



**GLOBAL
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AGAINST TRANSNATIONAL
ORGANIZED CRIME

FOREST CRIMES IN CAMBODIA

Rings of illegality in
Prey Lang Wildlife Sanctuary

MARCH 2021



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AUTHORS' NOTE

The authors' credentials include many years' experience and research in Cambodia, and they have a deep understanding of Cambodian politics and society from extensive fieldwork in the country.

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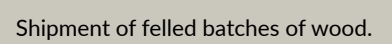
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ACRONYMS AND GLOSSARY

CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CHRT	Cambodia Human Rights Task Forces
EIA	Environmental Investigation Agency
ELC	economic land concession
FLEGT	Forest Law Enforcement, Governance and Trade (EU)
NCPAFC	National Committee for Forest Crime Prevention
NGO	non-governmental organization
<i>Oknha</i>	Title (obtained by donation) of businessperson with ties to Cambodia's ruling or military elites
PLCN	Prey Lang Community Network
SLC	social land concession





EXECUTIVE SUMMARY

Forest cover loss in Cambodia. The country suffers high rates of deforestation due to protection regulations being abused. © Christina MacFarquhar/Shutterstock



Cambodia has suffered some of the highest rates of deforestation (measured as a percentage of forest cover) of any country since the 1970s – and rates have been increasing significantly in the past decade.¹ Even the country's so-called protected areas have been severely impacted, despite supposedly being safeguarded under Cambodian law. Global Forest Watch estimated that between 2001 and 2018, Cambodia had lost 557 000 hectares of tree cover in protected areas, representing a 11.7% loss of the total protected area.² Some protected areas have been deforested to such an extent that they no longer have much, if any, natural habitat, and one has been de-gazetted.³ This loss has impacted biodiversity conservation and has had a detrimental social and economic effect on the indigenous peoples who depend on the forest.

Such deforestation is primarily driven by the large-scale conversion of forest for the production of commodities.⁴ This practice has been facilitated through government-sanctioned territorial concessions – variously known as economic land concessions (ELCs), social land concessions (SLCs) and (ironically) forest-restoration projects – which are granted to domestic and foreign investors for the purpose of ‘national development, creating employment in rural areas and restoring ‘non-use’ land,’⁵ for instance, by converting land to profitable monoculture plantations. However, such plantations destroy the ecology of forests, as well as impacting the local populations. In addition, many concession-holders do not even attempt to ‘develop’ the land for economic purposes according to the terms of the ELC, but simply log timber, leaving the land degraded.

Paradoxically, many such ELCs have been granted in Protected Areas – some 14% of Cambodia's protected areas overlapped with ELCs as of 2013, when the system was nominally suspended⁶ – despite the fact that large-scale timber felling is outlawed under Cambodia's 2002 Forestry Law and 2008 Law on Protected Areas.⁷ At the time of writing, the legal ambiguity of the situation had not been challenged in court.

More straightforward is the logging of timber outside of these land concessions, which is outright illegal. Such trespass logging often targets so-called ‘luxury’ timber and rare tree species that are protected under Cambodian law. This illegal timber is often covertly transported back to sawmills within the concessions, where it can be processed and laundered into the legal timber supply. Such illegal timber is then sent for export, which is another stage where illegality can manifest, either by shipping illegally harvested luxury wood under false customs declarations, or by being sent across the border to Vietnam, which has been closed to timber exports since 2016 due to concerns surrounding the illegal timber trade.



FIGURE 1 Locations of the Prey Lang and Prey Preah Roka wildlife sanctuaries, Cambodia.

This report explores the ways in which laws, regulations and policies designed to afford protection for Cambodian forests and the local and indigenous people who depend on them are being abused. It also investigates deforestation in Prey Lang and Prey Preah Roka (two wildlife sanctuaries in northern Cambodia, both of which are designated protected areas – see Figure 1), where thousands of trees have been illegally harvested and subsequently processed into plywood or luxury timber for export. The first case study focuses on how Think Biotech Co. Ltd (a company that was originally registered as a forest-restoration project) has seemingly been used as cover for commercial logging operations. Together with another company called Angkor Plywood, Think Biotech was found to have extracted resources in Prey Lang both within and outside its designated concession zone, including logging of protected species. The second case study investigates the

activities of Sam Oeun Sovann Co. Ltd, showing how the company harvested timber from Prey Lang and Prey Preah Roka Wildlife Sanctuaries. The third case study explores illegal logging in two ELCs close to Prey Lang originally controlled by PNT Co., Ltd. and Thy Nga Development Co., Ltd.

Think Biotech and Angkor Plywood have engaged in trespass logging within Prey Lang Wildlife Sanctuary at least since mid-2018, when our investigation began. At least 54 active logging areas were found inside the wildlife sanctuary, and the roads were often congested with trucks known locally as Arevs, which were used to transport the timber to a sawmill on a new network of dirt roads. Between 2013 and end of 2019, Think Biotech is estimated to have generated revenues amounting to US\$406 million. Logging appeared to intensify in 2020, due to the Cambodian government having restricted the ability of non-governmental organizations to monitor illegal

harvesting and processing of timber in Prey Lang, and also because of the coronavirus pandemic. Since February 2020, the Ministry of Environment has banned local forest patrols from entering the forest. Perhaps unsurprisingly, those engaged in illegal logging are not concerned with obeying government diktats to stay at home and merely go about their activities uninterrupted. The allegedly criminal acts of Think Biotech include felling resin trees without permission of rights-holders, and paying compensation that is a miniscule fraction of that which is normally paid to owners who agree to transfer their rights to the company. Even the latter complain about being coerced into transferring the rights. Meanwhile, Angkor Plywood exports a portion of the timber processed by Think Biotech to China through Phnom Penh Port.

The second company examined in our report, Sam Oeun Sovann Co. Ltd (abbreviated to 'Sovann'), has processed timber from numerous sources, worth a total of US\$39 million. At least some of this timber consisted of 'protected species' that cannot be harvested under any circumstances according to Cambodian law, and much of the rest is likely to have been 'laundered' through sawmills operated by Sovann within the boundaries of a social land concession granted to the company by the Cambodian government. The company is believed to enjoy the patronage of Dy Duk, a prominent *oknha* (tycoon) in the timber industry in Cambodia. It is reported to harvest illegally in Prey Lang and Prey Preah Roka Wildlife Sanctuaries because there is little timber

remaining in the ELCs and SLC where harvesting rights have officially been allocated to it.

The third case study examined in our report describes how two companies have abused the rights granted to them while administering two economic land concessions covering 16 000 hectares. The two companies are PNT Co. Ltd., and Thy Nga Development Co. Ltd. They have harvested trees within these concessions, earning revenues of at least US\$800 million in the process, and then transferred their own timber rights to a third company, called Macle Logistic Co. Ltd. which is believed to have harvested trees within the boundaries of Prey Lang Wildlife Sanctuary.

This report aims to help policymakers and NGOs conceptualize illegal logging not just as an environmental crime, but also one that is organized at the national level and supported by networks of influential business interests. A common thread within all the three case studies examined is Angkor Plywood, which is a highly influential actor within the Cambodian timber market. The sophistication and political connections of such actors pose steep challenges to those seeking to rein in the illegal logging trade and halt the rampant spread of deforestation. The implementation of the rule of law is crucial to tackling illegal logging, but the complexity of the problem also requires the engagement of everyone from the international community and NGOs to local and indigenous communities, as well as broader regulation of the timber industry as a whole.

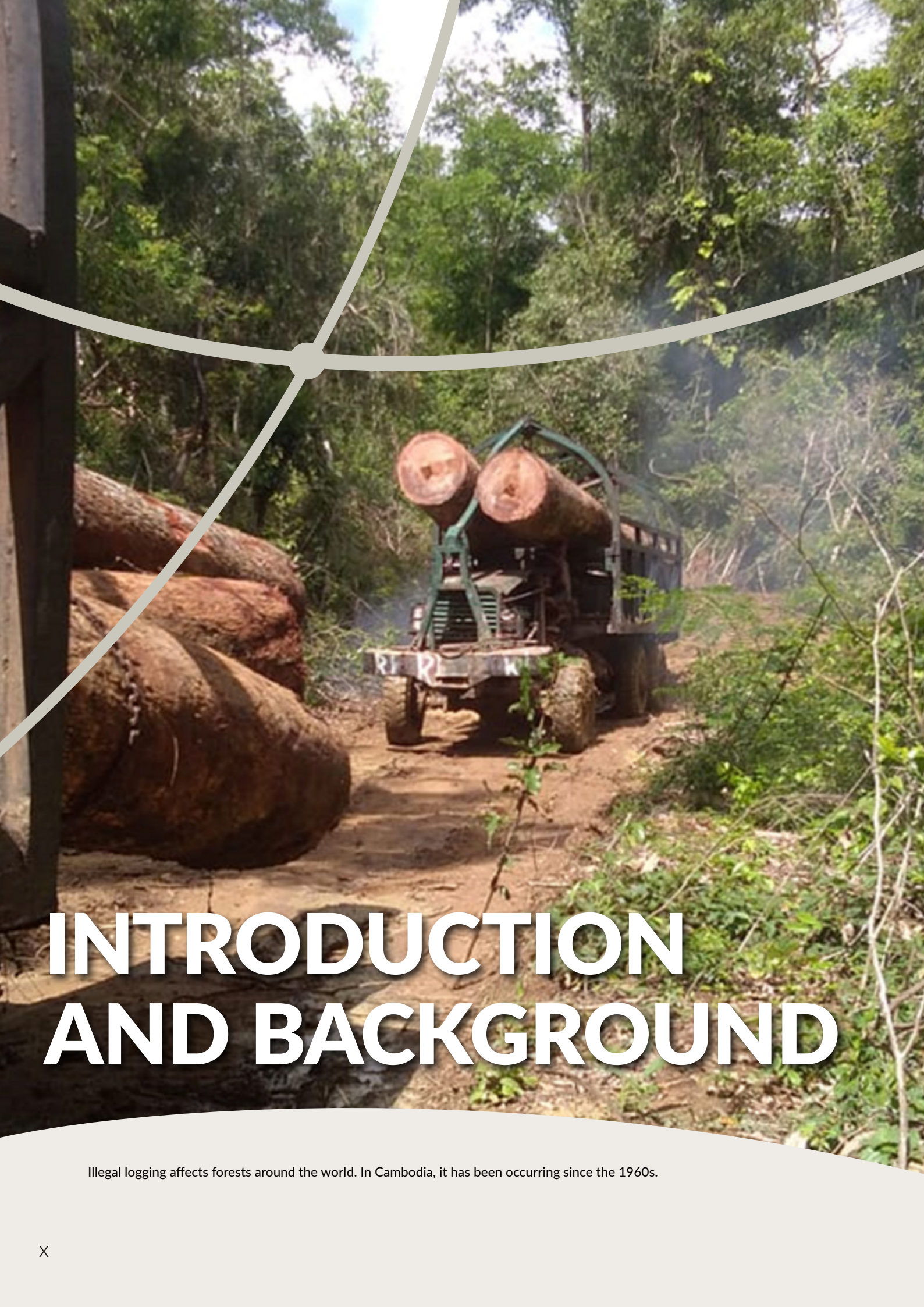
Methodology

The field investigation was conducted by a team of dedicated forest crime investigators between 2018 and 2020, who often stayed in the forest for weeks.

The team used local intelligence and talked to local loggers in order to locate suspicious large-scale logging operations to determine whether they are illegal. The investigators used GPS trackers, night-vision cameras, trail cameras, pinhole cameras and smartphones to document illegal-logging activities. Drones were used to document larger logging yards.


Satellite imagery from Google Earth, Sentinel Planet and Bing was used to confirm forest loss and conversion of forest land by ELCs and forest-restoration projects. GPS locations of harvested trees were plotted to document logging within Prey Lang and Prey Preah Roka wildlife sanctuaries.

A literature review was also conducted to put the investigation into a historical context.



INTRODUCTION AND BACKGROUND

Illegal logging affects forests around the world. In Cambodia, it has been occurring since the 1960s.



Illegal logging and the associated illegal trade in timber has long been overshadowed by other illicit markets, such as drugs or human trafficking, but awareness of its structure, value and impact has risen dramatically over the past two decades.

Illegal logging can range from isolated incidents of tree felling to sophisticated trans-national operations conducted by corporate entities who have close connections with local political elites. It affects forests around the world, from the Amazon and East Africa to Russia and South-East Asia, with severe economic, social and environmental consequences. The drivers behind illegal logging and the trade in illegal timber are diverse, from the desire to clear land for agriculture to supplying wealthy consumer markets in the United States, Europe and China, including rare protected timbers such as rosewood.

And there is real money to be made. According to a 2019 INTERPOL report, the illegal trade in timber is worth between US\$51 billion and US\$152 billion per year.⁸ China is at the centre of the world's timber trade, being the main global processing hub for timber and one of the biggest domestic markets for wood-based products, with consumption growing rapidly since 2000.⁹ And prices can be sky high: a bed made from rosewood,¹⁰ for example, can cost up to US\$1 million in China.¹¹ However, a significant proportion of China's timber comes from countries at high risk of illegal logging: the Environmental Investigation Agency (EIA) calculated that illegal logs and sawn timber constituted 10% of China's total wood products imports in 2011.¹² This level of market permeation represents a sizeable income stream for those involved in the illicit trade, even attracting organized crime groups, as is the case in Chihuahua, Mexico.¹³

Defining illegal logging and the illegal trade in timber is a complicated task due to the multifaceted nature of the issue, and different organizations use different frameworks.¹⁴ The EU usefully defines illegal logging as 'the harvesting, processing, trans-orting, buying or selling of timber in contravention of national and international laws'.¹⁵ In other words, illegality can manifest at any point along the timber supply chain, and includes the corrupt practices that facilitate it.

The impact of the illicit trade is as multifaceted as the problem. The World Bank estimates that illegal logging deprives governments of between US\$6 billion and US\$9 billion in tax revenue each year.¹⁶ However, it also notes that the total cost of illegal logging must be reckoned in terms of the environmental and social damage caused by



Regulation of the illegal timber trade is essential for the wellbeing of ecosystems and communities. Above, a forest in Koh Kong province, Cambodia.

© Alan Morris/Alamy

the trade.¹⁷ Widespread and unchecked deforestation wreaks havoc on ecosystems and local communities alike – although for some communities illegal logging may also be the only available means of making a living – as well as fuelling corruption. The crucial role of forests in capturing carbon from the atmosphere has also afforded them new importance in the context of climate change.

Multilateral attempts to regulate the international trade of timber stretch back to 1975, when the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) came into force; as of 2017, over 900 timber species are listed under CITES.¹⁸ In recent years, growing awareness has led the EU (via the EU Timber Regulation 2010) and the US (via the Lacey Act Amendment 2008) to impose stricter laws banning illegal timber. In December 2019, China passed a revised Forest Law that banned the buying, processing or transporting of illegally sourced timber.¹⁹

In Cambodia, however, which is witnessing dramatic levels of deforestation (with most of the wood destined for China or Vietnam), decades of regulation have been unsuccessful in stemming the tide of illegal logging, and may in some cases have actually facilitated it.

Regulating the Cambodian timber industry

The 1990s saw a surge in the illicit felling and smuggling of timber in Cambodia, which had already been occurring since the late 1960s. Between 1973 and 1993 the country saw an annual rate of forest loss of approximately 0.5 percent. Such losses were caused by commercial logging and 30 years of civil war and political instability. In addition, there was shifting cultivation in the agricultural sector, and harvesting of fuelwood and wood for charcoal production.²⁰ As deforestation rates continued to increase, the government banned log exports (in 1996), joined CITES (1997) and instituted a concession system. Between 1994 and 1997, the government granted 36



forest concessions that collectively covered 7 million hectares – close to 70% of the country's forest area. However, many observers were critical of the non-transparent manner in which the concessions were run, and it was estimated that 95% of timber harvested between 1997 and 1998 was illegally felled.²¹

Following widespread destructive and illegal logging, both within and outside concession areas, the government adopted a new land law in 2001. However, the law did not apply to concession areas. There was an assumption that ELCs would never overlap with forest land – an assumption that turned out to be a costly mistake, as ELCs became instruments for logging inside forests. Although the government imposed a logging moratorium on 1 January 2002, those who held the lease to an ELC were allowed to clear the land in order to develop industrial agriculture, such as rubber or sugar plantations.²² Because ELCs have the effect of displacing rural communities and restricting their access to resources, SLCs were intended to counterbalance this process by allocating land to impoverished communities and individuals for subsistence living.

In an attempt to further regularize the production of legal timber, the Cambodian Forestry Law 2002 created the category of 'Production Forests'. Production Forests are the official source of timber in Cambodia and are property of the state (managed by the Forestry Administration under the Ministry of Agriculture Forestry and Fisheries). This law also allowed for the export of timber products, but instituted quotas and a permit system (see 'Government controls' below).²³ Cambodia also passed a sub-decree in November 2006 prohibiting the export of round logs (except from plantations), rough sawn timber (except from plantations), squared logs with a thickness or width of more than 25 centimetres, luxury timber and timber products, and charcoal from natural forests.

In February 2008, the Cambodian government passed Law on Natural Protected Areas, which sought to regularize the administration of Cambodia's 23 protected areas

created by the 1993 National Protected Area System²⁴ and add new protected areas. The 2008 Protected Areas law specifically prohibited the felling of trees and the collection of timber.²⁵ These protected areas were also to receive support and protection from the government against unsustainable encroachment by companies and private individuals.

However, these conservation efforts were counterbalanced by a renewed focus on the economic value of forests in the shape of the National Forest Programme 2010–2029, which stated that ‘forest resources provide optimum contribution to equitable macro-economic growth and poverty alleviation particularly in rural areas through conservation and sustainable forest management, with active participation of all stakeholders’.²⁶

Today, there are essentially three legal timber sources in Cambodia:

- 1** timber from annual bidding coupes in Production Forests;
- 2** conversion timber (so called because it is harvested from land which has been converted from forestry to other uses). Such timber is often obtained from infrastructure development projects, including hydropower and road construction. In the latter cases, it is known as salvage timber; and
- 3** confiscated illegal timber.

It is estimated that as much as 90% of Cambodian timber production originates from forest conversion, meaning it is harvested illegally,²⁷ and ELCs are currently the largest source of timber in Cambodia. Confiscated timber is also an important source of timber in Cambodia, though no transparent auctioning system exists.²⁸ A limited amount of timber comes from tree plantation areas; given that the vast majority of timber plantations are in early stages of development, sustainable sourcing from plantations is negligible and probably limited to rubber wood.

Government controls

The main government departments involved in the timber-supply system in Cambodia are the Ministry of Agriculture, Forestry and Fisheries; the Ministry of Environment; and various provincial offices responsible for regulating ELCs, infrastructure development, community forestry and production forests.

The Forestry Administration, which falls under the Ministry of Agriculture, Forestry and Fisheries, is responsible for managing forests and forest resources under the provisions of the National Forestry Sector Policy and the 2002 Forest Law. It also implements the National Forest Programme, including community forestry. The Ministry of Environment is responsible for the management and regulation of the country's protected areas.

The Ministry of Agriculture, Forestry and Fisheries, the Ministry of Commerce, the Forestry Administration and the General Department of Customs and Excise of Cambodia are responsible for licensing and control of import and export of timber products.²⁹ A number of permits issued by these entities are also required to lawfully harvest and transport logs in Cambodia. Firstly, the land itself needs to be ‘owned’ – as part of an ELC, an SLC or a forest-restoration project. Secondly, harvesting rights need to be granted. This is a function of the Forestry Administration if the land is within

the permanent forest estate; alternatively, the rights are granted by the Ministry of Environment if the land falls within a protected area. Harvesting rights are allocated to a geographically specific area from which logs can then be harvested. All transport of timber within Cambodia's borders requires a permit from the Forestry Administration, including timber transported to and from sawmills, as well as a license from the Ministry of Economy and Finance. For export, a license is required from the Ministry of Commerce with a visa issued by the head of the Forest Administration. However, the felling and/or export of luxury timber and luxury timber products is illegal (see below).

A permit is also needed to operate a sawmill, and these permits are time-bound. Sawmills can process timber from any harvested area (i.e. they are not bound to a particular area or harvesting permission, although they are required by law to check and verify the source of the timber they receive).³⁰ However, the transfer of permits, permissions and concessions between entities also takes place.

Cambodia's luxury timber and protected tree species

The logging and export of luxury timber and luxury timber products is illegal. Luxury timbers include but are not limited to species such as Siamese rosewoods (*Dalbergia cochinchinensis* and *Dalbergia oliveri*); reach kol/royal tree (*Melanorrhoea laccifera*); thnong (*Pterocarpus macrocarpus*); and beng (*Afzelia xylocarpa*). Siamese rosewoods are vulnerable, according to the International Union for Conservation of Nature and have been listed on CITES Appendix II since 2013.

It is also illegal to cut and export protected species. There is an overlap between protected species and luxury timbers but protected species also include the resin trees of the family *Dipterocarpaceae* such as *Dipterocarpus alatus*, *Dipterocarpus costatus* and *Shorea guiso*, which are species of great importance to the livelihoods of some groups, such as indigenous Kuy communities, who tap them for resin. However, unlike trees that are tapped for resin, the dipterocarp species is not protected and has been targeted for use in construction and for manufacturing plywood.


Siamese rosewoods are one of the central species in illegal logging in Asia. © Zamaking/Shutterstock





RINGS OF ILLEGALITY

A felled tree is transported on an Arev.



There are a number of overlapping and intersecting activities, practices and systems inherent in the exploitation of Cambodia's forestry resources that can be termed illegal. These include the exploitation of permits and concessions; the harvesting and/or export of timber without proper authorization through official channels and due process; coercion and exploitation of local and indigenous communities; and acts of aggression against and repression of civil-society actors. At the apex of this hierarchy, and enabling the other actors in the lower rungs, are state-level corruption and impunity or protection among business elites, or *oknhas*.

These rings of illegality are examined in outline in the subsections that follow and in practice in the case studies that follow, revealing the various methods and extent of the illegal harvesting and export of timber in ELCs and a forest-restoration concession adjoining two wildlife sanctuaries in Cambodia.

Concessions: a mechanism for land-grabbing

Since the government introduced ELCs under the 2001 Land Law, and particularly since 2005 (when the granting of ELCs accelerated), a relentless resource grab has taken place in Cambodia: between 2004 and 2013, an average of 200 000 hectares were awarded to companies every year, many of which were above the legal maximum of 10 000 hectares.³¹

ELCs were originally located in permanent forests (a generic term that covers three forest types, one of which is production forests), but in 2008, they also started appearing in protected areas. By 2012, the Ministry of Environment had approved 113 ELCs inside protected areas.³² While the 2008 Protected Areas Law renders logging in protected areas illegal, the Ministry of Environment can nevertheless still issue ELCs within a protected area. The legality of this practice has never been tested in the courts, creating a grey area that has enabled well-connected companies, either Cambodian or foreign, to engage in large-scale deforestation as long as they do so in the name of economic development.³³ Data on forest fires show that the ELCs are targeting the country's best forests,³⁴ with devastating consequences. The latest US MODIS/ FIRMS satellite data shows that forests inside Cambodia's protected areas

are disappearing as fast as forests nationwide, which recently led to the term 'un-protected areas' being coined for the protected area system.³⁵

This expansion of ELCs has also had a severe impact on local and indigenous communities. By 2012, over 50% of Cambodia's arable land had come under ELCs, with a commensurate denial of resources and rights to rural communities who were either displaced or pushed deeper into poverty. SLCs – established as a counterweight to ELCs to provide impoverished communities and individuals with land for subsistence living – have been either sparingly

used for their intended purpose, or simply hijacked to become ELCs by another name.

Criticism of ELCs led the government to impose a moratorium on new ELCs in 2012, although some see this development as just another tactic to win votes among the rural poor.³⁶ ELCs granted before 2012 continue to operate, and indeed, more concessions have been issued since, in breach of the moratorium. Ultimately, Cambodia's opposing laws – those focused on conservation, and those focused on economic development – have helped blur the boundary between legality and criminality.

Illegal harvesting

Regardless of where an ELC is located, it is illegal to log outside a granted ELC and to launder timber through an ELC. Yet these activities happen often due to lack of law-enforcement presence on the ground, or often, as in this case, even with the support of state security personnel who are deployed by logging companies to protect their workers.

It is also the case that protected tree species are illegally harvested both within and outside ELCs. Trespass logging operations have targeted high-value timber species in both wildlife sanctuaries that feature in the case studies in this report, with the result that luxury timbers have almost completely

disappeared from one (Prey Lang). Oleoresin trees, a valuable economic and social commodity for some communities, are also being extensively targeted in and around Prey Lang as material to manufacture plywood, despite being protected by Cambodian law. These resin trees are sometimes purchased at low prices from their owners,³⁷ sometimes by coercion and are subsequently felled and transported to sawmills for processing. Targeting resin trees serves a dual purpose: they are commercially valuable as timber, and removing them also serves to keep resin tappers out of the forest, meaning fewer observers of the loggers' activities.

Restrictions on timber exports flouted

Vietnam plays a significant role in the regional illicit-timber trade, and timber smuggling from Cambodia to Vietnam has been a phenomenon since around 1986. (Cross-border smuggling networks are alleged to be protected at least to some degree by the Vietnamese military.)³⁸ In Vietnam, illegally logged timber is reportedly 'laundered' before being re-exported after being turned into furniture, according to investigations by the EIA and Forest Trends.

Activists allege that the Cambodian government has been reluctant to assiduously investigate logging networks behind this export trade,³⁹ although in 2016 it did close the border with Vietnam to the

timber trade in response to the high levels of illegal timber flowing into the Vietnamese market. That year, it also set up the National Committee for Forest Crime Prevention, sometimes also referred to as the National Committee for the Prevention and Crackdown of Natural Resource Crimes.⁴⁰ Despite these steps, large-scale smuggling of illegal timber from Cambodia into Vietnam has been documented on numerous subsequent occasions.⁴¹ A 2017 EIA report documented how logs were being transported to Vietnam via an unofficial border-crossing point, where the cargo was not subjected to customs inspection.⁴² The EIA estimated that between 2016

and 2018, nearly half a million cubic metres of wood was smuggled across the Cambodian border to Vietnam.⁴³

Vietnam signed a memorandum of understanding on illegal logging and cross-border transport with Cambodia in 2012.⁴⁴ More recently, the FLEGT Voluntary Partnership Agreement (VPA) between the European Union and Vietnam entered into force in June 2019. Among other provisions, the agreement seeks to institute a timber legality assurance system that will apply to Vietnam's domestic and export markets.⁴⁵ However, according to Forest Trends, Vietnam's devolution of power to provincial governments has reduced the central government's ability to enforce cross-border trade, while corruption on both sides of the Vietnam–Cambodia border appears to guarantee that the illicit export trade will continue for the foreseeable future.⁴⁶

The illegal export of protected and luxury timbers to Vietnam and China also takes place, with rosewood being shipped in containers to China under false customs declarations (see 'All roads lead to Angkor Plywood,' below). Exports also often include timber that is illegal under the 2006 sub-decree regulating timber size and type.

Corruption appears to guarantee that the illicit export trade will continue for the foreseeable future.

Exploitation and coercion of local communities

Like rural communities all over the world living in areas that border on conservation zones, villagers in the vicinity of these logging sites are often economically marginalized and desperate for work. The ELC and SLC systems have dispossessed large numbers of rural poor and impoverished others by restricting their access to natural resources that they rely on (such as resin tapping). In such a context, engaging in criminal activity may be the only option to earn a livelihood for people who are excluded from the formal economy.

A certain amount of illegal logging is done by members of local communities on behalf of the ELC holders. Some locals recognize that large companies can pull the levers of power in government to access forest resources, and believe that they might as well join in the process to reap some of the material benefits for themselves. Meanwhile, by subcontracting the task of logging to local communities, timber traders acquire a certain amount of deniability. They remain aloof from the actual task of logging itself, which is the point in the supply chain where illegality can be most easily proved (since the location where a tree is cut determines whether it has been legally harvested or not). The loggers bring harvested timber to depots where traders can buy them without performing due diligence, thus potentially absolving themselves, to some degree, of criminal liability.

However, it has been observed that loggers sometimes come from outside the immediate area, suggesting that companies hire a number of local villagers to quell community opposition and generate a token amount of employment, while also using labour from further afield to avoid becoming fully dependent on local goodwill.⁴⁷

Logging companies also coerce local and indigenous communities into the sale of valuable resin trees. These transactions are made either legitimately (but at rates much lower than market value) or illegitimately using extortion, pressure or falsification of documents. Once ownership has been transferred, these trees are felled, despite the fact that the sale of a resin tree only permits the transfer of ownership rights for the purpose of resin tapping, and not for felling (which is illegal).



The fight against illegal logging has turned deadly in Cambodia, but the murder of activist Chut Wutty has only hardened other activists' resolve to take forest protection into their own hands. © Tang Chhin Sothy/AFP via Getty Images

Defending Cambodia's forests

Environmental defenders often risk their lives to protect Cambodia's forests. In May 2012, Chut Wutty, one of Prey Lang's most prominent environmental defenders, was shot dead by military police working with a company while he sought to uncover forest crimes in the Koh Kong province.⁴⁸ Wutty was a key affiliate and supporter of the Prey Lang Community Network (PLCN), which conducts forest patrols, documents illegal actions and also takes direct intervention against illegal loggers, including seizing their equipment (such as chainsaws and tractors).

On 13 March 2020, another well-known environmental defender, Ouch Leng, was arrested and detained along with PLCN members Srey Thei and Khem Soky and forest investigator Man Mat while investigating allegations of illegal logging in Prey Lang. The four were detained and Man Mat was beaten by Think Biotech staff. Later transferred to police custody at Sambor District Police Station, they were released without charge on 16 March following days of community protests against the arrests in Kratie.

These arrests were carried out just weeks after the PLCN was accused by the Cambodian Ministry of Environment of operating illegally and disseminating false information about illegal logging. The Ministry of the Environment also claims that the PLCN is not registered under Cambodia's controversial Law on Associations and Non Governmental Organisations (LANGO), which has been used to restrict and repress civil-society actors.⁴⁹ Amnesty International has called for LANGO to be repealed or substantially amended to bring it in line with international human-rights law, and for the government to guarantee a safe and enabling space for environmental human-rights defenders to conduct their work without fear of reprisals.⁵⁰

Such pressure plays into the hands of the logging companies, who use it, together with offers of money and job opportunities for family members, to co-opt PLCN members and undermine the unity of the network. Think Biotech appears to have enlisted Bunleang Phai, a committee member of the PLCN. Bunleang appeared on Prime Minister Hun Sen's TV channel, Fresh TV, stating that there was no illegal logging being carried out by Think Biotech.



Loggers celebrate after felling an ancient tree, from within Prey Lang Wildlife Sanctuary on 22 February 2020. Think Biotech officials and former PLCN members (shown here) indulged in a picnic and held a ceremony to pray for the safe transport of the tree.

Corruption and impunity: the *oknhas*

The companies that control the ELCs are owned and run by powerful Cambodian businesspeople known as *oknhas*,⁵¹ who have close ties to the ruling elite in Cambodia. Numerous reports dating back to the mid-1990s have documented the involvement of *oknhas* in forest crimes in Cambodia. In 1996, for example, Global Witness published a report detailing deals between Cambodia's co-prime ministers and 18 Thai logging companies for 870 000 cubic metres of timber, worth upwards of US\$300 million.⁵² The NGO alleged that these deals were illegal. In 2007, Global Witness published 'Cambodia's Family Trees,' a report that presented compelling evidence of forest crimes committed by logging syndicates controlled by wealthy families within or connected to the highest levels of Cambodian government. Another 2015 Global Witness report accused Oknha Try Pheap of being at the helm of an illegal logging network that relies on the collusion of state officials and law-enforcement agencies to poach rare trees such as Siamese rosewood, traffic logs across the country and load them onto boats bound for Hong Kong.⁵³

It is alleged that *oknhas* enjoy de facto immunity from arrest and prosecution by lower-ranked law-enforcement personnel, and there have also been allegations of complicity and corruption among civil servants in various government agencies and departments

in supporting this multi-million-dollar business. One media report paints a reassuring picture of Ministry of Environment officials supporting local community action groups.⁵⁴ However, it is reported that ministry officials often tip off loggers to protect them from planned patrols. A 2018 report states that '[t]here is furthermore a widespread feeling that illegal loggers are being tipped off during the information process, making it harder to catch the perpetrators red-handed.'⁵⁵ One conservationist sees the Ministry of the Environment – which awards ELCs, even in protected areas – as a key enabler of illegal logging: 'This so-called Ministry of Environment has turned in recent years into an oppressive syndicate claiming control of 40% of Cambodia's territory ... However, its purpose is not conservation, but total state control and monopolizing profit from forest destruction for regime cronies.'⁵⁶

Criticism has also been directed at the government's reluctance to shut down sawmills and its continuing to issue transportation permits for timber. It may be that officials are keen to preserve local jobs, which would be affected by a comprehensive crackdown, but the reluctance to shut down sawmills may also be due to some officials' need for cash to pay for career advancement. To get a government job, junior law-enforcement officers are thought to pay 'tribute' to senior officials, and may therefore be receptive to

bribes in return for allowing illicit logging to continue. One report claimed that US\$19 000 would be paid to government officials for each timber-laden lorry bound for Vietnam to ensure that they would not be intercepted.⁵⁷

There have also been questionable attempts by the Cambodian government to deny the data around deforestation. In the case of Prey Lang Wildlife Sanctuary, the PLCN, supported by the University of Copenhagen, Global Forest Watch and the Joint Research Centre of the European Commission, reported that the sanctuary had lost more than 40 000 hectares, or almost 10% of its forest cover, since 2001, and that illegal logging had increased, particularly around the Think Biotech sawmill.⁵⁸ The report was immediately slammed by

the Ministry of Environment. According to a media report, Environment Ministry spokesman Neth Pheaktra said the joint report was 'politically motivated' and 'untrue'. Pheaktra rejected the report on the basis that 'the PLCN was not a registered organization with the Interior Ministry',⁵⁹ focusing on the legal status of the organization in an attempt to change the narrative about the facts and data contained in the PLCN report.

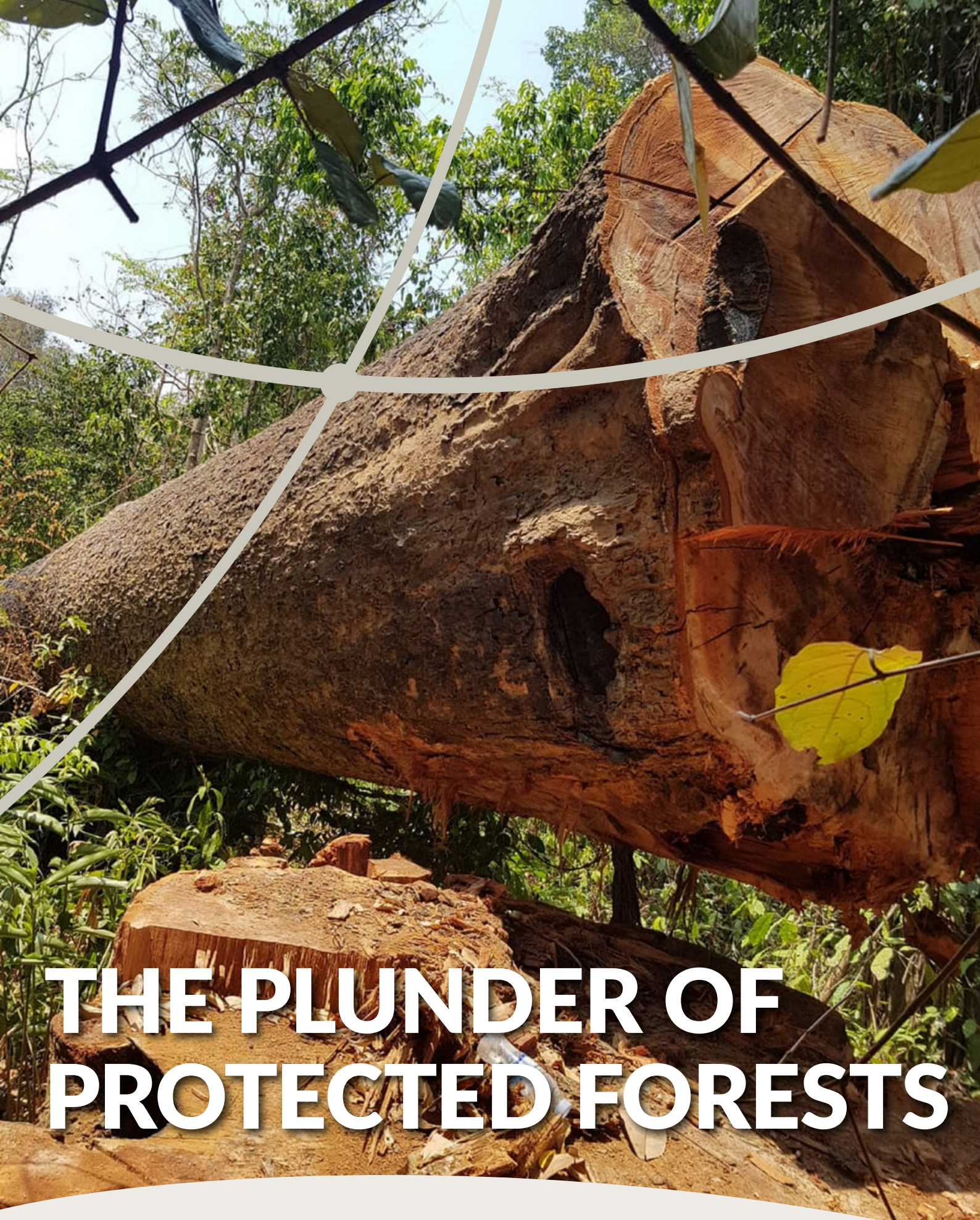
In May 2020, a media report flagged that Prey Lang was not on the government's list of protected areas submitted to the United Nations.⁶⁰ Only in June 2020 did the government harmonize the legal status of the sanctuary with its international status. Critics say the omission was a deliberate tactic to enable logging there.

Haphazard enforcement: the NCPAFC

In January 2016, the government set up what later became known as the National Committee for Forest Crime Prevention (NCPAFC). Originally known as the Coalition Committee for Forest Crime Prevention its formation was followed by a spurt of law-enforcement activity against businesspeople suspected of illegal logging, but these moves were arguably cosmetic and undertaken with a view towards winning votes in an upcoming election. This thesis is supported by the fact that in February 2018 the government temporarily paused sawmill operations inside all ELCs as part of its election campaign. But at the end of 2018, after the ruling party had won a complete majority in the election and the opposition had been dissolved, the government re-opened timber harvesting by private companies in all ELCs.

In July 2019, the NCPAFC announced that it was adopting a new and tougher approach towards illegal logging, including 'destroying' the tools used. Any vehicle used for transportation of timber that was suspected of being illegally harvested could be impounded by authorities, whereas previously the operator of the vehicle would be let off in return for a signed undertaking not to smuggle timber in the future. While potentially a helpful deterrent against timber smuggling, it is also possible that the new measures could simply have strengthened the power of the police to extract bribes from smugglers and monopolize the illegal trade. Another view is that while sporadic efforts to target illegal loggers do have a deterrent effect, this is usually short-lived and the operations are superficial.

There have been criticisms that the NCPAFC is hesitant to act on some occasions, including by not seizing large consignments of timber. In response, the government has released seizure statistics suggesting that it has been active in combatting illegal logging and has auctioned off its seizures.⁶¹ In 2019, the committee arrested three mid-ranking government officials, two from the Forestry Administration and one from the Environment Department of Monduliri province, for tolerating illegal logging.⁶² Various media reports show that the NCPAFC is attempting to tackle logging at source by targeting individuals who engage in the actual cutting and transportation of timber, and these efforts have been acknowledged by forestry activists. However, activists say that the NCPAFC tends not to investigate wealthier investors higher up the supply chain, who arrange for the export of logs to Vietnam and are often politically influential.



THE PLUNDER OF PROTECTED FORESTS

A felled tree in a protected forest area. Large-scale logging has been carried out by a number of companies in Cambodia's forest reserves.

From mid-2018 to mid-2020, the author team investigated large-scale logging activities conducted by a number of companies harvesting timber over a period of years from the Prey Lang and Prey Preah Roka wildlife sanctuaries (Figure 2). The authors' investigation concluded that these logging operations were almost certainly illegal. The investigations also revealed timber being sent to depots with links to illegal timber exports. Perhaps most importantly, the investigations revealed a connection between Angkor Plywood and all the other companies, with evidence that Angkor Plywood has been purchasing raw or processed timber from the other companies.

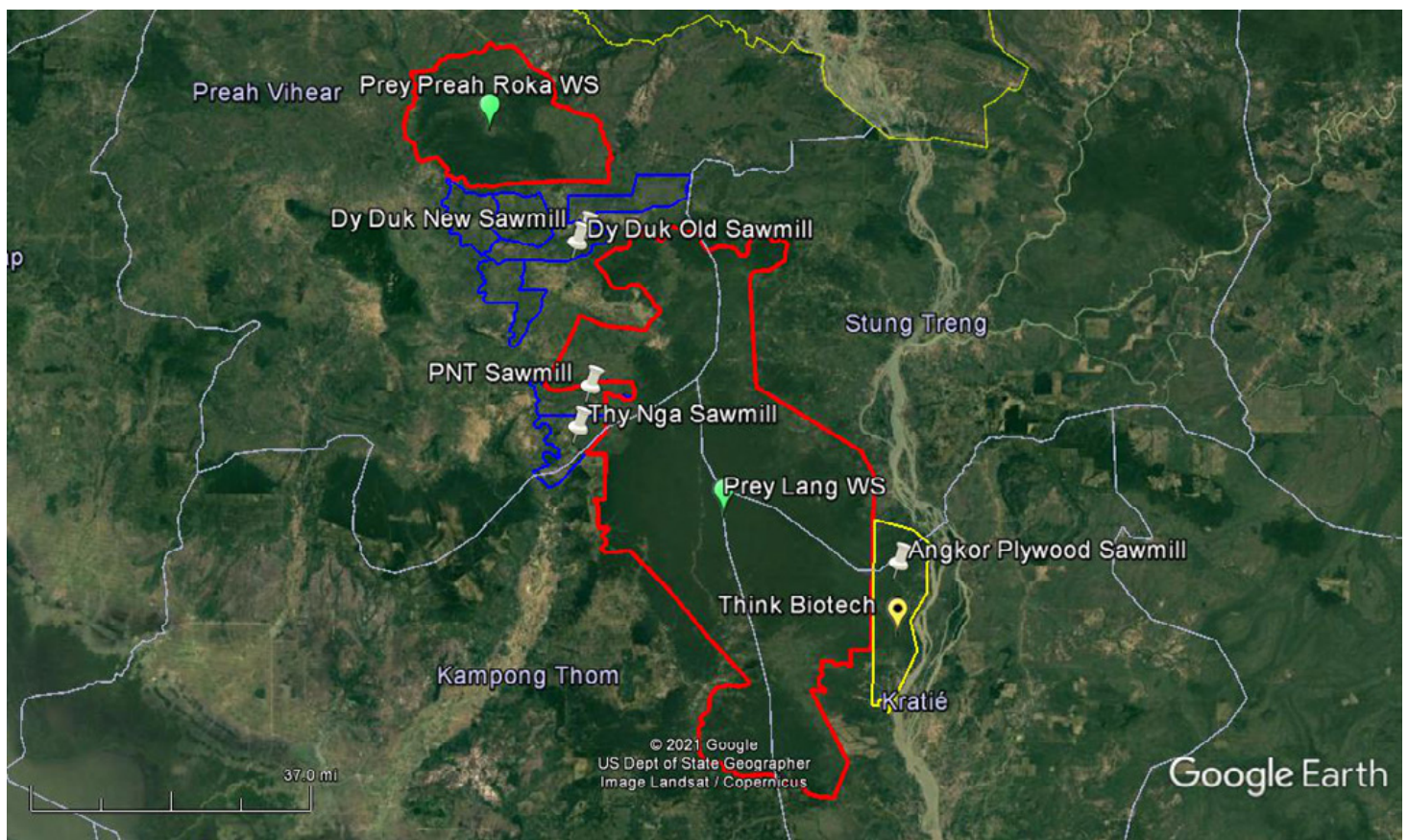


FIGURE 2 The Prey Lang and Prey Preah Roka wildlife sanctuaries (marked by green pins).

NOTE: ELCs are marked with blue boundaries; sawmills are marked with a white pin. The Think Biotech forest restoration concession boundary is shown in yellow.



Prey Lang and Prey Preah Roka wildlife sanctuaries

View of Prey Lang forest, Cambodia. © Wikipedia

Prey Lang is a region of lowland tropical forest spanning four provinces (Kratie, Preah Vihear, Steung Treng and Kampong Thom) in central-north Cambodia, just west of the Mekong River. The area is home to more than 250 000 people who live in hundreds of villages in and around the forest. Most of these identify as Kuy, an indigenous ethnic group based in northern Thailand, southern Laos and northern Cambodia, with their own spoken language. According to the PLCN, Prey Lang means 'our forest' in the Kuy language. The forest is a central part of Kuy culture and spiritual life, and serves as a vital resource for Kuy families' livelihoods, particularly as a source of oleoresins from important trees species, and medicinal and edible plants.⁶³

The Prey Lang Wildlife Sanctuary was established in the region in 2016. It encompasses more than 430 000 hectares and contains seven distinct forest/habitat types⁶⁴ with a number of economically valuable tree species.⁶⁵ Biodiversity surveys have documented over 500 species of trees and plants, and approximately 400 animal species in the wildlife sanctuary.⁶⁶ Of these, 55 are considered under threat.

The Prey Preah Roka Wildlife Sanctuary, which encompasses 90 000 hectares, was also established in 2016. The area has long been used by Kuy people for resin collection and non-timber forest products. The sanctuary was created to ensure protection of wildlife habitat and biodiversity; provide natural products and services for sustainable use; and promote the protection of communities in the area and resource management and biodiversity protection.

Think Biotech

In 2010, Think Biotech Co. Ltd was granted a 34 000 hectare forest-restoration concession⁶⁷ adjacent to the Prey Lang Wildlife Sanctuary⁶⁸ with the aim of restoring a 'degraded' forest at the edge of Prey Lang forest.⁶⁹ This concession was part of an agreement between the governments of Cambodia and South Korea,⁷⁰ with the price paid for concession totalling US\$89.3 million, to be paid over 25 years.⁷¹ The forest restoration concession was an experiment to mitigate climate change through the conversion of natural forest to monoculture tree plantation.

Logging operations began in the forest-restoration concession in 2012, with the company engaging in clear-cutting of the remaining natural and biodiverse forests and in their place establishing industrial monoculture forests, including trees of acacia, eucalyptus and some teak. The original Think Biotech sawmill was licensed for operation in June 2013⁷² for an unusual duration of 15 years (most sawmills are licensed for one year at a time). The project was anticipated to supply and export 600 000 cubic metres of sawn wood per year.

In December 2018, following the resignation of the Korean investors, Think Biotech restructured and in 2019 ownership passed to the owners of Angkor Plywood (see section below: 'All roads lead to Angkor Plywood'). This led to the closure of the original sawmill and the development of a new one, which came into operation in 2019. The change of ownership to Angkor Plywood also coincided with increased trespass logging within Prey Lang Wildlife Sanctuary and rapid clearing of mature forest in the concession.

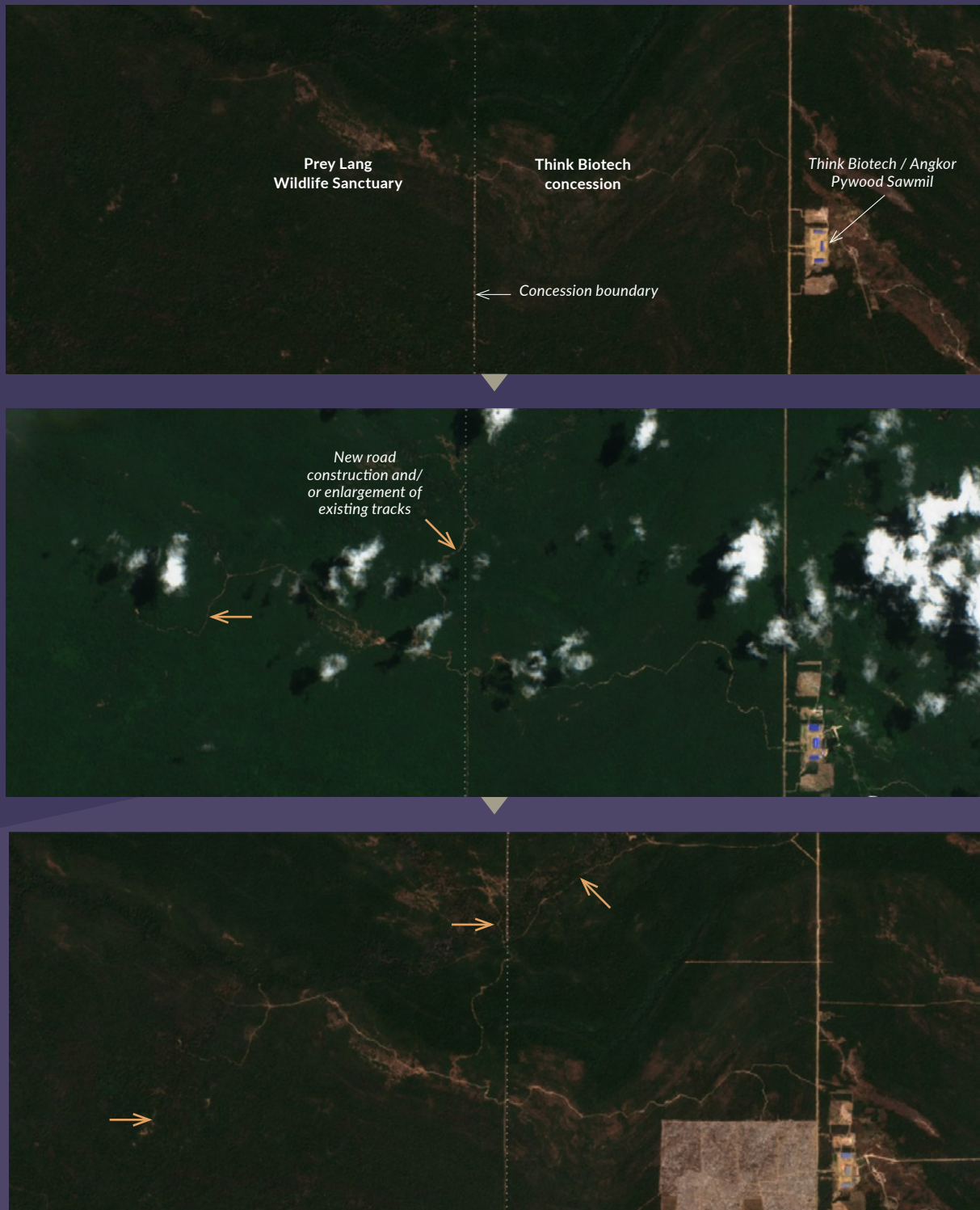
The forest restoration concession has been criticized by NGOs and local communities since its inception. A 2016 report concluded that this project is causing widespread deforestation within the concession, with severe environmental and social impacts.⁷³ Equally troubling is the logging of rare and protected timber species outside the concession, namely rosewoods and oleoresin trees from within the Prey Lang Wildlife Sanctuary itself.

The new Think Biotech/Angkor Plywood sawmill in the immediate vicinity of Prey Lang Wildlife Sanctuary.



Illegal timber cutting in Prey Lang

The sequence of Sentinel satellite imagery shown here shows the progression of road building and trespass logging between January 2019 and February 2020. Figure 3 shows GPS locations of illegally felled trees within Prey Lang Wildlife Sanctuary documented by the authors' investigators as of September 2019. The arrow in the first image indicates the Prey Lang Wildlife Sanctuary boundary.



Road building and forest clearance in Prey Lang Wildlife Sanctuary, from top, January 2019, July 2019 and February 2020. Yellow arrows highlight new road construction and/or enlargement of existing tracks. © Sentinel



An Arev in Prey Lang Wildlife Sanctuary, loaded with logs from resin trees.

Tracking logging in Prey Lang Wildlife Sanctuary

On 25 April 2019, investigators followed convoys of Arevs loaded with logs of resin trees from O'Krak in Prey Lang Wildlife Sanctuary, escorted by armed forces with a walkie-talkie. Useful logs were unloaded separately from unwanted trees at a depot for resin trees and luxury timbers hidden in the forest west of the Think Biotech sawmill. This depot was protected by heavily armed forces, and the workers and drivers were not allowed to use smart phones inside when going into this depot. The footage taken on 25 April 2019 reveals trucks waiting to upload logs, two big logging ponds (short-term storage yards) and Arevs parked close to the checkpoint. Footage of machinery manoeuvring logs in preparation for transport was also captured. Based on the observable number of logs, the investigators concluded that logs were transported and that the concession was operational.

The investigators flew a drone over the new sawmill in January and again in April 2019. The stockpile of resin trees was larger in January 2019 than in April 2019. This implies that logs were sawn up and transported out of the concession. It also implies that the concession is operational, i.e. there is a turnover of logs.



Logs, mostly from resin trees, laid out at the sawmill depot, 21 January 2019.



The sawmill depot,
25 April 2019.

During the first four months of 2020, our investigators documented an intensification in the scale of the illegal harvesting of trees in the same area where logging had been recorded from mid-2018 through 2019. The images that follow show the extent of illegal tree felling within Prey Lang in 2020 (Figure 4), and how loggers went deeper into the wildlife sanctuary in early 2020 than they did in 2019.

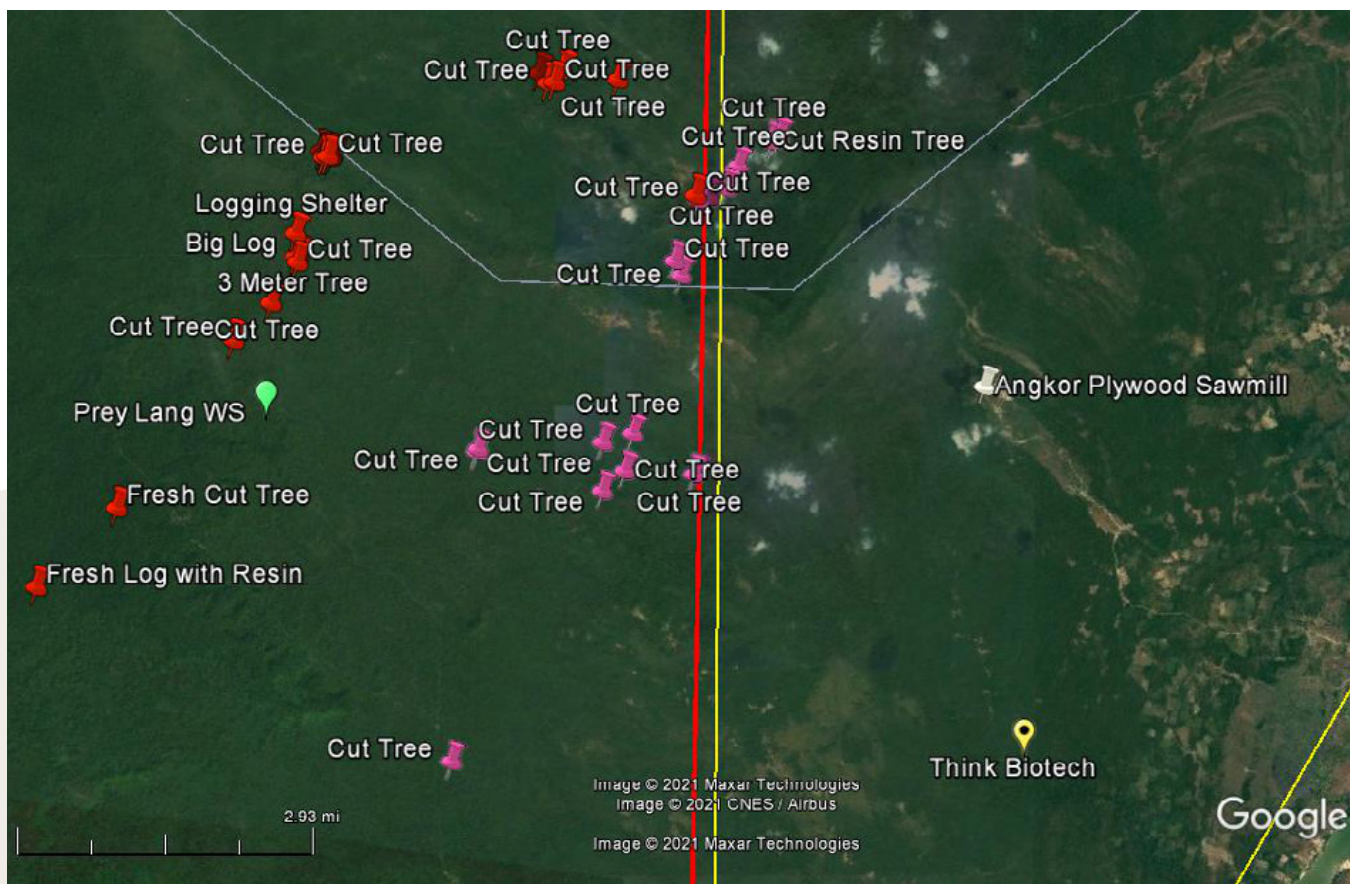


FIGURE 4 GPS locations of felled trees, 2019 and 2020. Red pushpins mark locations of trees felled in 2020; purple pushpins mark areas of felled trees documented in 2019.



Freshly felled trees found within Prey Lang Wildlife Sanctuary, February–April 2020. Bottom: a 2-metre diameter tree felled within the wildlife sanctuary. The GPS units show the location and date of harvest.

This intensified activity may have been driven by a desire to exploit two developments: firstly, the fact that activists were prohibited by the government from entering the forest in early 2020, and, secondly, the coronavirus pandemic.

From early 2020, the government of Cambodia began a campaign to keep the PLCN (and other forest activists) out of the Prey Lang forest, when Ministry of Environment officials claimed that the PLCN was operating illegally because it had not registered under Cambodia's LANGO (see box above: 'Defending Cambodia's forests').⁷⁴ In February 2020, masked, armed rangers deployed by the Ministry of Environment blocked hundreds of community members, monks and environmental activists from entering parts of the Prey Lang protected area to join a ceremony organized by the PLCN to promote conservation efforts against deforestation.⁷⁵



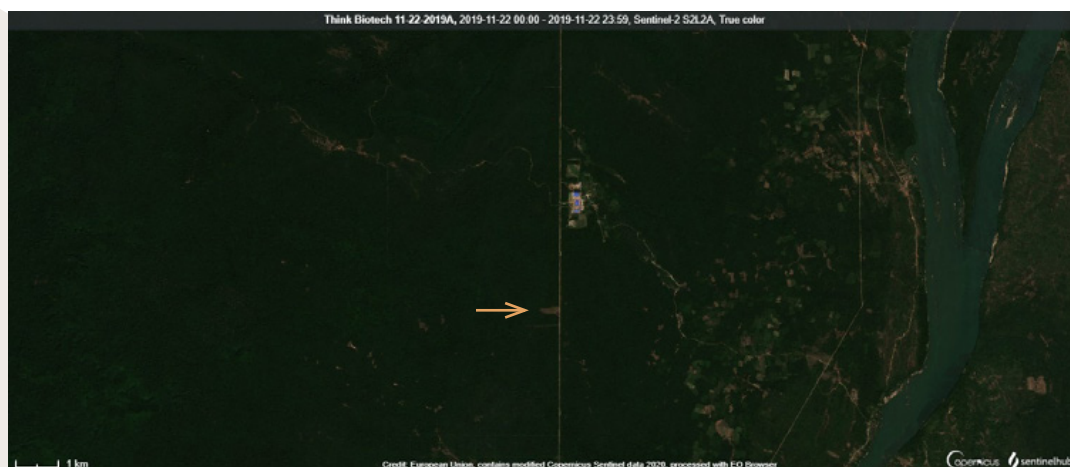
It was followed by a ban on PLCN entering the sanctuary. Since that time, PLCN members have no longer been able to patrol the forest.⁷⁶ However, the PLCN continue to monitor the flow of timber passing ranger stations as it leaves Prey Lang Wildlife Sanctuary.

Meanwhile, the pandemic also kept resin tappers and others who depend on non-timber forest products out of the Prey Lang forest. It did not, however, deter illegal loggers. Our investigators asserted that logging had actually increased during the pandemic in certain parts of Prey Lang, a perception that was corroborated by other sources during the same period.⁷⁷ Without forest activists and resin tappers, loggers have been able to continue or even expand their operations without hindrance or check.

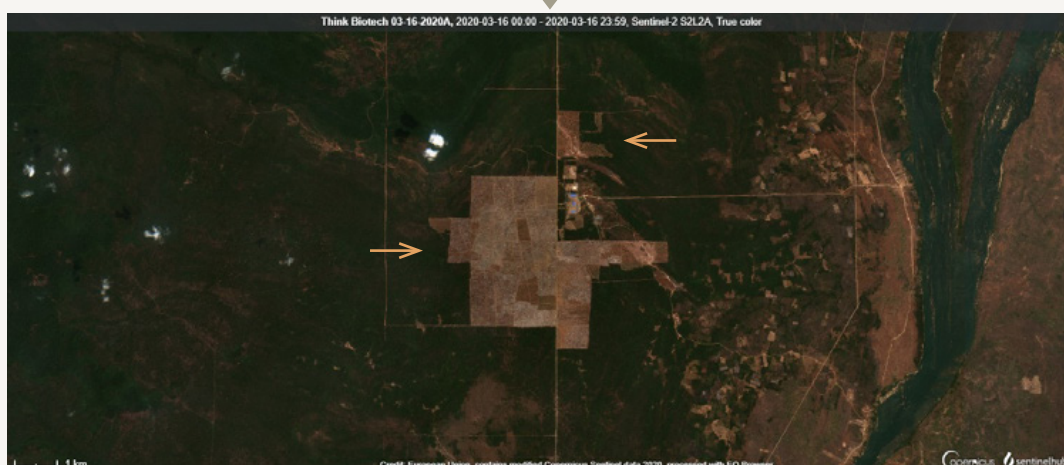
Illegal timber cutting in concession

In late 2019, Think Biotech began to rapidly deforest an extensive area of its concession in the immediate vicinity of the sawmill operation. The images show forest clearance in the immediate vicinity of the sawmill from 22 November 2019 to 4 May 2020. We measured the area deforested during that period using the EO Browser measurement tool,⁷⁸ and determined that the deforested block measured 1 306 hectares.⁷⁹ It is very likely that this clearance included the felling of protected tree species, including resin trees, which would be illegal.

Forest clearance in the vicinity of the Think Biotech sawmill, 22 November 2019 to February 2021.



© Sentinel



© Sentinel

Complaints of coercion and exploitation of local communities

Sam No has been active in acquiring resin trees for Think Biotech in recent years, despite the fact that most resin tree owners are reluctant to sell to No because they realized they would lose a sustainable income.⁸⁰

As a former member of the PLCN, No has used his relationship with local people to negotiate the purchase of resin trees at what they claim are rock-bottom prices. They also claim that he has also used falsified documents to support the purchase of resin trees,⁸¹ allegedly duping the owners into signing what they thought was a right of occupation letter.⁸² Instead, No passed these documents off as sale documents.

Our investigators obtained a letter dated 25 February 2019 transferring rights of use of 119 resin trees from a married couple to No, with five names and thumb-printed by witnesses. The letter does not mention the payment amount or the name of the company. The couple, who live in Stung Treng, allege that they were intimidated into signing the agreement.⁸³

Those who refuse such overtures stand to lose even more. One resin-tree owner, who lives in Sambor district, was pressured by No to sell 3 500 resin trees to Think Biotech, but refused. The company proceeded regardless, and felled more than a thousand of the owner's resin trees both inside and outside Prey Lang Wildlife Sanctuary. The owner complained to the authorities and received compensation amounting to 3 500 000 Riels (around US\$875) – equivalent to US\$0.25 per tree.⁸⁴ This rate was far less than that paid by Sam No and Sok Chea (another procurer for Think Biotech; Figure 8), who were reported to have purchased resin trees from the local community for between US\$5 and US\$15 per tree.

Others in Sambor district report that they have signed over rights to their trees under duress, but felt nevertheless obligated to honour their agreements with Think Biotech, being concerned that the company might file a criminal complaint against them if they reneged.⁸⁵



Sok Chea, a procurer for Think Biotech.

Sok Chea has been named in a complaint made by owners of resin trees in Siem Bok, Stung Treng. It is said that in November 2018, Sok Chea began threatening people over their resin trees. He met with tree owners on 30 November 2018 and acquired many resin trees (which were subsequently illegally felled) but was subsequently fired by the company when the owners reported him to the district and provincial authorities. On 17 January 2019, the company paid compensation to people who claimed they had lost resin trees to the company during a meeting with the Siem Bok district governor attended by other local authorities and members of the PLCN, but this compensation is far lower than the trees' market value.

Think Biotech: operating with impunity?

Following complaints by local and indigenous people and human rights groups in Cambodia that Think Biotech was responsible for large-scale illegal logging outside its concession, the NCPAFC decided to investigate the company. The NCPAFC's report, published in 2019, although flawed in many respects, 'found that the new governance board of this company did not follow the master plan and not following to other rules [sic]'.⁸⁶

The report, however, failed to mention that the Arevs used to transport round logs were not on the inventory of the company, although they were observed several times at the sawmill. It also omitted any mention of the stumps of trees, especially resin trees, that had been felled

A logger in Prey Lang Wildlife Sanctuary works under the protection of a ranger, 10 March 2020.



outside of the company's concession boundary within the protected area, as well as any indication that the felling of resin trees is illegal under national law. It is, however, likely that NCPAFC personnel were working with limited information because, at the time of its investigation, the road to the sawmill was impassable.

The NCPAFC report may have also drastically underestimated the revenue generated by Think Biotech. According to the report, Think Biotech had a revenue of approximately US\$11.6 million from harvesting and processing timber from 2013 until the time of the authors' investigation in July 2019. This figure assumes an average of about 2.3 cubic metres of timber per hectare of forest land, but in 2010, resin trees were estimated to average about 100 cubic metres per hectare in an average forest.⁸⁷ Even after deducting the cost of the contract for the concession, this higher density of (more lucrative) resin trees could suggest that the company may have generated more than US\$400 million in revenue as of the date of the NCPAFC's investigation in July 2019. The company may well have generated a further revenue of around US\$6 million from July until December 2019 based on our investigators' estimate of the volumes of wood transported to the sawmill each day.⁸⁸

Although the commission found a number of irregularities, it advised the company only to improve its legal documentation, but even these recommendations

were not enforced by the Cambodian government. The government has likewise also ignored the concerns of the media, the PLCN and others (including international forest experts),⁸⁹ all of whom have identified illegal activities conducted by Think Biotech and reported them to the Cambodian government. The Cambodian government notably failed to take action against the sawmill operation even after a petition by the PLCN was submitted to the South Korean Embassy in 2019. Until very shortly before the petition had been submitted, the owners of Think Biotech had been South Korean nationals, hence the PLCN's decision to approach their embassy. Subsequently, ownership of Think Biotech passed to Angkor Plywood, a company which has played some role in all three case studies examined in this report, of logging within protected areas.

Such lack of action suggests the government is at the very least providing an accommodating environment for illegal logging operations. However, there are also signs that it has been more active in protecting the loggers, including making available security personnel from the Kratie provincial military unit for Think Biotech to protect loggers while at work. Interviews with company workers confirmed that the company protected them from arrest.⁹⁰ Rangers also accompanied loggers into the Prey Lang Wildlife Sanctuary, providing official protection for their activities.

Sam Oeun Sovann Co. Ltd

Sam Oeun Sovann Co. Ltd⁹¹ (Sovann Company) has operated two different sawmills in an ELC and SLC just north-west of Prey Lang over four periods of time since early 2016 (April–October 2016; October 2017–February 2018; September 2018–July 2019; and the last six months of 2019). The authors' investigators estimated that, during the last six months of 2019, the Sovann Company sawmill processed wood worth at least US\$9 million that had been obtained from Prey Lang and Prey Preah Roka.

Over its entire operation, the Sovann Company processed timber valued at US\$39 million. It is the authors' belief that much of this revenue was generated as a result of timber harvested illegally from protected areas, and there is evidence to suggest that the company has used its two sawmills to launder this wood – effectively making it appear that the wood was sourced from an ELC, and not wildlife sanctuaries. However, many of the felled trees were protected species, making the timber illegal regardless of its provenance.

'OLD DY DUK' SAWMILL

The first Sovann Company sawmill was located in the forest of the SLC at O'Sniet, in the Torsou commune of Chey Sen district. Located deep within the SLC, it was constantly protected by armed personnel. It sourced timber from the Cambodian government's SLC in Chheb and Chey Sen districts following government

approval in 2016 and was supported by the Preah Vihear provincial governor, Un Chanda.⁹² (The sawmill was nicknamed the 'Dy Duk' sawmill by local and national organizations and media due to the connection between the Sovann Company and Dy Duk, an *oknha* who is prominent in the timber business in Cambodia.)



FIGURE 5 Location of the two Sovann Company ('Dy Duk') sawmills. ELC boundaries are in blue, although all ELCs are effectively owned by a single company, Rui Feng.

NOTE: The red boundaries demarcate the wildlife sanctuaries.

In November 2017, the Sovann Company acquired the rights to harvest timber from a company called Iron Wood Inc. in an ELC administered by the Chinese-owned Rui Feng (Cambodia) International Company Ltd.⁹³ The latter is a sugarcane concessionaire. Together with four other firms, it established a 40 000 hectare sugarcane plantation in northern Cambodia. All firms have faced multiple land disputes across the extent of the plantation, especially with indigenous minorities. The ELC where Sovann Company gained rights to harvest timber was almost completely covered by Rui Feng's sugar plantation at the time, with little commercially valuable timber. This raises questions as to the intended use of the ELC.

'NEW DY DUK' SAWMILL

The original sawmill was closed in February 2018 as part of the government's election campaigning and was never reopened. However, in September 2018, our investigators found a new sawmill (the 'new Dy Duk sawmill') about 3 kilometres north-east of the old sawmill, in the Rui Feng ELC at the edge of the Chinese sugar plantation.

The new sawmill had been given approval for processing timber and non-timber products harvested inside the concession by the government after the Cambodian People's Party won the July 2018 elections. According to a statement made by provincial authorities, the Sovann Company was granted permission by the government to harvest timber and other products inside the ELCs belonging to five Chinese companies: a total area of over 50 000 hectares, which also includes forested areas in the SLC equivalent to more than 4 000 hectares.⁹⁴ Sovann Company continued to harvest timber until July 2019, when the NCPAFC took decisive action against a number of sawmills and timber businesses in Cambodia. It was also reported that early in July 2019, Chumteav Heng, a manager from Sovann Company, told local people to stop selling timber to the company while the NCPAFC was investigating illegal logging and timber smuggling across the border.⁹⁵ Investigators engaged by the authors recorded video footage of the conversation



The original Dy Duk sawmill, 18 November 2016.



The new Dy Duk sawmill, 25 January 2019.

between Chumteav Heng, provincial authorities and the Forestry Administration.

Even though reports had documented the lack of commercially harvestable trees within the SLC and the ELC, Rui Feng was granted permission by the government to harvest timber inside the ELC. The investigation found that the five Rui Feng ELCs and the local SLCs were largely devoid of commercially harvestable trees by the time rights were transferred, so workers ostensibly in the employ of the Sovann Company harvested timber illegally from Prey Lang and Prey Preah Roka wildlife sanctuaries to feed the new sawmill.



Clockwise from top right: An Arev transports resin trees from Prey Preah Roka to the Sovann Company sawmill, 11 December 2018; Logs are stockpiled in Prey Preh Roka, awaiting transport to the sawmill, 11 December 2018; Sokram logs removed from Prey Lang en route to the sawmill, 3 March 2019; Timber truck loaded with wood processed at the Sovann Company sawmill.

Some logs from Prey Preah Roka were transported directly to the sawmill, while some were transported to stockpiles in the villages of Naron and Pra, where company managers would then purchase the timber from loggers. Those logs were transported at night to the sawmill through Chheb district; some logs were transported along a route through the forest in a possible attempt to avoid media attention.

Some timber from Prey Lang was transported through Thmea to Cheysen and to the sawmill at night, and some was transported through the forest route.

Transport vehicles were spotted parked waiting for nightfall on the route out of Prey Lang to the main road on the eastern side of Chheb district town.

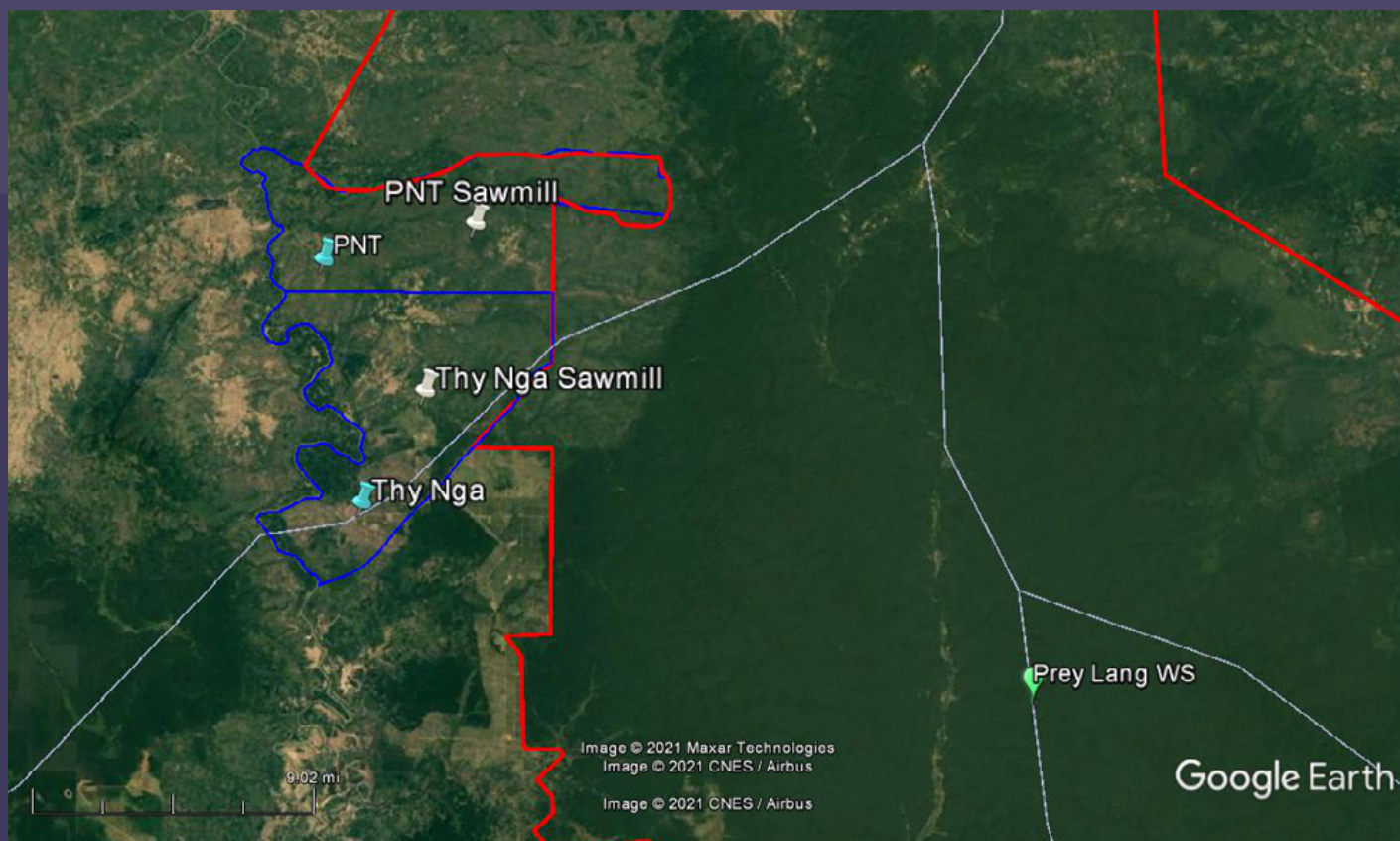
The fact that timber was transported from the protected areas at night time by convoys of Arevs, Koyuns (a type of tractor) and minivans raises questions about the nature of the operations, while the fact that such transport was escorted by armed forces and the police from Chheb suggests the possibility of official support for what are almost certainly illegal logging activities.



A convoy of timber trucks waits for dark on the route out of Prey Lang to the main road on the eastern side of Chheb district town, 25 January 2019.



A convoy transports square logs at night, 19 May 2019.



PNT and Thy Nga ELCs

On the west side of Prey Lang Wildlife Sanctuary are two ELCs covering over 16 000 hectares that have witnessed severe deforestation in recent years, including the illegal logging of resin trees.

The concessions were originally controlled by PNT Co., Ltd. and Thy Nga Development Co., Ltd., whose sawmills operated from 2011 until 2016 (Figure 6) but stopped immediately in 2017 after all the resin trees inside the ELCs and nearby areas of Prey Lang Wildlife Sanctuary had been cut down. It is estimated that timber from these ELCs generated up to US\$800 million for PNT and Thy Nga.

With commercial timber no longer readily available, the ELC owner transferred the timber rights to a new company, Macle Logistic (Cambodia) Import-Export Co., Ltd. (Macle Logistic) in December 2017/beginning of 2018.⁹⁶ This transfer was clear evidence that the original owners of the ELC were seemingly only interested in the lucrative timber harvest from the concession and were not intent on developing other commercial crops (which is part of the rationale behind ELCs).

Despite the lack of commercial timber inside the ELCs, on 26 March 2018, the Ministry of Agriculture, Forestry and Fisheries gave Macle Logistic a new license for sawmill operations, while on 24 August 2018, the Forest Administration authorized the company to transport timber to the sawmills of PNT and Thy Nga.⁹⁷ On 2 November 2018, the Ministry of Agriculture, Forestry and Fisheries authorized Macle Logistic to harvest

FIGURE 6 ELCs of PNT and Thy Nga immediately adjacent to Prey Lang Wildlife Sanctuary.

NOTE: ELC boundaries are in blue. Google Earth basemap is undated and does not necessarily reflect current conditions on the ground.

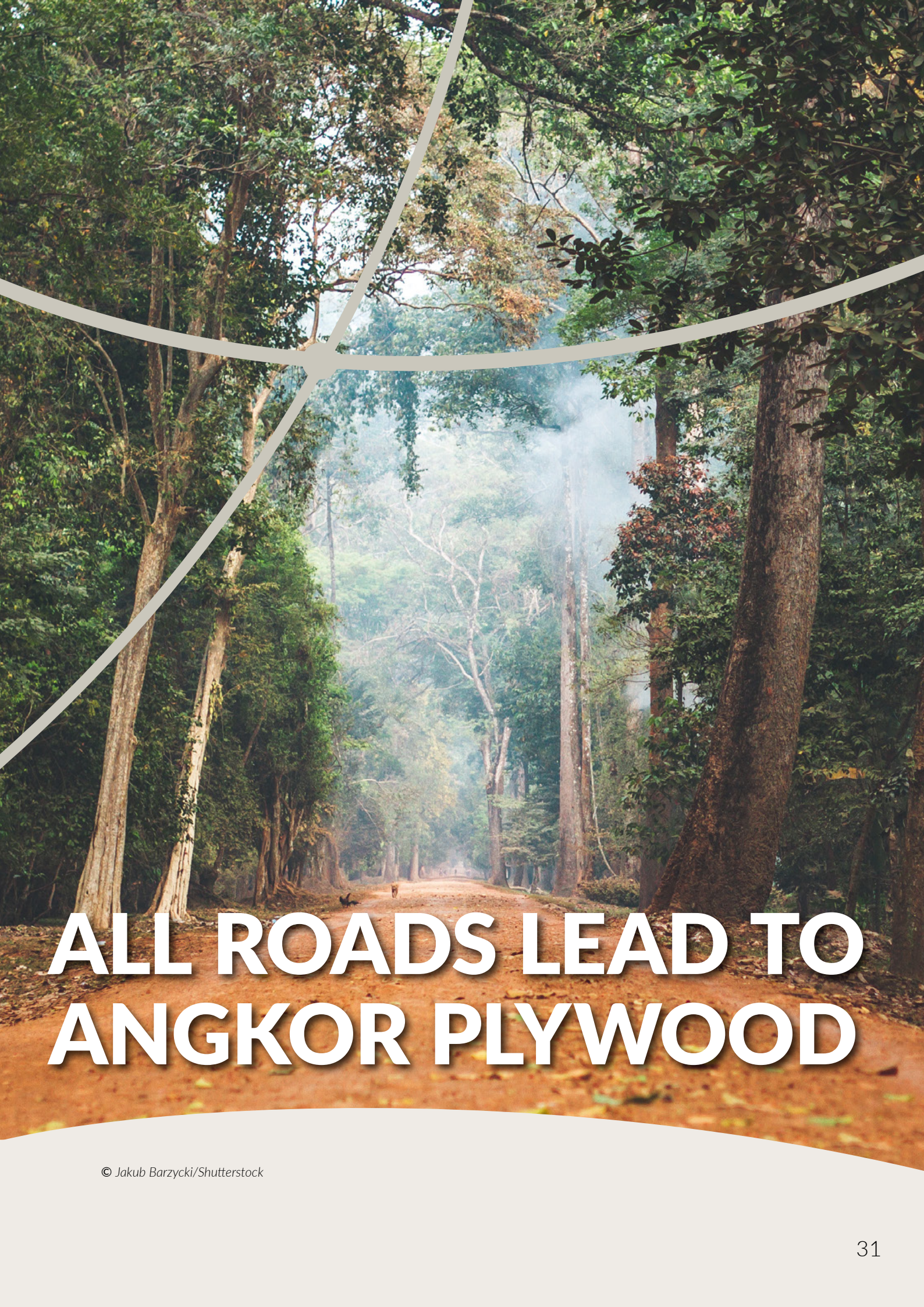
timbers inside the ELC of Thy Nga and PNT, and on 8 November 2018, the Forest Administration gave permission for Macle Logistic to transport timber from the sawmill inside the Thy Nga and PNT ELCs. Yet for these approvals to be meaningful, timber had to be sourced, logged and processed. How it would have been possible for Macle Logistic to source this timber, if it did not come from Prey Lang Wildlife Sanctuary, remains a mystery.

Between January and April 2020, our investigators were informed that 15 sawing machines had been set up in the two sawmills in the ELCs by General Hom Huy (real name Koh Somhy). Evidence points to the possibility that the sawmills were collecting resin trees from Prey Lang Wildlife Sanctuary to supply the Angkor Plywood branch factory in Kampong Thom town.

On 9 March 2020, our investigators captured drone footage of the very active Thy Nga log depot (see below).




Thy Nga depot, 9 March 2020.



ALL ROADS LEAD TO ANGKOR PLYWOOD

© Jakub Barzycki/Shutterstock



Angkor Plywood is one the most important actors in Cambodian timber, processing timber from all the companies mentioned in these case studies and arranging export of timber to China and Vietnam.

Indeed, the ties are sometimes closer: as mentioned in the above case study on Think Biotech, in December 2018, following the resignation of the Korean investors, Think Biotech restructured and in 2019 ownership passed to the owners of Angkor Plywood. This precipitated major changes in the operation, including the development of a new sawmill, increased trespass logging within Prey Lang Wildlife Sanctuary and rapid clearing of mature forest in the concession.

Thy Nga Development and Investment Co., Ltd – the subject of the third case study in this report – has also been linked to Angkor Plywood through Chea Pov, a sawmill director of Angkor Plywood who is also a shareholder of Thy Nga and whose name also appeared in connection with the export of timber from Phnom Penh Port.

Angkor Plywood's links to Sovann Company were demonstrated on 3 March 2019, when our investigators tracked a convoy of loaded V-1 timber trucks as they left the Sovann sawmill and headed to the Angkor Plywood Factory in Phnom Penh. Our investigators also tracked a vehicle leaving the Sovann Company Dy Duk sawmill using a GPS ONE tracker on 10 May 2019 from 10.30 pm to midnight; the following day, they found the truck had unloaded its cargo at the Angkor Plywood premises in Prek Tamak – Cambodia's main depot hub for timber destined for export (Figure 7). Security personnel told investigators that the factory was Chinese-owned. As explored in the second case study, it is likely that at least a part of this timber consignment was illegally harvested.

In early 2020, our investigators talked with logistics staff at the customs bureau in Phnom Penh Port and were told that between 80 and 100 containers were exported through Phnom Penh Port to China by Angkor Plywood under the name of Chea Pov between January and May 2020. In April 2020, at least 30 containers of plywood,



A convoy of V-1 timber trucks from the sawmill heading to the Angkor Plywood factory in Phnom Penh, 3 March 2019.

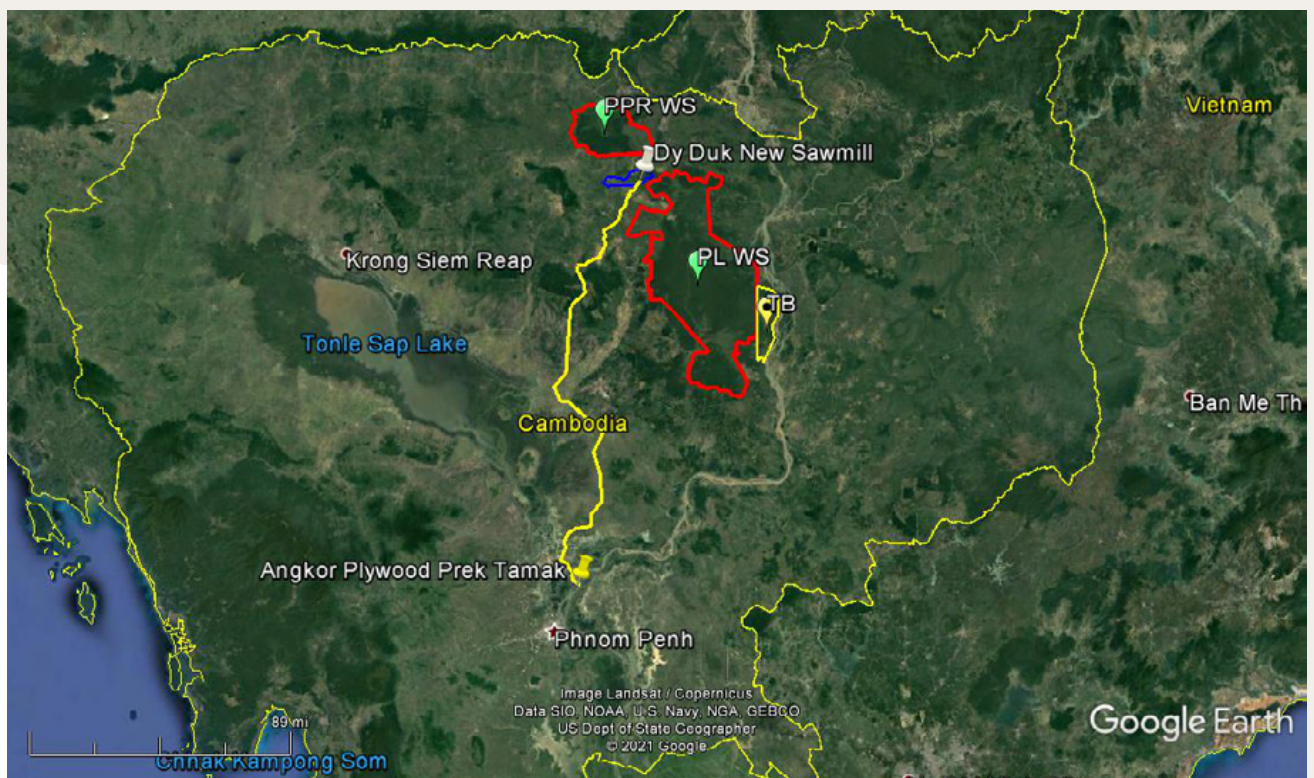


FIGURE 7 The route taken by a timber truck tracked by GT010-94000, 10–11 May 2019.

veneers and square logs were found ready for export. In some cases, logs had a diameter greater than the 25 centimetre maximum limit permissible for legal export, as per the 2006 sub-decree. There was also rosewood – which is illegal to harvest and export under Cambodian law – in the containers.

The shipment was accompanied by a customs clearance form dated 9 March 2020 (see Figure 9), which stated that the contents were Grade 2 timber, omitted any mention of the illegal rosewood component and therefore indicating that some port officials may be colluding in the export of illegal timber.

Our investigations also recorded a number of suspicious incidents of cross-border transport of timber to Vietnam involving Angkor Plywood, despite the fact the border has been closed to timber since 2016. In July 2019, the authors found a contract agreement (dated 9 July) between Angkor Plywood and Hiep Phuoc Maritime and Development Investment Joint Stock Company in Vietnam for raw timber intended



Customs clearance form dated 9 March 2020.



Containers of timber suspected to be rosewood awaiting export from Phnom Penh Port, April 2020.



for re-export to a third country. The document sets out a transport route of timber through the Thuong Phouc border gate, and onward transport was foreseen through either Cat Lai port or ICD Phuoc Long port, in Vietnam. In addition, our investigators learned that Angkor Plywood exports wood from its factory in Kandal Province to China via Vietnam through the border gate at Trapaing Phlong.

Prominent actors

A mapping exercise of the various personalities linked with what appears to be illegal logging in Prey Lang and Prey Preah Roka Wildlife Sanctuaries (even if the connections are indirect) reveals several connections with Angkor Plywood (Figure 8).

Chea Pov is a co-owner of Angkor Plywood and also has been a shareholder in Think Biotech since December 2018, when the original Korean owners sold their stake in

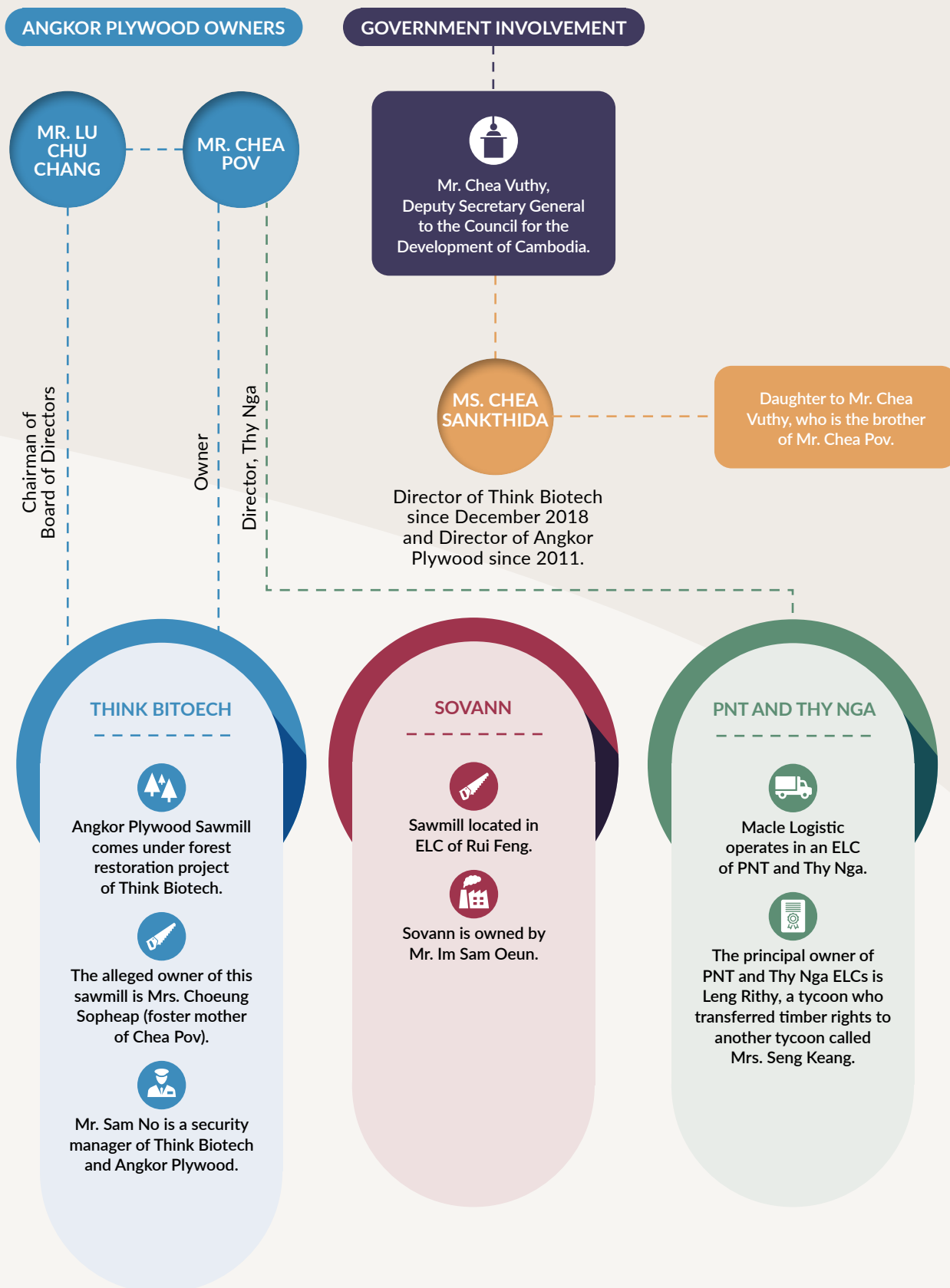


FIGURE 8 Network of connections to Angkor Plywood.

the latter company. He is also a shareholder in the ELC that was granted to Thy Nga Development and Investment Co., Ltd. His foster mother, Choeung Sopheap, has been in the timber business in Cambodia since at least 1995. She is the owner of two companies, Pheapimex Group Co., Ltd and Wu Zhishan Group Co., that are involved in exporting timber to China. Choeung Sopheap and Chea Pov are co-owners of the Angkor Plywood sawmill that operates within the boundaries of the forest restoration project administered by Think Biotech.

Another owner of the Angkor Plywood sawmill is Lu Chu Chang, a Taiwanese national who has invested heavily in Cambodia's forestry sector. Chang is also chairman of the board of directors at Think Biotech. He has reportedly been involved in the timber trade in Cambodia for three decades.

Chea Sank Thida is one of the directors of Angkor Plywood. She is the daughter of Chea Vuthy, who is the brother of Chea Pov. This makes Chea Sank Thida and Chea Pov niece and uncle, demonstrating the close family ties that characterize the decision-making hierarchy of these companies and render them virtually impenetrable to outside scrutiny. Another influential family member is, Chea Vuthy – Chea Pov's brother and Chea Sank Thida's father – who holds the position of Deputy Secretary General to the Council for the Development of Cambodia.

Veng Sokhon, Cambodia's Minister for Agriculture, Forestry and Fisheries, approved the grant of a forest restoration project to Think Biotech and sawmill licenses to Angkor Plywood, PNT, Thy Nga and Sam Oeun Sovann Co. Ltd. Meanwhile Say Sam Al, the Minister of Environment, has prohibited activists from the PLCN from investigating illegal logging in protected areas and deployed security forces to keep the activists out.


Sovann Company, the subject of the second case study, has links with the government. The Sovann sawmill is supported by an *oknha* called Dy Duk. Among the shareholders in Sovann are Chinese investors who hold stakes in the Rui Feng ELC and Hola Sophoan, owner of a sawmill run by Iron Wood Inc. In 2017, the latter company transferred its timber harvesting rights inside the Rui Feng ELC to Sovann.

Finally, with the third case study, a company called Macle Logistic operates one sawmill each inside the ELCs of PNT and Thy Nga. Like Sovann, Macle Logistic is also a supplier of timber to Angkor Plywood. Leng Rithy, an *oknha*, is the principal owner of the PNT and Thy Nga ELCs (in the latter case, he holds shares along with Chea Pov). Rithy transferred timber harvesting rights within these ELCs to another *oknha* called Seng Keang.



CONCLUSION

A resin tree being tapped. The illegal felling of resin trees has dire consequences for communities who depend on their resources, such as resin tappers.



Despite various bans, moratoria and regulatory regimes surrounding logging, loss of forest cover in Cambodia has continued apace, and even accelerated over the past decade. Countless trees, including those species that are protected by Cambodian law, have been felled in the country, causing huge environmental damage and affecting the social and economic lives of the local populations who depend on them. Reversing this damage will take decades, even centuries, before extensive and established forest habitats are restored.

Around the world, steps are being taken to regulate the trade in timber to assure its legality, but such efforts risk being undermined by legal ambiguities in countries of origin, such as Cambodia, where government ministries appear to be contradicting forestry law and protected area law in awarding land concessions in or close to protected areas, to the benefit of well-connected logging companies. This, combined with weak law enforcement, has created the perfect conditions for large-scale deforestation, the illegal felling of protected species, trespass logging and the subsequent illegal export of timber.

By creating conditions that may allow private companies to engage in illegal logging in protected areas under the guise of developing ELCs, the government of Cambodia is, at a minimum, allowing the possibility for organized crime to embed. When it seeks to interfere with the investigative efforts of journalists, NGOs and community activists, or by providing state security personnel to guard illegal timber convoys, it goes further. Far beyond isolated acts of criminality, the pattern of illegal logging in Cambodia suggests an organized network directed by *oknhas* and public officials, who have created and profited from a climate of corruption and impunity.

Addressing this issue is a complicated and sensitive task, given the nature of the actors involved and the role of the Cambodian state in interpreting forestry law, and it should not be forgotten that much of the existing legal framework, if implemented correctly and consistently, would dramatically change the situation. To support Cambodian forestry laws and environmental practices, coordinated action from a range of stakeholders – local, national and international – is required. Only by tackling all the rings of illegality can we hope to preserve functional ecosystems that are far more valuable than timber alone.

Recommendations

Some of the recommendations that this report makes echo those made by other researchers, notably those of Global Witness, who as early as July 2002 advocated a set of reforms of the Cambodian forestry sector that still remain relevant, and have become even more urgent.⁹⁸ These are partly reflected below.

The Royal Government of Cambodia should:

- Cancel the concession agreements of any ELC company that has logged illegally.
- Ensure that all current ELC companies that fail to meet the standards set out in national legislation are barred from the contract renegotiation process.
- Ensure regular consultation with, and participation by, local communities including the PLCN and other relevant stakeholders in the management and protection of Prey Lang Wildlife Sanctuary.
- Consider revoking ELCs that have been abandoned and turning them over to local communities for reforestation and use as community forest.
- Arrange for the independent monitoring of access points to Prey Lang Wildlife Sanctuary used by illegal loggers. This would also include increasing the manpower of forest ranger stations that are currently failing to intercept industrial-scale transport of illegal timber
- Conduct regular and unannounced inspections of sawmill operations to determine if illegal timber is being processed through the mill.
- Conduct an independent, third-party audit of the Think Biotech forest restoration concession operation to determine if it is in compliance with Cambodian laws and the management plan.
- Prioritize the elimination of corruption from the Ministry of Environment and the Forestry Administration.
- Ensure that politicians and government officials declare any financial and familial links to the forestry industry.
- Conduct increased inspection of containers bound for Vietnam and China to detect illegal shipments. Confiscate illegal wood and stop the practice of auctioning off this wood.

The international community, including international conservation NGOs, should:

- Investigate the oknhas listed herein with a view to possibly sanctioning them, if they are found to be involved in criminal activity.
- The EU should increase scrutiny of timber imports from Vietnam due to that country's suspected use of illegally harvested timber in its wood-processing industry.

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- 96 On 1 December 2017, Oknha Leng Rithy, one of the principal owners of the ELCs of PNT and Thy Nga, transferred to Oknha Duong Srouch, owner of the company Wood Innovation and Import-Export Co., Ltd., the rights to harvest the remaining trees inside the ELCs of PNT and Thy Nga. In addition, in a letter dated 14 December 2017, Oknha Mrs Seng Keang (the representative of PNT and Thy Nga), also transferred the rights to Oknha Duong Srouch. Oknha Duong Srouch subsequently transferred rights to Macle Logistic.
- 97 Letter No.1830 Ror Por/Nor Por Sor, dated 24 August 2018.
- 98 See Deforestation without limits: How the Cambodian government failed to tackle the untouchables, Global Witness, July 2002, https://cdn2.globalwitness.org/archive/files/library/deforestation_without_limit.pdf.



GLOBAL INITIATIVE

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ABOUT THE GLOBAL INITIATIVE

The Global Initiative Against Transnational Organized Crime is a global network with over 500 Network Experts around the world. The Global Initiative provides a platform to promote greater debate and innovative approaches as the building blocks to an inclusive global strategy against organized crime.

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