



THE CHAIMAT NETWORK CASE





Illegal Logging and Organised Crime in Thailand

The details contained in this document are provided as an example to highlight successful legal charges pursued and money flows identified to combat environmental crime cases globally. This case shows the application of asset forfeiture laws to combat the illegal wildlife trade in Thailand specifically targeting predicate crimes to money laundering and focusing on the illegal trade in endangered species including Siamese rosewood (*Dalbergia cochinchinensis*). This case study is not intended to provide a full account of case events.

Wildlife Products



Pangolin



Rhinoceros
Horn



Tiger



Siamese
Rosewood



Soft-Shelled
Turtles



Long-Tailed
monkeys



Bear
Gallbladders



Crocodiles



Drugs

Linked Jurisdictions

01 Primary Jurisdiction



Thailand

02 Secondary Jurisdiction



Malaysia



China



Vietnam



Laos



Legal Charges

Asset Forfeiture: 155 assets were forfeited worth an estimated Thai Bhat 112,842,379 (circa US \$3,707,411) were ordered to be forfeited to officials. This included cash, cars, gold, weapons, land, bank accounts, art and other property.



Legislation

1. The 1999 Anti-Money Laundering Act

Summary

A financial investigation was pursued in Thailand relating to a network of family members involved in illegal logging and the illegal trade of endangered species.

In April 2014, the police intercepted a potential illicit trade related to Siamese rosewood (*Dalbergia cochinchinensis*) where the lead suspect was found in possession of THB 4,700,000 in cash to pay for the rosewood. Subsequent police searches revealed a number of assets that were seized along with a Siamese rosewood price recording book and a record book of tiger remains. A mobile phone search of the lead suspect identified that the LINE mobile phone application was used to purchase pangolins and the Siamese rosewood. Further investigations revealed the network was connected to other criminal cases, including drugs, corruption, other wildlife products and weapons.



Legal Outcome

Breaches of multiple laws were considered by authorities for each of the syndicate members. The final outcome of this case shows that Thai authorities were able to recover assets worth 112m Thai Bhat linked to the predicate crimes.

Relevant legislation that was considered is listed below:

- The Wild Animal Preservation and Protection Act (1992)
- The Forestry Act (1941)
- National Reserved Forest Act (1964)
- Anti-Money Laundering Act (1999)
- National Parks Act (1961)
- Customs Act (1926) 999



The Financial Investigation

Payment method

A number of payment methods were used to transfer illicit funds across the network in Southeast Asia with the source of funds alleged to originate from multiple sources in Vietnam. Multiple currencies were exchanged, including the United States dollar (USD), Thai Baht (THB), Lao Kip (LAK) and Vietnamese Dong (VND).



1. Cash

Cash was heavily used and the lead suspect was found in possession of 4,700,000 Thai Bhat (Approximately US \$150,000) that was alleged to be in payment for Siamese rosewood.



2. Use of Payment Technologies

The mobile application LINE was used to purchase rosewood and pangolin products.



3. Barter Trade

Barter trade was also alleged where rosewood timber was traded for drugs as part of a value exchange without the use of currency.



4. Use of a Currency Exchange Bureau in Laos and the Banking System

Details of the case show that cash (Vietnamese Dong and US Dollars) was physically transported across the border from Vietnam to Laos where it was exchanged for Thai Baht through a currency exchange bureau. The funds were then remitted to the business and personal bank accounts of The Chaimat network in Thailand via the banking system.



Businesses in Thailand linked to the network include:

Sawmills, wood processing and currency exchange, car dealership, car repair shop, captive wildlife breeding business, a fishing retailer, a crocodile farm, zoo, resort and waterpark, a loan business, furniture shop, internet café, an artifacts trading business and a wood factory.

Corruption

The lead accused was arrested by police authorities in 2014 and court documents show he offered police a bribe payment of Thai Bhat 1,500,000 to release himself and the arrested suspects..



BRIBES
ACCEPTED



THB 1.5 MILL
BRIBES

For more information and/or detailed case studies, please contact:

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