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Rain forest robbery

How Sarawak's Chief Minister became a billionaire

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March 2011

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Rain forest robbery

Sarawak's Chief Minister Taib Mahmud – how to become a billionaire with the help of logging and corruption

If there were a list of the world's leading environmental criminals, Sarawak's government head Taib Mahmud would surely be in the top ten. No other person bears a larger individual responsibility for the destruction of the tropical rain forests on Borneo, one of the earth's most prolific lebensräume.

During Taib's 30 years in office as Chief Minister of the Malaysian state Sarawak, bulldozers belonging to the timber and plantation conglomerates have reduced the former saga-filled primeval forests to an area of about five percent of their original size. A rainforest the size of Singapore was sacrificed for the controversial Bakum Dam, the largest hydroelectric plant in Southeast Asia. Where crystal rivers once flowed through unspoiled jungle, a mucky sludge now criss-crosses gigantic palm plantations. By 2010, the oil palm monoculture in Sarawak had grown to an area of one million hectares, about one fourth that of Switzerland. If Taib has his way, it will double in ten years.

All of this devastation has gone forth under the banner of progress, and has been accompanied by promises of development and well-being for the poor inhabitants of the rain forest. But the Penan, Iban, Bidayuh and the other 23 indigenous groups in Sarawak have seen little of it. In spite of a flourishing timber industry and rich oil and gas deposits, poverty, illiteracy and dependence are ever-present in rural Sarawak. A good part can be attributed to the unbridled greed and far-reaching criminal energy of Abdul Taib Mahmud, Sarawak's ruler with his almost unlimited power.

Billionaire thanks to corruption

Let's look back: In April 1981, the 45 year old Taib took over the all-powerful office of Chief Minister as the head of Sarawak's government. Taib, who came from a poor family, had been able to study law in Australia with the help of a scholarship from Shell. His rapid political career was thanks to his uncle Rahman Yakub, head of the government prior to Taib.

Taib made use of his first years in office to consolidate his power. Thus Taib, as head of the government, also had himself appointed Minister of Finance and Minister of Planning and Resource Management. Today, he is still holding these three key positions and controlling more than 50 percent of the state budget – with the other ten ministers sharing the rest.

In November 1983, two years after taking office, Taib dispatched brother Onn to Hong Kong. Together with an accomplice, Onn Mahmud founded the Regent Star company, a cover firm whose sole purpose was to accept kickbacks from the timber trade.

As director of Archipelago Shipping, the monopoly for timber exports, Onn was in a position of power that no purchaser of timber could circumvent. Whoever wanted to buy tropical wood from Sarawak had to pay a commission to Onn's Regent Star at a fixed price per cubic meter. Only then was it approved for export.

With its aggressive logging, Sarawak by this time had become the world's largest exporter of tropical wood. More than 10 million cubic meters were leaving the state annually and the ancient rain forest of Borneo was being devastated. The main consumer for Sarawak's timber was, and is, Japan - willing to finance new logging roads with funds marked for development aid.

At the beginning of 2007, the tax authorities in Tokyo discovered that nine Japanese shipping companies, which were transporting timber from Sarawak to Japan, had been making - since the beginning of the 1980s - annual payments of untold millions of dollars to Regent Star in Hong Kong. Tax authorities came to the conclusion that the kickbacks were for the government in Sarawak.

Bribes for timber exports are only one source of illegal revenue for Taib Mahmud and his accomplices. Taib has also collected enormous sums from allocating timber and plantation concessions and for granting contracts to build dams and other public buildings. Independent experts estimate that billions in illicit money have flowed into the pockets of the Taib Family. In all probability, Taib Mahmud is today the richest man in Malaysia, if not the richest man in Southeast Asia. With an official salary of 590,000 Ringgit annually - about 195,000 Swiss francs - it would never have been possible for him to acquire such wealth.

At least 85% of Sarawak's largest construction firm, Cahya Mata Sarawak, are in the hands of the Taib Family today. The conglomerate's contracts include a ten year project for the maintenance of Sarawak's entire road network. The value of the stock package has been estimated at several hundred million Ringgit. Sarawak Energy, the monopoly for generating and distributing power, the internationally active Ta Ann timber Group and the UBG Berhad Bank are also in the hands of Taib's closest relatives.

Samling and the Taibs: collaborators in rain forest destruction

The tropical timber Samling Group and its owners, the Yaw family, are among the main beneficiaries of Taib's destructive logging policy. At the beginning of the 1980s, Samling received thousands of hectares of timber and plantation concessions and as a result was successful in expanding into a multinational group of companies. The Yaw Family showed its gratitude to the head of the government by giving a 10% stock package in Samling to Taib's front men. The case of a multimillion dollar property in Seattle (USA) also came to light. Chee Siew Yaw, the son of the Samling founder Yaw Teck Seng, transferred it to the Taib Family for a price of just one US dollar.

Since the 1990s, Samling heir Chee Siew Yaw has invested billions in the US real estate market, purportedly financed with earnings from illegal logging in Sarawak, Cambodia, Papua New Guinea and Guyana. Yaw's Sun Chase Holdings was especially active in Mountain House, one of the epicentres of the US real estate crisis in which the California state pension fund CalPERS lost more than 900 million US dollars in the Crash of 2008.

The peak of perversion is the cooperation of the Taibs and Yaws in the management of the Mulu National Park, the only UNESCO World Heritage Site in Sarawak. Borsarmulu Resorts, the operating company for Mulu Tourism, is controlled by the Taib Family and Samling through an entangled network of firms. The collaborators in destruction are managing to make money – even with eco tourism in Sarawak's last primeval forest.

www.sarawakreport.org





The Boyert Case and the FBI

The case of Ross Boyert, a former Taib real estate manager in the USA, is alarmingly ominous. Boyert worked for the Taib Family for twelve years and managed properties in San Francisco and Seattle valued at more than 80 million US Dollars. The real estate included the Northwestern Regional Headquarters of the FBI (Federal Bureau of Investigation) in the centre of Seattle, which the FBI is still renting from the Taibs today. Even though the FBI offices located there have the obligation to fight against money laundering!

Boyert was dismissed at the end of 2006 because of power shifts in the Taib clan. He brought legal action against the Taibs and their US companies in a San Francisco court. Taib's answer was a defamation and psycho-terror campaign against Boyert, who was shadowed and harassed by paid agents round the clock. Boyert resignedly withdrew his claim and agreed to a settlement – but the harassment nevertheless continued.

In June 2010, Sarawak Report published a large number of documents dating from the time of Boyert's activity for the Taibs. Two months later, Boyert was found dead in a Los Angeles hotel room. Taib Mahmud never publicly responded to the accusations made by Ross Boyert.

The Taib's Swiss-Monaco Connection

Rumours have long been circulating in Sarawak that Taib has also deposited assets with Swiss banks. On each of his visits to Switzerland, Taib was supposedly going to see the dentist. Whereas these rumours have never been confirmed, another Swiss connection of the Taib Family has surfaced. In the summer of 2010, Taib's niece Elia Geneid married the Swiss hotel manager Matthias Sutter in an elaborate celebration. Not only Taib Mahmud was present at the wedding ceremony but Malaysian Prime Minister Najib Razak and his wife Rosmah were there as well. Eila was previously married to the Swiss-Japanese dual citizen Alexander Iskander George Hirose Müller.

As director and shareholder of various companies that deal with indigenous land, Elia Geneid has gained a dubious reputation in Sarawak. Her parents, Taib's sister Raziah and her husband Robert Geneid, are friends with the Geneva designer of luxury watches Gérald Genta. Genta's wife Evelyne is Consul General of Monaco to London and instrumental in the Prince Albert II Foundation. In April 2008, Evelyne Genta made a state visit to Sarawak together with Prince Albert II, the Monacan private banker Francesco Bongiovanni and the London real estate swindler Achilleas Kallakis. In August 2010, Taib was a

guest at the Islamic Fashion Show in Monaco at which the Malaysian first lady gave Albert II a donation of 100,000 Euro for his Foundation. The money, suspiciously, may have come from Taib Mahmud.



Taib's Canadian black money imperium

Already at an early date, Taib Mahmud systematically began to shift his criminally acquired assets abroad. In the summer of 1983, shortly before founding his Regent Star kickback headquarters in Hong Kong, brother Onn travelled to Canada where he established the Sakto Corporation in Ottawa. By the end of the first business year, Sakto had already acquired real estate valued at several million Canadian dollars.

Sakto still exists today, and has since become the centre of Taib's international real estate imperium with branches in England, the USA and Australia. It is headed by Taib's daughter Jamilah and her Canadian husband Sean Murray who live in the second most expensive house in Rockcliffe, the noble suburb of the Canadian capital Ottawa.

Jamilah Taib Murray and Sean Murray have managed to give a respectable touch to Taib's criminal exodus of capital. Both are not only welcome guests in Ottawa's high society but benefactors of Canada's National Gallery and a local elite college. In their distinguished office complex in the centre of Ottawa, they rent not only to well-known companies such as Adobe but also

to some of the Canadian ministries including the State Prosecutor's Office in Ontario.

From Ottawa, Jamilah and Sean today control Ridgeford Properties in London, specialised in luxury real estate, the American Sakti International Holdings, and the Australian Sitehost that is in charge of operations for the Hilton in Adelaide. The Sakto imperium has an estimated value of several hundred million US Dollars

Taib's real estate imperium on-line:

www.sakto.com

www.ridgeford.com





Put a Stop to the Taib Rainforest Mafia ! Demands of the Bruno Manser Fund:

Malaysia

The Malaysian Anti-Corruption Commission, MACC, should immediately initiate an investigation into the sources for the assets of Sarawak's Chief Minister Taib Mahmud. Please show your support by mailing the enclosed card of protest.

Canada

FINTRAC, the Canadian money laundering authority, should initiate an investigation into the money laundering activities of Taib's Sakti Corporation, Taib's daughter Jamilah Taib and son-in-law Sean Murray. Please show your support by mailing the enclosed card of protest.

England

Assets of Ridgeford Properties Ltd, belonging to the Taib Family, should be frozen. The Serious Fraud Office (SFO) should determine if the Taib Family financed the real estate swindler Achilleas Kallakis.

Australia

The assets of Sitehost Pty Ltd. in Adelaide should be frozen. An investigation should determine the source of the vast sums used by Taib deputies in Sydney to found Conceal Pty. Ltd

Switzerland

Members of the Taib Family should be blacklisted and any assets deposited on Swiss bank accounts should be frozen.

Monaco

Prince Albert II should end his relations with the Taib Family and freeze Taib assets deposited on Monacan accounts.

USA

The FBI should initiate a money laundering investigation into the Taib's Sakti and Wallyson companies and freeze all Taib assets in the USA. An administrative investigation should clarify the reasons for which the FBI's Northwestern Regional Headquarters in Seattle rented property from an environmental criminal.

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www.stop-timber-corruption.org