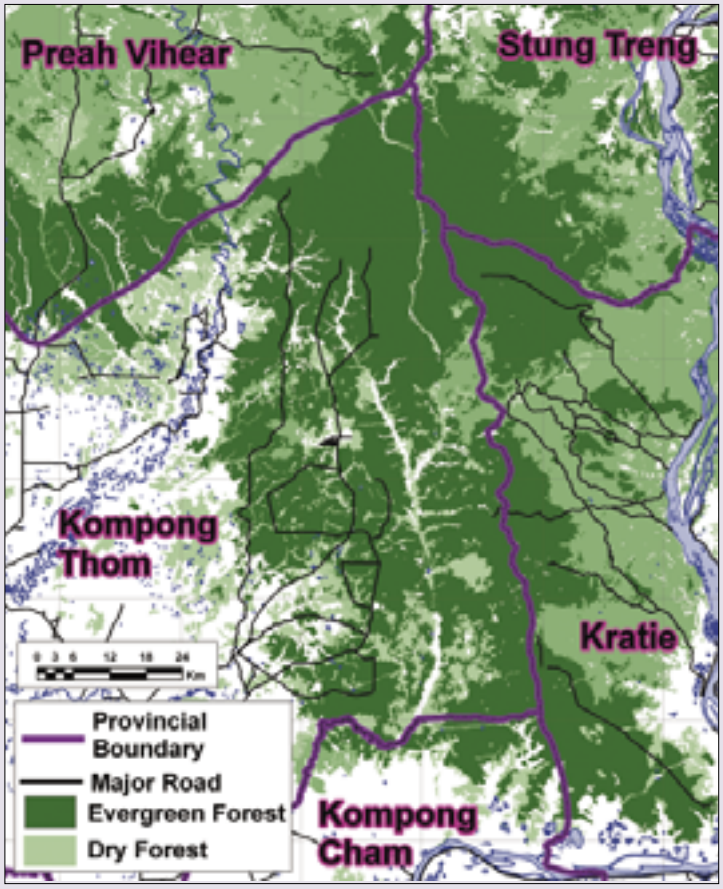


Looking east across Prey Long Forest towards the Mekong River

While the short-term economic gains of more logging in Prey Long are doubtless tempting for Cambodian officials, the costs in terms of biodiversity, livelihoods and watershed management would be severe.[127] Furthermore, the conclusion of the recent Stern Review on the Economics of Climate Change – that any serious attempt to address climate change must include preventing destruction of existing natural forests – underscores an already compelling case for concerted international action to preserve Prey Long and Cambodia's other remaining forest landscapes.[128]



Location of Prey Long Forest, Cambodia



Prey Long Forest



Rare evergreen swamp forest in Prey Long

3.2 The "Benefit of Conversion"

"If this area [Tumring], can contribute to the national economy, and the forest is going to be lost anyway, why should we keep it? We should immediately convert it to this use [rubber] that has high economic effectiveness. This is the benefit of conversion." **Minister of Agriculture, Forestry and Fisheries Chan Sarun addressing the National Assembly, 2002**

To date Tumring has not yet produced any rubber; however it has yielded a huge timber haul through the clear-cutting of thousands of hectares of forest. The initial wave of logging in the months following the plantation's inauguration was carried out by the GAT, Colexim and Mieng Ly Heng concessionaires. As already noted, Seng Keang and Dy Chouch have close links with Mieng Ly Heng which may extend to actual ownership. Operating in a regulatory vacuum, the three companies illegally felled thousands of resin trees belonging to local families.[140]

In May 2002 the government re-instated a log transportation moratorium. The following month it cancelled the two timber concessions held by GAT International. From this point Dy Chouch, Seng Keang and Khun Thong took sole charge of the logging in Tumring. At around the same time they began working under the name Seng Keang Import Export Company.[141]

In October 2002 Chan Sarun's Ministry of Agriculture, Forestry and Fisheries issued a letter conferring "permission, in principle, to collect wood of all classes within the rubber plantation at Tumring, Kompong Thom Province" to Seng Keang Import Export Co. Ltd.[142] To the best of Global Witness' knowledge, the Ministry's decision did not follow an open tendering process and was never publicly announced. This lack of transparency offers little reassurance to a Cambodian public that already perceives MAFF as being very corrupt.[143] In a letter to Deputy Prime Minister Sok An in March 2006, Chan Sarun explained his decision in the following terms:

"Cambodia's tropical forest always contains different types of trees: luxury trees, first-grade trees, second grade trees, third grade trees, and other kinds of tree. Whenever there is clearing of the forest, it is vital to collect these trees for measurement, taxation and use of the timber resources other than burning, which causes a loss to the national budget and affects the natural environment."

Chan Sarun's concern to avoid wasting Tumring's timber is commendable but appears at odds with the argument he makes elsewhere in the same letter that "before issuing the sub-decree to create Tumring Rubber Plantation, we had already set up a committee to conduct prior research, the results of which showed only small amounts of valuable timber in this area."[144]

The Minister's statements on Tumring are at best contradictory and at worst deliberately misleading. By October 2002, Dy Chouch, Seng Keang and Khun Thong had a track record of violations going back several years. Chan Sarun's decision to give the trio a permit offering a cover for continuing their illegal logging appears to place him in breach of Article 100 of Cambodia's Forest Law, which states that "Any activities carried out by local authority officials, the police officers, Royal Armed Forces or other authorities that directly or indirectly allow forest exploitation or other activities contrary to the provisions of this law ... shall be subject to one to five years in prison and fines of ten million to one hundred million riel [US$2,500 to US$25,000]." The Minister's actions also amount to complicity, as defined by the UNTAC (United Nations Transitional Authority in Cambodia) Penal Code. To date, Cambodia's judicial authorities have not investigated the minister's actions with respect to Tumring; however Global Witness believes there are compelling grounds for doing so.

In summary, as Cambodia's logging concessionaires faced up to a period of enforced hibernation that has now lasted more than five years, Dy Chouch, Seng Keang and Khun Thong secured, in rapid succession, one of the country's largest timber processing facilities and a new resource with which to supply it.



Loggers from GAT International carried out the initial wave of forest clearance in Tumring



Seng Keang company representative in Tumring Seng Kok Heang (bottom right) and company guards

3.3 Log Laundering

Seng Keang, Dy Chouch and Khun Thong appointed as their representative in Tumring Seng Keang's brother Seng Kok Heang, an officer in the elite Royal Cambodian Armed Forces Brigade 70.[145] Seng Kok Heang is known as 'Ta Kao Pram' or Mr. 95 – 95 being his number in the numerical sequence of radio call signs used by his entourage. Seng Kok Heang had previously worked for Mieng Ly Heng and made a seamless transition from logging as forest concession management to logging as plantation development.[146]

Tasked with supplying the Kingwood factory, Seng Kok Heang quickly showed himself uninhibited by the perimeters of the poorly demarcated Tumring site.[147] During field investigations in September and October 2003, Global Witness found his loggers cutting over half a kilometre outside the plantation boundaries. Commenting on this illegal expansion of the plantation operation, Chup Rubber Company's on-site representative stated "I don't know ... On the other hand I'm not supposed to know too many things."[148]

Seng Kok Heang's cutting within the plantation boundaries involved the removal of all tree cover. Logging beyond the perimeter however, focused on the most suitable throughputs for the Kingwood plywood mill: *chhoeuteal* (resin tree), *phdiek* and other commercial grade species. Having felled the trees, Seng Kok Heang's crews then moved the logs inside the plantation boundaries where they could be presented as a by-product of the authorised land conversion process.[147] The Tumring formula – officially-sanctioned clear-felling within a valuable forest – provides almost unlimited scope for laundering illegally-logged timber.







Logs classified as 'firewood' in Tumring, 2002

3.4 Firewood Collection

With the rubber plantation project enjoying political support from the highest level, the logging syndicate was able to poach villagers' resin trees and log outside the plantation boundaries with impunity. In the context of a national log transportation moratorium, however, the group adopted a more circumspect approach to moving the timber to the Kingwood factory. Surveillance by Global Witness staff in January 2003 revealed that the factory's log supplies arrived from Tumring only after dark, at an average of 6-7 trucks per night.[147] Thanks to fraudulent permits supplied by the Forest Administration meanwhile, the trucks' 60 m^3 loads of two metre log sections assumed the guise of 'firewood'. In the words of the UN Office of the High Commissioner for Human Rights:

"The Special Representative [UN Secretary General's Special Representative on Human Rights in Cambodia Peter Leuprecht] visited Tumring Commune in July 2003 ... When meeting with local forestry officials, he personally witnessed the transport of five truckloads of large tree trunks, including those of resin trees. When he queried this, he was shown permits for firewood."[139]

The firewood permits offered not only a documentary pretext for the log transports, but also scope for tax evasion. While the royalty rate for the grade II *chhoeuteal* and *phdiek* logs transported from Tumring is US$54 per cubic metre, the corresponding rate for firewood is only US$1. Based on accounts from FA staff in Kompong Thom and Global Witness surveillance of trucks arriving at the Kingwood factory in 2003, it appears that Seng Keang Company transported a minimum of 20,000 m^3 grade II wood out of Tumring in that year alone.[149] This suggests that in 2003 the company should have returned at least US$1,000,000 in royalties to the Cambodian treasury. In 2006, however, Chan Sarun stated that in over three years Seng Keang Company had paid the government total timber royalties of less than US$600,000. The question of how much tax the logging syndicate should have paid is examined in more detail in section 4.6.[144]

Commenting on the logging around Tumring in September 2003, an official in the Kompong Thom provincial forestry department stated that "The Ministry of Agriculture has licensed Mrs Seng Keang to collect cut trees for firewood since late 2002".[150] Meanwhile, Khun Thong's son-in-law, FA Director General Ty Sokhun declared that "There is no log transportation. Some people use wood as firewood. If there are trees cut outside the plantation, we will crack down on it. There is no log exploitation business. There could be some clearing for farms." He denied ever having heard of Seng Keang or Dy Chouch.[150]

Writing in a letter to the international donor Working Group on Natural Resource Management in the same month, Khun Thong's brother-in-law Chan Sarun asserted that "Up to date, as per the timber transport, MAFF continues implementing moratorium of the exploitation ban and effective logs transport."[151] Seng Keang's staff informed associates in 2004 that the group was continuing to receive firewood permits from the Forest Administration.[98]



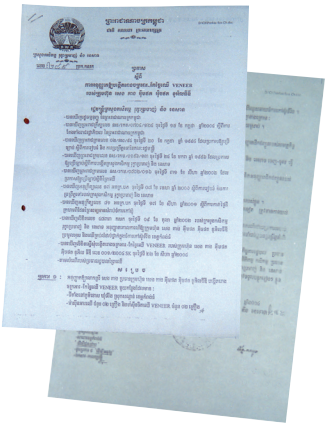
Converting tree trunks into 'firewood'



'Firewood' on the move

3.5 Further Benefits

In September 2004, a few weeks after the formation of a new CPP-led government and his reappointment as Minister of MAFF, Chan Sarun issued a *prakas* authorising Seng Keang Company to establish a factory in Khaos village in Tumring for milling wood and processing veneer.[152] This *prakas* contravenes the 1999 Sub-decree on Measures Restricting Certain Investment Sectors, which prohibits further investment in the processing of round logs.[153] It also violates the 2002 Forest Law, Article 30 of which states that no processing facility may be established within five kilometres of the permanent forest reserve. The Forest Law adds that "The Ministry of Agriculture, Forestry and Fisheries may grant an exemption to (these) prohibitions if a study by the Forest Administration can demonstrate that the benefit of such an exception would not cause harm or have only minor social and environmental impacts". Chan Sarun's *prakas* makes no reference to any such study and FA officials based in Tumring informed Global Witness in 2005 that none had been conducted.[154]



***Prakas* signed by Chan Sarun authorising Seng Keang Company to construct a timber processing plant in Khaos village**

A credible Environmental and Social Impact Assessment would certainly have highlighted destructive and illegal logging by the Seng Keang Company. In any case, by mid 2004 Tumring had already attracted considerable attention for the environmental damage, loss of household income, destruction of spirit forests and intimidation being visited upon its population. Global Witness, other NGOs and journalists, not to mention local inhabitants themselves, had presented the authorities with ample evidence of what was occurring.[155] Assuming that Chan Sarun was exercising his ministerial duties competently, he would have been fully aware of this information. In all likelihood, he simply chose to ignore it.

In 2006, the Minister defended his decision to issue the *prakas* in the following terms:

"Our authorisation of the Seng Keang Company to create a sawmill in Tumring is in accordance with the Forest Law as it [the sawmill] is not within the forest boundaries but in the middle of the development zone of Tumring Rubber Plantation."[144]

This argument is unconvincing, as the plantation site is bounded on all sides by Prey Long and the Seng Keang Company sawmill site is less than a kilometre from the forest that forms the plantation's eastern perimeter.

Chan Sarun's authorisation raises further questions as to how he reconciles his conflicting arguments on Tumring and who is receiving the "benefit of conversion". The Minister has claimed that there was little valuable timber in Tumring, yet he chose to authorise construction of a sawn wood and veneer factory operating no less than four production lines. Where did he expect that the Seng Keang Company would source its timber from?

Chan Sarun again appears to have breached Article 100 of the Forest Law. Yet, while almost certainly illegal, the Minister's actions are entirely in keeping with a political culture in which public office is perceived as a licence to circumvent the law rather than a responsibility to enforce it.

In the final quarter of 2004, Seng Keang Company proceeded with the construction of a milling and veneer manufacturing plant equipped with new machinery imported from China.[156] Its opening ceremony was graced by high-ranking officials from Phnom Penh.[157] Seng Kok Heang took charge of managing the factory and by the end of 2004 it was processing large numbers of villagers' resin trees cut outside the plantation boundaries.[158]



Seng Keang Company sawmill and veneer-processing plant in Khaos village, November 2005

3.6 Old logs and Donor Amnesia

In late 2004 Dy Chouch, Seng Keang and Khun Thong's operations received an additional boost when the temporary lifting of the log transportation moratorium allowed them to use logs left in Tumring Rubber Plantation by the logging concessionaire Colexim Enterprise. Colexim Enterprise had taken a leading role in the early months of the clearing operation in Tumring and, according to its own records, "collected" 3,355 logs.[159] Following the introduction of the moratorium, 2,812 of these logs remained stranded beside the road running through the plantation. Global Witness inspections of these logs revealed that at least 50% had resin-tapping holes, suggesting that the company had cut them illegally.[160]

Collection of old logs is well-established as a cover for illegal logging operations in Cambodia and Hun Sen banned the practice in 1999. Unperturbed, Colexim lobbied persistently for permission to transport the logs from Tumring to its factory on National Route 5.[161] In 2003 the company submitted a formal proposal to the government with the tacit encouragement of the World Bank.[162] Meanwhile, Chan Sarun solicited support from the international donor Working Group on Natural Resource Management (WGNRM) for lifting the log transportation moratorium. The WGNRM responded with two letters to the minister which noted that:

"The proposed log transport cannot be separated from the origin of the logs. Our understanding of the development of the Tumring Rubber Plantation is very troubling ... communities have been displaced and lost their established livelihoods ... Our critical concern is that any authorised log movement should not create an opportunity for transport of new illegal logging [sic] or transport of illegally felled timber. It was for this reason that the Working Group urged in 2002 ... the present suspension of log transport."[163]

"We also see the environmental aspects (erosion) as well as the social issues of the Tumring project as closely linked with the wisdom of advancing on the controlled transport and sale of logs from the project site. Even with the clarifications you provide, we still can not endorse the movement of these logs."[164]

However, when Chan Sarun pushed for a resumption of log transportation at the December 2004 Consultative Group meeting, the donors decided to give the proposal their support. In the interim nothing had changed, beyond a deterioration of the situation in Tumring as Seng Keang Company's operations expanded and more resin-tappers lost their trees. In January 2005 concessionaires began moving stockpiles of logs; many of them illegally-felled resin trees. Donor endorsement became Chan Sarun's main justification for ending the log transportation moratorium.[144]

Along with Colexim, one of the main beneficiaries was Seng Keang Company which, by the time timber transports resumed in January 2005, had bought more than a thousand of the logs in Tumring for US$216,397.[165] The syndicate proceeded to take these logs to the Kingwood factory by truck before re-loading them onto barges and selling them to sawmills further down the Mekong River.[166]

Donor representatives who had previously expressed concern about the proposed log transportation from Tumring raised no further questions about the origin of the logs or the wisdom of allowing dubious companies to profit from illegal activities. Neither did Swiss firm SGS, which had taken over as the official monitor of government efforts to tackle forest crime following the removal of Global Witness. SGS informed Global Witness in February 2007 that it "was not asked to investigate or provide any opinion regarding the origin of these logs which were harvested well before the start of the SGS contract. SGS was advised by the donor group that they had approved the transportation exercise on condition that it was supervised to try and ensure that no fresh or additional logs could enter the supply chain."[167]



Old logs were taken from Tumring and stored in the Kingwood factory compound, February 2005



The same logs were loaded onto barges at the Kingwood factory and sold to sawmills further down the Mekong River, including Khun Thong's sawmill on Route 2 (featured above). (Inset) Seng Keang Company branding on the logs

4. Anatomy of an Illegal Logging Operation

Thanks to the rubber plantation project and the permits that Chan Sarun provided, Dy Chouch, Seng Keang and Khun Thong managed to establish themselves in the heart of Prey Long, Cambodia's most valuable forest resource. It is unlikely that they could have selected a more suitable location for their activities and Tumring duly became the centre of the largest illegal logging operation in Cambodia. This section summarises the findings of Global Witness investigations into this operation's main components.

4.1 Processing Capacity

From the time of the new factory's establishment in Khaos village in Tumring in late 2004, the logging syndicate reduced its transportation of logs to the Kingwood factory in Kandal Province. Instead, it began processing logs into veneer sheets at a range of sites, before transporting them to the factory for assembly into plywood.[156] This may have reflected a preference for a less conspicuous alternative to the illegal log transports repeatedly exposed by Global Witness, the UN and others. At the same time the syndicate began placing a greater emphasis on processing and trading sawn timber.[190]

While the new factory in Khaos became the centre for these processing activities, the syndicate also made use of additional sites in Kompong Thom and Kompong Cham provinces. In Kompong Thom these included a sawmill near Kompong Thmor which local inhabitants claim Dy Chouch bought for around US$10,000 in early 2005.[168]

The logging syndicate may also have acquired ownership of the El Dara factory nearby. People interviewed at the El Dara site in May 2005 stated that Dy Chouch had taken it over in March that year. El Dara workers informed Global Witness that they were producing veneer for use at the Kingwood plant.[169] Aerial surveys of the site in November 2005 and September 2006 revealed that the factory was continuing to process logs into veneer sheet.



Sawmill near Kompong Thmor reportedly purchased by Dy Chouch, November 2005



El Dara plywood factory, March 2004

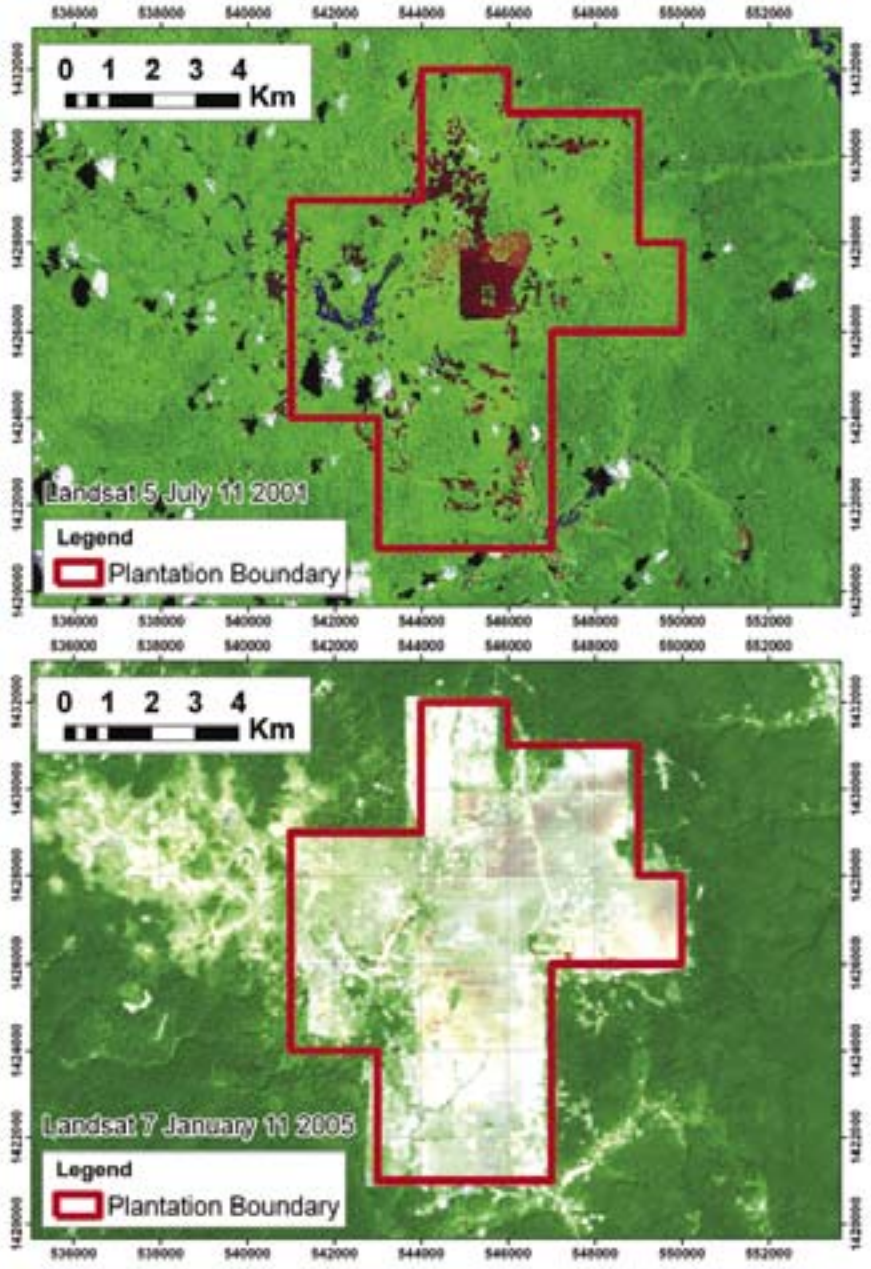
In Kompong Cham, the syndicate commissioned the processing of logs into veneer at a mill in Chamkar Andoung District known as Factory Number II. Workers at Factory Number II informed Global Witness in May 2004 that they were processing timber from natural forests into veneer sheet for plywood manufacture at Kingwood.[169]

Close to the Kingwood factory itself, Global Witness found the group using an additional two sites for aspects of the plywood production process.[170]

Khun Thong's own sawmill on Route 2, meanwhile, remained fully active. Investigators visiting the site in April 2005 found it processing approximately 100 m^3 of *beng* (luxury grade, protected species), *chhoeuteal* (resin tree wood) and *phdiek*. All this timber had been transferred from the Kingwood factory via the Mekong and Bassac rivers. The following month investigators observed a Forest Administration official arriving at the sawmill with a large military style truck loaded with luxury and grade I timber. The wood had been illegally logged in Pursat Province.[171]

4.2 Feeding the Factories

Satellite imagery shows that by January 2005 the forest resource within Tumring Rubber Plantation was all but exhausted. Interviews with loggers, officials and local inhabitants, together with surveillance of cutting sites and truck movements, indicate that from late 2004, if not before, logging by the Seng Keang Company focused primarily on forests outside the plantation boundaries.[172] Throughout 2005, Global Witness investigators found evidence of Seng Kok Heang's loggers operating across Sandan and Santuk districts; in other words areas of Prey Long falling within the Colexim, GAT, Mieng Ly Heng and Pheapimex-Fuchan concessions. (Colexim, its track record and its links with the Seng Keang Company are profiled in Box 7.)



Comparison of forest cover in and around Tumring as seen from satellite in 2001 and 2005. The top left hand side of the 2005 satellite image shows deforestation outside the rubber plantation boundaries

As with the Kingwood plant, the Seng Keang Company factory in Khaos processed primarily *chhoeuteal* (resin trees), *phdiek* and other commercial grade species suitable for veneer and construction timber.[173] It also functioned as a depot for timber that loggers had already cut into planks or *may tap* (square logs) in the forest using chainsaws. This sawn wood included not only commercial grade timber, but also luxury species such as *beng*, *neang nuon* and *thnong*. In early 2005 much of this luxury wood was coming from the forest around Phnom Chi in the Pheapimex-Fuchan concession east of Tumring.[168]

Global Witness also uncovered evidence of the logging syndicate casting its net beyond Kompong Thom Province in its efforts to maintain supply to its processing facilities. In May 2004 investigators discovered a large-scale logging operation inside the Timas Resources forest concession at the southern edge of Prey Long in Kompong Cham Province. The loggers said that they were working for Military Region II officers Sath Chantha[188] and Uy Kear[189] and that they were cutting to order for the Kingwood factory.[190] More than two years into a moratorium on cutting in logging concessions, these activities were clearly illegal.

Box 7: Colexim – Cambodia's Model Concession Company

"The most valuable point is we will be able to be the Model Company ... Colexim can be a best sample company for all concession companies in Cambodia, and then we hope they will try their best to follow Colexim."[161] **Extract from a petition sent by Colexim to the Minister of Agriculture, Forestry and Fisheries, Chan Sarun in December, 2003**

Colexim controls a 147,187 ha logging concession covering western areas of Prey Long. The company's owners are a Japanese firm called Okada, a Cambodian tycoon named Oknha So Sovann[174] and the Cambodian government.[175] Colexim has a well-documented record of illegal logging and violence against local residents.[176] In 1997 one of its security guards murdered a resin tapper who tried to stop Colexim cutting down villagers' resin trees.[177]

Global Witness investigations during 2003 and 2004 found that illegal felling and fires had destroyed at least 1,000 ha of forest around Colexim's Camp 99 logging base in Meanrith Commune. Agricultural businesses were buying the land and planting it with soybean and other crops. Local inhabitants accused Colexim subcontractors Cheng Savath[178] and Svay Savath[179] of orchestrating the logging and land sales with the collusion of FA and commune officials.[180]

In June 2005, consultants hired by the World Bank to conduct a review of concessionaires' sustainable forest management plans and environmental and social impact assessments conducted an aerial survey of the same area and made the following observation:

"Land grabbing, forest conversion: virtually all forests, which have been harvested by (Colexim) from 1996 to 2000 (some 18,800 ha) are now either irreversibly disturbed, encroached, largely converted already or about to be cleared."[181]

It is inconceivable that Colexim is not aware of this destruction. If the company is not directly responsible, its negligence alone would be sufficient grounds for cancelling its concession contract.

During 2005 and 2006, Global Witness conducted renewed investigations into illegal logging in the Colexim concession. Local people provided detailed accounts of illegal cutting of resin trees, which they claimed was orchestrated by Colexim subcontractors Svay Savath, Neak Sok Nai[182] and Ngin Vanthai,[183] together with Seng Kok Heang.[184] They claimed that, once cut, the logs were being transported from the concession to the Seng Keang Company factory in Tumring.[184] Staff at the El Dara plywood mill near Kompong Thmor informed Global Witness in September 2005 that they had also been sourcing logs from Colexim's Camp 99.[185]

Global Witness conducted an aerial survey of the Camp 99 area in September 2006, and found that what had once been a small clearing in the forest had sprawled to denuded plain of around 5,000-6,000 ha.[186]

In December 2006 Global Witness obtained an internal MAFF memo written for Chan Sarun that concerns debts owed by Colexim to a Cambodian bank and other creditors. This memo refers to a plan by CPP senator and tycoon Ly Yong Phat to buy some of Colexim's land.[187] In February 2007 Global Witness wrote to Ly Yong Phat to ask him if the land concerned was part of Colexim's logging concession in Prey Long. At the time of this report's publication, Ly Yong Phat had not replied.



Burning the forest – Colexim concession, March 2003

4.3 The Suppliers

"In response to the claim of large-scale illegal logging 5-10 kilometres outside the rubber plantation area: in this case, according to the local Forest Administration, which fights forest crime, small-scale violations (secret cutting, wood-sawing and transportation by ox cart or horse cart) may sometimes arise in the forest area. These violations are carried out by the people living in and adjacent to the forest to support their livelihoods, especially during drought and in order to use timber products for necessary local public construction. Meanwhile, competent officials from the local Forest Administration have strengthened law enforcement to prevent and continuously combat forest crimes."

MAFF Minister Chan Sarun, 2006

The suppliers of timber to the Seng Keang Company operation in Tumring comprised three main groups:

1. A small group of salaried employees working for Seng Kok Heang who supervised logging operations. Each of these staff received basic pay of up to US$220 per month.[191]
2. Full-time logging crews paid US$15-US$25 for each cubic metre cut. Seng Kok Heang provided these workers with equipment and protection and sent his own vehicles to collect the logs from the cutting sites. In 2005 he was using around five bush trucks for this purpose.[191]
3. Timber traders supplying the factory on a freelance basis. These traders took responsibility for finding their own equipment and paying off corrupt officials. They could not necessarily count on Seng Kok Heang's support if they encountered difficulties. On the other hand, Seng Keang Company paid them more per cubic metre of processed timber delivered to the factory. In 2005 Seng Kok Heang paid such suppliers around US$150 per cubic metre of grade I timber and US$75-US$100 for grade II. These timber traders typically used either small Korean trucks or hired ox carts (each able to carry 1-1.25 m^3) to transport wood to the factory.[191]

Labourers working for the timber traders sat at the bottom of this pecking order. Most came as migrant workers from other areas, sometimes living in the forest for weeks at a time during logging operations. Loggers interviewed by Global Witness in November 2005 stated that their employer, a military policeman supplying Seng Kok Heang, paid them US$30-US$50 each per month depending on the volume of wood they had cut and processed.[192]

The exact number of people and machines involved is hard to estimate; however in mid 2005 a resident of Tumring with close connections to the Seng Keang Company informed Global Witness that there were 52 chainsaws in Tumring Commune alone.[193] In the same year community forestry activists recorded 131 chainsaws and 12 mobile sawmills across all communes of Sandan District.[194]



Cutting a resin tree into planks several kilometres south of the Tumring Rubber Plantation boundaries, October 2003. (Inset) Logger's order book at cutting site outside the plantation boundaries, November 2005

4.4 Transportation

A Seng Keang Company employee describing himself as the firm's transportation manager informed Global Witness in November 2005 that the company was using a fleet of five trucks and transporting 3-4 truckloads of timber out of Tumring each day.[195] This statement tallies with Global Witness' own observations of activity around the Seng Keang sawmill in Tumring.

Many of the trucks used by Seng Keang Company belonged to Brigade 70, the elite military unit in which Seng Kok Heang is an officer.[196] Brigade 70's timber transportation service is a nationwide operation which is described in detail in Chapter IV. Its 10-wheeled military green trucks typically bear Royal Cambodian Armed Forces licence plates and some display a '70' plaque against the windscreen. Global Witness investigators have tracked these trucks from Prey Long to the Kingwood factory and have gathered accounts of the unit's collaboration with Seng Keang Company from Brigade 70 soldiers, timber traders and local people.[197]







Toyota escort and truck resembling those used by Brigade 70 transporting logs from Tumring to the Kingwood factory by night, 2005

4.5 The Markets

Seng Keang Company supplies some of the commercial and luxury grade wood that it illegally logs in Prey Long to Cambodia's domestic market. Global Witness has gathered information from various sources suggesting that a significant proportion may be consumed outside the country however:

- Supplies of logs from Prey Long have enabled continued industrial-scale production of plywood at the Kingwood factory. As outlined in Box 8, there are strong indications that much of this product is being exported to China.
- As detailed in Chapter IV, Brigade 70 is heavily implicated in the trafficking of timber to Vietnam.[198] The unit may well have been transporting wood logged by Seng Keang Company in Prey Long across Cambodia's eastern border.
- Well-placed sources have informed Global Witness that Dy Chouch is involved in the illegal export of luxury grade timber in shipping containers via ports on Cambodia's south coast.[199] Global Witness wrote to Dy Chouch in February 2007 to ask for his comment on this allegation but has not received a reply.



The Seng Keang Company has supplied luxury-grade timber, such as the *thnong* trees pictured above, to Cambodia's domestic market and abroad

Box 8: Cambodia's Invisible Timber Exports

After the 2002 moratoria on logging in concessions and transporting logs, the Kingwood factory was the only one that continued to operate.

From 2001 Kingwood's factory started making a new type of plywood using a mix of timber from natural forest and wood from old rubber trees grown in plantations.[200] This production line continued following the company's takeover in August 2002 by Dy Chouch, Seng Keang and Khun Thong.[201] From 2004 the Seng Keang Company also began manufacturing veneer sheets at various sites around Prey Long and transporting them to the Kingwood factory for assembly into finished plywood.

Investigations by Global Witness between 2002 and 2006 found that the Seng Keang Company was the only firm in Cambodia manufacturing plywood or veneer on an industrial scale. The company also became a leading producer of sawn timber over the same period.

The government promoted exports of Kingwood-manufactured plywood ...

In April 2004, the Ministry of Agriculture, Forestry and Fisheries staged a trade exhibition to promote the export of Cambodian products. The exhibits included samples of three different types of plywood, all of which carried the label "made from rubber wood". In separate interviews, two MAFF officials informed Global Witness that this plywood came from "Hun Chouch's factory in Muk Kampoul District on Route 6", i.e. the Kingwood plant. One of the MAFF officials stated that plywood was made from 100% rubber wood, while the other described it as a rubber wood-timber mix.[202] Certainly, the grain and texture of the veneer used in the plywood samples resembled that of commercial grade timber rather than rubber tree wood.



Sralao tree

... but no exports of plywood and sawn wood were recorded in official government statistics.

Following the moratorium on logging in concessions from 2002, official Cambodian government figures suggest that timber exports nose-dived. Statistics published by the Forest Administration show no plywood exports in the years 2003 and 2004.[203] The trade in sawn wood appears to have stopped earlier, with no exports recorded between 2000 and 2004.[203] The Cambodian government has not published any timber export statistics for the years 2005 and 2006. Global Witness has written to the Forest Administration to request these sets of figures but has not received a reply.

However imports of Cambodian timber products continued to be registered by other countries ...

International trade figures paint a rather different picture of Cambodian timber exports.[204] These figures show that, between 2003 and the end of 2006, China imported from Cambodia a total of approximately 28,000 m^3 of plywood worth US$16 million. They also show that, from 2003 to 2005, Cambodia exported plywood in much smaller quantities to Australia, Singapore, Taiwan and elsewhere.

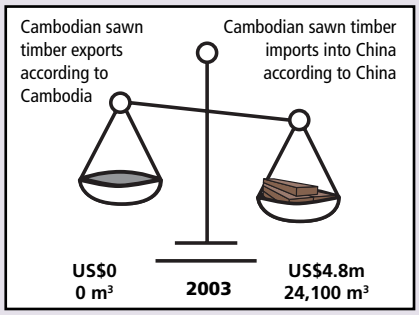
Figures for sawn wood are much higher – 150,000 m^3 exported from Cambodia to China between 2003 and 2007 at an approximate import value of US$34 million.[204]

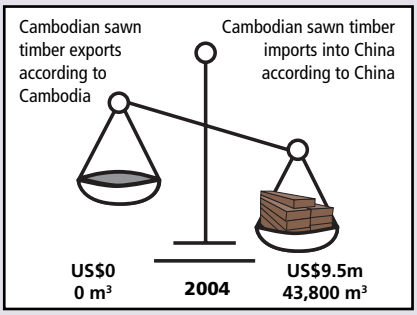
... with worrying implications for the Cambodian treasury.

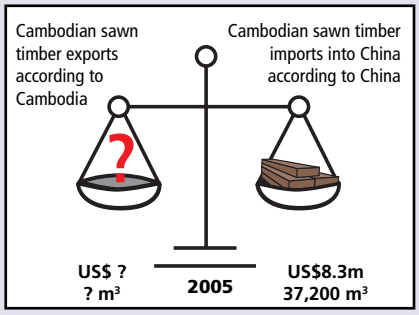
Both plywood and sawn timber exports from Cambodia are taxed at 10% of their value and the total loss to the Cambodian government on untaxed plywood shipments to China between 2003 and 2006 may have amounted to US$1.5 million.[205] Losses on unregistered sawn timber appear to be double that figure.

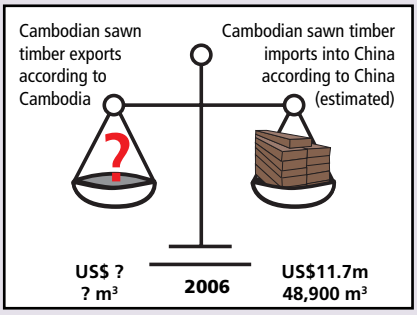
Global Witness is unable to say with certainty what percentage of these exports involved the Seng Keang Company. However, as the only known industrial-scale producer of plywood and veneer active in Cambodia at the time, it is highly likely that the firm played a significant role in the multi-million dollar trade in plywood. As perhaps the largest sawmill operator in the country, there is a strong possibility that it accounted for a sizeable share of the sawn wood trade as well.

a) Sawn wood

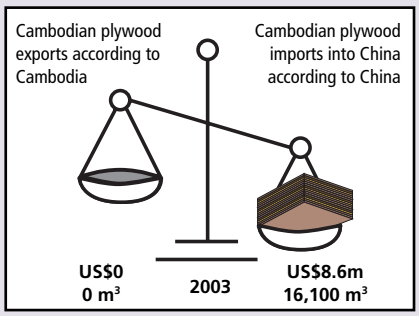


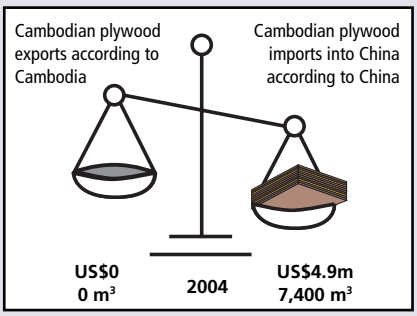


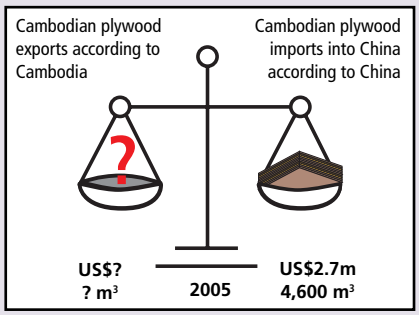


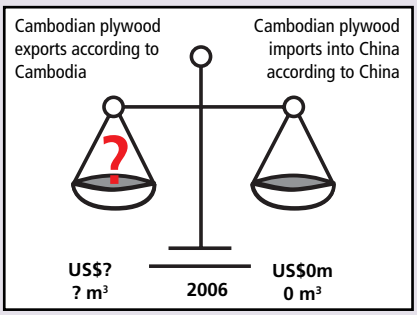


b) Plywood





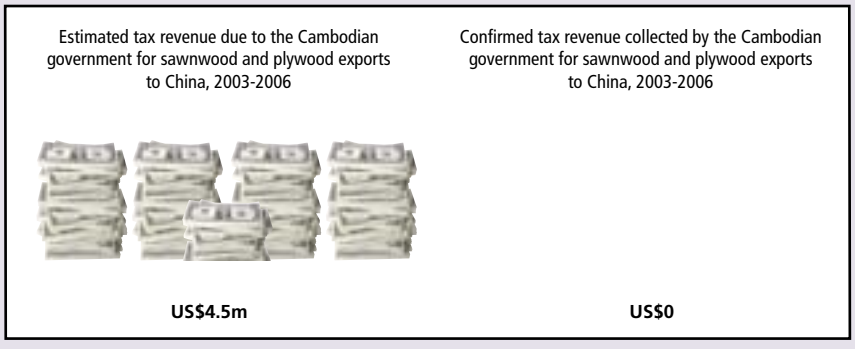






Dipterocarp tree

c) Estimated lost tax revenue for the Cambodian government: 2003 - 2006



Note 1: the products shown in this figure account for the overwhelming majority of China's declared timber imports from Cambodia
Note 2: 2006 data are estimated here by multiplying the sum for the first eleven months of 2006 by 12/11
Note 3: Sawn wood commodity was calculated using HS Codes for sawn wood and for sawn wood n.e.s. (not elsewhere specified). Sawn wood n.e.s describes non-coniferous wood and could include tropical sawn wood
Note 4: Based on other bilateral trade flows, it is reasonable to assume that the unit value of timber in Cambodia would be approximately 10% less than the value of the same timber in China. The tax revenue due to the Cambodian government has been estimated using the conservative figure of 90% of the import values declared in China

4.6 Outputs and Financial Returns

Because of the illegal nature of Seng Keang Company's activities, there are no credible official statistics on the amount of timber the firm has cut in Prey Long. Global Witness has, however, compiled data on the group's operation that permit estimates of output covering the period since it established its factory in Khaos village at the end of 2004.

What volumes of timber have the Seng Keang Company processed at its factory in Tumring?

People living beside the road leading out of Tumring whom Global Witness interviewed in 2005 and 2006, stated that over a 24 hour period they usually saw or heard two to three loaded trucks leaving the plantation.[184] Seng Keang Company's transportation manager informed Global Witness in November 2005 that it was transporting on average three to four truckloads of sawn timber each day.[195] Each of the Seng Keang Company vehicles carried at least 60 m^3 of processed wood.[156]

These estimates of between two and four truckloads of timber per day correspond with Global Witness' observations of truck movements over the same period. Assuming that the company was using an average of three trucks per day, this would suggest output of 180 m^3 of sawn timber per day, 4,680 m^3 per month and over 56,000 m^3 per year.[vi]

What does this equate to in terms of volumes of logs consumed?

A standard international conversion rate for round wood (logs) processed into sawn timber is 1.8; in other words it takes 1.8 m^3 of logs to produce one cubic metre of sawn timber.[206] In reality, significant amounts of the Seng Keang Company's timber were processed in the forest using chainsaws and therefore converted much less efficiently. Using the 1.8 conversion rate, however, one can conservatively estimate the syndicate's consumption of logs as approximately 324 m^3 of round wood per day; 8,424 m^3 per month and over 100,000 m^3 per year.[vi]

It is worth noting that such volumes are far in excess of what logging concessionaires were permitted to cut. Dy Chouch, Seng Keang and Khun Thong's erstwhile employers Kingwood, for example, were entitled to harvest a maximum of 35,000 m^3 per year.[80]

In March 2006 Chan Sarun offered MAFF's assessment of Seng Keang Company's logging activities in the area:

"Up to late 2005, Seng Keang Company collected forest and by-products from the cleared Tumring Rubber Plantation to a total amount of 12,204.696 m^3 of round and mixed types of logs and 2,023 stere[vii] of saplings and firewood."[144]

While admirably precise, these figures are extremely low, bearing in mind that Seng Keang Company officially commenced operations in Tumring in October 2002. Chan Sarun's calculation of the total log volume the company extracted in over three years is equivalent to the amount of logs that its factory in Tumring was processing every 38 working days.



Workers loading timber inside the Seng Keang Company factory, September 2005

[vi] Based on 52 six day working weeks in a year.
[vii] A stere is a unit used to measure volumes of stacked timber and equates to one cubic metre.

What were the financial returns to Seng Keang Company and the state?

Global Witness has gathered a range of data about the costs to the Seng Keang Company of logging, transporting timber, paying workers and bribing officials, but has no figure for the syndicate's overall outgoings and profit margin. Nonetheless it is clear that the returns on its logging and timber processing operation have been considerable. Calculated at the 2006 Phnom Penh price for sawn grade II wood of US$235 per cubic metre, Seng Keang Company's yearly output of processed timber from Tumring would be worth over US$13 million.[207]

This figure does not account for the substantial quantities of logs the Seng Keang Company was converting into veneer and plywood, which is worth more than sawn wood. It also ignores the more valuable grade I and luxury woods the syndicate cut and sold, as well as the higher returns it would have received on any timber products it exported.

According to Chan Sarun, between the point at which it officially commenced operations in Tumring and the end of 2005, "the [Seng Keang] Company also paid US$594,987.92 and 8,496,600 riel in taxes to the state"; in other words just short of US$600,000.[144] In a sense questions regarding the amount Seng Keang Company paid in taxes are academic, given that the vast numbers of trees it cut illegally should not have been felled in the first place. Nevertheless, it is indicative of the overall loss to Cambodia, if only in financial terms, when one considers that taxing the syndicate's 100,000 m^3 annual round log consumption at the royalty levels applied to grade II wood – US$54 per cubic metre – would have netted the treasury US$5.4 million per year.

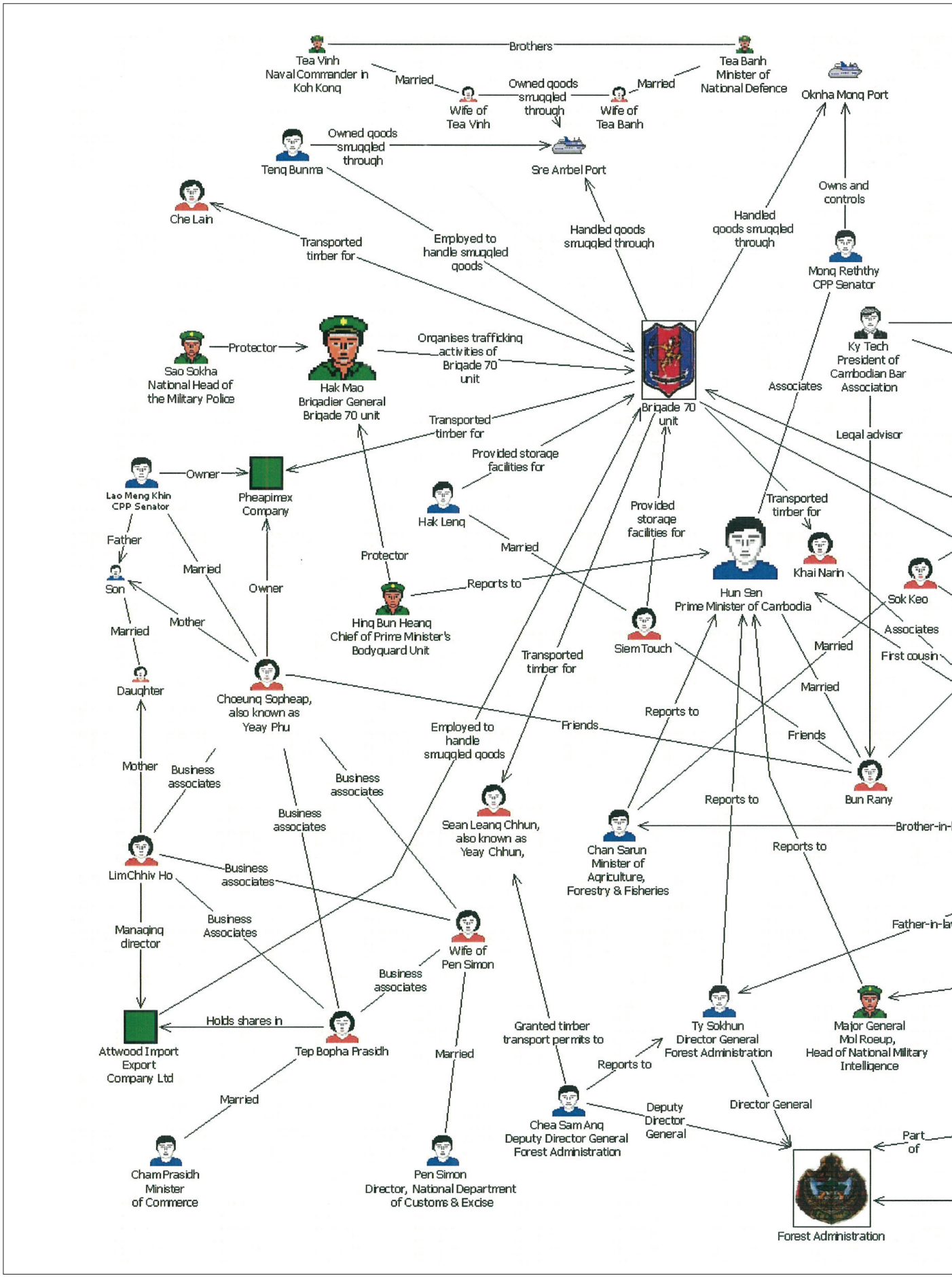


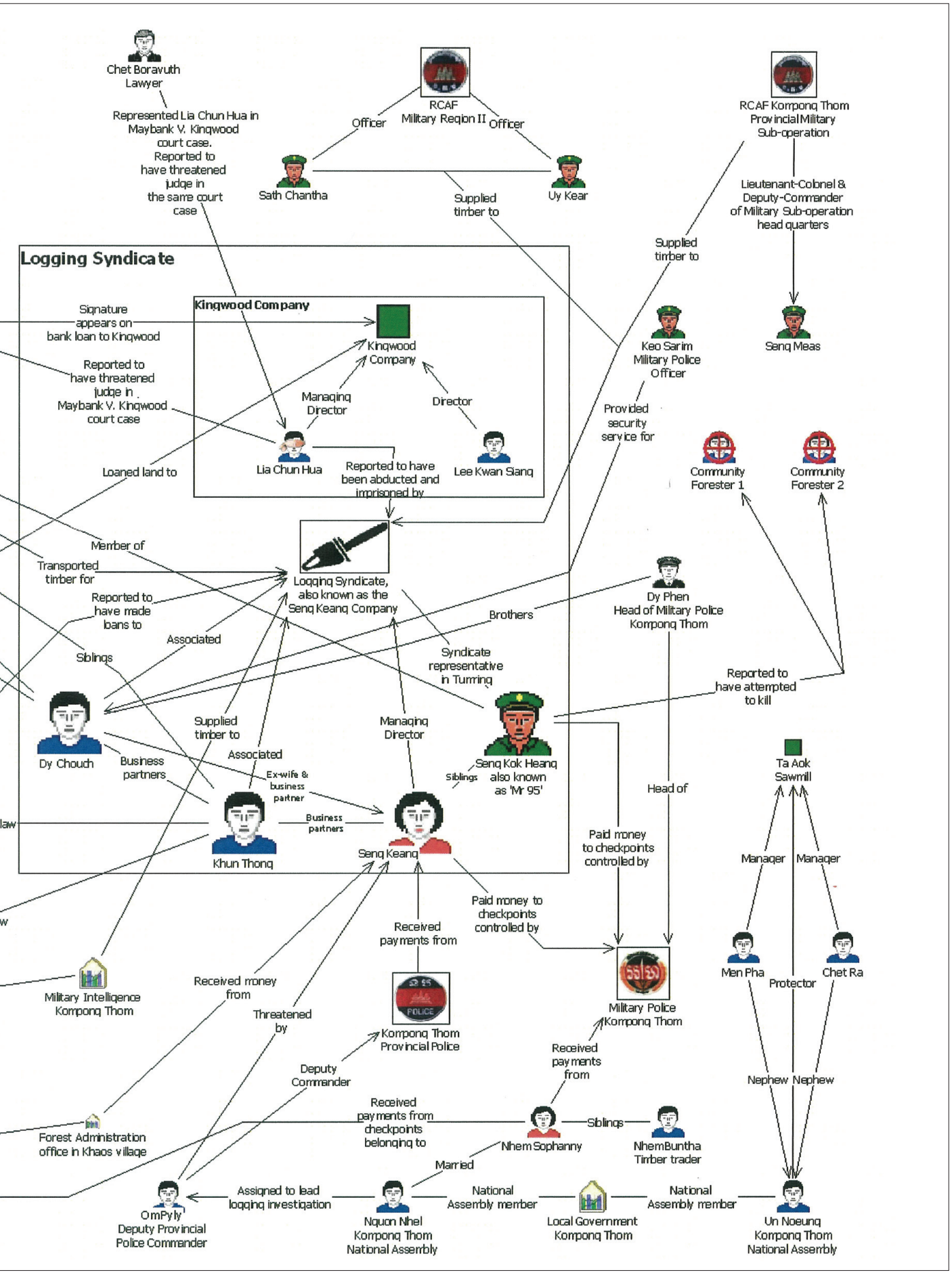
Truck loading up next to Seng Keang Company compound, March 2006



Seng Keang Company log stockpiles in Khaos village, November 2005

Forest Destruction and Institutional Corruption in Cambodia




Chet Boravuth
Lawyer
Represented Lia Chun Hua in Maybank V. Kingwood court case. Reported to have threatened judge in the same court case
RCAF
Military Region II
Officer
Officer
Sath Chantha
Uy Kear
Supplied timber to
RCAF Kompong Thom Provincial Military Sub-operation
Lieutenant-Colonel & Deputy-Commander of Military Sub-operation head quarters
Supplied timber to
Logging Syndicate
Kingwood Company
Signature appears on bank loan to Kingwood
Kingwood Company
Reported to have threatened judge in Maybank V. Kingwood court case
Managing Director
Director
Keo Sarim
Military Police Officer
Seng Meas
Provided security service for
Lia Chun Hua
Lee Kwan Siang
Loaned land to
Reported to have been abducted and imprisoned by
Community Forester 1
Community Forester 2
Member of
Transported timber for
Logging Syndicate, also known as the Seng Keang Company
Dy Phen
Head of Military Police Kompong Thom
Brothers
Reported to have made loans to
Associated
Siblings
Syndicate representative in Turning
Reported to have attempted to kill
Dy Chouch
Business partners
Supplied timber to
Associated
Managing Director
Seng Kok Heang
also known as 'Mr 95'
Siblings
Ta Aok Sawmill
Ex-wife & business partner
Business partners
Head of
Khun Thong
Seng Keang
Paid money to checkpoints controlled by
Manager
Manager
Paid money to checkpoints controlled by
Received payments from
Men Pha
Chet Ra
Protector
Military Intelligence Kompong Thom
Received money from
Threatened by
Kompong Thom Provincial Police
Military Police Kompong Thom
Deputy Commander
Received payments from
Nephew
Nephew
Forest Administration office in Khaos village
Received payments from checkpoints belonging to
Nhem Sophanny
Siblings
Nhem Buntha
Timber trader
Married
Assigned to lead logging investigation
National Assembly member
National Assembly member
OmPyly
Deputy Provincial Police Commander
Nguon Nhel
Kompong Thom
National Assembly
Local Government
Kompong Thom
Un Noeung
Kompong Thom
National Assembly

5. A Rural Gangland

The Seng Keang Company's representative in Tumring, Seng Kok Heang, used a combination of familial connections, bribery, threats and acts of violence to establish a personal fiefdom in the area. Local people interviewed by Global Witness invariably knew him as "Hun Sen's relative" and saw this connection with the prime minister as a source of great power.[184] Police and military police provided accounts of him buying influence through monthly payments to officials.[208] In addition, Seng Kok Heang employed a group of twenty to thirty armed men, several of them drawn from the ranks of the Royal Cambodian Armed Forces.[209] This private militia helped him to keep tabs on local opponents and outsiders visiting Tumring.[210]

5.1 Resin Tree Theft

Interviews with loggers and visits to cutting sites in Prey Long suggest that resin-producing *chhoeuteal* trees accounted for at least 50% of the wood processed in the Seng Keang Company factory in Khaos village.[211]

Having exhausted the supply of resin trees and other timber within the plantation, Seng Kok Heang focused on the surrounding forests. At the end of 2005, Global Witness found teams of his loggers cutting up to eight kilometres from the plantation perimeter. As a result, resin tappers continued to lose their trees and the income these provided.[212] Resin tappers in Tum Ar village on the edge of the plantation, told Global Witness in 2006 that in the past all of the 100 families living there had owned 200-300 resin trees each. Now only 5-6 families had any trees left at all.[213] In Rumchek village in Sokchet Commune villagers reported losing 800 resin trees to Seng Kok Heang's loggers in mid 2005 alone.[168]

According to resin tappers, Seng Keang Company would sometimes pay them compensation for cutting their trees. The sums involved were derisory however, – US$1.25-US$12.5 for a tree whose timber might sell for as much as US$1,000 in Phnom Penh.[214] Seng Kok Heang and those working for him offered these payments on a 'take it or leave it' basis. As one villager put it: "Mr. 95 [Seng Kok Heang] is the most powerful because he threatens the resin tappers, saying to them 'I will cut your trees, whether you sell them to me or not' ... only Mr. 95 would dare to say this."[215]



Soldiers outside the Seng Keang Company compound in Khaos, November 2005

5.2 Dealing with Dissent

From the early stages of the Tumring plantation project, local people trying to protect the forest met with threats from the loggers. A report on plantations published in November 2004 by the UN Office of the High Commissioner for Human Rights made a clear link between this intimidation and the presence in Tumring of Seng Kok Heang, alias Mr. 95.

"A man who goes by the name of 'Ta Kao Pram' [meaning 95 in Khmer; his radio call sign is 95] heads the security guards of Mieng Ly Heng Company, and has a particularly brutal reputation. He is the brother of Seng Keang, the director of Seng Keang Company, the main subcontractor of Mieng Ly Heng. In Roniem village, people reported that they have been frequently threatened with death for their attempts to block illegal logging and illegal transport."[139]

Persistent intimidation of this sort gave way to outright violence on 10 July 2005, when Seng Kok Heang is reported to have tried to kill two local men who had played a leading role in protecting villagers' resin trees.



Resin tapper standing in front of one of his trees which was cut illegally by loggers supplying Seng Keang Company, March 2006

Global Witness interviewed eyewitnesses to the attacks on the two men the day after they occurred and conducted follow-up investigations in Tumring in September and November 2005. The UN Office of the High Commissioner for Human Rights investigated the case from July to October 2005. Two other NGOs also went to Tumring to gather information about what happened. The description of events in Box 9 is based on the findings of the investigations by Global Witness, the UN Office of the High Commissioner for Human Rights (UNOHCHR) and the two NGOs.





Stump of freshly cut resin tree outside of Tumring rubber plantation boundaries, November 2005

Box 9: Account of the Shootings of 10 July 2005

On 9 July 2005, the community forestry group based in Tum Ar village in Tumring organised a meeting to hear the complaints of families whose resin trees had recently been cut. In all, 19 families complained of losing trees since the beginning of May. One villager said that they had lost 38 trees since the beginning of June. Another had lost 96 over the same period. All had been felled outside the rubber plantation boundary and taken to the Seng Keang Company factory.[216]

On the morning of 10 July the community forest group sent a team of eight people to four locations in the forest near Tum Ar to check for illegal logging. At one site near Trapeang Boeung, they discovered a group of six loggers cutting up a resin tree. The loggers refused to surrender their chainsaws for confiscation so the community forest team proceeded to the *sangkat* (Triage) Forest Administration office in Khaos village to report the incident. Leaving one of their members at the FA office, the community forest team, along with two FA staff and three soldiers, then returned to the forest to apprehend the loggers. As the group approached the logging site, gunmen within the forest fired shots in their direction and then fled the scene leaving behind one chainsaw.[216]

While they were in the forest, Seng Kok Heang came to the FA office in Khaos village. Finding a community forester there, Seng Kok Heang threatened the man, telling him that he wished to kill him.[217] Seng Kok Heang left shortly afterwards, but returned at around 3pm accompanied by five armed men wearing military uniform and bearing assault rifles. Seng Kok Heang himself carried a pistol. Others in the FA office at this point included three FA officials, a representative of official independent forest monitor SGS and seven or eight individuals associated with the timber business.[218]



Bullet holes in wall and bedstead inside the house of the first shooting victim

According to eyewitnesses, Seng Kok Heang again stated his intention to kill the community forester and tore up the reports that the community forest group had written about their attempt to intercept loggers earlier in the day.[219] He also threatened the FA staff, saying that if any of them helped the community intercept his loggers again, he would kill them.[217] At around 7pm Seng Kok Heang and his companions left the FA office saying they were going to Tum Ar village. Before departing, Seng Kok Heang told the community forester that he should not try to leave the FA office as he had already blocked all the roads out of the area.[217]

First shooting

At around 7pm a group of six men arrived on motorbikes at the house of another member of the Tum Ar community forest group. According to eyewitnesses, five of the men were dressed in military fatigues, while the sixth wore camouflage trousers and a white t-shirt – the same combination that Seng Kok Heang had been wearing in the FA office shortly beforehand.[218] One of the men called to the community forester to come out of his house. When he did not reply, the man wearing the white t-shirt fired seven shots from a pistol.[218] Some of the bullets passed through the wall and narrowly missed the villager and his family who were sheltering inside.[220]

Approximately five minutes after the shooting a military police officer named Chea Kapoul[221] came and recovered six of the seven cartridge cases left on the ground outside the house.[218] Chea Kapoul is known to work closely with Seng Kok Heang in the coordination of timber transportation out of Tumring.[222]

Second Shooting

At around 7:30pm, Seng Kok Heang and two bodyguards returned to the FA office in Khaos village.[223] By this stage those present consisted of the community forest activist, two FA officers, the three soldiers who had gone to the forest with the community forest team that morning and the representative of SGS.[217]

According to eyewitnesses, Seng Kok Heang took out a pistol and rammed it into the chest of the community forester, pulling the trigger as he did so.[224] The impact of the gun muzzle caused the man to stumble and the bullet grazed the side of his body rather than hitting him directly.[224] One of the bodyguards then knocked the gun from the hand of Seng Kok Heang, who proceeded to leap on the victim, bite him and pull his hair before being restrained by his companions.[225] Seng Kok Heang then left the FA office.[218]

Following the attacks it took the two victims more than 24 hours to escape from Tumring. Taxi drivers refused to take them for fear of an ambush by Seng Kok Heang's paramilitaries on the road through the forest.[168]

In the aftermath, some officials privately expressed a desire to take action against Seng Kok Heang and his entourage but said they were unable to do so because of his high-level connections.[226] Meanwhile the Forest Administration, in whose office one of the attacks occurred, proved reluctant to provide information on what had happened and the two FA staff present on 10 July signed statements saying they had not seen the shooting.

SGS, whose representative was in the FA office in Khaos on the afternoon and evening of 10 July, made no comment on the incident in any of their reports. This omission contrasts with SGS' coverage of an incident in Preah Vihear Province the previous year in which a gunman fired shots at an FA office.[227]

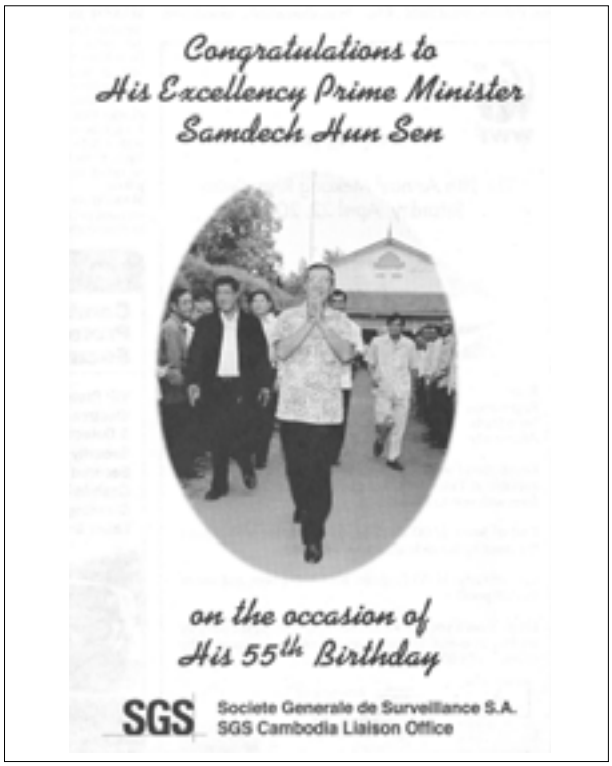
In February 2007 Global Witness wrote to SGS to ask why it did not report the shooting. SGS responded that "to the best of our knowledge SGS had a staff member staying in the Khaos village at that time who verbally reported on his return to base, that a drunken policeman or soldier apparently fired his gun. We understand that he did not actually witness the event and deemed it prudent to keep out of the way. This incident was not seen to be an issue of forest crime but probably one of drunken violence which in our experience was not uncommon in Cambodia. Hence there was no official SGS report on this incident."[167]

The Special Representative of the Secretary General on Human Rights in Cambodia, Yash Ghai highlighted the attacks in a published report however, noting that:

"The strongest and most infamous security guard group [in Tumring] is commanded by Kok Heang, brother of the director of the Seng Keang Company. His group is reliably reported to have been involved in bribery, coercion, harassment, threats and actual shooting incidents, including of two forestry community activists in July 2005. The provincial authorities say they are concerned, but need help from the national authorities to disarm and investigate Kok Heang and his group, and to improve the security situation in Tumring. The problem has been brought to the attention of the Ministry of the Interior and the Special Representative hopes that its intervention will be effective. As previously recommended, criminal offences committed by company security guards and militia on concessions and rubber plantations must be investigated and prosecuted; and they should be disarmed, in compliance with existing law".[228]

As this report went to press, the authorities had taken no action to apprehend Seng Kok Heng or to prosecute him. The victims, together with their families, remain in hiding.

From the perspective of the logging syndicate, the shootings seemed to have had the desired effect. Global Witness and other NGOs visiting Tumring in the months following the attacks found local inhabitants more afraid of Seng Kok Heang than ever. The community forest group that previously advocated for local people's rights appeared moribund. As one villager put it "We don't dare go to the forest alone so much as before. If we do go alone, we go with fear".[229] Another family told Global Witness that because of the threat posed by the loggers, they actually had to spend more time away from home living in the forest, because it was the only way they could hope to protect their resin trees.



Newspaper advertisement placed by SGS, the independent forest monitor, April 2006



Logs on the move, January 2005

Box 10: In Search of Mr. 95

On field visits to Tumring in September and November 2005 Global Witness sought a meeting with Seng Kok Heang to get his comment on the allegations made against him.

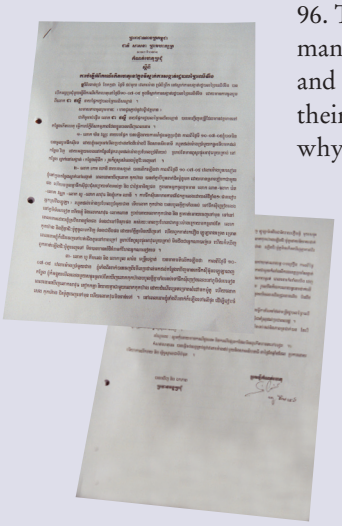
In September, Global Witness staff visited the Seng Keang Company factory and were informed by workers that Seng Kok Heang was at his house on the other side of the road. A group of guards playing table tennis in the yard outside the house told Global Witness that they did not know where Seng Kok Heang was, did not have his phone number and could not suggest any means of contacting him.

During a follow-up visit in November, Global Witness staff accompanied by a newspaper reporter asked Forest Administration staff in Khaos village where Seng Kok Heang could be found and what he looked like. Following the directions given by the FA officers, Global Witness and the journalist went to a restaurant in Khaos and came across the same table-tennis playing guards encountered at Seng Kok Heang's house a few weeks before. One member of this group closely matched the FA staff's description of Seng Kok Heang and the newspaper reporter approached the man to ask if he could interview him. Their brief conversation ran as follows:

Journalist: "We've been told you're Mr. 95"
Man (*agitated*): "I'm not 95, you can ask anyone ... (*to companion*) ... They think I'm 95!"
Companion: "Yes, but you are 96"
Journalist: "What is your name?"
Man: "Kimchheng"
Journalist: "What do you do here?"
Man: "I sell things"

The man then left the restaurant in a hurry and went into Seng Kok Heang's house on the other side of the road.

Global Witness filmed the interview and later played back the footage to the FA staff, asking if they could help identify Mr Kimchheng/Mr 96. The foresters explained that the man's full name was Huor Kimchheng,[230] and that he was the deputy chief of their office. They did not say, however, why Huor Kimchheng seemed to be so friendly with Seng Kok Heang's entourage or why he might have a radio call sign '96' in the same numerical sequence as other members of the group.



Forest Administration account of the shooting in the FA office in Khaos, signed by Huor Kimchheng

While the apparently cosy relations between Huor Kimchheng and Seng Kok Heang's group are not proof of wrong-doing, they do fit with a wider pattern of FA complicity in the Seng Keang Company's illegal logging activities. The extent of this complicity is examined in more detail in Chapter III.

In addition to the efforts to meet Seng Kok Heang in person, Global Witness has also written him a letter to ask him for his comment on the shootings of 10 July 2005. At the time this report was published Seng Kok Heang had not replied to this letter, however.



***Sangkat* (Triage) Forest Administration office, Khaos village**

6. Crackdown or Pause?

In March 2006 MAFF Minister Chan Sarun issued a *prakas* revoking his earlier authorisations for Seng Keang Company operations. The *prakas* stated that the company could no longer collect timber in Tumring and called for the removal of the factory in Khaos village with immediate effect.

While the factory did not close immediately, by September 2006 practically all traces of the Seng Keang Company operation were gone. Local inhabitants informed Global Witness that the syndicate had stopped cutting and transporting timber from the area earlier that same month. Resin tappers reported that illegal logging in the area had ceased almost completely.

Chan Sarun has not commented publicly on his signing of the *prakas*; however one Forest Administration official told Global Witness in September 2006 that Seng Keang Company simply left the area at the point that it finished cutting the trees within the plantation perimeter. Given that the syndicate's logging had largely focused on forest outside the plantation boundaries since the end of 2004 if not earlier, this explanation can be discounted; indeed Seng Keang Company had every reason to maintain its presence in Prey Long. It appears more likely that the shootings by Seng Kok Heang and the subsequent investigations by the UNOHCHR and NGOs played a decisive role in persuading the government to act. In the absence of an official explanation, however, the precise rationale remains unclear.

Unfortunately, the removal of the Seng Keang Company factory from Tumring has not yet been matched by moves to hold members of the logging syndicate accountable before the law. In the absence of credible legal action against the group, there are worrying signs that it may simply re-establish itself in another area. Box 11 summarises the group's efforts to acquire new economic land concessions within or close to valuable forests.

In addition, information received by Global Witness in March 2007 indicates that the syndicate has resumed its illegal logging operations in Prey Long. According to a well-placed source working in Kompong Thom, Seng Kok Heang is using a fleet of Seng Keang Company trucks to transport illegally-felled wood from the Tumring area on a daily basis. This source informed Global Witness that Seng Kok Heang was processing the timber in a factory 5 km from the Kingwood plant in Kandal Province. [231]



Seng Keang Company's legacy to the people of Tumring

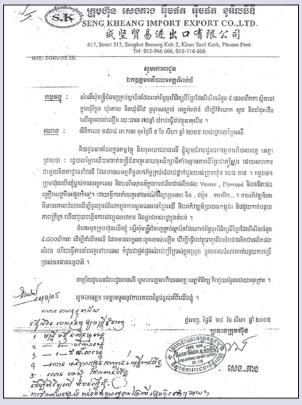


Seng Keang's house, Phnom Penh

Box 11: The Logging Syndicate's Next Big Score

Breakthroughs such as the 2002 moratoria on cutting in logging concessions and transporting logs show that outside pressure can be effective in persuading the Cambodian government to act against illegal logging, even when the interests of politically influential groups are at stake. Unless the pressure is maintained, however, friends and relatives of the prime minister's family are rarely kept waiting long for the next lucrative deal. Seng Keang Company's rapid evolution from logging concession subcontractors to plantation developers following the moratoria is a case in point. Pheapimex's shift in focus from logging concessions to economic land concessions (ELCs) is another. (Pheapimex is profiled in Chapter IV.)

A little over a month after the shootings in Tumring, the Seng Keang Company began efforts to acquire an ELC inside the Prey Long forest.

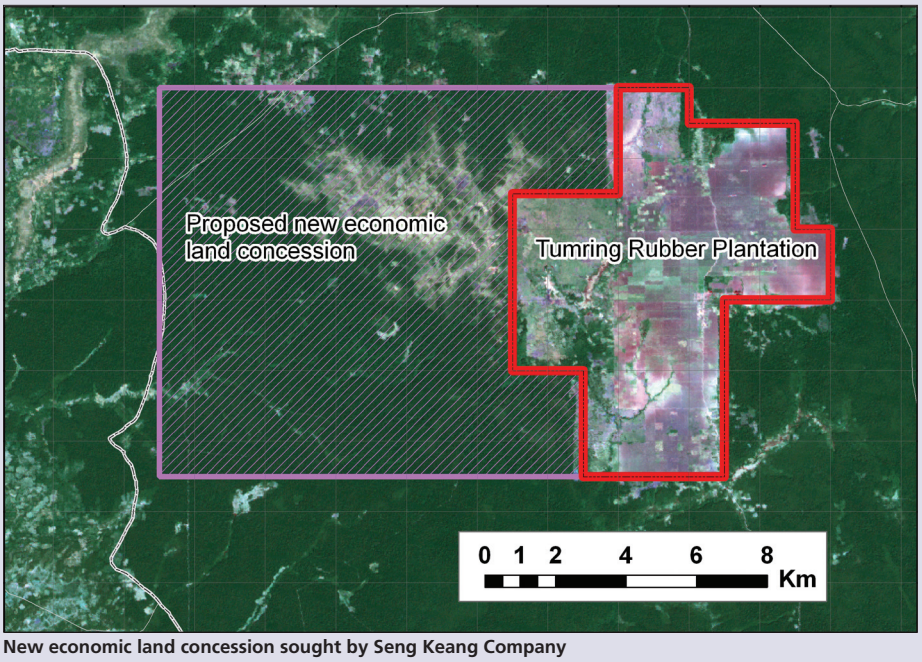

SENG KHEANG IMPORT EXPORT CO.,LTD.

Seng Keang request for a new economic land concession in Prey Long

Seng Keang wrote a letter to the governor of Kompong Thom Province requesting the assistance of "officials of concerned agencies to conduct a survey on 9,800 ha of degraded forest in Kleng, Koul and Tumring communes, Sandan District, Kompong Thom Province for investment and planting of fast-growing trees over a 70-year period in order to produce raw materials".[232] The letter goes on to describe the investment as "aimed at contributing to the restoration of the forests and development in Cambodia, and poverty reduction and the creation of employment for communities and people living in the area". Within a week of receiving her proposal, the Kompong Thom authorities had formed a commission of Forest Administration staff and other officials to survey the 9,800 ha of land. In September 2005 the commission went with Seng Kok Heang to inspect the site and found that it contained both commercially valuable evergreen forest and areas claimed by local residents as community forests.[233]

In September 2006 Global Witness learned from two well-placed sources that the Forest Administration had received proposals from Dy Chouch and Seng Keang to clear up to 10,000 ha of land in Preah Vihear Province for a new rubber plantation.[234] The land under consideration is reportedly not densely forested. However, it is said to be close to the boundaries of the Kulen Prom Tep Wildlife Sanctuary and the Cherndar Plywood forest concession. If these reports are correct, the ELC's proposed location would create opportunities for illegal logging in nearby valuable forests and then laundering of the timber as a by-product of the plantation development, just as Seng Keang Company has done in Tumring.

In March 2007 an official informed Global Witness that Dy Chouch and his cousin Hun To had requested two 2,000 ha sites as economic land concessions (ELCs) in Preah Vihear.[235] These proposed ELCs were described as being north of the road between the villages of Sra Em and Choam Khsan in Choam Khsan District, close to a Royal Cambodian Armed Forces base. Another well-placed source confirmed that Hun To had submitted proposals for two new ELCs but said that they each covered 1,000 ha rather than 2,000 ha. This second source provided Global Witness with documents showing that the proposed ELCs are inside the Preah Vihear Protected Forest, in the An Ses area close to the border with Thailand.[231]



New economic land concession sought by Seng Keang Company

At the time this report was published it was not clear how many of these proposals for new ELCs had received official approval.

At the same time, there are indications that the government continues to view Prey Long as a timber quarry. According to NGO workers, from 10 to 13 January 2007, local officials and representatives of the Vietnam Rubber Plantation Company, some of them dressed in Vietnamese military uniform, carried out a survey in three communes – Sandan, Dong Kambet and Mean Rith – all of which are heavily forested. They did not carry out any consultations with local people; however a witness to their discussions reported that the firm was studying an area of 40,800 ha.[236] A Vietnamese general accompanying the party informed villagers that the company's proposed plantation concession covered 200,000 ha.[236]

The same sources report that the Vietnamese company returned to Prey Long on 21 February.[236] The firm is said to have requested that officials help it overcome local opposition to its proposed activities.[236] District and commune officials then convened a public meeting about the plantations on 23 February and brought with them a contingent of military police and soldiers. At this meeting the officials told villagers that the forest belonged to the government, that the government could do what it wanted with the forest and that local people should not cause any trouble.[236] One community leader is reported to have been threatened with arrest for encouraging people to oppose the Vietnamese company's plans for the area.[236]

Global Witness has written to Chan Sarun to ask him about the plans for a new rubber plantation in Prey Long but has not yet received a reply. The limited information available thus far does not point to a direct connection between the Vietnam Rubber Plantation Company and Seng Keang Company. However, past experience suggests that a deal to clear-cut tens of thousands of hectares of Cambodia's most valuable forest would almost certainly involve timber barons with close ties to senior officials in Phnom Penh.

The report thus far has focused primarily on illegal logging by members of elite families, with particular reference to Prey Long. The next chapter looks more closely at the role played by those state institutions responsible for stopping them.



Prey Long forest canopy in flower

A Short History of Forest Management in Cambodia



1. The Logging Concession System



2. The Prime-Ministerial Crackdown



3. The 'Restructuring' Process



4. The Plantation Developments

CHAPTER III: INSTITUTIONALISED CORRUPTION IN PREY LONG

Dy Chouch, Seng Keang and Khun Thong have been able to log Prey Long with impunity because of the high levels of corruption within those state agencies responsible for combating forest crime. As set out in Article 78 of the Forest Law, these institutions include the Forest Administration (FA), police, Royal Cambodian Armed Forces and local government.

In forest crime hotspots like Prey Long, impunity for illegal loggers and corruption in the state apparatus feed off each other in a vicious circle. Logging by a group of 'untouchables', such as Dy Chouch, Seng Keang and Khun Thong, creates opportunities for state agencies to make money by 'protecting' their operations. These opportunities attract more officials to the area, many of whom pay their superiors in order to make the transfer. As well as accepting handouts from the principal timber barons, these corrupt officials have an incentive to tolerate other illegal logging ventures by less powerful groups, because this enables them to extort extra money. The corruption and the illegal logging both escalate and the assault on the forest intensifies. According to one military officer, Kompong Thom Province is seen as a choice posting for civil servants and members of the security forces because of the scope for making money from the illegal timber and bush meat trades.[237]

The consequence in Prey Long has been a concentration of officials who have a remit to tackle forest crime. This is particularly pronounced in the case of the Forest Administration and the military police.



Director General of the Forest Administration Ty Sokhun at a tree planting ceremony, July 2005

After the inauguration of the rubber plantation kicked off a frenzy of illegal logging, the FA maintained not one, but two offices (division and triage) in Tumring. At the same time, the military police established a string of new checkpoints around the plantation and along roads running out of the area. Both institutions quickly proved adept at uncovering cases of forest crime in the locality and identifying those responsible.[238] However, through an inverted system of governance they used this capacity as basis for extortion rather than law enforcement.

This corrupted system is not run by rogue elements, however. Members of the FA and the military police in Kompong Thom describe paying a high proportion of their illegal earnings to their superiors at either national or provincial level.[239] The fact that a generous cut of the profits flows up the chain of command, rather than remaining in the pockets of the officials on the ground, suggests that both institutions exercise considerable control over their staff and the acts of extortion that they commit.

The losers in all this are those whose livelihoods depend on the diminishing forest reserves and those least able to afford payments to corrupt officials, who extort not only from illegal loggers, but also those exercising their legal rights as forest users. In areas like Prey Long, the vast majority of the local population falls into both categories.

1. Forest Administration



As the institution directly responsible for managing the exploitation and policing of one of Cambodia's most valuable natural resources, the FA offers significant opportunities for corruption. As with other government agencies responsible for enforcing the law or collecting fines or taxes, notably the police, customs, and the Ministry of Economy and Finance Department of Taxation, the FA tends to attract applicants intent on enriching themselves through abuse of public office.[240] Entry into and promotion within the FA is dictated largely by payment rather than competence.[241] This 'market' system of job-buying has the effect of sidelining those staff with greater professional integrity and rewarding those most adept at generating money.

The pricing of jobs within the FA is determined not only by rank, but also by geographical location. Outside of its Phnom Penh headquarters, the more expensive positions are those in areas where there is a rich and accessible forest resource or along key transport arteries for the timber trade, such as major roads and rivers. According to one insider, positions in Kompong Thom command the highest price of any province, followed by those in Siem Reap, Kandal and Koh Kong provinces.[242] Box 12 describes the FA job auction organised by the Minister for Agriculture, Forestry and Fisheries Chan Sarun and FA Director General Ty Sokhun in 2003.

Box 12: Chan Sarun and Ty Sokhun's Forest Administration Job Auction

Up until 2003 the institution responsible for exploiting and regulating Cambodia's production forests was MAFF's Department of Forestry and Wildlife (DFW). The 2002 Forest Law called for DFW's reconstitution as a more autonomous body however, and in August 2003 MAFF Minister Chan Sarun issued a *prakas* converting DFW into the FA. The new FA featured a hierarchical structure incompatible with that of other state institutions, blurring the lines of accountability between FA staff and other government officials. The World Bank observed that:

"By having frequently deviated from forest boundaries in favour of administrative boundaries, the new FA structure has created a worst of both worlds situation where local FA staff are internally accountable to national supervision in respect of areas otherwise locally administered. Moreover, the FA structure has been devised in isolation from serious examination of budgetary realities and other constraints. This will leave operational units of FA chronically short of resources with inadequate oversight, support and a lack of accountability."[243]

While the restructuring of DFW may have had its limitations as an exercise in administrative reform, it appears to have made a lot of money for both Chan Sarun and Ty Sokhun. Global Witness has interviewed four individuals with close links to the FA who have provided credible accounts of the manner in which the two men took the opportunity to auction off most, if not all the jobs in the FA. Based on the information provided by these sources, it appears that the main elements of this process were as follows:

- Any DFW staff member wanting to become the head or deputy head of an FA office at any of the four new hierarchical levels – inspectorate, cantonment, division or triage – had to pay a bribe. This applied even to officials seeking a position equivalent to the one they already held under the DFW structure.[241]
- The bribes for the positions at the upper three levels of inspectorate (4 offices), cantonment (15 offices) and division (55 offices) were paid to Chan Sarun. Bribes for positions at Triage level (170 offices) were paid to Ty Sokhun.[244]
- Each FA office chief has at least one deputy (in practice there are sometimes several). These deputy chief positions were also put up for sale. This means that there may have been upwards of 500 FA jobs for sale at the time of the restructuring.
- The prices of the jobs varied according not only to rank, but also location. Jobs affording the greatest opportunities for extortion cost more than equivalent posts elsewhere.[241]
- Thus while one insider has put the standard cost of a head of cantonment post at less than US$10,000, Global Witness has received reports of cantonment chiefs paying far more than this for the same rank.[241]
- In the words of another source "The people interested in the positions spend around US$5,000 to US$15,000 for the highest rank; for other positions they need to spend around US$5,000 to US$8,000. To get these positions they approach different people, first in their department and after that they go to chiefs at the ministry level."[242]
- The lowest estimate Global Witness has received for any position is US$2,000 and the highest US$30,000. Global Witness does not have any figures for the price of jobs in the thirteen departments at headquarters level, however.[241]

Given the variations in the pricing it is hard to know precisely how much Chan Sarun and Ty Sokhun made from these transactions. Based on the available data is seems likely that each received a total running into the hundreds of thousands of dollars or even more. MAFF officials estimated Chan Sarun's share at around US$2.5 million.[245]

The cost of their new positions has left many FA staff heavily in debt, creating an even greater incentive for them to use their positions to extort money. Indeed the job auction may be the single biggest factor driving the corruption prevalent in FA operations across the country.[246]



The FA has expanded its on-the-ground presence across Cambodia since its restructuring in 2003. This has increased its efficiency in detecting illegal activity. It has not brought about a reduction in forest crime however, as apprehension of perpetrators is generally followed by demands for payment rather than referral to the courts.[247]

After purchasing positions, FA officers must still make regular payments to their superiors in a 'pyramidal' system whereby revenues generated at the lowest echelons are fed upwards and accumulate at the top of the institution's hierarchy. Inside sources estimate that FA field offices typically pay around 50% of their illicit income to their patrons and superiors within the FA. This may take the form of regular monthly payments or periodic 'gifts'. The remaining 50% is distributed internally, sometimes according to what some FA officers term the 3-2-1 system. This involves dividing the money into six parts, with the station chief retaining 3/6, the deputy keeping 2/6 and junior officers receiving the remaining 1/6.[248]

Relations with the logging syndicate

The fact that Dy Chouch, Seng Keang and Khun Thong were able to undertake the largest illegal logging operation in Cambodia under the noses of the branch of government most responsible for preventing forest crime speaks for itself. Rather than enforcing the law, the Forest Administration instead protected the Seng Keang Company operation by projecting a false impression of the situation in Prey Long – one in which there was no illegal logging bar low-level infractions by unruly peasants.[249] Global Witness investigations in the area, including several interviews with FA officials, revealed that the logging syndicate engineered this outcome through a winning combination of coercion and bribery.

After a group of FA staff and military police confiscated a truck carrying luxury timber for Seng Kok Heang in late 2004, some of them were dismissed or transferred out of the area. Early in 2005, Seng Keang and her entourage visited the FA office in Kompong Thmor, which is on the main route for timber traffic going south from Tumring.[250] Having thanked the FA staff for looking after her business, she informed them that both her logging operations and the Chup Rubber Plantation Company belonged to the family of Prime Minister Hun Sen. According to Seng Keang this meant that her activities were legal and that any FA officers interested in keeping their jobs should not interfere.[250]

The message appears to have sunk in. In separate interviews with Global Witness in 2005, two Forest Administration staff in Kompong Thom Province stated that the FA was fully aware of Seng Kok Heang's illegal logging in Prey Long. According to these officials, they could not stop him because he represented Seng Keang, who had the support of Hun Sen and other high-ranking people. This made the FA officers afraid and so they turned a blind eye to his activities.[251]

FA complicity in the logging syndicate's activities may not be solely driven by fear, however. Officials in Tumring claim that in 2005 the FA office *sangkat* (triage) office in Khaos village was receiving a monthly allowance from Seng Keang of several hundred dollars, for "food, accommodation and fuel costs".[252] Local officials also claimed that Seng Kok Heang was paying the FA staff additional sums according to the amount of wood that the Seng Keang Company factory was processing each month.[253] They told Global Witness that, through these payments and additional money levied from other illegal loggers, the FA office enjoyed a monthly income of several thousand dollars.[253]

Other sources of income

Global Witness gained a further insight into the FA's revenue generation through interviews with logging crews in Prey Long in November 2005. One of these groups described how their boss paid US$100 per month per chainsaw to the Forest Administration *phnaik* (division) office in Tumring and additional bribes to the FA depending on the volume of timber that they cut. The loggers added that FA staff periodically came to the forest to forewarn them if people from Phnom Penh were coming to visit the area.[254]

Global Witness has found additional evidence of FA officials taking a direct role in illegal logging in Prey Long and extorting money not just from timber traders, but also from local people engaged in legitimate activities.[255] As described in Box 13, the FA is regarded as the most predatory of several institutions practicing this kind of extortion.



Illegal logging operation outside the Tumring plantation boundaries, November 2005. The loggers told Global Witness that they paid the Forest Administration office in Khaos village US$100 per chainsaw per month and additional fees for transporting timber

2. Military Police

Cambodia's military police are also known as the gendarmerie. They comprise a paramilitary force of nearly 8,000.[256] National Military Police Director General Sao Sokha is former bodyguard of Hun Sen who trained in Vietnam during the 1980s.[257] He reports on a day to day basis to the Royal Cambodian Armed Forces command and the Ministry of Defence. On politically sensitive issues he takes his orders from Hun Sen directly, however.[258]

Sao Sokha is something of a high-flier. In December 2006 he was appointed head of the Cambodian Football Federation and in January 2007 he became a four star general. Previous Global Witness investigations have revealed that Sao Sokha is directly involved in the illicit timber trade and that forces under his command are active in illegal cutting, transportation, protection and extortion.[259]

The head of the military police in Kompong Thom Province is Dy Phen, who is the brother of Dy Chouch.[260] Officers under Dy Phen's command are heavily implicated in the activities of Seng Keang Company, which has been known to pay some military police as much as US$500 per month for their services.[261] Many military police are also active as illegal loggers in their own right. In Prey Long, Global Witness has found Dy Phen's subordinates cutting trees and selling them to the Seng Keang Company sawmill and other timber traders, providing protection services to timber convoys, extorting money, trading wildlife and selling off pieces of forested land.[262]

Like the Forest Administration, the military police rapidly expanded its presence in Prey Long following the establishment of Tumring Rubber Plantation. Sources in the military police claim that Dy Phen purposely created five new posts around Tumring and on roads leading out of the forest in order to make money from illegal timber transports. He placed control of these checkpoints (numbered 601, 603, 102, 104 and B6) in the hands of relatives or close allies, some of whom paid him several thousand dollars for their positions.[263] Local officials told Global Witness that through these new posts and activities such as illegal logging, transporting of timber and smuggling of other goods, Dy Phen was able to earn between US$10,000 and US$30,000 per month.[263] Dy Phen is sensitive to scrutiny of these activities. In June 2005 he informed his associates that an unnamed group was spying on his business and offered US$20,000 to anyone who could get rid of the problem for him.[264]



Sao Sokha receiving the Moha Sereiwath medal from Hun Sen, January 2007

The table below provides a breakdown of the payments received by just one of Dy Phen's new checkpoints. Checkpoint 102 is located near the base of the 'Hun Sen Trail', which runs from Baksna logging camp south of Tumring to the junction with main roads to Phnom Penh and Kompong Cham. Most of the timber cut in and around Tumring passes along this route. The information comes from interviews with military police officers manning the post. These military police stated that the monthly takings for the post's 'black box' varied from US$5,500 to US$10,000. The checkpoint chief, Seong Kim Ran,[265] would then pay his brother-in-law Dy Phen a share of between US$5,000 and US$6,000.[261]

Earnings of military police checkpoint 102

Bribes paid by	By month	By day
Seng Keang	US$500-US$750	
Seng Kok Heang	US$500-US$750	
El Dara plywood factory management	US$350-US$500	
Management of Kompong Thmor sawmill	US$100-US$200	
Other timber traders		US$150-US$500

3. Royal Cambodian Armed Forces Kompong Thom Provincial Military Sub-Operation

Kompong Thom's Provincial Military Sub-Operation has had a close association with illegal logging over several years. Many of those soldiers Global Witness found working with the Seng Keang syndicate or running their own logging operations in Prey Long previously worked as guards or subcontractors for the companies holding concessions in the province: Colexim Enterprise, GAT International, Mieng Ly Heng and Pheapimex-Fuchan.[266]

One example is the activities of a 17-strong unit commanded by a lieutenant colonel and deputy commander of the military sub-operation headquarters named Seng Meas.[267] Seng Meas' role in providing security for Mieng Ly Heng and other concessionaires from the late 1990s enabled him to build a close relationship with Dy Chouch and Seng Keang. After the suspension of the logging concessions and the creation of Tumring Rubber Plantation, Seng Meas and his unit switched to working for the syndicate as suppliers of timber. Their logging operations have centred on the former GAT concession south of Tumring, as well as parts of the Colexim concession to the north and east of the plantation.[268]

Local officials and residents in Tumring interviewed by Global Witness accused the provincial sub-operation soldiers based around the plantation of colluding with the foresters in the extortion of money from small-scale loggers operating in the area. According to these sources, soldiers would seize chainsaws and take them to the FA offices in Khaos where the machines would be impounded until the owner paid a US$100 bribe.[268]

4. Royal Cambodian Armed Forces Military Region II

Military Region II covers four provinces in eastern and north eastern Cambodia and abuts Kompong Thom Province, which falls within Military Region IV. A group of Military Region II troops led by Sath Chantha and Uy Kear has been involved in illegal logging in Prey Long over several years.[269] In 2004 and 2005, Global Witness found evidence of Sath Chantha's involvement in illegal logging in areas west and south of Tumring.[270] Sath Chantha and Uy Kear have previously supplied Dy Chouch, Seng Keang and Khun Thong with logs illegally cut in the Timas Resources concession.[269]

5. Military Intelligence

Another branch of the security forces involved in illegal logging in Prey Long is the RCAF military intelligence department, also know as Bureau No. 2. Military Intelligence head Major General Mol Roeup[271] is a close ally of Hun Sen whom one political analyst describes as the architect of 'dirty tricks' campaigns against the prime minister's political opponents.[272]

While Military Intelligence plays an important, albeit shadowy role in Cambodian political life, its officers are also involved in various types of organised crime, including illegal logging. Global Witness investigations in Aural Wildlife Sanctuary in 2004 revealed how Military Intelligence operatives ran their own timber trading and extortion rackets. In Prey Long Global Witness found evidence of Military Intelligence illegally logging and selling timber to Seng Keang Company, as well as extorting money from other loggers.[209]



Lieutenant Colonel and Deputy Commander of the Military Sub-Operation Headquarters Seng Meas



Head of Military Intelligence Major General Mol Roeup

Box 13: Bearing the Burden of Corruption

"Law enforcement doesn't discriminate between the company and the villagers. They all have equal rights before the law. We implement the law equally, and there are few checkpoints along the roads in this area." **MAFF Minister Chan Sarun on law enforcement in Prey Long, 2006**[144]

In 2005 and 2006 Global Witness interviewed a number of people in and around Tumring about their interactions with those branches of state responsible for combating forest crime. There was a consensus among the interviewees both that corruption was a serious problem and that extortion weighed most heavily on those without the power and connections to resist. Many singled out the Forest Administration as being particularly predatory.[273]

Global Witness interviewed several groups transporting various types of forest products along one of the two logging roads running south from Tumring to Kompong Thmor town. These interviewees reported encountering between 11 and 20 checkpoints run by FA staff, Royal Cambodian Armed Forces, military police, police and environment officers in the course of a single journey.[273]



Cart used by wood waste collectors



O'Kampub Ambel Forest Administration and Royal Cambodian Armed Forces checkpoint, September 2006



'Mango tree wood', November 2005

Timber traders transporting illegally-logged wood were not the only ones being forced to hand over money. People exercising their legal rights as forest users also reported frequent demands for payment from officials. Carpenters gathering wood waste left behind by illegal logging operations, for example, reported that FA staff "depending on their mood" demanded bribes worth half the value of the wood waste, or alternatively confiscated the material and sold it.[168]

Global Witness visited O'Kampub Ambel, a combined FA and RCAF station identified by the wood waste collectors as one of those they had to pay off. Asked to describe his work, one of the RCAF officers stated that his team never intercepted the trucks carrying wood from the Seng Keang Company factory and only ever stopped *pracheachon* (the people). Asked why, he said that he did not know; he was only following instructions from the FA staff who were not interested in looking at the logging syndicate's trucks.

The soldier was keen to show off the impressive haul of timber that his team had confiscated and stacked within their compound. However, when Global Witness asked permission to photograph a vehicle loaded with luxury grade square logs, the soldier refused, explaining that this wood belonged to him. In separate interviews other soldiers and FA officers working at the O'Kampub Ambel post informed Global Witness that the major timber traders made monthly payments directly to senior FA officials in Phnom Penh and did not need to stop and pay each time they used the road. These interviewees said that their checkpoint still made US$2,000-US$4,000 per month through bribes extracted from less well-connected loggers and timber traders.[274]

Further down the same road, Global Witness investigators observed security personnel at a checkpoint near Baksna pull over a line of ox carts carrying dead branches for firewood. Firewood collection is an entirely legitimate activity. As officials questioned the firewood collectors, a convoy of small covered trucks escorted by a pickup and two armed soldiers passed the checkpoint unimpeded. Global Witness staff were later able to inspect a second convoy of these covered trucks as they stopped near Kompong Thmor. Each vehicle was loaded with two metre sections of commercial grade timber, which the convoy supervisor attempted to pass off as "mango tree wood". Soldiers escorting the trucks attempted to photograph members of the Global Witness team who carried out the inspection.

6. Police



A Center for Social Development survey of public attitudes towards corruption found that Cambodians rank the police as the third most corrupt institution in the country after the judiciary and customs and taxation authorities.[275] The police are frequently implicated in forest crime and border police units played a lead role in the massive illegal logging of the Virachey National Park in Ratanakiri in 2003-2004.[276] The National Director General of the police is Hok Lundy, a close ally of Hun Sen.

Global Witness investigations in Prey Long have uncovered substantial evidence of police collusion in illegal logging, but also occasional, albeit unsuccessful, attempts to combat forest crime.

In February 2005, Kompong Thom National Assembly member Nguon Nhel[277] designated a special police operation involving 100-200 men under the command of Om Pyly,[278] the deputy provincial police commissioner. This team was tasked with rooting out lawlessness – particularly kidnapping, banditry and illegal logging – across three communes (Baksna, Balaing and Krava) in Baray District, Kompong Thom Province.[279]

Shortly after commencing its operation, Om Pyly's team intercepted a convoy of large green military trucks full of timber at Baksna. A policeman involved in the operation later told other officials and local residents how, within hours of impounding the vehicles, Om Pyly was recalled by his headquarters in Kompong Thom to take a phone call. On returning to Baksna later the same day, Om Pyly explained to his subordinates that the caller was Seng Keang, who had phoned from Singapore to tell him that she was married to the prime minister's cousin, that all her activities were legal and that Om Pyly should therefore release the trucks. Seng Keang added that she could provide his team a monthly allowance of US$375-US$500 to cover their food costs; an offer which Om Pyly accepted. Seng Keang's trucks were allowed to continue their journey.[279]

Local officials and villagers claim that, for the remainder of their four month operation, Om Pyly's group colluded openly with Seng Keang Company and the provincial military sub-operation troops and military police transporting timber out of Prey Long. Some people accused the police of carrying out logging operations themselves and extorting payments from timber traders.[279]



Head of the Cambodian Police General Hok Lundy



Kompong Thom deputy provincial police commissioner Om Pyly. His team was tasked with rooting out lawlessness in Kompong Thom Province



Some of Cambodia's police have close connections with the illegal timber trade

7. Local Government

The local authorities in Kompong Thom are heavily complicit in the illegal logging in Prey Long. A close association between local government and logging goes back to the 1980s when some provincial departments owned and operated their own sawmills. In the early 1990s these assets were sold off to well-connected individuals.[280] It remains the case that some senior provincial officials expect to benefit from logging in the province, whether or not the activity is legal.



Member of the National Assembly for Kompong Thom Province Nguon Nhel

Kompong Thom National Assembly member Nguon Nhel was the driving force behind the laudable but unsuccessful police operation against illegal logging in the first half of 2005. The parliamentarian's credentials as a defender of the forests are somewhat tarnished however, by his family's involvement in illegal logging and receipt of corrupt payments. One well-placed local official informed Global Witness that Nguon Nhel's wife, Nhem Sophanny,[281] was receiving monthly payments from military police and Forest Administration checkpoints extorting money from timber traffic.[253] According to residents of Sokchet Commune meanwhile, Nhem Sophanny's brother Nhem Buntha[282] is a timber trader responsible for illegal logging of luxury timber in their area.[168]

Nguon Nhel is not the only Kompong Thom National Assembly member whose family are involved in illegal logging, however. Fellow parliamentarian Un Noeung[283] is widely perceived to be the main protector of the Ta Aok sawmill, which is located in Prasat Sambour District between the Mieng Ly Heng concession and Boeung Per Wildlife Sanctuary.[284] This sawmill is run by Men Pha[285] and Chet Ra[286] who are described by industry sources as nephews of Un Noeung.[287] Global Witness has found the Ta Aok sawmill processing illegally-logged wood on several occasions over the past five years.[288]

In conclusion to this section, those arms of the Cambodian state responsible for combating forest crime are well represented in Tumring and the wider Prey Long area. They have been ineffective, however, in thwarting forest crimes by Seng Keang Company and other illegal loggers because so many officials and military officers have a stake in these activities. The following section examines in more detail the operations of one particular Royal Cambodian Armed Forces unit – Brigade 70 – which has been involved in illegal logging not only in Prey Long but across the country as a whole.



Timber trader Nhem Buntha (facing the camera) is the brother-in-law of National Assembly member Nguon Nhel



Sign marking the Pren village Community Forest east of Tumring Rubber Plantation...



...which turns out to be the site of a logging operation run by a military policeman working with Seng Kok Heang, November 2005. The freshly cut tree is a resin-yielding *chhoeuteal*

CHAPTER IV: THE BRIGADE 70 CONNECTION

"On behalf of the Royal Government of Cambodia and myself, may I extend my deep gratitude and appreciation to you all, the officers and soldiers of the Brigade 70 as well as those of the RCAF, for your sacrifices and efforts to overcome all the challenges and difficulties for the cause of national reconciliation and peace for our motherland of Cambodia." **Prime Minister Hun Sen, 2004** [289]

"Most commanders in Brigade 70 have very good connections with top government officials, [elite] families and police groups. They also have strong connections with all provincial governors, because Brigade 70 provides them with bodyguards and convoy escorts. Brigade 70 has also been involved in protecting illegal activities and has committed serious crimes such as killing, smuggling, illegally arresting people and violating people's personal property." **Former Brigade 70 officer** [290]

In the past few years, Hun Sen has expressed strong support for the US-led international 'War on Terror'. This has helped to improve his government's relations with officials in Washington and the Royal Cambodian Armed Forces (RCAF) are now poised to receive renewed training and equipment supplies from the USA. Cambodia's military already benefits from various forms of military assistance from Australia, China, Vietnam and other countries.[291] This foreign assistance risks providing legitimacy to a military apparatus which, as this chapter shows, is heavily involved in the theft of public assets.

Article 78 of the 2002 Forest Law calls on the security forces to combat forest crime and Hun Sen has praised the army for its presumed role in stopping 'anarchic' logging.[289] At the same time, revenues from the illegal timber trade sustain the military component of Cambodia's shadow state. This is amply demonstrated by the activities of the elite RCAF Brigade 70, which runs an illegal timber and contraband trafficking operation worth between US$2 million and US$2.75 million per year. The Brigade 70 case highlights the direct linkage between Hun Sen's build-up of loyalist military units and large-scale organised crime.

1. Brigade 70 and the Bodyguard Unit – a Private Army for the Prime Minister



Brigade 70 insignia



Hun Sen Bodyguard Unit insignia

Brigade 70 is a special unit of 2,000 soldiers headquartered in Cham Chao on the outskirts of Phnom Penh. Its commander is Major General Mao Sophan.[292] It acts as a reserve force for Hun Sen's 4,000 strong Bodyguard Unit and Mao Sophan takes his orders from Bodyguard Unit chief Lieutenant General Hing Bun Heang.[293] Hing Bun Heang's commanding officer is General Kun Kim,[294] one of four deputy commanders-in-chief of the RCAF and Hun Sen's chief of cabinet.[258] In January 2007 Hun Sen promoted Kun Kim to four star General, the most senior rank in the Cambodian armed forces.



Hun Sen and Bun Rany at a military parade, January 2007

Box 14: General Kun Kim and Lieutenant General Hing Bun Heang

As key lieutenants to Prime Minister Hun Sen, Kun Kim and Hing Bun Heang's responsibilities extend beyond security issues. Kun Kim previously took a close interest in the operations of the Malaysian GAT International logging company, visiting its plywood factory near Sihanoukville and its Baksna logging camp in Kompong Thom on a number of occasions in 2001.[295] Hun Sen cancelled GAT's two concessions in 2002 after Global Witness exposed persistent illegal logging by the company and Kun Kim is now head of a committee to stop illegal clearance of forests.[296]

Hing Bun Heang, meanwhile, was appointed in September 2006 to the position of Supreme Consultant to Cambodia's Senior Monk Assembly, a body established as a 'supreme court' to adjudicate in disputes involving Buddhist monks. The lieutenant general informed journalists that he would be advising the Supreme Monk Assembly on matters relating to conflict resolution.[297]



Kun Kim receiving a fourth general's star from Hun Sen, January 2007



Lieutenant-General Hing Bun Heang

In the words of a former member of United Nations Office of the High Commission for Human Rights (UNOHCHR) staff, "The term bodyguard is a misnomer ... the Prime Minister's bodyguard unit is a substantial military elite unit equipped with modern weaponry and many of its members have received special training abroad."[256] The Bodyguard Unit and Brigade 70 are central to Hun Sen's strategy of cultivating special units to protect his interests from potential challengers inside and outside the CPP.[293] The latent threat of violence is integral to the prime minister's hold over the population as a whole, moreover. Hun Sen responds even to muted criticism by declaring that attempts to remove him will cause the country to fall back into conflict and instability.[298] Cambodians take these threats extremely seriously. The fact that the prime minister has developed what is essentially a private army is surely one of the reasons why.

Hun Sen's military capability is rarely commented on by the international community, despite the evident danger that it poses to democracy in Cambodia. It perpetuates a situation in which military units are controlled by individual politicians rather than the state; the same conditions that enabled Hun Sen to unseat his co-prime minister Norodom Ranariddh in a violent *coup d'etat* in July 1997. Human rights organisations accuse Hun Sen's Bodyguard Unit of playing a leading role in mounting this coup.[299]



Brigade 70 headquarters in Cham Chao, on the outskirts of Phnom Penh

Box 15: Illegal Logging and Royal Cambodian Armed Forces Forces Loyal to Hun Sen

Hun Sen's efforts to build up loyalist military units date back to 1994 when disaffected elements within his political party attempted a coup against him. At this point he relocated to the heavily defended 'Tiger's Lair' compound in Takhmau south of Phnom Penh and established the Bodyguard Unit.[258]

According to an analyst of Cambodia's military, the core forces loyal to Hun Sen include not only the bodyguards and Brigade 70 but also the military police, Military Region II and Military Region III. This analyst describes these units as "a force of last resort" should Hun Sen come under threat.[258] All of Cambodia's five military regions and many of the RCAF's special units are involved in illegal logging to a greater or lesser extent. Those most closely identified with Hun Sen are no exception:

Commanding Officer	Unit	Illegal logging
General Kun Kim Lieutenant General Hing Bun Heang	Bodyguard Unit	• Members of the Bodyguard Unit have worked as subcontractors to forest concessionaires responsible for massive illegal logging, notably Pheapimex-Fuchan and Hero Taiwan.[300]
Major General Mao Sophan	Brigade 70	• Brigade 70 operates an illicit timber trafficking service that spans Cambodia and encompasses exports to Vietnam. [301]
General Sao Sokha	Military Police	• The military police are heavily involved in forest crime, notably in illegal logging hotspots such as the Cardamom Mountains and Prey Long. [302] • As well as running their own logging operations, they provide protection and transportation services to major timber traders and extort money from less well-connected operators.[302]
Major General Choeun Sovantha [303]	Military Region II	• Senior Military Region II officers are involved in illegal logging not only within MRII but also in MRIV.[190] • Battalion 204, based in Kratie, is responsible for much of the illegal logging in the Snuol Wildlife Sanctuary as well as violent attacks on villagers who have tried to stop them.[304]
Major General Keo Samuon [305]	Military Region III	• MRIII is the driving force behind the illegal timber trade in the Cardamom Mountains, notably Aural Wildlife Sanctuary. [306] • Much of the money generated through the illegal logging, protection and extortion activities undertaken by MRIII soldiers ends up in the pockets of senior commanders. [307]



Senior generals at military parade, January 2007. The Royal Cambodian Armed Forces has no less than 613 generals, equivalent to one for every 179 soldiers

2. Hak Mao

According to a number of Brigade 70 soldiers and other well-placed sources within Royal Cambodian Armed Forces, the driving force behind the brigade's dubious business ventures is an officer named Hak Mao.[308] Global Witness first became aware of Hak Mao in 2004, when investigators discovered that soldiers under his command were transporting illegally-logged timber from Aural Wildlife Sanctuary and other parts of the Cardamom Mountains.[309]

Hak Mao's colleagues claim he began his career running retail outlets in Phnom Penh's Olympic market. In the mid 1990s he purchased the rank of major in Brigade 70 for US$5,000 and began managing the unit's illicit transportation services.[310] In March 2005 he was promoted to the rank of (one star) Brigadier General.[311]

The businesses Hak Mao runs for Brigade 70 are transportation services that use large military green trucks and Brigade 70 soldiers as drivers and guards. Hak Mao personally owns 16 trucks, each capable of carrying 60 m^3 or more.[312] In the second half of 2006, twelve out of his fleet of 16 were in active use.[313] Hak Mao's vehicles sometimes, but not always, display a plaque with the number '70' against their windscreens.[314] Two other groups that use similar vehicles are 'Long Meng', which labels its trucks 'LM' and whose activities are detailed in Box 20, and Mong Reththy Group, whose trucks are tagged with an 'MRT' logo.[315] Mong Reththy is profiled in Box 18.

Although Hak Mao is not the overall commander of Brigade 70, his pivotal role in raising funds gives him a stature that transcends his rank. According to one close associate, he has direct lines of communication with senior officers close to Hun Sen, notably Hing Bun Heang and Sao Sokha, the director general of the military police.[316] This source informed Global Witness that Hak Mao and Hing Bun Heang liaise with Sao Sokha ahead of any major transportation operations so that the military police can ensure that the road is open to the Brigade 70 convoys.[316]



General Meas Sophea, Commander of the Royal Cambodian Armed Forces infantry. His wife is reported to have close connections with Hak Mao

Hak Mao also has close connections with the wife of General Meas Sophea,[317] the commander of the RCAF infantry forces.[316] Mrs Meas Sophea[318] runs her own transportation enterprise and sometimes calls upon Hak Mao's staff to repair her vehicles.[316] She is also a key player in RCAF patronage politics, holding a fearsome reputation among her husband's subordinates on account of her frequent demands for money.[319] RCAF sources have told Global Witness that military officers sometimes bribe Mrs Meas Sophea in order to increase the chances of her husband giving them a promotion.[319]



Brigade 70 truck, Phnom Penh, December 2006

3. Timber Trafficking

Under Hak Mao's direction, Brigade 70 acts as a specialist provider of transport and protection services to the most powerful of Cambodia's timber barons. The legacy of Hun Sen's crackdowns on 'anarchic' logging is a streamlined illegal timber sector monopolised by entrepreneurs and kleptocratic networks loyal to him. These different groupings often work closely together; Brigade 70's collaboration with the Seng Keang Company in the illegal logging of Prey Long is just one example.

In the past three years Global Witness has uncovered evidence of Brigade 70 transporting illegally-logged wood from Koh Kong, Kompong Speu, Kompong Thom, Kratie, Mondulkiri, Oddar Meanchey, Preah Vihear and Siem Reap – provinces that span the main forested regions of the country.[315] These timber trafficking activities continue all the year round, through both wet and dry seasons. According to one timber dealer in Phnom Penh, Hak Mao is able to deliver logs of all types according to order.[320] Although some of his commissions involve moving timber directly from the forest to the client, in many cases the Brigade 70 teams first bring the wood to Phnom Penh where they store it temporarily in depots that Hak Mao owns or rents.[321]

Global Witness has identified two of Hak Mao's depots on Street 2002, a small road running off Royal Cambodian Armed Forces Boulevard. Hak Mao employs approximately 60 Brigade 70 soldiers as drivers, guards, mechanics and administrators at these sites and pays their wages out of his own pocket.[311] He delegates aspects of day-to-day management to a colonel named Kong Horm.[322] Hak Mao is also said to own two additional properties close to the Olympic Market; however Global Witness has not been able to confirm this.[311]

The depots on Street 2002 are Brigade 70's main timber storage facilities. Hak Mao owns the compound on the north side of the road and rents another on the south side.[323] The road has a public right of way; however Hak Mao has set up a checkpoint manned by Brigade 70 troops and installed a metal barrier to control vehicle access.[324] The depot on the south side of the road is used primarily for larger volumes of commercial grade wood, with the compound on the north side generally holding stocks of luxury grade timber of 100 m^3 or less.[156]



Timber stored on Royal Cambodian Armed Forces Boulevard, Phnom Penh



Brigade 70 truck outside one of Hak Mao's depots on Street 2002, Phnom Penh, March 2006

Box 16: The Royal Cambodian Armed Forces Get a Helping Hand from the US Government

The US government suspended military assistance to Cambodia in the wake of the July 1997 coup. Since then, RCAF has continued to operate more as an extended organised crime syndicate than as a defence force. However, a spokesman for the US Embassy in Phnom Penh informed Global Witness in March 2007 that the Cambodian military was now eligible for direct US funding, because Cambodia had signed an Article 98 agreement with the US – in other words a commitment not to send US nationals to the International Criminal Court – and because it had improved its performance in tackling human trafficking.[325]



Will US taxpayers be buying Brigade 70 more trucks like these?

Other factors that may have influenced the change in policy include Hun Sen's cooperation in the 'War on Terror', US competition with China for influence in mainland Southeast Asia, and US firm Chevron's imminent exploitation of a large share of Cambodia's offshore oil deposits.

So far, the US government has committed around US$1 million in assistance to the Cambodian military in fiscal year 2006 and projects a further half million dollars for 2007.[325] While these sums may not be especially large by international standards, they are highly significant in political terms; conferring legitimacy on an institution which is integral to Hun Sen's hold on power.

According to the US Embassy, just under a third of the funds committed in fiscal year 2006 will be used for trucks, spare parts and training.[325] Whether Brigade 70, which makes particularly heavy use of trucks in its trafficking operations, will be receiving some of the new American vehicles is not clear. The embassy says that it has not yet decided which military units will be benefiting. It insists, however, that the US government will not be supporting units or individuals that have committed gross human rights violations.[325]

In the second half of 2006, Hak Mao was using seven out of his 12 active vehicles for transporting timber.[313] Based on surveillance, interviews with Brigade 70 officers and accounts from people living around Hak Mao's compounds, Global Witness estimates that these seven trucks were all making an average of three round trips each week.[326] Each vehicle's capacity is around 60 m^3, indicating that the fleet was collectively transporting an average of approximately 1,260 m^3 per week.[315] If legally harvested and taxed at the US$54 per cubic metre rate applied to grade II wood, this volume of timber would net the Cambodian treasury around US$3.5 million per year. As it is, the profits are split between timber traders and Hak Mao.

The rates Hak Mao charges his clients for transporting timber vary according to the length of the journey. A source in Brigade 70 reports that for collection of timber in more remote provinces, such as Koh Kong, Pailin, Preah Vihear and Ratanakiri, the standard rate is US$1,500 per truck per journey.



Brigade 70 truck fully laden with timber, Route 2, April 2005

Transportation from Kompong Thom, by contrast, may cost only US$700.[327] These fees do not include the costs of fuel or food for the one driver and two guards assigned to each truck, for which the client has to pay additional charges. Assuming an average return of US$1,100 per truck per journey and seven trucks in operation, timber-related activities could be netting Hak Mao approximately US$23,100 per week or around US$1.2 million annually.

An integral part of the service that Hak Mao provides is preventing timber confiscation by law enforcement agencies. Brigade 70 trucks bringing timber from Kompong Thom typically have an escort of soldiers in one or two pickups.[156] Within Phnom Penh, meanwhile, Global Witness investigators have observed Brigade 70 trucks moving timber between locations at night accompanied by armed motorcycle outriders.[156] The escort teams act as a deterrent and, when required, negotiate payments to checkpoints along the road, in order to ensure that the trucks do not have to stop. They budget for these payments at US$10-US$20 per checkpoint.[311]

Hak Mao often smoothes the path of his timber convoys through the use of illegal permits signed by senior military officers.[328] Permits of this type are one of the main tools of the trade for Cambodia's major timber dealers. They generally take the form of a document that authorises illegal logging activities and bears the signature of politicians or generals who have no jurisdiction over the forest sector. Their purpose is to invoke not a law but the name of somebody powerful. One such case involving Hak Mao and Commander-in-Chief of the Army General Pol Saroeun[329] is outlined below. Police interviewed by Global Witness reported that on occasions that they had intercepted Brigade 70 trucks transporting timber, the drivers claimed they were following mission orders from General Sao Sokha of the military police, Lieutenant General Hing Bun Heang of the Bodyguard Unit, RCAF head of procurement General Moeung Samphan,[330] or Major General Mao Sophan of Brigade 70.[328]



Pickup used by Brigade 70 to escort trucks carrying timber

Hak Mao's staff claim that they transport timber throughout Cambodia with impunity except for parts of the Cardamom Mountains where international NGOs support law enforcement teams of Ministry of Environment rangers, Forest Administration officials and military police. These teams have previously impounded Brigade 70 trucks carrying illegally-logged wood and Hak Mao has experienced difficulties securing their release.[311]



General Moeung Samphan

Overall, such cases are the exception rather than the rule, however, and Brigade 70 trades on a reputation for speediness and efficiency. Hak Mao's drivers have orders to turn off their phones before starting each journey in order to avoid distraction, and instructions not to stop under any circumstances, even if they hit another vehicle or people along the road.[331] According to police interviewed by Global Witness in two districts on the outskirts of Phnom Penh through which Brigade 70 convoys regularly pass, Hak Mao's trucks have hit motorists or pedestrians on several occasions. The policemen claim that Brigade 70 compensates injured victims with payments of US$50-US$150 and pays the families of those that die between US$100 and US$300. Sometimes they just give the police US$100 and tell them to settle the matter on the unit's behalf.[332]

A source close to the Brigade 70 reported that in October 2006 one of the convoys became involved in a shooting incident in Koh Kong Province.[333] Unhappy at the attention this drew to the brigade's activities, Bodyguard Unit commander Hing Bun Heang ordered Hak Mao's teams to cease carrying weapons during their transportation operations.[333] Global Witness wrote to Hing Bun Heang in March to ask him to comment on this report. As this publication went to print, Hing Bun Heang had not responded.



Passers by stop to look, following a traffic accident involving one of Brigade 70's trucks, May 2005

3.1 Exports

Global Witness investigations have found that Brigade 70 is involved not only in the distribution of illegally-logged wood within Cambodia but also in the export of significant volumes to Vietnam. According to officials in Kandal and Prey Veng provinces, timber transported by Hak Mao often passes through Neak Loeung, a port on the Mekong River.[198] Here the wood is stored temporarily in warehouses before being loaded into large boats that carry it across the border at the Ka'am Samnor checkpoint. These boats make their journeys to Vietnam in groups of between two and four every week to ten days, with each vessel carrying at least 400 m^3 of timber.[334] Alternatively, Hak Mao's trucks proceed directly through Neak Loeung along Route 1 to the border crossing at Bavet. Taking the timber over the border by road usually involves using a permit signed by a high-ranking official.[335]

One Brigade 70 officer interviewed by Global Witness stated that the unit was not only transporting timber to Vietnam, but also exporting containers packed with wood through sea ports on Cambodia's south coast.[336] Two businessmen who provide services to Hak Mao's group have also told Global Witness about this activity.[337] These different reports corroborate claims made by officials working at Oknha Mong Port in Koh Kong Province. These port officials told Global Witness that they were prevented from inspecting certain sealed containers delivered by Brigade 70, but were told by the drivers that some contained plywood, luxury wood furniture and pieces of grade I timber.[338] Global Witness investigators have observed trucks carrying sealed shipping containers leaving the two Brigade 70 depots on Street 2002 but have not been able to verify their contents.

3.2 The Clients

Brigade 70's timber transport service caters primarily to major timber barons who have close links to elite families. Some of the unit's more prominent clients include the following:

Dy Chouch, Seng Keang, Khun Thong and Seng Kok Heang

As described in Chapter II, Brigade 70's transportation services have been a major component of this syndicate's illegal logging activities in Prey Long forest. Seng Kok Heang, the group's operations manager, is himself a Brigade 70 officer. His sister, Seng Keang, collaborates with the unit not only in timber ventures, but also other aspects of her business. According to local inhabitants, in 2006 Seng Keang enlisted Brigade 70 officers to help her intimidate rival claimants to land she is attempting to acquire in Trapeang Svay on the outskirts of Phnom Penh.[339]

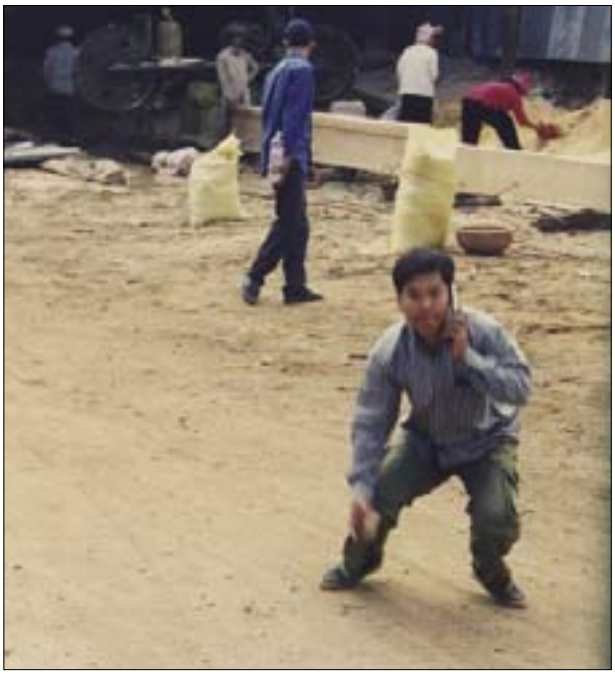
Khai Narin[340]

Khai Narin owns a sawmill on Route 5 in the outskirts of Phnom Penh and is described by timber industry insiders as a close associate of Dy Chouch.[341] Her company is listed, along with Seng Keang Company, as the owner of timber stockpiles in Tumring in a 2003 log transportation plan prepared by Colexim Enterprise.[159]

In December 2003, Global Witness discovered Khai Narin's sawmill processing illegally-sourced timber and reported the case to SGS, the new independent monitor of forest law enforcement. SGS subsequently attempted an inspection of the site, only to be, in the words of its project manager, "chased away by a man with a big stick".[342] Global Witness



Container truck outside Hak Mao's depots on Street 2002, Phnom Penh, October 2006



Employee of the Khai Narin sawmill prepares to throw a stone at some unwanted visitors, December 2003



Brigade 70 truck at Khai Narin sawmill, April 2005

wrote to SGS in February 2007 to ask the company to comment on this episode. SGS replied as follows:

"At this time the project had only been in operation for 11 days and was still in the inception phase awaiting the formal mandate from the RGC [Royal Government of Cambodia] to enter all relevant forest and processing areas. Thus it was not possible at the time to insist on access to the mill which was denied by the security guard. Even so, the SGS team spoke with local villagers and was able to establish that some illegal logging had occurred in the area. This was reported to the Forest Administration and it is understood that they closed this operation down. Subsequent inspections of the mill from the river in January and February 2004 revealed no evidence of any further logs being delivered or milling activities taking place. This incident was reported in full on pages 13 to 14 of the first SGS Quarterly Report which was made publicly available."[167]

In April 2005 Global Witness investigators visited the sawmill again and found it to be well stocked with 100 m^3 of protected luxury grade wood (*beng* and *neang nuon*) as well as grade I and grade II species. Two Brigade 70 trucks were observed unloading additional timber supplies. A few weeks later, Global Witness saw one of the same trucks (number plate *Khor Mor* 0.5314) in Kompong Thom Province, travelling along the 'Hun Sen Trail' – the road which carries timber illegally cut in Prey Long. People living close to Khai Narin's compound informed Global Witness that Brigade 70 trucks were coming to deposit logs at the sawmill on average three times a week.[343] During an aerial survey in September 2006, Global Witness observed stocks of logs in the Khai Narin sawmill compound. Over four years into a cutting and log transport ban it is highly unlikely that this wood was sourced legally.

Choeung Sopheap, also known as Yeay Phu[344]

Yeay Phu and her husband, CPP senator Lao Meng Khin, own Pheapimex, arguably Cambodia's most powerful company. Yeay Phu is a close friend of Hun Sen's wife Bun Rany and regularly travels abroad with the prime minister's entourage. Lao Meng Khin has been a CPP senator since 2006. Pheapimex is one of a small number of firms with ties to Hun Sen that act as joint venture partners to powerful Chinese firms moving into Cambodia. The company appears rarely to commit significant capital to these partnerships itself.[345]

Within Cambodia, the name Pheapimex is synonymous with illegal logging and over the past decade Global Witness has repeatedly uncovered evidence of the company cutting illegally both inside and outside its three logging concessions. Since the suspension of logging concession operations in 2002, Pheapimex's Kompong Thom concession has become a centre for illicit sawmill operations run by military units and one of the company's subcontractors.[346] Global Witness published details of these activities in



Illegal sawmill in Pheapimex Kompong Thom logging concession, May 2004



Yeay Phu keeping up appearances

June 2004. While Pheapimex made no comment, Prime Minister Hun Sen publicly attacked the report, telling journalists that "Global Witness has lied before and today they are lying again".[347]

Pheapimex has a wide range of other interests beyond forests. These include salt iodisation, over which the government granted it a monopoly, iron ore extraction, bamboo cultivation, pharmaceutical imports and hotel construction.[348] In recent years, the company has increasingly focused on economic land concessions (ELCs) and has partial or complete control of at least five.[348] Through its ELCs and logging concessions Pheapimex controls 7.4% of Cambodia's total land area.[19]

Three of the Pheapimex ELCs are joint ventures with the Chinese company Wuzhishan LS and Kong Triv, another tycoon who is a senator for the CPP.[348] Two of these concessions, in Pursat and Mondulkiri provinces, have been the scene of serious human rights abuses against local people.[349] After eight protestors against the Pheapimex-Wuzhishan ELC in Pursat were wounded in a hand grenade attack by unknown assailants in November 2004, King Norodom Sihamoni wrote a letter to the prime minister to express his concern. In his response to the king, Hun Sen defended the company, arguing that "the grenade attack was only aimed at blaming the government or the local authorities, because according to the technical examination by the competent officials, the purpose of the grenade attack (in which some people were injured and nobody died) was just aimed to make their propaganda voices louder."[350]

In 2004 Global Witness investigators found a group of large green military trucks, closely resembling those used by Brigade 70, transporting logs cut in the Pheapimex-Wuzhishan ELC in Pursat Province.[351] In 2005, one of Hak Mao's subordinates confirmed to Global Witness that Yeay Phu had made extensive use of Brigade 70's transport service.[352]

In a further expansion of its business empire, Pheapimex publicly announced in November 2006 that it was forming a joint venture with Chinese firm Jiangsu Taihu International to set up a new 178 ha Special Economic Zone near Sihanoukville.[348] Pheapimex claimed that the two companies would spend US$1 billion developing the area.[353] Under Cambodian law, companies developing SEZs are granted a nine year tax holiday, as well as exemptions on VAT and import and export duties.[354] A Chinese official from Jiangsu Province told journalists that the Pheapimex deal sprang from a visit to China by Hun Sen.[355] Global Witness is not aware of the government conducting any public bidding for the rights to this SEZ concession and does not know what criteria it used to evaluate the Pheapimex proposal.

In January 2007 Hun Sen presented Yeay Phu with the *Moha Sereiwath* medal – a decoration reserved for individuals who have made a particularly generous contribution to Cambodia's development.[356] The following month, Pheapimex emerged at the centre of yet another deal involving a valuable slice of public property. On February 6 Phnom Penh Governor Kep Chuktema signed away 133 ha of the Boeung Kak Lake area on a 99 year renewable lease to a previously obscure firm called In Shukaku, whose director is Yeay Phu's husband Lao Meng Khin.[348] The Housing Rights Task Force (HRTF), a coalition of local and international NGOs, and the Cambodian Center for Human Rights (CCHR), report that the site is home to at least 4,252 families. According to the NGOs, none of these families were consulted about the deal.[357] HRTF and



Yeay Phu receiving the Moha Sereiwath medal



Mayor of Phnom Penh Kep Chuktema. In February 2007 he signed away 133 ha of the Boeung Kak Lake area to a company directed by Yeay Phu's husband Lao Meng Khin

CCHR have stated that "If these families are forcibly removed from their homes, following recent precedents by the Municipality and the poor track record of In Shukaku's director Lao Meng Khin, this would mark the largest single displacement of people in Cambodia since the privatization of land in 1989."[357]

Pheapimex's illegal logging has robbed the Cambodian people of a valuable public asset and Global Witness has repeatedly made the case for prosecuting the company and stripping it of its concessions. The firm's other activities have also caused widespread damage to the livelihoods of ordinary Cambodians. Whether in terms of taxes paid or jobs created, there is little evidence that handing over enormously valuable public assets to Pheapimex has contributed in any way to Cambodia's development. What is not in doubt is that the company's owners and their political patrons have profited handsomely. The question of why Hun Sen continues his vigorous promotion of Pheapimex's interests remains unanswered, however. In February 2007 Global Witness wrote to the prime minister and his wife to ask them whether they hold a private stake in Pheapimex. As this report went to print, neither Hun Sen nor Bun Rany had replied to these letters.

Che Lain[358]

Che Lain is the wife of naval commander Yim Saran, the nephew of Senate President and CPP President Chea Sim.[359] Timber trade insiders describe Che Lain as a forceful character who is given to shouting down the phone at MAFF Minister Chan Sarun when he fails to comply with her demands.[359]

Global Witness first found evidence of Che Lain's involvement in illegal logging while investigating a boat-building racket in 2004. This inventive scam involved tricking monks into signing letters stating that their pagodas needed giant *koki* logs to build racing boats so that they could compete in the annual Water Festival races in Phnom Penh.[360] Having secured their signatures, Che Lain and other fixers presented the letters to senior officials and persuaded them to sign permits authorising the cutting of *koki* trees. The fixers then used these documents as the pretext for logging the Seima Biodiversity Conservation Area in Mondulkiri and selling the wood to timber dealers.[361] The more fortunate monks received a small portion of the wood originally promised, others received bags of cement and some never heard from the fixers again.[360] Global Witness has obtained copies of the letters and permits relating to a number of these cases.

Timber traders interviewed by Global Witness in 2004 named Che Lain as a major player in the logging of protected luxury timber species around Anlong Veng and Trapeang Prasath along Cambodia's northern border with Thailand.[362] These sources described her hiring Brigade 70 to transport square logs and sawn wood to Neak Loeung, a river port in Prey Veng Province and a key transit point for timber shipments to Vietnam. These accounts were confirmed by a senior member of the security forces in Neak Loeung who has close connections with the timber business.[363]



Hauling an illegally-felled *koki* log out of the Seima Biodiversity Conservation Area, October 2003

Hak Leng[364] **and Siem Touch**[365]

Hak Leng and Siem Touch have a long-established timber trading operation in Neak Loeung which includes a sawmill and at least one warehouse.[366] Global Witness has previously uncovered evidence of their involvement in the '*koki* logs for monks' racket outlined on the previous page.[361]

A senior member of the security forces in Neak Loeung told Global Witness that Hak Leng and Siem Touch regularly coordinate the transportation of illegally-logged luxury timber with Hak Mao's teams and provide temporary storage facilities for the wood within the town. This officer claims that the couple are also instrumental in shipments of illegally-sourced timber down the river to Vietnam.[363]

An associate of Siem Touch describes her as being a friend of both Hun Sen's wife Bun Rany and Koeung Chandy, the wife of General Kun Kim, Hun Sen's chief of cabinet.[367] Hak Leng, meanwhile, is reported to make regular payments to Kun Kim's brother-in-law, Koeung Vannak,[368] a provincial Forest Administration official, to ensure his protection of the couple's business.[369] According to several residents of Neak Loeung whom Global Witness interviewed in September 2006, Hak Leng has recently been given the honorific title *oknha*.[370]



Koki **logs on the river bank close to Hak Leng and Siem Touch's sawmill, September 2003**



Constructing a boat from *koki* at Hak Leng and Siem Touch's sawmill, September 2006

Sean Leang Chhun, also known as Yeay Chhun[371]
Yeay Chhun is one of the most prolific illegal loggers in north-eastern Cambodia. She is particularly active in Kratie and Mondulkiri provinces and transports much of her timber to Neak Loeung or to Vietnam.[372] Global Witness has been gathering information on Yeay Chhun's activities for more than five years. Officials report that her involvement in the illegal timber trade goes back more than a decade.[335]

In 2001, following a major crackdown on forest crime in Mondulkiri Province the previous year, Yeay Chhun acquired a permit to collect the logs that officials claimed the illegal loggers had left scattered in the forest.[373] The granting of this permit contravened Hun Sen's 1999 declaration on forest sector reform, which banned old log collection licences because of their persistent misuse as a cover for illegal logging. In 2003, Chan Sarun authorised Yeay Chhun to establish a sawmill in O'Reang District, Mondulkiri Province, in order to process the 'old logs'.[374] Yeay Chhun proceeded to use these permits as the pretext for illegally cutting and processing over a hundred trees from the Seima Biodiversity Conservation Area in Mondulkiri in 2004.[375]

In May 2004 Global Witness published a short report outlining three cases of illegal logging by Yeay Chhun: the cutting in the Seima Biodiversity Conservation Area, unlawful harvesting in the Snuol Wildlife Sanctuary in Kratie and more illegal felling in a forest in Snuol District outside the wildlife sanctuary boundaries. During the last of these operations one of the trucks carrying Yeay Chhun's timber fell through a public bridge near Snuol town.[376] A Brigade 70 officer told Global Witness that this convoy included vehicles provided by Hak Mao, but that the truck which collapsed the bridge belonged to Yeay Chhun. The officer said that Yeay Chhun regularly hired Hak Mao to transport her timber between 2002 and 2004 but that their partnership ended following the attention generated by the bridge destruction in Snuol.[377]



Timber trader Yeay Chhun; one of the most prolific loggers in north-eastern Cambodia

A timber trade insider subsequently told Global Witness that Yeay Chhun was upset by the public exposure of her activities because it meant that she had to pay larger than usual bribes to persuade officials to turn a blind eye.[378] The added expense did not permanently derail her business, however. Not long after Global Witness released its report, Yeay Chhun was seen arriving at the Forest Administration office in Phnom Penh for a meeting with Deputy Director General Chea Sam Ang[379] and leaving with a new sheaf of timber transport permits.[380] Chea Sam Ang, the Project Director for the World Bank's Forest Concession Management and Control Pilot Project, refused to explain his actions to journalists who called him for comment; however FA Director General Ty Sokhun declared that the permits were legitimate.[381]

Global Witness has obtained information from sources in the Snuol area that Yeay Chhun was continuing to transport illegally-logged timber from Kratie to Neak Loeung between July and September 2006.[382]



Illegal logging operation organised by Yeay Chhun in Snuol District, June 2005

Pol Saroeun

Pol Saroeun is the Commander-in-Chief of Cambodia's army. According to officers in Brigade 70 and other Royal Cambodian Armed Forces units, between 2003 and 2005 the general contracted Hak Mao to supply him with protected luxury wood and grade 1 timber to build a house in Svay Rieng Province.[383] Pol Saroeun provided Hak Mao with signed permits approving the wood's delivery, despite having no legal authority to do so. Hak Mao then used the documents repeatedly as a pretext for transporting much larger volumes of luxury timber; much of it supplied by Dy Chouch. Brigade 70 reportedly exported around 80% of this wood to Vietnam.[383]

Preap Tan[384]

Preap Tan is the governor of Preah Vihear Province. According to a source in Brigade 70, in July 2006 he commissioned Hak Mao to transport 185 *koki* logs from three locations in Preah Vihear to Phnom Penh.[313]

Global Witness has previously obtained documents signed by Preap Tan and Hun Sen Bodyguard Unit commander Hing Bun Heang concerning procurement of wood from Preah Vihear Province for the construction of four boats. Hing Bun Heang described the boats as being for "Bodyguard Unit activities, undertaking missions for the Prime Minister and his wife ... and distributing gifts to villagers in provinces affected by natural disasters".[385] Global Witness does not know whether the boats were actually built and, if so, from where the wood was sourced.

Preap Tan's own bodyguards also appear to have interests in the timber sector. In September 2004 Forest Administration staff in Tbeng Meanchey District in Preah Vihear Province temporarily closed their office, saying that the governor's bodyguards had fired shots at their compound following a dispute over some wood. According to the FA, Preap Tan acknowledged his bodyguards were at fault and "educated them not to do it again".[386]



Commander-in-Chief of Cambodia's army, General Pol Saroeun. He is reported to have contracted Hak Mao to supply him with timber to build his house



Small truck used by Brigade 70 to distribute goods within Phnom Penh

4. Transportation of Smuggled Goods by Brigade 70

Global Witness' initial interest in Brigade 70 related to its role in Cambodia's illegal timber trade. Field investigations, surveillance and extensive interviews with Brigade 70 officers have yielded additional information on the unit's transportation of smuggled merchandise, however.

Brigade 70 picks up smuggled goods on behalf of its clients as the items arrive in Cambodia. This enables the clients to evade import duties. Import duties are a potentially important source of revenue for the Cambodian treasury but corruption ensures that levels of tax evasion are extremely high. According to the IMF's most recent Article IV report on Cambodia, "revenue collection continues to be well below what is needed to support the government's expenditure objectives".[387] Hun Sen periodically announces crackdowns on smuggling, yet military trafficking operations remain a major money-spinner for some of his closest advisors.

Through interviews with Brigade 70 officers and businessmen, Global Witness has been able to build up a picture of the range of commodities the unit transports. These include beer, spirits, cigarettes, perfume, electronic goods, construction materials, clothes, sugar, pharmaceuticals, and products destined for supermarkets including ice cream.[388] Hak Mao runs the transportation of these goods out of depots in Phnom Penh, including one of the compounds on Street 2002.[389] According to soldiers and local residents, Brigade 70 distributes items such as alcohol, perfume and luxury foods within Phnom Penh using a fleet of small ice cream and soft drinks trucks.[390] Global Witness investigators have observed these types of vehicles coming in and out of the depots on Street 2002, but have not been able to inspect their contents.

Who is hiring Hak Mao to transport smuggled goods? Customs officers interviewed by Global Witness claimed that the group's clientele included high-ranking officials and their families. Amongst these, they singled out the wives of Minister of Defence Tea Banh[391] and his brother Tea Vinh,[392] who is a naval commander in Koh Kong.[393] Both these men have a history of involvement in illegal timber exports.[394]



Minister of Defence Tea Banh. His wife is reported to have contracted Hak Mao to transport smuggled goods

The same customs officials also alleged that Hak Mao was delivering smuggled products for some of Cambodia's most prominent tycoons and companies.[393] This claim is echoed by a source close to the prime minister, who told Global Witness that most of the contraband that Brigade 70 transported belonged to the Attwood Import Export Company.[40] Attwood is profiled in Box 17. Global Witness wrote to Tea Banh, Tea Vinh and Attwood in February 2007 to ask whether they had ever enlisted the services of Brigade 70. As this report went to print, none of them had replied.

Box 17: Attwood Import Export Co. Ltd

Attwood Import Export Co. Ltd is the official distributor in Cambodia for Hennessy cognac and well-known brands of whisky and beer. Attwood's Managing Director Lim Chhiv Ho[395] is described by a well-connected source in Cambodia's commercial sector as one of a quartet of politically powerful women who do business deals together.[396] The other three members of this quartet are said to be Yeay Phu of Pheapimex; the wife of National Customs and Excise Department Director Pen Simon[397]; and Tep Bopha Prasidh,[398] who is married to Minister of Commerce Cham Prasidh[399] and holds the position of Director of Administration at the ministry.[396] Tep Bopha Prasidh is reported to own 10% of Attwood's shares – a stake worth US$1 million.[400] Lim Chhiv Ho's daughter is married to the son of Yeay Phu.[396]

Attwood has received concessions from the government to develop three Special Economic Zones (SEZs) near Sihanoukville, Phnom Penh and Bavet on the Vietnamese border.[401] These deals give the company generous tax holidays and duty exemptions. Global Witness wrote to Lim Chhiv Ho in February 2007 to ask how Attwood went about obtaining these SEZs but has not yet received a reply.



Hennessy billboard in Phnom Penh



Minister of Commerce Cham Prasidh's wife is reported to own 10% of Attwood's shares



National Customs and Excise Department Director Pen Simon. His wife is described as doing business deals with Attwood director Lim Chhiv Ho

Information from Brigade 70 soldiers suggests that the rates Hak Mao charges for transporting smuggled goods are roughly comparable to those for delivering illegally-logged timber.[402] As Box 19 shows, however, for certain very expensive goods the fees can be a great deal higher.

A member of Hak Mao's staff told Global Witness that Brigade 70 sometimes transports truckloads of sugar overland from Thailand via the Poipet border crossing in Banteay Meanchey Province.[403] Global Witness investigators found loaded Brigade 70 trucks crossing the border at Poipet in September 2006 but were unable to obtain information about what goods they were carrying. Observations and interviews suggest that the major entry points for the smuggled items Brigade 70 transports are on Cambodia's south coast, however.[404]

4.1 Smuggling Through Sre Ambel Port

In the early stages of Hak Mao's career with Brigade 70, most of the contraband his teams handled entered Cambodia through the port at Sre Ambel in Koh Kong Province.[405] Here Brigade 70 unloaded boatloads of high value goods smuggled from Thailand, notably international brand cigarettes and alcohol, and paid customs officials only 5-15% of the duties owed.[406] Hak Mao told anyone who asked questions that the smuggled goods belonged to Tea Banh and Tea Vinh.[407] Local officials recall that the Sre Ambel District governor made efforts to clamp down on these activities but was not successful.[407]

From Sre Ambel, Brigade 70 transported the goods either to Phnom Penh, or along the coast to Sihanoukville port. Goods transferred to Sihanoukville were then packed into shipping containers and re-exported.[408] Following Hun Sen's coup in July 1997 Hak Mao's business at Sre Ambel expanded. Brigade 70 began importing increased volumes of contraband while shipping consignments of luxury grade wood in the other direction.[409]

As Hak Mao's enterprise blossomed, other agencies laid a claim to a share of the profits, sparking a violent stand-off on at least one occasion. An official based in Sre Ambel described to Global Witness an incident in which a combined law enforcement team of customs officials, economic police and military police intercepted three large military trucks as they headed north from Sre Ambel.[407] The trucks were carrying cigarettes, whisky and Hennessy[410] cognac and the checkpoint team demanded that the drivers pay them a bribe. The truck drivers refused, saying that the goods belonged to Tea Banh, Tea Vinh and prominent tycoon Teng Bunma.[411] A standoff ensued. Two hours later Hak Mao himself arrived with 20 armed troops, threatened the law enforcement team and directed his trucks to smash their way through the checkpoint barrier. The two groups then began shooting at each other, the customs officers, police and military police retreated and the trucks pulled away.[407]

Having regrouped, the law enforcement team contacted the Military Region III command to request that they intercept the Brigade 70 convoy as it headed along Route 4 towards Phnom Penh. This plan foundered on the close ties between Hak Mao and MRIII however. When the MRIII troops eventually arrived on the scene, it was to disarm the checkpoint officials rather than to back them up. In the aftermath, some members of the law enforcement team were fired from their positions.[407] It appears to be on the strength of this and similar incidents that local people began calling Brigade 70 the '*Samurai*' group.[412]

By the end of 2004, Hak Mao had largely ceased using Sre Ambel and had shifted his operation to Mong Reththy's new Oknha Mong port at Keo Phos village, closer to Sihanoukville.[412]



Ports used by Brigade 70

4.2 Smuggling through Oknha Mong Port

"There are no longer any barriers between nations ... The world has become one huge market." **Mong Reththy, 2007**[426]

Oknha Mong Port is the brainchild and private business holding of tycoon and CPP senator Mong Reththy. Located just 45 kilometres from Cambodia's main commercial port at Sihanoukville, the creation of the new facility has the explicit backing of Hun Sen, who inaugurated it in December 2004 and hailed it as a means of fostering greater economic competition. Despite this optimistic prognosis, there are indications that the port is effectively exempt from official regulatory structures and acts as a gateway for large-scale smuggling.



Entrance to Oknha Mong Port

When Oknha Mong Port was first announced to the media earlier in 2004, it was described as coming equipped with its own customs, police and military police.[427] This description may be rather too literal; indeed sources at the port say that the approximately 15 customs officers stationed there are answerable only to Mong Reththy and may not submit a report to their head office in Phnom Penh unless the tycoon first authorises it.[428]

Hak Mao's teams began using Oknha Mong Port soon after it opened for business, transporting goods to and from Phnom Penh. Brigade 70 is also known to take deliveries from Oknha Mong Port along the coast to the seaport at Sihanoukville.[428]

Dock workers and local residents have remarked on the heavily armed escorts accompanying some of the sealed shipping containers Hak Mao's men deliver for export via Oknha Mong Port. Asked by Global Witness what they thought was in these containers, some of the workers joked that they probably contained narcotics or counterfeit dollars.[429] Such a possibility is taken seriously by some members of the diplomatic community, who have privately expressed concerns that drugs are being trafficked through the port.[430]

As at Sre Ambel before, Hak Mao's men pay the customs officials at Oknha Mong Port no more than 5-15% of the required import tariffs.[408] An eyewitness to some of these transactions claims that the officials have no choice but to accept these poor terms given Brigade 70's capacity for violence and the risk of being fired by Mong Reththy if they raise objections.[431]

Box 18: Mong Reththy

"It should be mentioned also that Mr Oknha [Mong Reththy] has been doing a great deal for the country" **Prime Minister Hun Sen at the opening of Oknha Mong Port, 2004.**[413]

"I will bulldoze the homes of [residents] who refused money" – **Mong Reththy commenting on his demolition of the Royal University of Fine Arts campus, 2005.**[414]

Mong Reththy is one of Cambodia's most prominent tycoons and a close ally of Hun Sen. In 2006 he became a senator for the CPP.

Plantations, commodities trading, cattle farming and real estate development are just some of Mong Reththy's interests. His eclectic business portfolio has also encompassed illegal logging in Bokor National Park and an economic land concession in Stung Treng which at 100,852 ha is more than ten times the size permitted by the Land Law.[348] This ELC is sited on the cancelled Macro Panin logging concession in violation of the sub-decree on Forest Concession Management. Chan Sarun signed off on the deal in November 2001, three months after the passage of Land Law limiting ELCs to 10,000 ha.[415] When Global Witness wrote to Chan Sarun to question the legality of his decision, the minister responded with the argument that the government was obliged to give Mong Reththy the concession because he had asked for it before the Land Law was ratified.[416] In December 2006 Global Witness received reports from a human rights worker that Mong Reththy's company had begun clearing parts of the Green Sea ELC close to the Lao border.[417]

Mong Reththy has also been at the forefront of the recent rash of land-swap deals in which ownership of public buildings has been transferred to tycoons with links to the CPP. His land-swap acquisitions have included Cambodia's Supreme Court, Appeals Court, Phnom Penh Municipal



Mong Reththy receiving a medal from Hun Sen

Court and Justice Ministry buildings.[348] He has also flattened the historic Royal University of Fine Arts campus in Phnom Penh and forcibly evicted local residents in order to make way for a development he has named 'China Town'.[418]

The government's decision to give the green light for Oknha Mong Port demonstrates considerable confidence in a man previously subject to allegations of drug trafficking. Claims that there was more to Mong Reththy's import-export business than met the eye first surfaced in April 1997, when officials in Sihanoukville seized seven tons of marijuana from containers labelled as rubber.[419] Newspapers reported that documents taken during the seizure bore stamps and seals of a company belonging to Mong Reththy.[420] In media interviews Mong Reththy denied any involvement.[421]

Secretary of State at the Ministry of Interior Ho Sok, a member of the CPP's Funcinpec coalition partner, led the investigation into Mong Reththy's alleged connection with the marijuana. His announcement that a court was preparing an arrest warrant for the tycoon prompted Hun Sen to comment that anyone attempting to arrest Mong Reththy had better "wear a steel helmet".[422] In July 1997, during the coup in which Hun Sen ousted his Funcinpec co-prime minister Prince Norodom Ranariddh, Ho Sok was detained by CPP forces and murdered.[423] The investigation into Mong Reththy's dealings proceeded no further.

Mong Reththy has continued to deny any connection with drug trafficking. In an interview with a local newspaper in 2004, he said "I was accused of planting and smuggling marijuana. I have tried to ignore it. I have never even smoked a cigarette in my life, so how could I do business like that? I only do what is legal".[424]

Global Witness wrote to both Mong Reththy and Hun Sen to ask them for their comment on the reports of drug trafficking. As this report went to print, Hun Sen had not replied, however Mong Reththy's lawyer responded by e-mail as follows:

"We have received the inquiry from your office related to Mr Mong Reththy and he is pleased to receive it. Mr Mong has asked us to inform you that he is unable to give Global Witness a written statement BUT he is willing to interview with a Global Witness representative in Phnom Penh or in London. If you have any further inquiry, please do not hesitate to contact us."[425]

Global Witness accepted the invitation to take part in an interview with Mong Reththy, and proposed a tape-recorded discussion over the telephone. At the time of the report's publication, Mong Reththy's lawyer had not responded to this proposal.



Illegal clearing and road building in Bokor National Park by Mong Reththy Group, March 2006



Oknha Mong Port

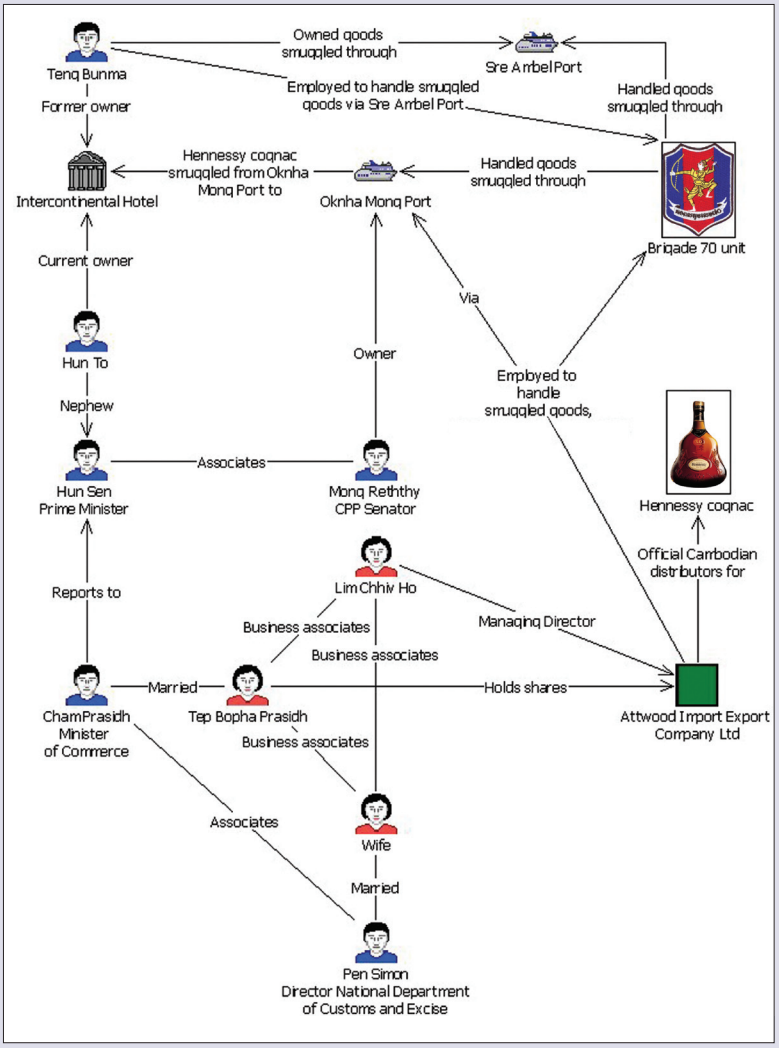
Box 19: Special Deliveries

According to members of his staff, in March 2005 Hak Mao received US$100,000 for transporting 60,000 bottles of Hennessy cognac from Oknha Mong Port to the InterContinental Hotel[432] in Phnom Penh.[433] The InterContinental Hotel building previously belonged to Teng Bunma, a tycoon famous for shooting out the tyres of an aeroplane after the airline mislaid his bags.[434] However, hotel staff told Global Witness in 2005 that ownership had passed to Hun To, the nephew of the prime minister.[435]

As of September 2006, the bar at the InterContinental Hotel stocked three different Hennessy cognacs. Top of the range was the Hennessy Paradis, weighing in at US$35 per measure or US$980 per 70 cl bottle. Global Witness does not know which type of Hennessy cognac Hak Mao was asked to deliver to the hotel. At InterContinental prices, however, the retail value of 60,000 bottles of Hennessy Paradis would be close to US$5.9 million.

Hennessy's official distributor, Attwood, runs a large shop retailing duty free liquor in a building next to the InterContinental Hotel. In January 2007 Global Witness wrote to both Attwood and Hennessy companies to ask if they were aware of the evidence of cognac smuggling, but has not received a response from either firm. There is no suggestion by Global Witness that Hennessy is involved in the smuggling of its products, or that the InterContinental Hotels Group is implicated in any way.

In December 2006 Global Witness staff observed a truck bearing the Hennessy logo leaving a warehouse on Street 430, one block south of the InterContinental Hotel. Two large green military-style trucks parked outside this depot were both labelled 'LM', indicating that they were part of the Long Meng Group, a smuggling operation run by members of the police which is profiled in Box 20. Global Witness has written to both Attwood and the InterContinental Hotel to ask them if they have any connection with these premises, but has not yet received a reply from either company.



Brigade 70, the InterContinental Hotel and Attwood



Hennessy and Long Meng trucks near the InterContinental Hotel, December 2006

5. The Bottom Line – Hak Mao's Income and Expenditure

Assuming an average return of US$1,100 per truck for both timber and smuggled goods and ignoring lucrative one-off deals like the Hennessy delivery, Hak Mao's basic monthly takings could be in the region of US$171,600-US$228,800, depending on whether he has just 12 trucks or all 16 in operation. Hak Mao's staff claim that Brigade 70's illegal timber and contraband delivery services generate average profits of US$1,500-US$5,000 per day.[436]

One Brigade 70 source told Global Witness that Hak Mao pays a cut of his earnings – at least US$30,000 per month – to the unit itself and that he effectively underwrites its existence. These funds are said to cover soldiers' food and travel as well as parties for its officer corps.[437] An associate of Hak Mao provides more detailed information that broadly corroborates this account but suggests that the $30,000 is in fact split between Brigade 70 and the Bodyguard Unit, with the latter receiving the larger share.[438]

According to this source, Hak Mao's basic monthly contributions to Brigade 70 and the Bodyguard Unit are calculated according to the number of trucks he is using at any one time.[438] At the start of 2006 he was paying US$1,000 per vehicle per calendar month towards the operations of Brigade 70 and the same amount to the Bodyguard Unit commander Hing Bun Heang – a combined outlay of US$24,000-US$32,000.[438] Global Witness believes that the share paid to Hing Bun Heang is intended for Bodyguard Unit operations, although it is possible that some of the money augments the general's private bank accounts.

In mid 2006 however, Hak Mao became concerned that he might be in line for promotion to two star



Bodyguard Unit commander Hing Bun Heang is reported to have received monthly contributions from Hak Mao

major general, the same rank as Brigade 70 commander Mao Sophan.[438] One brigade being too small for two major generals, the extra star might necessitate Hak Mao transferring to the army headquarters and thereby losing his capacity to run the unit's trafficking businesses.[438] Coincidentally or otherwise, it was around this time that Hak Mao upped his monthly payments to Hing Bun Heang to US$1,700 per truck or US$20,400-US$27,200 in total.[438] As this report went to print, it remained unclear whether or not Hak Mao had succeeded in evading promotion.

The figures available suggest that the overall annual turnover of Hak Mao's operations could be in the region of US$2 million and US$2.75 million; with around 60% coming via transportation of illegally-logged timber and the other 40% from delivering contraband. Of this, between US$388,000 and US$518,400 is financing Hun Sen's two most important military units, Brigade 70 and the Bodyguard Unit.



Soldier and trucks near Hak Mao depots, December 2006

Box 20: Long Meng Group

In the course of investigating Hak Mao and Brigade 70, Global Witness also gathered information on a rival syndicate run by a colonel in the economic police named Long Meng. According to officials in Koh Kong Province, Long Meng has been active in the business since around 2000, arranging delivery of smuggled goods in much the same manner as Hak Mao.[439] He manages a fleet of at least 20 large trucks, which are painted military green in the style of the Brigade 70 vehicles. Each truck carries an identification plaque in the front windscreen which begins with the letters 'LM'.[440]

Long Meng's group initially took up the slack left by Hak Mao's switch from Sre Ambel to Mong Reththy's port in 2004.[439] In March 2006 however, Global Witness found 'LM' trucks parked at Oknha Mong Port, suggesting that the Long Meng group may have expanded its zone of operations. During the same aerial survey, Global Witness found a cargo vessel labelled with the Long Meng 'LM' logo docking alongside a loaded barge sailing under a Thai flag just off the coast from Keo Phos.

During investigations in December 2006 and January 2007, Global Witness found Long Meng trucks in convoys of up to 25 vehicles transporting goods along National Road 4, which connects Phnom Penh to ports on the coast.



Boat bearing the Long Meng group 'LM' logo, March 2006



Long Meng Group trucks at Oknha Mong Port, March 2006. (Inset) LM logo in the truck's window

CONCLUSION

Eight years after Prime Minister Hun Sen pledged to stamp out forest crime, illegal logging continues to erode Cambodia's most valuable forests. Areas such as Prey Long remain seriously at risk.

More than ever, large-scale illegal logging operations, such as the ones described in this report, are the preserve of a relatively small number of people who are relatives or friends of the prime minister or other senior officials. Dy Chouch, Seng Keang and Khun Thong have been a fixture in Cambodia's illegal logging sector for the past decade. Their careers show how, despite a forestry reform process launched by the prime minister himself, elite families have maintained, and even strengthened, their grip on the illegal logging industry.

The responsibility of Hun Sen and his ministers goes beyond allowing their families to log illegally, however. The job auction at the Forest Administration demonstrates that institutionalised corruption is driven from the highest levels of the government. By allowing and in some cases encouraging state institutions to generate money through extortion and other types of crime, senior officials are exacerbating the damage to Cambodia's forests and the country's overall development prospects.

The example of Brigade 70, meanwhile, shows how intimately Hun Sen's personal powerbase is connected to organised crime. Brigade 70's prominent role in timber trafficking and smuggling, as with elite families' dominance of illegal logging, reflects a wider consolidation of power in Cambodia by Hun Sen and his allies.

Addressing these problems requires holding the most powerful criminals accountable to the law. There can be little doubt that a handful of competently investigated and prosecuted cases against senior officials, their relatives and associates would have a far greater impact on abuse of power and corruption than new legislation, important though this is.

The stakes in the fight against corruption have been raised recently by the discovery of oil and gas reserves off the coast of Cambodia. The country will soon be earning hundreds of millions of dollars from offshore oil and gas extraction, something that should be a cause for celebration in a country that remains heavily dependent on overseas aid. However, the precedent offered by Cambodia's forest sector is hardly encouraging. Given the entrenched corruption in government, the oil discovery poses as much a threat as an opportunity. Under current conditions, Cambodia has the potential to follow the example of countries such as Angola, where a super-rich elite, bloated by oil revenues, rules with little regard for the interests of an impoverished population.[441]

Senior officials' vested interests in the status quo mean that change can only be driven by strong pressure from outside the government. Ideally this would be led by ordinary Cambodians citizens and civil society organisations. However, in the current political climate, in which those who speak out against abuses are threatened or attacked, civil society in Cambodia is not robust enough to play this role on its own. Those with the greatest leverage over the government remain the international donor community.

In the past decade and a half, international donors have been reluctant to use this leverage and have helped legitimise the entrenchment of a kleptocracy. It is not too late for donors to start playing a more constructive role, however. At the forthcoming 2007 Consultative Group meeting donors need to redefine the terms of their engagement with their Cambodian counterparts. As a first step, they must directly link future disbursements of non-humanitarian aid to reforms that make the Cambodian government more accountable to its own citizens.



It is time Cambodia's donors changed their approach to dealing with Hun Sen's government

APPENDIX 1: CAMBODIA'S TYCOON-SENATORS/CRONYOMETER REFERENCES[viii]

Kok An

1 Permits to build and operate casinos:
Personal communication from an official, 2007
Kay Kimsong, 'Sleepy Town on VN Border May be 'New Poipet'', Cambodia Daily, 8 July 2005.
2 Contracts to generate/distribute electrical power:
Electricity Authority of Cambodia, 'Licence No. 115 LD: Generation Licence for Khmer Electrical Power Co. Ltd', 15 March 2005, http://www.eac.gov.kh/pdf/licences/generation/115_KEP_20-11-06_en.pdf.
Electricity Authority of Cambodia, Report on Power Sector of the Kingdom of Cambodia for the year 2003, October 2004, http://www.eac.gov.kh/pdf/report/Annual%20Report%202003_Eg.pdf.
Kay Kimsong, 'Phnom Penh Blackouts Should be Finished', Cambodia Daily, 10-11 June, 2006.
3 Sits on board of Cambodian Red Cross:
Cambodian Red Cross, 'CRC has a new governing board and a new Secretary General', August 2006, http://www.redcross.org.kh/news_events/2006/4thGA.html.

Sy Kong Triv

1 Economic land concessions:
Ministry of Commerce registration of Wuzhishan LS Group Ltd., 24 May 2004 (this document lists the three shareholders of Wuzhishan as Liu Wei, Lao Meng Khin and Sy Kong Triv).
Contract granting an economic land concession of 176,065 ha in Kompong Chhnang Province, signed by MAFF Minister Chhea Song, 8 January, 2000.
Contract granting an ELC of 138,963 ha in Pursat Province, signed by MAFF Minister Chhea Song, 8 January, 2000.
MAFF, profile of Wuzhishan's 10,000 ha Mondulkiri ELC, http://www.maff.gov.kh/elc/comprofiles/mdwuzhis.html.
2. Contracts to upgrade and operate airports:
Business News Review (Cambodia), 'Building up Khmer skills - Muhibbah sees building potential', 1 February 1999.
Asian Development Bank, 'Project completion report on the Siem Reap Airport project to the Kingdom of Cambodia', December 2004, www.adb.org/Documents/PCRs/CAM/pcr-cam-27406.pdf.
ADB, 'Report and Recommendation of the President of the Board of Directors on a proposed loan and technical assistance grant to the kingdom of Cambodia for the Siem Reap Airport Project', 1996. www.adb.org/Documents/RRPs/CAM/rrp-R27896.pdf.
International Finance Corporation, 'Cambodia Airports, 21363, Summary of Project Information', http://ifcln001.worldbank.org/IFCExt/spiwebsite1.nsf/2bc34f011b50ff6e85256a550073ff1c/ea373e2378da6385256dce006ebb91?OpenDocument.
3. Contract to construct a railway line:
ADB, 'Contract Awards Information on Goods and Related Services and Civil Works Contracts above US$100,000 value', August 2002, http://www.adb.org/documents/others/contract_awards/2002/08chap_c.pdf.
World Rainforest Movement, The Death of the Forest – A Report on Wuzhishan's and Green Rich's Tree Plantation Activities in Cambodia, WRM Series on Tree Plantations No. 4, 2006; p.p. 21-22.
4 Contract to construct/renovate roads:
Muhibbah Engineering BHD, 'Annual Report' 2001, http://announcements.bursamalaysia.com/EDMS/hsubweb.nsf/0/48256aaf0027302c48256bc700389830/$FILE/Muhibah-AnnualReport%202001%20(1.2MB).pdf.
Hun Sen, 'Speech at the Inauguration Ceremony for Official Use of the Section of National Roads No. 5 and 6', 19 November 2004, http://www.cnv.org.kh/2005_releases/19nov05_national_road_5&6_siemreap.htm.
5 Accompanied Hun Sen on a trip to China:
Images from Cambodian television news footage obtained by Global Witness, 2004.

Lao Meng Khin (husband of Yeay Phu)

1 Logging concessions:
Asian Development Bank Sustainable Forest Management Project, Cambodian Forest Concession Review Report, 2000, p.13.
Forest Administration, 'Forest Cover and Forestland Categories / 4. Forest Concession Areas', http://www.forestry.gov.kh/Statistic/Forestcover.htm.
Keith Barney, Customs, Concessionaires and Conflict, Forest Trends, August 2005, http://www.forest-trends.org/documents/publications/Cambodia%20Report_final_6-1-05.pdf.
2 Economic land concessions:
Ministry of Commerce registration of Wuzhishan LS Group Ltd., 24 May 2004 (this document lists the three shareholders of Wuzhishan as Liu Wei, Lao Meng Khin and Sy Kong Triv).
Contract granting an economic land concession of 176,065 ha in Kompong Chhnang Province, signed by MAFF Minister Chhea Song, 8 January, 2000.
Contract granting an ELC of 138,963 ha in Pursat Province, signed by MAFF Minister Chhea Song, 8 January, 2000.
MAFF, profile of Wuzhishan's 10,000 ha Mondulkiri ELC, http://www.maff.gov.kh/elc/comprofiles/mdwuzhis.html.
Contract for two ELCs of 70,000 ha (Banteay Meanchey) and 230,000 ha (Battambang) signed by Ministers to the Council of Ministers Sum Manit and Nouv Kanon, Phnom Penh, 8 June 1998.
Ministry of Land Management, Urban Planning & Construction GIS data-set showing the two ELCs in Banteay Meanchey and Battambang, 2004.
3 Concession to quarry limestone:
Chea Sieng Hong, Secretary of State, Ministry of Industry, Mines and Energy, speech given at 'Mining Opportunities in the Greater Mekong Sub-Region Conference' meeting in Laos, June 2006, http://www.gmsbizforum.com/dmdocuments/MGS_MI~2.pdf.
4 Concession to explore for iron ore:
Xinhua, 'Cambodia, China to cooperate on iron mine exploration, 20 March 2005, http://english.people.com.cn/200503/20/eng20050320_177505.html.
Kuch Naren, 'Cambodian Chinese Firms to Invest in Mine', Cambodia Daily, 22 March 2005.
Robin Paxton, 'Cambodia Wants Gold Mines to Replace Land Mines', Reuters, 29 March 2005, http://www.planetark.com/avantgo/dailynewsstory.cfm?newsid=30118.
Chea Sieng Hong, Secretary of State, Ministry of Industry, Mines and Energy, speech given at 'Mining Opportunities in the Greater Mekong Sub-Region Conference' meeting in Laos, June 2006, http://www.gmsbizforum.com/dmdocuments/MGS_MI~2.pdf.
5 Permit to cut trees in state rubber plantations:
Susan Postlethwaite, '"Anarchy" in Cambodia's rubber business', Phnom Penh Post, 20 October-2 November 1995.
6 Awarded lease of public land in Phnom Penh:
The Housing Rights Task Force and the Cambodian Center for Human Rights, 'Boeung Kak Contract Violates Cambodian Law', February 2007.
Prak Chan Thul and James Welsh, 'Firm Lands 99-Year Lease on Boeng Kak Lake', Cambodia Daily, 8 February 2007.
Allister Hayman and Sam Rith 'Boeung Kak lake latest city sell-off', Phnom Penh Post, 9-23 February 2007.
Personal communication from UNOHCHR, March 2007.
Cambodian Center for Human Rights, 'Boeung Kak Lake Residents Fear Mass Eviction as Phnom Penh Municipality Signed a 99-Year Contract with Sokako Inc Company', 20 March 2007.
7 Concession to set up a tax-free economic zone:
DFDL, 'Weekly Law Update', 1 November 2006.
Kay Kimsong, 'High Hopes for New Economic Zone in S'ville', Cambodia Daily, 30 November 2006.
Personal communication from member of staff of UNOHCHR, 2007.
8 Contract to import medical supplies for government:
World Rainforest Movement, The Death of the Forest – A Report on Wuzhishan's and Green Rich's Tree Plantation Activities in Cambodia, WRM Series on Tree Plantations No. 4, 2006; p.21.
9 Monopoly on salt iodisation:
Personal communication from a member of staff at UNICEF, 2005.
World Rainforest Movement, The Death of the Forest – A Report on Wuzhishan's and Green Rich's Tree Plantation Activities in Cambodia, WRM Series on Tree Plantations No. 4, 2006; p.21.
10 Financed construction of bases for the army:
Minutes of Ministry of Agriculture, Forestry and Fisheries meeting at the General Headquarters of the RCAF, 3 February 1997.
11 Accompanied Hun Sen on trips to China:
Images from Cambodian television news footage obtained by Global Witness, 2004.
China-ASEAN business and investment summit, list of participants, http://www.cabiforum.org/foreign.html.

Ly Yong Phat

1 Economic land concessions:
MAFF, profile of Koh Kong Plantation Company Ltd, http://www.maff.gov.kh/elc/comprofiles/kkplantation.html.
MAFF, profile of Koh Kong Sugar Company Ltd, http://www.maff.gov.kh/elc/comprofiles/kksugar.html.
Licadho, 'Cambodian military police mobilised to protect land concession of ruling party senator', 8 February 2007, http://www.licadho.org/articles/20070208/51/index.html.
Kang Kallyan, 'Des familles de Koh Kong manifestent', Cambodge Soir, 8 March 2007.
2 Permits to build and operate casinos:
Personal communication from an official, 2007.
Personal communication from a member of Cambodia's business community.
Agence France Presse, 'Cambodia maps out plan to lure tourists to Khmer Rouge sites,' April 13, 2005 http://www.fourelephants.com/travel.php?sid=286.
Phnom Penh Hotel website, http://www.phnompenhhotel.com/recreation.php.
Koh Kong International Resort Club website, http://www.kohkonginter.com; http://www.kohkonginter.com/osmach.htm.
3 Permit to build and operate a port:
Hun Sen, 'Inaugurating a Zoo in Koh Kong Province', Cambodia New Vision, Issue 60, January 2003. http://209.85.135.104/search?q=cache:X5MqLtCiV_MJ:www.cnv.org.kh/cnv_html_pdf/cnv_60.pdf+ly+yong+phat&hl=en&gl=uk&ct=clnk&cd=10.
Personal communications from a researcher, 2006 and 2007.
4 Contract to construct/renovate roads:
DFDL 'Weekly Law Update', February 18, 2003, http://66.102.9.104/search?q=cache:1uy_LFIJ9QIJ:www.dfdl.com.kh/pdf/03Feb18eml_weely_law_update.pdf+ports+cambodia+Ly+Yong+Phat&hl=en&ct=clnk&cd=8&gl=uk.
5 Contract to construct a bridge:
Ek Madra (Reuters), 'Cambodia's 'Wild West' poised on a bridge between two eras,' The Philadelphia Inquirer, June 16, 2002.
Hun Sen, 'Address to the inauguration of Spien Koh Kong over the Koh Pao Canal in Koh Kong Province', April 4, 2002, www.cnv.org.kh/2002_releases/040402_kohkong_bridge_bot.htm.
6 Contracts to generate/distribute electrical power:
Electricity Authority of Cambodia, 'Generation Licence for providing electric power generation service at Phnom Penh, 31 May 2006, http://www.eac.gov.kh/pdf/licences/generation/LD_CEP%20_08-6-06__en.pdf.
Electricity Authority of Cambodia, 'Distribution license for providing electric power distribution service at provincial town of Koh Kong and Osmarch town, Khum Osmarch, Samrong District, Oddor Meanchey Province – Duty Free Shop Co. Ltd.', 22 November 2002, http://www.eac.gov.kh/pdf/licences/distribute/dutyfreeshop_eng.pdf.
Electricity Authority of Cambodia, Report on Power Sector of the Kingdom of Cambodia for the year 2003, October 2004, http://www.eac.gov.kh/pdf/report/Annual%20Report%202003_Eg.pdf.
7 Sits on board of Cambodian Red Cross:
Cambodian Red Cross, 'CRC has a new governing board and a new Secretary General', August 2006, http://www.redcross.org.kh/news_events/2006/4thGA.html.

Men Sarun

1 Economic land concessions:
MAFF, profile of Men Sarun Import Export Co. Ltd, http://www.maff.gov.kh/elc/comprofiles/kcmsarun.html.
MAFF, profile of Global Tech Sdn., Bhd, Rama Khmer International and Men Sarun Friendship, http://www.maff.gov.kh/elc/comprofiles/rtgtech.html.
2 Contract to supply rice to the army:
Ministry of Commerce, 'Sectoral Rice Study', http://www.moc.gov.kh/sectoral/rice_study/charter3/marketingsystem.htm.
3 Accompanied Hun Sen on trip to China:
Images from Cambodian television news footage obtained by Global Witness, 2004.

Mong Reththy

1 Economic land concessions:
Green Sea Company economic land concession contract, 23 November 2001.
Kay Kimsong, 'Tycoon, Thai Billionaire plan $50 million sugar plantation', Cambodia Daily, 18 July 2006.
Mong Reththy Group website, http://www.mongreththy.com/mongreththy.
MAFF, profile of Mong Reththy Investment Oil Palm Cambodia Co., Ltd., http://www.maff.gov.kh/elc/comprofiles/svillemr1.html.
MAFF, profile of Mong Reththy Investment Cassava Cambodia Co., Ltd, http://www.maff.gov.kh/elc/comprofiles/svillemr2.html.
2 Awarded ownership of public buildings in Phnom Penh:
Miloon Kothari, Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, UN Commission on Human Rights, Economic and Social Council, 21 March 2006, http://cambodia.ohchr.org/report_subject.aspx.
Field observations, 2006.
3 Permit to build and operate a port:
Mong Reththy Group website, http://www.mongreththy.com/oknhamong.htm.
Hun Sen, speech at the opening of Okhna Mong Port, 2 December 2004, http://www.cnv.org.kh.
4 Sits on board of Cambodian Red Cross:
Cambodian Red Cross, 'CRC has a new governing board and a new Secretary General', August 2006, http://www.redcross.org.kh/news_events/2006/4thGA.html.
5 Accompanied Hun Sen on a trip to China:
China-ASEAN business and investment summit, list of participants, http://www.cabiforum.org/foreign.html.
6 Financed 'Hun Sen Schools' programme:
Som Sattana, 'Drug seizure quickly enters Cambodia's political feuding', Associated Press Worldstream, 6 April 1997.
Kheang Un, 'Politics, Power and Hybrid Democracy', Asian Perspective, Vol. 29, No. 2, 2005. p. 226.

[viii] All web references last downloaded on 6 April 2007

REFERENCES

1 Global Witness wrote a letter to Chan Sarun in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Chan Sarun, please contact Global Witness via mail@globalwitness.org.
2 Global Witness wrote a letter to Ty Sokhun in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Ty Sokhun please contact Global Witness via mail@globalwitness.org.
3 Global Witness wrote a letter to Hing Bun Heang in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Hing Bun Heang please contact Global Witness via mail@globalwitness.org.
4 Global Witness wrote a letter to Hak Mao in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Hak Mao please contact Global Witness via mail@globalwitness.org.
5 Global Witness wrote a letter to Dy Chouch in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Dy Chouch please contact Global Witness via mail@globalwitness.org.
6 Global Witness wrote a letter to Seng Keang in February 2007 to ask for her comments on the main issues raised in this report as involve or relate to her. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Seng Keang please contact Global Witness via mail@globalwitness.org.
7 Global Witness wrote a letter to Khun Thong in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Khun Thong please contact Global Witness via mail@globalwitness.org.
8 Global Witness wrote a letter to Seng Kok Heang in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Seng Kok Heang please contact Global Witness via mail@globalwitness.org.
9 Cambodia Independent Forest Sector Review, 2004, http://www.cambodia-forest-sector.net/. (Last downloaded 18 March 2007).
10 International Monetary Fund, 'Guide on Resource Revenue Transparency', June 2005, http://www.imf.org/external/pubs/ft/grrt/eng/060705.pdf. (Last downloaded 13 March 2007).
11 For information on the Extractive Industries Transparency Initiative (EITI), see http://www.eitransparency.org/section/abouteiti. (Last downloaded 13 March 2007).
12 The Stern Review on the Economics of Climate Change is a report by economist Sir Nicholas Stern commissioned by the UK Treasury (Finance Ministry) and published in October 2006. It can be downloaded from http://www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/stern_review_report.cfm (last downloaded 22 March 2007). The review's comments on the role of natural forests are in Chapter 25 'Reversing Emissions from Land Use Change', p. 537.
13 Global Witness wrote a letter to Prime Minister Hun Sen in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Prime Minister Hun Sen please contact Global Witness via mail@globalwitness.org.
14 Global Witness wrote a letter to Lia Chun Hua in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Lia Chun Hua please contact Global Witness via mail@globalwitness.org.
15 Global Witness wrote a letter to Sao Sokha in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Sao Sokha please contact Global Witness via mail@globalwitness.org.
16 Global Witness wrote a letter to Mong Reththy in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. Mong Reththy's lawyer responded, declining to provide a written response, but instead offering a verbal interview. Global Witness accepted this offer, but at the time of publishing had not heard from Mong Reththy's lawyer. For information on the content of this letter to Mong Reththy please contact Global Witness via mail@globalwitness.org.
17 Statement by Peter Leuprecht, Special Representative of the UN Secretary General on Human Rights in Cambodia, to the 61st Session of the UN Commission on Human Rights, 19 April, 2005.
18 Steve Heder, 'Hun Sen's Consolidation – Death or Beginning of Reform?', Southeast Asian Affairs 2005, p. 114; USAID, Cambodian Corruption Assessment, August 2004, p.p. 2, 4 & 7; Tim Conway and Caroline Hughes, Understanding pro-poor political change: the policy process in Cambodia, ODI, 2004, p.p. 18 & 42.
19 Global Witness has calculated that Pheapimex holds 1,333,931 ha in logging and economic land concessions. Cambodia's total land area is 18,104,000 ha.
20 Global Witness wrote letters to Kok An, Ly Yong Phat, Lao Meng Khin, Choeung Sopheap, Men Sarun and Kong Triv in February 2006 to ask for their comments on the main issues raised in this report as involve or relate to them. At the time of the report's publication, Global Witness had not received a response. For information on the content of any of these letters, please contact Global Witness via mail@globalwitness.org.
21 Interviews with two confidential sources, 2005; interview with a journalist, 2005; personal communication from a former official, 2005.
22 Tim Conway and Caroline Hughes, Understanding pro-poor political change: the policy process in Cambodia, ODI, 2004, p. 19; USAID, Cambodian Corruption Assessment, August 2004, p. 6; Christine J. Nissen, Living Under the Rule of Corruption – An Analysis of Everyday Forms of Corrupt Practices in Cambodia, Center for Social Development, Phnom Penh, 2005, p.p. 18 & 24.
23 Col. DJ Mead (Ret.), 'Reforming the Royal Cambodian Armed Forces: Leadership is the Key', Phnom Penh Post, 30 January-12 February 2004.
24 Interviews with a confidential source and a diplomat, 2005; interviews with RCAF officers, 2005 and 2006; field observations, 2005.
25 Interviews with RCAF officers, 2005.
26 The World Bank, Cambodia – A Vision for Forestry Sector Development, 1999, p. i; Asian Development Bank Sustainable Forest Management Project, Cambodian Forest Concession Review Report, 2000, p. 20.
27 East Asia Forest Law Enforcement and Governance Declaration, 13 September 2001.
28 See, for example, request and authorisation documents regarding procurement of logs for Brigade 911 to build a tower for parachuting practice, December 2003 and January 2004; Request for logs to make pagoda racing boats signed by Chea Son, 13 May 2003; interview with the sawmill manager of Northeast Lumber Company, 2003.
29 Lee Berthiaume and Pin Sisovann, 'Customs Officials Hold Illegal Logging Reports', Cambodia Daily, 3 June 2005.
30 Letter from MAFF Minister Chan Sarun to Forest Administration Director General Ty Sokhun, 7 March 2005.
31 Global Witness wrote a letter to Cheam Yeap in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Cheam Yeap, please contact Global Witness via mail@globalwitness.org.
32 Letter from Chairman of the parliamentary Committee on National Assembly Construction Cheam Yeap to MAFF Minister Chan Sarun, 29 May 2004.
33 Personal communication from a researcher, 2007.
34 Global Witness wrote a letter to Heng Brothers in February 2007 to ask for its comments on the main issues raised in this report as involve or relate to the company. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Heng Brothers please contact Global Witness via mail@globalwitness.org.
35 Letter from Forest Administration Director General Ty Sokhun to the Head of the Forest Administration Cantonment in Ratanakiri, 9 March 2005.
36 Personal communication from a researcher, 2004; Road construction contract between Huot Radsady and Green Elite Group Co. Ltd which refers to previous contracts between the two parties to carry out logging; Yun Samean, 'Police Rescue Workers from Timber Company', Cambodia Daily, 12 May 2004.
37 Global Witness wrote a letter to the Ly Chhuong Construction Company in February 2007 to ask for its comments on the main issues raised in this report as involve or relate to the company. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to the Ly Chhuong Construction Company please contact Global Witness via mail@globalwitness.org.
38 Personal communication from a journalist, 2007; Yun Samean, 'Suit Filed on Sale of F'pec Headquarters', Cambodia Daily Weekly Review, 6-10 November, 2006; Ly Chhuong Company document given to journalist by loggers working for Heng Brothers, 2005.
39 Interviews with local residents, 2005; personal communication from a researcher, 2007.
40 Interview with a confidential source, 2006.
41 Personal communication from an official, 2006; Leang Delux, 'Bois du nouveau palais de l'Assemblée: la polémique flambe', Cambodge Soir, 25-27 August 2006.
42 Royal Government of Cambodia, Implementing the Rectangular Strategy and Development Assistance Needs, November 2004, p. 33, paragraph 126.
43 Pin Sisovann and Lee Berthiaume, 'PM criticizes Global Witness, says 'it's finished'', Cambodia Daily, 2 September 2005.
44 David A. Ashwell, Frank R. Miller and Ignas Dummer, 'Ecology, Forest Cover & Quality', Cambodia Independent Forest Sector Review Part II, Chapter I, 2004.
45 Interview with a technical advisor to the World Bank Forest Concession Management and Control Pilot Project, 2003.
46 Prime Minister Hun Sen, 'Address at the Arbor Day Event at the Watershed Area of Kbal Chhay, Sihanoukville', 9 July 2003, http://www.cnv.org.kh/2003_releases/090703_arbor_day_sihanoukville.htm. (Last downloaded 24 March 2007).
47 FAO, Global Forest Resource Assessment 2005, Annex 3 – Global Tables, p. 233, ftp://ftp.fao.org/docrep/fao/008/A0400E/A0400E14.pdf. (Last downloaded 18 March 2007).
48 Guy De Launey, 'Cambodia 'Suffering Land Crisis'', BBC, 2 September 2005, http://news.bbc.co.uk/1/hi/world/asia-pacific/4207138.stm. (Last downloaded 19 March 2007).
49 Comment by a government minister quoted in Steve Heder, 'Political Theatre in Cambodia: State, Democracy, Conciliation', unpublished draft, May 2004.
50 Charles McDermid and Vong Sokheng, 'RGC counts $601 million blessings', Phnom Penh Post, March 10-23 2006.
51 Cat Barton, 'UN rights men Hun Sen's long-time whipping boys', Phnom Penh Post, April 7-20 2006.
52 Global Witness wrote a letter to Hun To in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Hun To please contact Global Witness via mail@globalwitness.org.
53 Interview with a confidential source, 2006; personal communication from a human rights worker, 2006.
54 Interviews with residents of Kompong Cham Province, 2005. Global Witness wrote a letter to Sat Soeun in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Sat Soeun please contact Global Witness via mail@globalwitness.org.
55 Personal communication from a former member of staff at UNOHCHR, 2006; Lor Chandara and Porter Barron, 'Master of the Earth Wouldn't Miss, Judge Finds', Cambodia Daily, 20 July 2004.
56 Interviews with residents of Kompong Cham Province, 2005; Hurley Scroggins, 'Master of the Mekong goes down', Phnom Penh Post, 30 October-12 November 1998.
57 See, for example, Global Witness, The Untouchables, 1999; Deforestation Without Limits, 2002.
58 Interview with a sawmill owner, 2005; interviews with local residents, 2005; personal communication from a confidential source, 2003.
59 Interviews with Forest Administration officials, 2005.
60 Interviews with a human rights worker and a confidential source, 2005.
61 Royal Government of Cambodia, Sub-decree on on the Creation of the National Construction Medal and the National Construction Certificate, 30 June 1994.
62 Interview with a resident of Kompong Cham province, 2005.
63 Personal communication from a researcher, 2003; interview with a Forest Administration official, 2006; Log supply agreement between Seng Keang and Khun Thong and Kingwood, dated 3 October 2001.
64 Global Witness investigations, 2000.
65 Interview with Forest Administration officials, 2005.
66 Global Witness wrote a letter to Bun Rany in February 2007 to ask for her comments on the main issues raised in this report as involve or relate to her. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Bun Rany, please contact Global Witness via mail@globalwitness.org.
67 Global Witness wrote a letter to Leang Vouch Chheng in February 2007 to ask for her comments on the main issues raised in this report as involve or relate to her. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Leang Vouch Chheng please contact Global Witness via mail@globalwitness.org.
68 Interview with employees of Dy Chouch, 2005; personal communication from a human rights worker, 2006.
69 Interview with employees of Dy Chouch, 2005.
70 Interviews with logging company staff and Forest Administration staff, 2001.
71 Global Witness investigations, 2001.
72 Global Witness investigations, 2000; Log supply agreement between Seng Keang and Khun Thong and Kingwood, dated 3 October 2001.
73 Interviews with individuals involved in assembling the case against Everbright CIG Wood, 2003, 2004 and 2005.
74 Interviews with sawmill operators, 2001.
75 Interview with an associate of Dy Chouch, 2004; documents recording business agreements between Khun Thong, Seng Keang and the Kingwood Company.
76 Asian Development Bank; Cambodian Forest Concession Review Report, 2000, p. 31.
77 Kingwood Industry Pte., Ltd, Memorandum and Articles of Association, 1995. Global Witness wrote a letter to Lim Yok Fong in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Lim Yok Fong please contact Global Witness via mail@globalwitness.org.
78 Global Witness wrote a letter to Sok Keo in February 2007 to ask for her comments on the main issues raised in this report as involve or relate to her. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Sok Keo please contact Global Witness via mail@globalwitness.org.
79 Lease Agreement between Sok Keo and Kingwood, September 1994. Global Witness wrote a letter to Ky Tech in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Ky Tech please contact Global Witness via mail@globalwitness.org.
80 Report by industry analysts, 2001.
81 Mortgage Agreement between Cambodian Public Bank and Sok Keo, 8 June 2001.
82 Global Witness investigations 1997; Letter from Co-Ministers of the Council of Ministers to the Minister of Agriculture, Forestry and Fisheries regarding 'The case of proposal for approval of collection of 50,000 m^3 of No. 2 wood cut down in the Kingwood Industry Pte Ltd forest concessionaire in Kratie Province', 27 March 1997.
83 Global Witness investigations, 1998.
84 Asian Development Bank; Cambodian Forest Concession Review Report, 2000, p. 7.
85 Log supply agreement between Seng Keang and Khun Thong and Kingwood, dated 3 October 2001.
86 Interviews with a confidential source, 2003 and 2004.
87 Global Witness wrote a letter to MayBank in February 2007 to ask for its comments on the main issues raised in this report as involve or

relate to the company. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to MayBank please contact Global Witness via mail@globalwitness.org.
88 Judgement of the Supreme Court, 11 August 2005; interviews with a confidential source, 2003 and 2004.
89 Interviews with two confidential sources, 2004.
90 The Cambodia Daily, 'Bar Association Demands More Control Over ECCC Defence', Cambodia Daily Weekly Review 13-17 November 2006.
91 Erika Kinetz, 'Sok An Calls for UN 'Dialogue' On KR Defence', Cambodia Daily, 18 December, 2006; International Bar Association, 'Threats by Cambodian Bar Force Cancellation of IBA Training in Support of the Khmer Rouge Tribunal', 24 November 2006, http://www.ibanet.org/iba/article.cfm?article=100. (Last downloaded 14 March 2007) This IBA statement talks about Ky Tech threatening "measures" against Cambodian lawyers joining the IBA training sessions.
92 Human Rights Watch, 'Cambodia: Government Interferes in Khmer Rouge Tribunal; Donors Should Recognize How Government Tactics Threaten Entire Process', 5 December 2006, http://hrw.org/english/docs/2006/12/05/cambod14752_txt.htm, (last downloaded 10 April 2007); personal communications from two human rights workers, 2007.
93 Having uncovered evidence of GAT's illegal logging, Global Witness organised visits to the firm's concession by government officials, international donors and journalists.
94 Written agreement between Seng Keang, Khun Thong and Lia Chun Hua, 12 August 2002.
95 Written agreement between Seng Keang, Khun Thong and Lia Chun Hua, 19 August 2002.
96 Written agreements between Seng Keang, Khun Thong and Lia Chun Hua, 20 August 2002.
97 Sub-decree No. 88 ank-bk dated December 29, 1997, article 8.2 on the Implementation of the Law on Investment.
98 Interview with a close associate of Seng Keang, 2004.
99 Interview with a timber trade worker, 2004.
100 Interview with a business associate of Seng Keang, 2004.
101 Interview with an employee of Dy Chouch, 2005.
102 Interview with an official, 2004.
103 Interview with an RCAF officer, 2002. Global Witness wrote a letter to Keo Sarim in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Keo Sarim please contact Global Witness via mail@globalwitness.org.
104 Interview with staff at Kingwood factory, 2005.
105 Interview with an employee of Dy Chouch, 2002; interview with a close associate of Seng Keang, 2004.
106 Global Witness investigations, 2002.
107 Field observations, 2005; interview with an employee of Dy Chouch, 2005.
108 Judgement of the Supreme Court, 11 August 2005.
109 Personal communication from a public official, October 2006.
110 Interviews with a confidential source, 2003 and 2004.
111 Global Witness wrote a letter to Lee Kwan Siang in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Lee Kwan Siang please contact Global Witness via mail@globalwitness.org.
112 Global Witness wrote a letter to Chet Boravuth in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Chet Boravuth please contact Global Witness via mail@globalwitness.org.
113 Council of Ministers document cancelling the concessions of Kingwood and Mieng Ly Heng companies, 12 August 2003.
114 Asian Development Bank; Cambodian Forest Concession Review Report, 2000, p. 25.
115 Asian Development Bank; Cambodian Forest Concession Review Report, Appendix 1, 2000, p. 2.
116 Government Communiqué on the Development of Family-Scale Rubber Plantations, 8 August 2000.
117 Global Witness wrote a letter to Colexim Enterprise in February 2007 to ask for its comments on the main issues raised in this report as involve or relate to the company. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Colexim Enterprise please contact Global Witness via mail@globalwitness.org.
118 Sub-decree on the withdrawal of red land from forest concessions for rubber plantation, 17 August 2001.
119 Andrew Macdonald, Ecological Survey of Prey Long, Kampong Thom, 2004, p. 24.
120 David A. Ashwell, Frank R. Miller and Ignas Dummer, 'Ecology, Forest Cover & Quality', Cambodia Independent Forest Sector Review Part II, Chapter I, 2004, p. 34.
121 Macdonald, Survey of Prey Long, 2004, p. 27.
122 David A. Ashwell, Frank R. Miller and Ignas Dummer, 'Ecology, Forest Cover & Quality', Cambodia Independent Forest Sector Review Part II, Chapter I, 2004, p. 35.
123 Inspection Panel Investigation report on Cambodia: Forest Concession Management and Control Pilot Project; April 11th, 2006. p. xx.
124 Cambodia Independent Forest Sector Review, Main Report, 2004, p.39.
125 David Ashwell in collaboration with the Department of Nature Conservation and Protection of the Ministry of Environment, Cambodia – a National Biodiversity Prospectus, IUCN, 1997, p. 56.
126 Field observations, 2006; interviews with HBH company representative, 2006; personal communication from NGO workers, 2007.
127 Cambodia Independent Forest Sector Review, Main Report, 2004, p. 50.
128 Nicholas Stern, Stern Review Report on the Economics of Climate Change, 2006, Chapter 25.
129 Report from Director of Department of Agriculture, Forestry and Fisheries, Kompong Thom, Aem Phean, to Minister for Agriculture, Forestry and Fisheries, Chan Sarun, 27 November 2000.
130 Prom Tola and Bruce McKenney, Trading Forest Products in Cambodia: Challenges, Threats and Opportunities for Resin, Cambodia Development Resource Institute, 2003, p. ii.
131 Tom Evans, Hout Piseth, Phet Phaktra and Hang Mary, A Study of Resin-tapping and livelihoods in southern Mondulkiri, Cambodia, with implications for conservation and forest management, Wildlife Conservation Society, 2003, p. 6.
132 McKenney, Chea, Tola and Evans, Focusing on Cambodia's High Value Forests, Cambodia Development Resource Institute and Wildlife Conservation Society, November 2004, p. 55.
133 Tola and McKenney, Trading Forest Products in Cambodia, Cambodia Development Resource Institute, November 2003, Chapter 3.
134 Log harvesting books compiled for Pheapimex-Fuchan Stung Treng/Thalabariwat concession, 2001.
135 Interviews with logging concession company staff, 2001.
136 Evans, Piseth, Phaktra and Mary, A Study of Resin-tapping and livelihoods in southern Mondulkiri, Wildlife Conservation Society, 2003, p. 7.
137 Speech by Prime Minister Hun Sen, 29 August 2001.
138 Global Witness wrote a letter to the director of Chup Rubber Company, Mok Kim Hong, in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him or the Chup Rubber Company. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Mok Kim Hong please contact Global Witness via mail@globalwitness.org.
139 UN Cambodia Office of the High Commissioner for Human Rights, Land Concessions for Economic Purposes in Cambodia, A Human Rights Perspective, Annex 1, November 2004.
140 Global Witness investigations, 2002.
141 Ministry of Commerce document registering Seng Keang Import Export Company Limited, November 2002.
142 This authorisation is referred to in Ministry of Agriculture, Forestry and Fisheries 'Permission to Establish a Veneer Factory Granted to Seng Keang Import Export Co. Ltd', September 2004.
143 Center for Social Development, Corruption and Cambodian Households – Household Survey on Perceptions, Attitudes and Impact of Everyday Forms of Corrupt Practices in Cambodia, Phnom Penh 2005, p. 48.
144 Letter from MAFF Minister Chan Sarun to Deputy Prime Minister Sok An, 14 March 2006.
145 Personal communication from a human rights worker, 2005.
146 Interviews with local residents, 2003.
147 Field observations, 2003.
148 Porter Barron, 'Borders Unclear at K Thom Rubber Plantation', Cambodia Daily, 2 September 2003. Global Witness staff were present at the interview with the official whose comment is cited here.
149 Personal communication from a researcher concerning interviews with Forest Administration officials, 2003; field observations, 2003.
150 Porter Barron, 'Borders Unclear at K Thom Rubber Plantation', Cambodia Daily, 2 September 2003.
151 Letter from MAFF Minister Chan Sarun to the international donor Working Group on Natural Resource Management, 23 September 2003.
152 Ministry of Agriculture, Forestry and Fisheries 'Permission to Establish a Veneer Factory Granted to Seng Keang Import Export Co. Ltd', September 2004.
153 Royal Government of Cambodia, Sub-decree on Measures Restricting Certain Investment Sectors, 1999.
154 Interview with Forest Administration officials, 2005.
155 See, for example, Global Witness crime reports, 2002 and 2003.
156 Field observations, 2005.
157 Interview with a guest at the Seng Keang Company factory opening, 2005.
158 Interviews with local residents, 2004 and 2005.
159 Colexim Enterprise, Timber Transport Proposal, May 2003.
160 Field observations, 2002 and 2003.
161 Colexim 'Petition for Activities Resuming' sent to MAFF Minister Chan Sarun, 12 December 2003.
162 Letter from Colexim to the Forest Administration, 16 May 2003; letter from the World Bank to the Forest Administration, October 2002.
163 Letter from international donor Working Group on Natural Resource Management to MAFF Minister Chan Sarun, 30 June 2003.
164 Letter from international donor Working Group on Natural Resource Management to MAFF Minister Chan Sarun, 28 October 2003.
165 Personal communication from an SGS representative, 2005.
166 Field observations, 2005; personal communication from an SGS representative, 2005.
167 Letter from SGS to Global Witness, 15 February 2007.
168 Interviews with local residents, 2005.
169 Interviews with local residents and factory staff, 2005.
170 Field observations and interviews with local residents, 2005 and 2006.
171 Field observations, 2005; interviews with sawmill workers, 2005.
172 Field observations, 2005 and 2006; interviews with local residents and officials, 2005 and 2006; interviews with NGO workers, 2005.
173 Field observations, 2005; interviews with local residents and officials, 2005.
174 Global Witness wrote a letter to So Sovann in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to So Sovann please contact Global Witness via mail@globalwitness.org.
175 Colexim Enterprise, Sustainable Forest Management Plan, 2002; GFA Consulting Group, Cambodia – Review of Strategic Forest Management Plans prepared by concession companies operating in Cambodia part II, August 2005, p.54-55; e-mail correspondence between Hang Sun Tra, a Forest Administration official who describes himself as an assistant to So Sovann and a timber company, 14 April 2002.
176 See, for example Global Witness, The Untouchables (2000) and Deforestation Without Limits (2002). These reports can be downloaded from www.globalwitness.org.
177 Global Witness interviews with local residents, 2000; UN Cambodia Office of the High Commissioner for Human Rights, Land Concessions for Economic Purposes in Cambodia, November 2004.
178 Global Witness wrote a letter to Cheng Savath in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Cheng Savath, please contact Global Witness via mail@globalwitness.org.
179 Global Witness wrote a letter to Svay Savath in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Svay Savath please contact Global Witness via mail@globalwitness.org.
180 Personal communication from a researcher, 2006.
181 GFA Consulting Group, Cambodia – Review of Strategic Forest Management Plans Prepared by Concession Companies Operating in Cambodia Part II, August 2005, p. 60.
182 Global Witness wrote a letter to Neak Sok Nai in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Neak Sok Nai please contact Global Witness via mail@globalwitness.org.
183 Global Witness wrote a letter to Ngin Vanthai in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Ngin Vanthai please contact Global Witness via mail@globalwitness.org.
184 Interviews with local residents, 2005 and 2006.
185 Interview with factory staff, 2005.
186 Field observations, 2006.
187 Duong Bunny, memo to MAFF Minister Chan Sarun, written November or December 2006 (no date on document).
188 Global Witness wrote a letter to Sath Chantha in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Sath Chantha please contact Global Witness via mail@globalwitness.org.
189 Global Witness wrote a letter to Uy Kear in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Uy Kear please contact Global Witness via mail@globalwitness.org.
190 Field observations, 2004; interviews with loggers and local residents, 2004.
191 Field observations, 2005; interviews with loggers, timber traders and local residents, 2005.
192 Interview with loggers, 2005.
193 Interview with a local resident, 2005.
194 Personal communication from an NGO worker, 2005.
195 Interview with an employee of Seng Keang Company, 2005.
196 Interview with a former employee of Dy Chouch, 2005; interviews with local residents, 2005; field observations, 2005.
197 Interviews with local residents, timber traders and Brigade 70 officers, 2005.
198 Interviews with an RCAF officer and a local official, 2005; field observations, 2005.
199 Interviews with two confidential sources, 2004 and 2005.
200 Global Witness investigations, 2001.
201 Interviews with staff at the Kingwood factory, 2004 and 2005; interviews with MAFF officials, 2004; field observations 2002, 2003, 2004 and 2005.
202 Interviews with MAFF officials, 2004.
203 Forest Administration, 'Cambodia: Forestry Statistics 2004', May 2005.
204 World Trade Atlas (for 2003 and 2004), http://comtrade.un.org/; China Customs Statistics Yearbook (for 2005) and China Customs (for January to November 2006).
205 UNESCAP, 'Trader's Manual for Least Developed Countries: Cambodia', 2003, http://www.unescap.org/tid/publication/t&ipub2320_part3.pdf. (Last downloaded 10 April 2007); National Bank of Cambodia, 'Stock Taking on Restrictions of Capital Flows', August 2006, http://www.aseansec.org/carh/Capital%20Account%20regime%20files/Cambodia%20Capital%20Account%20Regime.pdf. (Last downloaded 10 April 2007).
206 Based on successive recent annual reports from the International Tropical Timber Organisation.
207 Interviews with timber traders, 2006.
208 Interviews with police and military police officers, 2005.
209 Interviews with RCAF officers and local residents, 2005.
210 Field observations, 2006.
211 Interviews with loggers 2005; field observations 2005 and 2006.
212 Interviews with resin tappers, 2005 and 2006
213 Interviews with resin tappers, 2006.
214 Interviews with villagers and loggers, 2005.
215 Interview with a local resident, 2006.

216 Interview with members of the community forest group, 2005.
217 Interviews with eye-witnesses, 2005.
218 Interviews with eye-witnesses; personal communication from member of UNOHCHR staff, 2005.
219 Interviews with eye-witnesses; personal communication from a human rights NGO, 2007.
220 Interviews with eye-witnesses; personal communication from member of UNOHCHR staff, 2005; field observations, 2005.
221 Global Witness wrote a letter to Chea Kapoul in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Chea Kapoul please contact Global Witness via mail@globalwitness.org.
222 Interviews with eye-witnesses; personal communication from member of UNOHCHR staff, 2005; interviews with local residents, 2005.
223 Personal communication from a human rights NGO, 2007.
224 Interviews with eye-witnesses, personal communication from member of UNOHCHR staff, 2005; personal communication from a human rights NGO, 2006.
225 Personal communication from member of UNOHCHR staff, 2005; personal communication from a human rights NGO, 2007.
226 Personal communication from member of UNOHCHR staff, 2005; personal communication from a human rights NGO, 2006.
227 SGS, Third Quarter 2004 Report, Independent Monitor – Forest Crime Monitoring and Reporting, October 2004, p.p. 19 & 20.
228 UNOHCHR, Report of the Special Representative of the Secretary General on Human Rights in Cambodia, Yash Ghai, February 2006, p. 18.
229 Interview with local residents, 2006.
230 Global Witness wrote a letter to Huor Kimchheng in March 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Huor Kimchheng please contact Global Witness via mail@globalwitness.org.
231 Personal communication from a confidential source, 2007.
232 Letter from Seng Keang to the governor of Kompong Thom Province, 18 August 2005.
233 Kompong Thom provincial authorities, 'Minute of field survey on forest conditions for Seng Keang Import Export Co. Ltd in Sandan District, Kompong Thom Province', 5 September 2005.
234 Personal communication from a confidential source, 2006; interview with an official, 2006.
235 Interview with an official, 2007.
236 Personal communications from NGO workers, 2007.
237 Interview with an RCAF officer, 2005.
238 Interviews with loggers and local residents, 2005 and 2006.
239 Interview with FA and RCAF officers, 2005.
240 Interview with an FA officer, 2005; interviews with an official, 2005; interviews with and personal communications from a former official, 2005 and 2006; interviews with a confidential source, 2005 and 2006; USAID, Cambodian Corruption Assessment, August 2004, p. 4.
241 Interview with an FA officer, 2005; interview with an official, 2005; interview with a former official, 2005; interview with and personal communications from a former official, 2005; interviews with a confidential source, 2005 and 2006.
242 Personal communication from a former official, 2005.
243 World Bank, 'Independent Forestry Sector Review – World Bank Comments and Proposals Going Forward', October 2004.
244 Interviews with an official, 2005; interviews with and personal communications from a former official, 2005 and 2006; interviews with a confidential source, 2005 and 2006.
245 Interviews with an official, 2005.
246 Interviews with, and personal communications from, a former official, 2005 and 2006.
247 Interviews with loggers and local residents, 2004 and 2005.
248 Interviews with FA officers, 2005.
249 Interviews with FA officers, 2005 and 2006.
250 Interview with an official and local residents, 2005.
251 Interview with FA officers, 2005.
252 Interviews with FA and RCAF officers, 2005.
253 Interviews with local officials, 2005.
254 Interview with loggers, 2005.
255 Field observations, interviews with local officials, local residents, loggers and RCAF officers, 2005 and 2006.
256 Personal communication from a former member of staff at UNOHCHR, 2006.
257 Interviews with RCAF officers, 2005; personal communication from a confidential source, 2005; personal communication from a human rights worker, 2006.
258 Personal communication from a researcher, 2006.
259 Field observations, 2004; interviews with military police officers, 2004. Global Witness has previously written about Sao Sokha's role in illegal logging in Taking a Cut (2004), which can be downloaded from www.globalwitness.org.
260 Interview with a human rights worker, 2005; personal communication from a researcher, 2006. Global Witness wrote a letter to Dy Phen in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Dy Phen please contact Global Witness via mail@globalwitness.org.
261 Interviews with military police officers, 2005.
262 Interviews with military police officers, local officials, timber traders and local residents, 2005.
263 Interviews with local officials, 2005.
264 Interviews with local officials and businessmen, 2005.
265 Global Witness wrote a letter to Seong Kim Ran in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Seong Kim Ran please contact Global Witness via mail@globalwitness.org.
266 Interviews with RCAF officers, 2001 and 2005.
267 Global Witness wrote a letter to Seng Meas in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Seng Meas please contact Global Witness via mail@globalwitness.org.
268 Interviews with local officials and residents, 2005.
269 Interviews with loggers and local residents, 2004; field observations 2004.
270 Interviews with RCAF officers and local residents, 2004 and 2005.
271 Global Witness wrote a letter to Mol Roeup in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Mol Roeup please contact Global Witness via mail@globalwitness.org.
272 Heder, 'Hun Sen's Consolidation', Southeast Asian Affairs 2005, p. 118.
273 Interviews with local residents and timber traders, 2005 and 2006.
274 Interviews with RCAF officers and FA officials, 2005.
275 Center for Social Development, Corruption and Cambodian Households, Phnom Penh 2005, p. 45, p. 48.
276 Interviews with police officers, 2004.
277 Global Witness wrote a letter to Nguon Nhel in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Nguon Nhel please contact Global Witness via mail@globalwitness.org.
278 Global Witness wrote a letter to Om Pyly in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Om Pyly please contact Global Witness via mail@globalwitness.org.
279 Interviews with local officials and residents, 2005.
280 Interviews with local officials and timber traders 2005 and 2006.
281 Global Witness wrote a letter to Nhem Sophanny in February 2007 to ask for her comments on the main issues raised in this report as involve or relate to her. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Nhem Sophanny please contact Global Witness via mail@globalwitness.org.
282 Global Witness wrote a letter to Nhem Buntha in April 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Nhem Buntha please contact Global Witness via mail@globalwitness.org.
283 Global Witness wrote a letter to Un Noeung in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Un Noeung please contact Global Witness via mail@globalwitness.org.
284 Interviews with local residents, 2003 and 2005.
285 Global Witness wrote a letter to Men Pha in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Men Pha please contact Global Witness via mail@globalwitness.org.
286 Global Witness wrote a letter to Chet Ra in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Chet Ra please contact Global Witness via mail@globalwitness.org.
287 Interviews with timber traders, 2004 and 2005.
288 Field observations, 2001, 2004, 2005; interviews with local residents 2003.
289 Hun Sen, Speech at the 10th Anniversary of the Establishment of Brigade 70 in Cham Chao, 15 October 2004, downloaded from www.cnv.org.kh.
290 Personal communication from a former Brigade 70 officer.
291 Sam Rith and Liam Cochrane, 'Army best friends with China and Vietnam', Phnom Penh Post, 21 October-3 November, 2005; e-mail from a spokesman for the US Embassy in Phnom Penh, 2007; Australian Government Department of Foreign Affairs and Trade, 'Cambodia Country Brief – March 2007', http://www.dfat.gov.au/geo/cambodia/cambodia_brief.html (Last downloaded 30 March 2007). Global Witness wrote to the Australian and Chinese embassies in Cambodia and their respective foreign affairs ministries to ask for details of their defence co-operation agreements with Cambodia in March 2007. At the time of the report's publication, Global Witness had not received responses to these letters.
292 Global Witness wrote a letter to Mao Sophan in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Mao Sophan please contact Global Witness via mail@globalwitness.org.
293 Interview with an RCAF officer, 2006.
294 Global Witness wrote a letter to Kun Kim in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Kun Kim please contact Global Witness via mail@globalwitness.org.
295 Interviews with police and FA staff, 2001; interview with a confidential source, 2002.
296 Interviews with local residents, 2001 and 2002; Council of Ministers document setting out responsibilities of this committee signed by Prak Sokhon, 6 October 2005.
297 Kuch Naren and John Maloy, 'Hing Bun Heang Appointed To Monk Assembly', Cambodia Daily, October 26 2006.
298 This observation is based on Global Witness' monitoring of political developments in Cambodia over a period of 12 years. For specific references to the prime minister claiming that his removal would cause instability, see the following articles: Reaksmey Heng, 'CPP Election Losses Would Mean Instability, Hun Sen Warns', Voice of America, 15 March 2007; Yun Samean, 'Hun Sen Gives up Poet Dreams, Stays in Politics', Cambodia Daily Weekly Review, 8-12 January 2007; Pin Sisovann and Lor Chandara, 'PM Says His Death Would Cause Chaos', Cambodia Daily, 26 January 2005; Pin Sisovann, 'PM: Would-be Rebels Should 'Prepare Coffins'', Cambodia Daily, 20 June 2005.
299 Personal communication from a former member of staff at UNOHCHR, 2006; Human Rights Watch, Cambodia – Aftermath of the Coup, 1997, http://www.hrw.org/reports/1997/cambodia (Last downloaded 28 March 2007).
300 Interview with a logging subcontractor, 2000; investigations 2001, 2002 and 2003.
301 Interviews with Brigade 70 officers, 2004, 2005 and 2006; field observations 2004 and 2005.
302 Interviews with military police officers, 2004 and 2005; field observations 2004 and 2005.
303 Global Witness wrote a letter to Choeun Sovantha in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Choeun Sovantha please contact Global Witness via mail@globalwitness.org.
304 Interview with local residents, 2003, 2004 and 2005; interviews with RCAF officers and officials, 2004; field observations 2003, 2004, 2005; Pin Sisovann, 'Soldiers Beat Two Villagers', Cambodia Daily, 7 December 2004; Pin Sisovann, 'RCAF Commander Denies Attacking Activist', Cambodia Daily, 9 December 2004.
305 Global Witness wrote a letter to Keo Samuon in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Keo Samuon please contact Global Witness via mail@globalwitness.org.
306 Interviews with RCAF officers, timber traders, local residents and officials, 2004; field observations 2004.
307 Interviews with RCAF officers, 2004.
308 Interviews with Brigade 70 officers 2004, 2005 and 2006; interviews with police officers, businessmen and local residents, 2005.
309 Field observations, 2004; interviews with RCAF officers, 2004.
310 Interviews with Brigade 70 officers and businessmen, 2005.
311 Interviews with Brigade 70 officers, 2005.
312 Interviews with Brigade 70 officers, 2004, 2005 and 2006; field observations, 2005.
313 Interview with a Brigade 70 officer, 2006.
314 Field observations, 2005 and 2006.
315 Field observations, 2004, 2005, 2006.
316 Interviews with a Brigade 70 officer, 2004 and 2005.
317 Global Witness wrote a letter to Meas Sophea in April 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Meas Sophea please contact Global Witness via mail@globalwitness.org.
318 Global Witness wrote a letter to Mrs Meas Sophea in February 2007 to ask for her comments on the main issues raised in this report as involve or relate to her. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Mrs. Meas Sophea please contact Global Witness via mail@globalwitness.org.
319 Interviews with RCAF officers, 2004.
320 Interview with timber dealer, 2005.
321 Interview with Brigade 70 officers, 2004, 2005 and 2006; field observations 2004 and 2005.
322 Interview with a Brigade 70 officer, 2005; Global Witness wrote a letter to Kong Horm in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Kong Horm please contact Global Witness via mail@globalwitness.org.
323 Field observations, 2005; interviews with Brigade 70 officers and local residents, 2005.
324 Field observations, 2005 and 2006.
325 E-mail from a spokesman for the US Embassy in Phnom Penh, 2007.
326 Field observations, interviews with Brigade 70 officers, 2005 and 2006.
327 Interviews with a Brigade 70 officer, 2005 and 2006.
328 Interviews with Brigade 70 officers and police officers, 2005.
329 Global Witness wrote a letter to Pol Saroeun in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Pol Saroeun please contact Global Witness via mail@globalwitness.org.
330 Global Witness wrote a letter to Moeung Samphan in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Moeung Samphan please

contact Global Witness via mail@globalwitness.org.
331 Interviews with Brigade 70 officers, 2004 and 2005.
332 Interview with police officers, 2005; Saing Soenthrith, 'Driver Crushed by Truck', Cambodia Daily, 11 May 2005.
333 Interview with an RCAF officer, 2006.
334 Interview with an RCAF officer, 2005.
335 Interview with an official, 2005.
336 Interview with a Brigade 70 officer, 2004.
337 Interviews with two businessmen, 2004.
338 Interviews with port officials, 2005.
339 Written complaint lodged by residents of Trapeang Svay Village, 2006.
340 Global Witness wrote a letter to Khai Narin in February 2007 to ask for her comments on the main issues raised in this report as involve or relate to her. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Khai Narin please contact Global Witness via mail@globalwitness.org.
341 Personal communication from a researcher, 2003.
342 Interview with SGS representative, 2004.
343 Interview with local residents, 2005.
344 Global Witness wrote a letter to Choeung Sopheap in February 2007 to ask for her comments on the main issues raised in this report as involve or relate to her. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Choeung Sopheap please contact Global Witness via mail@globalwitness.org.
345 World Rainforest Movement, The Death of the Forest – A Report on Wuzhishan's and Green Rich's Tree Plantation Activities in Cambodia, WRM Series on Tree Plantations No. 4, 2006; p. 21.
346 Field observations, 2003, 2004 and 2005; interviews with loggers and local residents, 2003 and 2004.
347 Solana Pyne and Yun Samean, 'Hun Sen says Global Witness lied in Report', Cambodia Daily, 7 June 2004. Hun Sen and other senior officials have made several widely reported verbal attacks on Global Witness over a period of several years.
348 See Appendix 1 for references.
349 UN Cambodia Office of the High Commissioner for Human Rights, Land Concessions for Economic Purposes in Cambodia, A Human Rights Perspective, Annex 4 & Annex 5, November 2004; personal communication from member of UNOHCHR staff, 2005; UNOHCHR, Role and achievements of the Office of the United Nations High Commissioner for Human Rights in assisting the Government and the people of Cambodia in the promotion and protection of human rights – Report of the Secretary General, January 2006, p.6.
350 Letter from Prime Minister Hun Sen to King Norodom Sihamoni, February 24, 2005.
351 Field observations, 2004.
352 Interviews with a Brigade 70 officer 2004 and 2005.
353 Kay Kimsong, 'High Hopes for New Economic Zone in S'ville', Cambodia Daily, 30 November 2006.
354 Price Waterhouse Coopers, 'Asia Pacific Tax Notes - Managing and Planning for Tax in Asia Pacific', May 2006, http://www.pwchk.com/webmedia/doc/632840612600873952_aptn19_may2006.pdf (Last downloaded 17 January 2007); Kay Kimsong, 'High Hopes for New Economic Zone in S'ville', Cambodia Daily, 30 November 2006.
355 Kay Kimsong, 'High Hopes for New Economic Zone in S'ville', Cambodia Daily, 30 November 2006.
356 Notice placed in newspaper by Ngin Khorn, an advisor to Hun Sen, congratulating Yeay Phu on receipt of her medal, January 2007.
357 Housing Rights Task Force and the Cambodian Center for Human Rights, 'Boeung Kak Contract Violates Cambodian Law', February 2007; Cambodian Center for Human Rights, 'Boeung Kak Lake Residents Fear Mass Eviction as Phnom Penh Municipality Signed a 99-Year Contract with Sokako Inc Company', 20 March 2007.
358 Global Witness wrote a letter to Che Lain in February 2007 to ask for her comments on the main issues raised in this report as involve or relate to her. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Che Lain, please contact Global Witness via mail@globalwitness.org.
359 Interviews with an official, 2004; personal communication from a researcher, 2004.
360 Field observations; interviews with monks, 2003 and 2004.
361 Field observations, interviews with officials and local residents, 2003 and 2004.
362 Interviews with timber traders, 2004.
363 Interview with an RCAF officer, 2005.
364 Global Witness wrote a letter to Hak Leng in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Hak Leng please contact Global Witness via mail@globalwitness.org.
365 Global Witness wrote a letter to Siem Touch in February 2007 to ask for her comments on the main issues raised in this report as involve or relate to her. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Siem Touch please contact Global Witness via mail@globalwitness.org.
366 Field observations, 2003, 2004 and 2006; interviews with local residents, 2003, 2004 and 2006; interview with sawmill workers, 2006.
367 Interview with associate of Hak Leng and Siem Touch, 2004; personal communication from a researcher, 2004.
368 Global Witness wrote a letter to Koeung Vannak in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Koeung Vannak please contact Global Witness via mail@globalwitness.org.
369 Personal communication from a researcher, 2004.
370 Interview with local residents, 2006.
371 Global Witness wrote a letter to Sean Leang Chhun in February 2007 to ask for her comments on the main issues raised in this report as involve or relate to her. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Sean Leang Chhun please contact Global Witness via mail@globalwitness.org.
372 Field observations, interviews with officials and local residents, 2003-2005.
373 Interviews with officials and local residents, 2002; Letter from MAFF Under-secretary of State Chan Tong Yves to Ty Sokhun regarding the sale of 593 m^3 of confiscated timber to Sean Leang Chhun, 8 June 2001; Department of Forestry and Wildlife internal memo regarding US$30,150 owed by Sean Leang Chhun for the rights to 593 m^3 of confiscated timber, 6 June 2002; invoice sent by DFW to Sean Leang Chhun regarding payment of the US$30,150, 19 June 2002.
374 Letter from Chan Sarun to Ty Sokhun approving Sean Leang Chhun's request to establish a new sawmill for six months in O'Reang District, Mondulkiri, 21 April 2003; Letter from Mondulkiri Deputy Governor Kuy Kun Huor to local officials regarding an extension of Sean Leang Chhun's sawmill permit, 10 February 2004.
375 Field observations, interviews with local residents, 2004.
376 Field observations, 2004; Solana Pyne and Van Roeun, 'Questions Linger Over Two Collapsed Bridges', Cambodia Daily, 4 May 2004.
377 Interview with a Brigade 70 officer, 2005.
378 Interview with a former employee of a logging concessionaire, 2005.
379 Global Witness wrote a letter to Chea Sam Ang in March 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Chea Sam Ang please contact Global Witness via mail@globalwitness.org.
380 Interview with a confidential source, 2004; Solana Pyne, 'Permits Still Going to Woman Linked to Logging', Cambodia Daily, 15 July 2004.
381 Pyne, 'Permits Still Going to Woman Linked to Logging', Cambodia Daily, 15 July 2004; Global Witness co-operated closely with the Cambodia Daily in researching this case.
382 Interviews with local residents, 2006.
383 Interviews with a Brigade 70 officer; interviews with RCAF officers, 2005.
384 Global Witness wrote a letter to Preap Tan in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Preap Tan please contact Global Witness via mail@globalwitness.org.
385 Five letters signed by Preap Tan, Hing Bun Heang, Ty Sokhun and others, January and February 2004.
386 Van Roeun, ' Remote Forestry Office Closed after Shooting', Cambodia Daily, 3 September 2004; Van Roeun and Solana Pyne, 'Officials Meet to Resolve Preah Vihear Clash', Cambodia Daily, 8 September 2004; SGS, Third Quarter 2004 Report, Independent Monitor – Forest Crime Monitoring and Reporting, October 2004 p.p. 19-20.
387 IMF, Article IV Consultation – Staff Report; Public Information Notice on the Executive Board Discussion; and Statement by the Executive Director for Cambodia, July 2006.
388 Interviews with Brigade 70 officers and businessmen, 2004 and 2005.
389 Field observations 2004 and 2005; interviews with Brigade 70 officers 2004, 2005 and 2006.
390 Interviews with Brigade 70 officers and local residents, 2004 and 2005.
391 Global Witness wrote a letter to Tea Banh in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Tea Banh please contact Global Witness via mail@globalwitness.org.
392 Global Witness wrote a letter to Tea Vinh in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Tea Vinh please contact Global Witness via mail@globalwitness.org.
393 Interviews with customs officials, 2004 and 2005.
394 Global Witness investigations, 1997 and 1998.
395 Global Witness wrote a letter to Attwood's Managing Director, Lim Chhiv Ho, in February 2007 to ask for her comments on the main issues raised in this report as involve or relate to her or the company. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Lim Chhiv Ho, please contact Global Witness via mail@globalwitness.org.
396 Interview with a source in Cambodia's business community, 2005.
397 Global Witness wrote a letter to Pen Simon in April 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Pen Simon please contact Global Witness via mail@globalwitness.org.
398 Global Witness wrote a letter to Tep Bopha Prasidh in February 2007 to ask for her comments on the main issues raised in this report as involve or relate to her. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Tep Bopha Prasidh please contact Global Witness via mail@globalwitness.org.
399 Global Witness wrote a letter to Cham Prasidh, in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Cham Prasidh, please contact Global Witness via mail@globalwitness.org.
400 Erik Wasson and Kay Kimsong, 'Sihanoukville Tax-Free Zone Awarded to Private Firm', Cambodia Daily, 28 April 2005; Kay Kimsong, 'Minister of Commerce Accused of Nepotism', Cambodia Daily 13 May 2004; Interview with a source in Cambodia's business community, 2005.
401 Minister of Commerce Cham Prasidh, 'Investing in Cambodia: a fascinating country in the making', presentation given at the ASEAN-Japan Center, November 17, 2006, Tokyo, Japan; Attwood Import Export Co. Ltd. website http://www.attwoodgroup.com/ (last downloaded 29 March 2007).
402 Interviews with Brigade 70 officers, 2004, 2005 and 2006.
403 Interviews with a Brigade 70 officer, 2004.
404 Interviews with Brigade 70 officers, officials and businessmen 2004, 2005 and 2006; field observations 2004, 2005 and 2006.
405 Interviews with Brigade 70 officers, officials and businessmen, 2004, 2005 and 2006.
406 Interviews with officials 2004 and 2005.
407 Interviews with officials, 2004 and 2005.
408 Interviews with customs officials and port workers, 2005.
409 Interviews with officials, 2005.
410 Global Witness wrote a letter to Hennessy in February 2007 to ask for its comments on the main issues raised in this report as involve or relate to the company. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Hennessy please contact Global Witness via mail@globalwitness.org.
411 Global Witness wrote a letter to Teng Bunma in February 2007 to ask for his comments on the main issues raised in this report as involve or relate to him. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to Teng Bunma please contact Global Witness via mail@globalwitness.org.
412 Interview with a local resident, 2004.
413 Hun Sen speech at the opening of Okhna Mong Port, 2 December 2004, http://www.cnv.org.kh (last downloaded 24 March 2007).
414 Prak Chan Thul and Lee Berthiaume, 'Some Standing Firm at RUFA as Deadline Ends', Cambodia Daily, 30 June 2005.
415 Green Sea Company economic land concession contract, 23 November 2001.
416 Letter from MAFF Minister Chan Sarun to Global Witness, 12 June 2002.
417 Interview with a human rights worker, 2006.
418 Field observations, 2006; Kothari, Report of the Special Rapporteur, UN Commission, 21 March 2006.
419 Interview with a confidential source, 2006; Som Sattana, 'Arrest made in marijuana case after general backs down', Associated Press Worldstream, 22 April 1997.
420 Interview with a confidential source, 2006; Som Sattana, 'Drug seizure quickly enters Cambodia's political feuding', Associated Press Worldstream, 6 April 1997; Sattana, 'Arrest made in marijuana case', Associated Press Worldstream, 22 April 1997; Sam Rith and Richard Woodd, 'Business tycoon started small', Phnom Penh Post, 19 November-2 December 2004.
421 Som Sattana, 'Arrest made in marijuana case', Associated Press Worldstream, 22 April 1997; Nate Thayer, 'Drug Suspects Bankroll Cambodian Coup Leader; Narcotics Traffic Booms as Loans, Gifts Flow', Washington Post, 22 July 1997.
422 Human Rights Watch, Cambodia – Aftermath of the Coup, 1997; Thayer, 'Drug Suspects Bankroll Cambodian Coup Leader; Narcotics Traffic Booms as Loans, Gifts Flow', Washington Post, 22 July 1997.
423 Interview with a confidential source, 2006; Thayer, 'Drug Suspects Bankroll Cambodian Coup Leader', Washington Post, 22 July 1997; 'Official linked to narcotics trade re-arrested', Associated Press Worldstream, 4 January 1998; Human Rights Watch, Cambodia – Aftermath of the Coup, 1997.
424 Rith and Woodd, 'Business tycoon started small', Phnom Penh Post, 19 November-2 December 2004.
425 E-mail from Sarin & Associates, 22 February 2007.
426 http://www.mongreththy.com/mongreththygroup.htm (Last downloaded 13 March 2007).
427 Staffan Lindberg, 'Millionaire Mong Reththy builds his own Port', Phnom Penh Post, 2-15 July 2004.
428 Interviews with port workers and local residents, 2005.
429 Interviews with port workers, 2004 and 2005.
430 Interviews with diplomats, 2005.
431 Interview with a local resident, 2005.
432 Global Witness wrote a letter to the InterContinental Hotel in February 2007 to ask for its comments on the main issues raised in this report as involve or relate to the company. At the time of the report's publication, Global Witness had not received a response. For information on the content of this letter to the InterContinental Hotel please contact Global Witness via mail@globalwitness.org.
433 Interviews with a Brigade 70 officer, 2005.
434 Personal communication from a journalist, 1998.
435 Interview with member of staff at the InterContinental Hotel, 2005.
436 Interview with Brigade 70 officers, 2005.
437 Interviews with a Brigade 70 officer, 2004 and 2005.
438 Interviews with an associate of Hak Mao, 2005 and 2006.
439 Interviews with officials and businessmen, 2004 and 2005.
440 Field observations, 2006.
For further information on Angola, see for example Global Witness, A Crude Awakening, 1999; All the President's Men, 2002; Time for Transparency, 2004, www.globalwitness.org.



global witness

Global Witness is a UK-based non-governmental organisation which investigates the role of natural resources in funding conflict and corruption around the world.

References to 'Global Witness' above and in the body of this report are to Global Witness Limited, a company limited by guarantee and registered in England and Wales.

This report is compiled, published and distributed by Global Witness Publishing Inc. from the results of the investigations carried out by Global Witness Limited and is used to brief governments, inter-governmental organisations, civil society and the media.

The conclusions in this report are based on results from Global Witness' use of i2 Limited's award-winning software, which is used as standard by enforcement and intelligence agencies worldwide. The software allows organisations to undertake complex investigations involving huge and varied datasets, providing visualisation and analysis tools which are used by 1500 organisations in 90 countries. i2 Limited has very generously supplied this software to Global Witness, along with intensive support and consultancy.

global witness



Global Witness Publishing Inc.
8th floor, 1120 19th Street NW
Washington DC 20036
Email mail@globalwitness.org

ISBN 0-9772364-7-1
©Global Witness Publishing Inc. 2007