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THE CHAIMAT CASE

Illegal logging, organized crime
and money laundering
in Thailand.

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EXECUTIVE SUMMARY

Timber smuggling in South East Asia is big business, as the simple act of crossing a border can send the price of some rare wood soaring. Siamese rosewood, for example, can increase in value by up to 900 per cent when it is smuggled across the Lao or Vietnamese border to China. China's demand for rosewood is largely driven by the hongmu furniture market, which has boomed over the past two decades and seen prices for some rosewoods rise as high as US\$80 000 per tonne.¹

Trafficking in wildlife species is also a lucrative illicit activity in the region, again due to demand from China, where top prices are paid for a wide range of wildlife, from tiger parts to rare fish.²

These illicit regional markets are dominated by organized crime groups that arrange the sourcing, transport and sale of the illicit products. Their operations are often sophisticated: one timber

smuggling group, for example, set up a used-car dealership to supply a rotating source of transport for their five-vehicle smuggling convoys.³ Investigators have also found links between timber and drug trafficking convoys.⁴

Indicting this illicit flow comes with risks and challenges: while rosewood seizures are highest in eastern Thailand, close to the Lao border, forest guards in Thailand carry only shotguns, while traffickers carry Kalashnikov rifles and hand grenades, leftovers from the Cold War.⁵ But more fundamental is the issue of corruption, which is one of the main enablers of the illicit wildlife trade. With law enforcement and customs agencies often turning a blind eye, these organized criminal groups for the most part operate with impunity.

The story of the Chaimat network, however, is different. Kampanart Chaimat had experienced

several run-ins with Thai law enforcement (with varying outcomes) and allegations arose about the involvement of his family in the illegal trade in Siamese rosewood. Evidence tended to suggest that Kampanart was an integral member of an illegal smuggling network, obtaining Siamese rosewood to be sold onto Vietnamese or Chinese consumers for 10 times the original value. Court documents state that ‘according to the investigation report of Ban Pao Police Station, Chaiphum, the Chaimat family showed a number of linkages to the illegal wildlife trade and the subsequent accumulation of an abnormally wealthy status’.⁶ In 2014, Thailand’s Financial Intelligence Unit and the Anti-Money Laundering Office (AMLO) launched a financial investigation to ascertain the network’s wealth and source of funds.

The AMLO has been leading a crackdown in Thailand on criminal groups engaging in wildlife crime. More recently, media reported on 19 March 2021 that 200 million baht of assets linked to notorious wildlife trafficker Boonchai Bach had been seized. Bach evaded authorities in 2019 over the trafficking of rhino horn, but authorities have now identified significant wealth accumulated through a series of assets including hotels, land, bank accounts along with guns, vehicles and buddha amulets.⁷



In 2014, Thailand’s anti-money laundering office launched an investigation into the Chaimat network’s source of funds. © Juha Jarvinen/Alamy

The Chaimat investigation revealed a truly transnational criminal organization. Laos and Vietnam served as major sources of funds for the network’s criminal activities, with court documents describing a comprehensive money-laundering operation in Laos that remitted almost 1 billion Thai bhat (approximately US\$29 million) into the Thai bank accounts of Chaimat family members. The investigation also identified strong connections with Malaysia, as a source destination for illicit wildlife products and assets worth US\$3.6 million. The Chaimat family members were unable to prove that the wealth and associated assets had been legally obtained, hence the assets were ordered to be forfeited to the state.

The ability of the financial investigation to penetrate the group’s affairs exposed a critical weakness of family-run criminal networks. The family’s reliance on a flat command structure, consisting of a close circle of relatives, friends and associates, made them vulnerable to systemic pressure from investigators looking for sources of individual wealth. But while the investigation is still listed on the AMLO website, it is unclear if any assets have yet or will be recovered.

Drawing extensively on the 2014 financial investigation, this paper seeks to map and highlight the financial flows, payment mechanisms and money movements between key members of the Chaimat network to further understand its modus operandi and provide an insight into illegal environmental operations in Thailand.

METHODOLOGY

Compiled by forensic accountants, this paper draws on the analysis of translated public documents and court proceedings relating to the 2014 AMLO investigation into Kampanart Chaimat and his associates. This information has been supplemented with locally sourced public information to assist in the verification process. Other public information has been reviewed both in Thai and English to collect additional details on each of the Chaimat syndicate members. (Note that spelling variations are common: Chaimat can also be spelt as Chaimart and Chaiyamart.) Literal translations of names and places have been used from the translated documents.



INTRODUCTION: THE NET CLOSSES IN ON THE NETWORK

Kampanart Chaimat had it good for 14 years. According to police investigators, since 2000 he and seven of his family members had been at the core of a lucrative business, based in Thailand, that transported rare wood and exotic animals across South East Asia. Despite the fact that some of the wood and animals were illegally sourced, Kampanart's operation did not suffer much disruption from law enforcement. Although personally charged in 2004, 2009 and 2011, he served only a year in prison based on the 2004 case, according to court records.

From a home base in north-eastern Thailand, Kampanart was in touch with contacts in Indonesia, Malaysia, Laos, Vietnam and China. Together with his sister Daoruang, who operated a private zoo in Chaiyaphum (the Star Tiger Zoo), Kampanart arranged for the transportation of endangered animals, especially pangolins.⁸ As he accumulated more wealth, he grew more brazen, confident that he could buy off any police officers who tried to probe into his business matters. So it was perhaps unsurprising that when the Thai authorities decided to investigate Kampanart in 2014, they were careful to involve personnel from multiple law enforcement agencies to ensure that his buying power did not go quite far enough.

Finally, the authorities made their move. On 18 April 2014, Kampanart was on his way back from an abortive attempt to purchase Siamese rosewood when he was intercepted at a mobile checkpoint at 2.10 a.m. in what appeared to be a routine traffic stop.

▲
The Star Tiger Zoo in Chaiyaphum, north-eastern Thailand, operated by a Chaimat family member.

© Supplied



Big Car, a used-car dealership owned by Kampanart Chaimat's ex-wife that reportedly played a role in the network's activities.

Source: Facebook

His white Mitsubishi Pajero had no licence plate – an infraction, but nothing that a discreet bribe to the officer-in-charge could not sort out.

Kampanart did not know that the officials manning the checkpoint were not highway officers, but personnel from the Criminal Investigation Division of the Thai Police. He also did not know that the checkpoint had been set up especially to catch him red-handed as he returned from the rosewood deal, either with unaccounted-for cash or with illegally purchased timber. Police found 4.7 million bhat (about US\$150 000), seven bank deposit books in Kampanart's name and 10 ATM cards.

Kampanart was unflustered, smoothly reassuring the officials that he could readily account for at least 2.7 million bhat (about US\$80 000) of the seized amount. The funds were, he asserted, legal earnings from his ex-wife's used-car dealership. But that explanation evidently did not apply to the two passports also found in the car, nor a book recording past transactions of Siamese rosewood and tiger body parts. As the search team identified more and more clues that Kampanart was more than just a used-car salesman, he switched tactics, offering the police officers a bribe to release him and his travelling associates and quietly forget about the early-morning encounter. But the officers were not interested. They had waited by the roadside for hours and were not about to let their prize catch slip away.

A financial investigation was launched on the basis of the seized cash, authorizing the enforcement authorities to search and analyze the financial records of all Kampanart's close associates. The police were able to seize four mobile phones from Kampanart's vehicle, which enabled them to identify several numbers associated with individuals in the wildlife trade. The phones also revealed financial transactions with other parties engaged in smuggling pangolins and Siamese rosewood via the mobile application LINE, commonly used in Thailand as a mobile money provider.

The message histories of the phones also indicated that the 4.7 million bhat seized from Kampanart was to be used to purchase rosewood that very night. Other chat records indicated that purchases had already been made of pangolins and rosewood, and that accomplices working as drivers for Kampanart were paid 20 000 bhat (US\$620) per trip to scout for any police checkpoints. Based on the telephone records, two days later, on 20 April 2014, police raided Big Car, the used-car dealership of Kampanart's ex-wife Ketsirin Lartkampom.

They searched the premises for further evidence, and also searched Lartkampom's residential address. Another address associated with a Vietnamese man known only as 'Mr Yang' (suspected to be a major financier within the illicit trade in Siamese rosewood) was also searched.

The search did not locate Yang but it did stumble upon Kampanart's brother Pongpat and his wife Ketkamon Chaimat. The search also uncovered cash (US dollars and Thai baht), bank account deposit books, vehicles, cameras, marijuana-smoking instruments and phones. Tellingly, the police recovered the remains of one clouded leopard, two cages of white-rumped shama birds and one Asian forest tortoise.⁹ Media reports also indicate that police searched the residence of Daoruang Chaimat (sister of Kampanart Chaimat) and the Star Tiger Zoo owned by Daoruang as part of the ongoing investigation.

Over the subsequent months, AMLO identified and analyzed a series of financial transactions and assets accumulated by Kampanart Chaimat and his associates. It uncovered transactions totalling around 1.18 billion bhat (US\$32 million at the time) and revealed significant land holdings, businesses, gold bars, weapons and numerous bank accounts.

By examining the court records, the author was able to build a picture of the group's origin, composition and modus operandi to illustrate the reach of the network, understand how the network operates across the region and identify the source of illicit funds supporting the criminal activity.



THE CHAIMAT NETWORK: INVESTIGATION OF KEY PLAYERS

▲
The Chaimat family. Shown
top left is Kampanart. Source:
Facebook

The law in Thailand allows the extension of investigations into people associated with the suspect. As such, the 2014 financial investigation identified eight family members who, in addition to a history of multiple arrests dating back to the early 2000s, were linked to a series of large and unexplained bank transactions. The scope of the investigation allowed that ‘if any person was found to have associations or previous associations [with Kampanart], evidence was to be collected and assets identified related to crimes committed by the aforementioned persons’.¹⁰ The named parties were required to respond to investigators and prove that they were the true owners of the assets that had been acquired legitimately, and that the assets were not connected to any crimes.

THE CHAIMAT NETWORK



Mr Ley Tay Ai

Works for the Vietnam Forestry Department



Le Duc Thuan

Adoptive father of Daoruang
Works for the State Bank of Vietnam



Tanghua Chaimat

Charged with possession of pangolins



Kampanart

Lead suspect



Piomya

Sister



Pongpat

Brother



Daoruang

Sister

Owner of Fishing Point



First wife:
Ketsirin Lartkampom
Owner of Big Car

Second wife:
Wanida Wongsai

Unemployed housewife



Car repair shop and a game shop



Works for the Star Tiger Zoo



Wife:
Ketkamon
Owner of a furniture business and artifacts trader loans

Drug and possession charges

Owner of Star Tiger Zoo



First husband:
Sanit Saichana

Second husband:
Pichit Kongpituck Daoruang (divorced)
Police officer; interest in hotels, gambling and internet café businesses



Kampanart Chaimat. *Source: Facebook*

Kampanart Chaimat

Kampanart is the alleged leader of the rosewood trafficking ring that involved a number of his family members, although others believe his sister Daoruang leads the operation. He is one of six children born to Thai national Tanghua Chaimat and Vietnamese national Ley Tay Ai. His mother was charged in 2013 with illegally possessing pangolins and given a suspended sentence along with a small fine (she denies her involvement).

Kampanart has been arrested on multiple occasions for various wildlife crimes dating back to at least 2004, including illegally trading in Siamese rosewood, pangolins and other wildlife species. Other charges have included possession of a firearm and bribery of public officials.

While Kampanart has no official profession, he appears to own a small business called Fishing Point, a fishing and tackle shop in Bangkok, and reportedly trades in arowana (or dragon) fish, known as the world's most expensive aquarium fish (reported to cost up to US\$300 000).¹¹ The company does not appear in

the official company register in Thailand, although a scan of online sources (such as Facebook accounts) revealed that it had at least 47 employees. Owing to its difficult-to-locate address, limited stock and few customers, the shop has raised suspicion that it might in fact be a front for the laundering of illicit funds and, possibly, other illicit activities such as rosewood trafficking. As of January 2021, it still appeared to be trading.¹²

In 2005 Kampanart married Ketsirin Lartkampom but the couple had divorced by 2012. In 2016 Kampanart married Wanida Wongsai, who has been identified as an alleged co-conspirator in the illegal timber trade.¹³

However, it appeared that Kampanart continued to be involved in the activities of his ex-wife's second-hand car dealership, with his signature found on several business documents. AMLO's investigation also stated that he was a sales representative for second-hand vehicles.

Key details

Date of birth: 6 September 1982.

Aliases: Kampanart Chaiyamat, Kampanart Tam, Sia Tanh, Li Li, Sia Tang, Tang.

Travels on a Thai passport; may have a Vietnamese passport.

2005: married Ketsirin Lartkampom; subsequently divorced.

2016: married Wanida Wongsai.

The financial investigation

The investigation reported that, in partnership with an unnamed Malaysian friend, Kampanart sold arowana fish destined for consumers in China, Hong Kong and Vietnam. Investigators detailed how his Malaysian partner would transfer money into Kampanart's bank account without any supporting documentation. In court documents, Kampanart was unable to provide a reasonable explanation for these earnings or the fishing business he was involved in more broadly.¹⁴

In addition, Kampanart received significant sums of money from four Lao citizens who were linked to a currency exchange business in Laos. Representatives from two banks in Thailand testified that the four Lao citizens had made multiple transfers into Kampanart's bank account over a period of more than two years, totalling several hundred million bhat. Again, according to the court records, Kampanart failed to credibly justify why the Lao nationals had deposited 300 million bhat (US\$9.6 million) into his account.¹⁵ He continued to insist that he had no business agreements with the individuals in question.

Investigators concluded that it was impossible Kampanart was unaware of the funds being deposited into his account, and the court issued an order for his assets to become property of the state. But the 2014 investigation appears to have had little impact on his activities: in 2017, Kampanart was again arrested for wildlife-related crimes.¹⁶ In-country sources indicate he is still involved in the trade and has been able to assume a new identity to continue his activities. In Thailand it is permitted to change either (or both) a given name or a family name, and there is no limit on how many times this can be done.

The financial investigation revealed that Kampanart received deposits from Lao nationals totalling almost US\$10 million over two years.

Ketsirin Lartkampom: the ex-wife and second-hand-car dealer¹⁷



Source: Facebook

Ketsirin Lartkampom married Kampanart in 2005 but the two divorced sometime before 2012. On 2 April 2012, Lartkampom opened Big Car, a second-hand-vehicle and spare parts company, with 2 million bhat (US\$67 000) from her savings, in partnership with Kampanart's younger brother Sakda Chaimat, who acted as guarantor for additional bank loans.

The financial investigation

Figures revealed from the financial investigation show that Lartkampom reported income of 32.8 million bhat (US\$1 million) in 2012 and 25 million bhat (US\$800 000) in 2013 from the car dealership. This was in stark contrast to her tax records. She was unable to provide proof of any tax payments in 2012, and her 2013 tax return showed income of only 720 000 baht (US\$23 000) and an associated tax payment of 1 500 bhat (US\$50). Given the discrepancies identified, the court concluded that income from Big Car was not an accurate or reliable account of earnings and that subsequently seized vehicles owned by Big Car were to become property of the state.

Investigators also identified deposits totalling 480 million bhat (US\$15.4 million) into her bank accounts from the same Lao citizens who had deposited funds into Kampanart's accounts. She testified that she had never conducted business with the individuals in question and she had assumed that the large money transfers were derived from customers purchasing arowana fish from Kampanart's fishing business. The investigation also stated that she transferred approximately 160 million bhat (US\$5.1 million) out of her accounts to undisclosed parties.

Lartkampom also reportedly received 100 million bhat (US\$3.2 million) from Daoruang, Kampanart's sister. The investigation concluded that Lartkampom 'aided and abetted' the Chaimat network by allowing the Lao citizens to transfer large sums of money to her bank account over a period of more than two years – money which was used to facilitate the business dealings of the Chaimat family.

More recent searches conducted in the official company register in Thailand do not show any entity called Big Car linked to the Chaimat family or under Ketsirin Lartkampom's name.

Daoruang Chaimat: the wealthy sister¹⁸



Source: Facebook

Daoruang is Kampanart's older sister, daughter of Tanghua Chaimat and Ley Tay Ai. Born in Vietnam as Le Luong, she moved to Thailand in 1987. She has strong links to Vietnam through her biological and adoptive fathers, whom she is reportedly very close to. She has been married and divorced twice.

Key details

Date of birth: 6 October 1975.

Aliases: Daoruang Chaiyamat, Jay Dao, Jay.

Married and divorced Santi Saichana. They had two children.

Married and divorced police officer Pichit Kongpituck. They had one child.

Her biological father, Ley Tay Ai, works for the Forestry Department in Vietnam.

Her adoptive father, Le Duc Thuan, works for the State Bank of Vietnam and has multiple business interests. He appears to fund her lifestyle and business.

Owns Star Tiger Zoo in Chaiyaphum.

Owns a gaming shop called Net Rim Beung.

Daoruang worked as an employee at a construction company for 13 years until her adoptive father introduced her to a friend who recommended raising crocodiles and soft-shelled turtles in Malaysia. Daoruang was able to start working in this field seven to eight years before setting up the Star Tiger Zoo, a tourist attraction in Chaiyaphum. Daoruang partnered with a Malaysian national trading in crocodiles and turtles and travelled frequently between Malaysia and Thailand, often accompanied by her brothers Kampanart and Pongpat.

By the time Daoruang returned to Thailand, her assets and wealth had increased significantly. Court documents cited investigations conducted by Ban Pao Police Station, in Chaiyaphum, which identified her as:

A person involved in the trade of wild animals by importing animals from neighbouring countries including Malaysia and Indonesia via the country's southern region in order to send wild animals on to China through the Nong Khai route at Tha Sadet and the docks at Ban Kamphaeng and Ban Phaeng, Nakhon Phanom.

Daoruang was charged in at least three cases relating to the illegal possession of tigers and trafficking of ivory. However, the charges were eventually dropped by prosecutors.

There was speculation that her second husband, Police Lieutenant Colonel Pichit Kongpituck, might have been influential in assisting her escape prosecution on several occasions. Pichit Kongpituck's income was reportedly 76.8 million bhat (US\$2.5 million) while he was married to Daoruang. The records also suggest that he might have been pressured by his peers to end the marriage. However, after filing for divorce they continued to purchase assets, jointly acquiring 28 plots of land with a total value of 13.8 million bhat (US\$442 648).

Unverified information also suggests that Daoruang and her associates travelled to the western coast of Cambodia every few weeks – an area known for casinos and resorts. Law enforcement networks recognize the area as a key money-laundering location, and hence there has been suspicion that she was either laundering through the casinos or depositing money into Cambodian bank accounts.

The financial investigation

Bank records show that Daoruang received a total of 53 million bhat (US\$1.7 million) from the Lao-run currency exchange bureau in Thailand to purchase land, construct houses, to finance the Star Tiger Zoo and to invest in various businesses. Her adoptive father Le Duc Thuan would allegedly transport cash from Vietnam (in Vietnamese dong and US dollars) to Laos to exchange the currency into Thai bhat before transferring the funds via the banking system into her account in Thailand.¹⁹

The currency exchange centre in Laos would sometimes transfer funds from the office accounts via the Bank of Thailand for onward credit to Daoruang's deposit account in the 'Bahtnet' system.²⁰ The funds received from the Lao nationals and currency exchange centre were allegedly sent by Le Duc Thuan, but no evidence was identified to support this finding during the investigation.

Documented allegations stated that Daoruang's adoptive father had sent money to purchase land and engage in business in Thailand on his behalf, as Vietnamese nationals are not allowed to hold proprietary rights to land in Thailand. As a result, the court concluded that Daoruang was holding assets on behalf of her adoptive father and was not the true owner of the property. Given that she was unable to prove that the assets were legitimately obtained, all of the assets identified were ordered to become state property. However, media articles reported that the seizure orders relating to her assets were revoked in 2016.²¹



Daoruang Chaimat at the entrance of Star Tiger Zoo, posing with a crocodile statue.

Source: Facebook

Star Tiger Zoo

According to official company registration records, Daoruang opened the Star Tiger Zoo on 4 November 2011. Authorities believe that it may be cover for the illegal trade in wildlife. Media sources allege that the zoo may supply other well-known wildlife trafficking networks, including the infamous Xaysavang network, which operates globally but has key business operations in Laos and parts of Thailand.²²

In 2012, the zoo had assets of 23.84 million bhat (US\$763 000), according to the financial statements. Yet Daoruang reported income of only 4 million bhat (US\$128 000) to anti-money laundering officers for the same period, against expenditures amounting to 6 million bhat (US\$192 000), effectively showing that the Star Tiger Zoo operated at a loss. The zoo did not pay any income tax. The crocodile farm was a similar story: at first, Daoruang reported earnings of 12 million bhat (US\$400 000), but subsequently reported that the crocodile business made a financial loss. As a result, the court concluded that she had no income from the crocodile farm and business operations of the Star Tiger Zoo.

Pichit Kongpituck: Daoruang's husband

Police Lieutenant Colonel Pichit Kongpituck has held various roles within the Royal Thai Police. He inherited approximately 10 million bhat (US\$336 000) from his family and also made money from the purchase and sale of land and from controlling hotels and gambling institutions while serving in the police force.²³

While married, he received income (along with Daoruang) from the crocodile farm, using his wife's name to apply for the business licence. He also opened an internet café, again with his wife's name on the licence, which generated a monthly income of 30 000 bhat (US\$1 000). Kongpituck also took out loans from the Chaiyaphum Police Savings Cooperative for further investment in joint businesses with Daoruang.

Court records state that Kongpituck had knowledge that Kampanart and his siblings had been prosecuted for crimes connected to natural resources and the environment. The investigation also stated that Daoruang had accumulated assets with Pichit Kongpituck after committing predicate crimes. These assets therefore could not be considered to have been acquired without any connection with crimes, and an order was therefore issued for the assets to be forfeited. Despite Kongpituck's association with the network, he remains an employee of the police force.

Tanhua Chaimat: Kampanart's mother

There has been speculation that Tanhua Chaimat became significantly wealthy through her daughter Daoruang's business of importing wild tigers, pangolins, rhinoceros horns, soft-shelled turtles, long-tailed monkeys and bear gallbladders from neighbouring countries. She may also be more directly involved in the trade: Tanhua was prosecuted in 2013 in Phu Khiao Provincial Court for possession of pangolins after officers claimed to have found one young pangolin in a truck parked in front of her house, and subsequently found six nylon bags containing pangolin parts. Refuting the allegations, she alleged that police officers had forced her to confess and pay the fine. She received a two-year suspended sentence and a fine of 2 500 bhat (US\$84).

Piomya Chaimat: the unemployed sister

Piomya Chaimat, Kampanart's younger sister, was unemployed at the time of the 2014 investigation. She had acquired land purchased by her mother and paid for by Le Duc Thuan, who had transferred 8.5 million bhat (US\$273 165) directly into Piomya's account. The four Lao nationals also transferred 73 million bhat (US\$2.35 million) into her account, and she subsequently transferred 14 million bhat (US\$450 000) to another Thai national. Investigators concluded that Piomya's financial transactions were not commensurate with her unemployed status and the transactions could not be verified as deriving from legitimate sources. These assets were ordered to become state property as a result. Piomya was imprisoned for possession of pangolins, along with her brother, Pongpat.

Pongpat and Ketkamon Chaimat: the brother and his wife



Source: Facebook

Kampanart's brother Pongpat and sister-in-law Ketkamon were also linked to various crimes as part of the investigation.

They have a number of business interests, including the Satian Dynamo car-repair shop, a game shop called Cyber Net in Chaiyaphum and a now-defunct furniture business. Phone records link the pair to various deals involving Siamese rosewood that they traded through their wider networks. The couple has prior convictions for possession of methamphetamine hydrochloride. Ketkamon had also been found in possession of marijuana paraphernalia.

At the time of the investigation, Pongpat had a monthly income of 15 000 bhat (US\$500) from his work at Daoruang's zoo, as well as from raising and selling crocodiles. Daoruang had transferred five plots of land to Pongpat as a reward for his work at the zoo. Pongpat also had an income of around 4 000 bhat (US\$134) per month from the game shop. The furniture store that he opened with his sister Piromya generated around 200 000 bhat (US\$6 700) per month while it was operational.

Ketkamon appeared to have no regular income at the time of the investigation and was unable to credibly explain to the investigators how she had been able to purchase a vehicle worth over 1 million bhat (US\$33 000). It emerged that she had been hired as a driver to transport rosewood, for which she received 100 000 bhat (US\$3 000) per day.

The financial investigation

The investigation revealed that the furniture store business paid only 500 bhat (US\$16) in taxes in 2005, 780 bhat (US\$25) in 2006 and 574 bhat (US\$19) in 2007.

In 2008, the furniture store business closed as it had become unprofitable. Instead, it was revealed in court documents that the source of funds for the assets accumulated by the couple came from the same Lao nationals who had transferred money into the accounts of the other family members. Pongpat testified that the Lao nationals had transferred tens of millions of bhat into his account. The rationale for the money transfers could not be verified, therefore his assets were also subject to forfeiture orders.

According to a Facebook post by *Chumpae News*, she was caught on 28 June 2016 by the Highway Police Service when the licence plate of her Toyota Camry was found not to meet transport regulations. Upon searching the vehicle, police found 30 methamphetamine pills, 2 grams of cannabis and 0.9 grams of methamphetamine hydrochloride pills along with equipment to consume the drugs.

She confessed to buying the drugs from an acquaintance. Ketkamon had previously been charged with possession of 1.6 kilograms of methamphetamine hydrochloride in 2012, allegedly for distribution. Pongpat also allegedly traded narcotics in the Chumphae area and nearby areas, which is considered a predicate crime pursuant to Article 3(1) of the Anti-Money Laundering Act.

Pongpat, together with his sister Piromya, was imprisoned for three months for possession of 104 pangolins. Pongpat had at least two other cases pending against him relating to wildlife and forestry crimes, as well as one over the possession of Siamese rosewood. In 2016, it was reported that he had been arrested in conjunction with the trade of bear paws and Siamese rosewood, but had not been charged.²⁴ A year later, a police search of Pongpat and Ketkamon's residence uncovered Siamese rosewood, a chainsaw and six licence plates.



THE LAO CONNECTION AND THE LEGAL FINDINGS

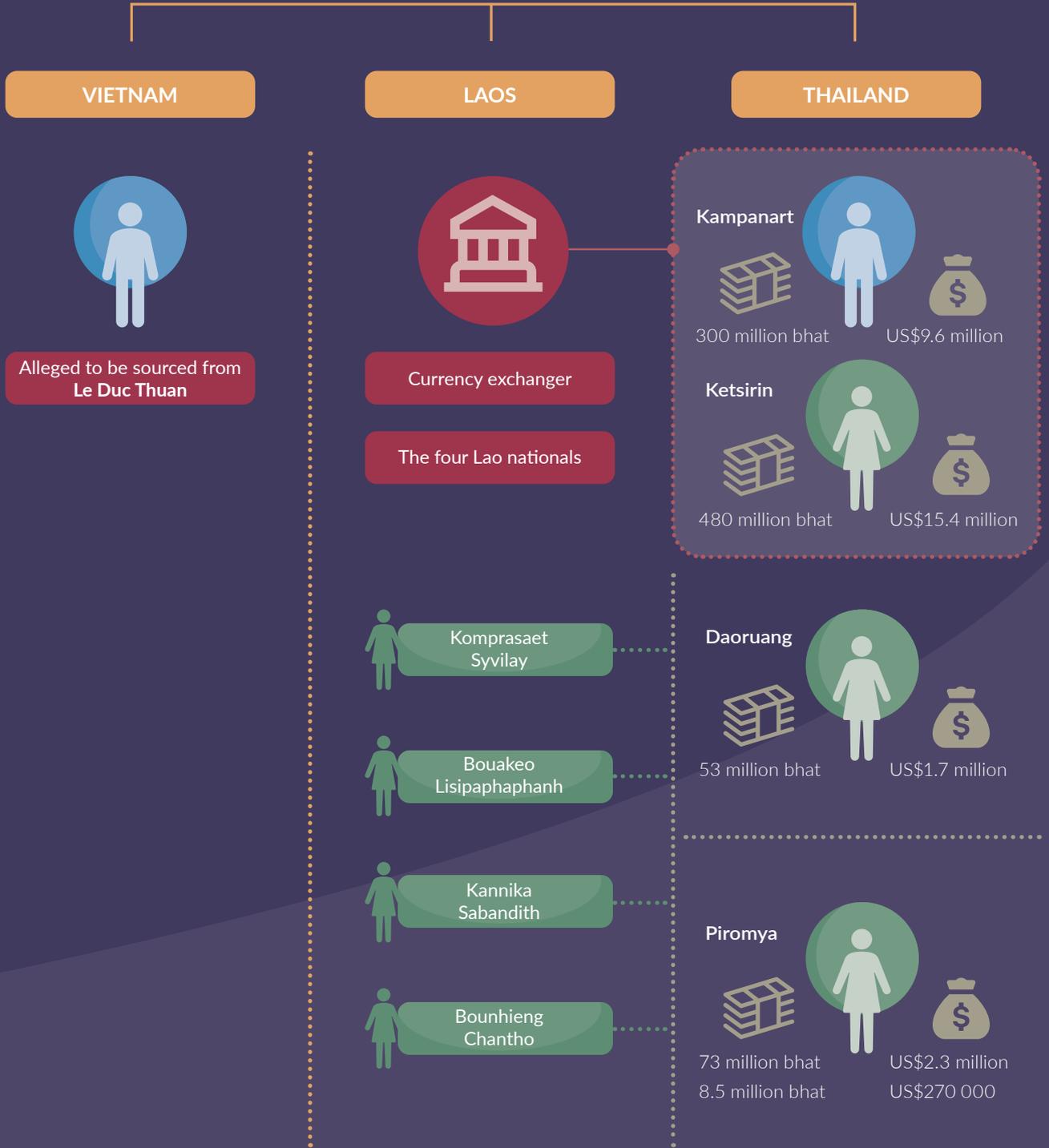
▲
Vientiane, Laos. The Chaimat network reportedly used intermediaries in Laos to move funds from Vietnam into their Thai bank accounts.

© Larcsky789/Shutterstock

In researching the source of the Chaimat family's wealth, investigators identified a series of large transactions originating from Laos, with no logical business rationale or explanation for the huge sums of money being transferred. It emerged that a currency exchange bureau in Laos was used as a conduit to move funds from Vietnam to the bank accounts of the Thai network. Specifically, Lao nationals Komprasat Syvilay, Bouakeo Lisipaphaphanh, Kannika Sabandith and Bounhieng Chantho deposited almost 1 billion bhat (approximately US\$29 million) into bank accounts of various individuals in the Chaimat network over the period of a few years.

One of the Lao nationals declared that they were engaged with businesses related to sawmills, wood processing facilities or currency exchange businesses in Laos, but the court determined that scale of transfers – each one in the tens or hundreds of millions of bhat – was not consistent with the business operations of the recipient parties. For their part, Kampanart, his siblings and other associates all denied doing business with the Lao nationals and were unable to explain the large amount of money credited to their accounts.

CHAIMAT MONEY FLOWS



Outcome of the financial investigation

The investigation found that the crimes Kampanart had committed over the years were evidence that his assets had not been acquired honestly or legally.²⁵ However, it had been difficult to pursue a successful criminal prosecution for each of the cases owing to insufficient evidence, even though several individuals associated with the investigation had been arrested multiple times for possession of pangolins, ivory and Siamese rosewood and for breaches of wildlife and forestry legislation. Ultimately, the investigation was successful in identifying 115 assets accumulated by the family network that would be subject to forfeiture and become property of the state.

The outcome in brief

- The money transfers were believed to be connected to crimes pursuant to the Forestry Act and the Wild Animal Reservation and Protection Act.
- The named parties were unable to prove that the assets were acquired honestly and not associated with crimes, and therefore the assets accumulated were deemed to be connected to predicate crimes.
- The assembled committee of relevant Thai authorities reached a resolution for prosecutors to file a petition in court and to order the aforementioned assets to become state property.
- Multiple assets (deemed to be illegally procured) were identified, including both personal assets and business assets of the group:
 - 87 assets valued at 98.59 million bhat (US\$3.2 million) including deposit accounts, vehicles from the Big Car dealership, land titles, cash, gold bars, firearms and wristwatches.
 - 22 additional assets valued at 10.96 million bhat (US\$363 000) including land, subordinated bonds and deposit accounts.
 - 46 assets valued at 3.28 million bhat (US\$108 730) including vehicles, mobile phones, artifacts from the artifact-trading business and insurance policies.

Although the 2014 AMLO case is often viewed as a successful financial investigation linked to environmental crime, according to a number of sources the assets have yet to be recovered and no further action has been taken against the syndicate. At the time of writing, however, AMLO still has active information on their website in relation to the syndicate and lists the case as ongoing.

AMLO has noted that the Chaimat group is not the only syndicate involved in the illegal trafficking of timber products. The laundering methods and modus operandi uncovered in the Chaimat investigation were similar to that revealed by a parallel investigation instigated by authorities into the Pakin syndicate (see below).



The illicit trade in Siamese rosewood, used in the Chinese hongmu furniture market, is a lucrative activity in South East Asia. © Winai Tepsuttinun/Shutterstock

The Pakin investigation

In February 2014, just before the Chaimat investigation, AMLO began an investigation into Pakin Siriwarom, who ran a network trading in illegally sourced Siamese rosewood and was caught in possession of 484 sections of rosewood and 1 million bhat (US\$33 000) in cash. The Pakin network revealed a similar modus operandi to the Chaimat network on many levels. The network used a car dealership and leased vehicles to smuggle rosewood to Laos, with most of the trading activity taking place at night utilizing modified vehicles to transport the illicit goods. Travelling at night, one vehicle would scout ahead, while a second and third would carry the rosewood. A fourth vehicle would serve as a police decoy and a fifth would carry members from the trafficking organization to protect the rosewood consignment from being seized by other gangs. The vehicles used for smuggling were

under lease to prevent police from tracing them back to the person behind the smuggling. Every time issues arose over a vehicle lease or came up in court, the dealership would claim the car and take it back.

Money from the sale of the rosewood in Laos would be deposited by money mules into nominee bank accounts. Once the cash was deposited, the actual owner of the funds would withdraw them from ATMs and convert them to US dollars, which would then be taken into Thailand and declared as the proceeds of gambling or legitimate exports. The funds were then laundered through a number of businesses including tour operators, car dealerships and other cash-intensive businesses.²⁶ Court documents for the Pakin investigation cite six named parties who were subject to forfeit around 20 assets to the state including bank accounts, weapons, cash and vehicles.



CONCLUSION AND RECOMMENDATIONS

▲
Deforestation and loss of biodiversity are environmental consequences of illegal logging.

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The investigation into the Chaimat network has shown the ability of the Thai authorities to apply financial investigation techniques to wildlife and forestry crime cases. Financial investigations can provide additional insight into network operations and provide alternative legal pathways to disincentivize criminal groups from engaging in environmental crime. They can also provide evidence for new criminal charges, including money laundering charges, corruption, tax evasion and fraud, to be brought against those engaging in wildlife crime. This can equip law enforcement with more avenues to pursue known offenders, along with the potential for tougher penalties.

However, the lack of concrete results from the 2014 investigation (in terms of assets being recovered by the state) points to a more complicated picture. In the case of the 2014 Chaimat investigation, forfeiture orders were reportedly overturned (such as Daoruang's in 2016) or not followed up, and the passage of time casts doubt on the efficacy of the investigation. As well as allowing the crimes to go unpunished, this also weakens the deterrent message for those engaged in wildlife crimes.

The extensive operations and deep reach of the Chaimat network points to the entrenched nature of the illicit wildlife trade in the region, and the difficulty in counteracting it. The investigation showed that relatives and members of the syndicate were working within the banks in Thailand to ensure the smooth flow of funds in and out of accounts without alerting authorities. In addition, local politicians and other government officials (including the Royal Thai Police and customs officers from Laos, Thailand and Vietnam) were also prominently involved, according to local sources.²⁷

The Chaimat case also demonstrated the range of laundering methods available in Thailand, including exchanging foreign currencies to bhat, using gambling institutions and casinos to launder illicit funds and laundering funds through the purchase of land, gold and other assets. The link between money laundering and drug trafficking in Thailand was also on display, with arrests of family members in possession of methamphetamine hydrochloride.

Unless justice can be applied effectively and efficiently, there appears to be little to deter criminal networks, especially given the vast sums of money that can be made. More broadly, the climate of corruption that facilitates criminal enterprises must also be addressed, from low-level customs officials and the police to the government and military. The transnational and multi-faceted nature of the organized crime activity demonstrated by the Chaimat network also makes it essential that multi-agency cooperation goes hand in hand with international support.

Key learning points

- Thai authorities have prioritized using asset forfeiture tools to dismantle criminal networks by targeting the wealth accumulated and derived from criminal activities. This has proved easier than obtaining criminal convictions in many cases; for example, in March 2021, assets linked to known illegal wildlife trade trafficker Boonchai Bach were seized.
- A multi-agency approach is required to combat wildlife crime. Often multiple agencies need to be involved especially when pursuing financial investigations linked to wildlife crime.
- Financial intelligence and investigations can provide greater insight into network activities, including identifying the source of funds. The Thai authorities conducted a thorough investigation of the finances associated with the Chaimat family, identifying a range of assets from gold bars, firearms and wristwatches to more substantial assets including land, buildings and linked business operations.
- Wildlife crime operations are transnational, and hence international cooperation is essential to dismantle any wildlife crime networks.
- It is commonly observed that transnational organized crime groups are organized within social groups, including family members along with close friends and associates. This case shows how family groups can be effective in coordinating a series of illicit activities.
- Illegal timber trafficking is closely linked to other crimes, including the trafficking of wildlife species and drugs, as well as other crimes.
- The inclusion of tax agencies in financial investigations can also be useful to build further financial information on key syndicates linked to the smuggling and trading of illicit goods.

APPENDIX: CRIMINAL CASES INVOLVING THE CHAIMAT NETWORK

Date	Person of Interest	Arrest	Outcome
23 June 2004 Case 855/2547	Kampanart Chaimat	Arrested with possession of over 180 pangolins.	In Beung Kan Provincial Court, Kampanart was found guilty pursuant to the Wild Animal Preservation and Protection Act of B.E. 2535 (A.D. 1992) and The Customs Act of B.E. 2469 (A.D. 1926). He was sentenced to be imprisoned for one year and fined for 10 000 bhat (US\$336)
8 February 2009	Kampanart Chaimat	Arrested on 8 February 2009 for carrying a firearm and for contravening the Wild Animal Protection Act.	The Nonthaburi Provincial Court judged Kampanart guilty pursuant to the Wild Animal Reservation and Protection Act of B.E. 2535 (A.D. 1992) for carrying a firearm into the city pursuant to the Criminal Code. He was sentenced to be imprisoned for one year and nine months. The Court of Appeals revised the verdict to imprison him for nine months without suspending the sentence. The case is pending.
24 April 2009 Criminal Case No. 77/2552	Kampanart Chaimat	Charged at Pen Police Station, Udonthani, for trading and possessing protected wild animals and protected wild animal remains with his brother Pongpat.	The prosecutor ordered to prosecute accomplice San Simma without prosecuting Kampanart.

Date unknown Criminal Case No. 310/2557	Kampanart Chaimat	Charged at Khonburi Police Station for conspiracy to commit a crime as a person who gave, asked to receive or consented to provide assets for any other benefits to police officers to motivate police officers to perform actions, not perform actions or delay actions in the course of duties and on the charge of using, holding or possessing natural resources or illegally exploiting natural resources with commercial characteristics.	The case is currently under consideration by the Supreme Court. Investigators have not prosecuted Kampanart for the crime but are investigating him for money laundering crimes. There is currently no judgment or verdict.
30 April 2013 in Black Case No. 985/2546, Red Case No. 949/2546,	Tanghua Chaimat	Judged in Phu Khiao Provincial Court to be guilty pursuant to the Wild Animal Reservation and Protection Act of B.E. 2535 (A.D. 1992) for possession on pangolins – one live pangolin and six nylon bags containing pangolin.	She was sentenced to two years imprisonment and a fine of 2 500 bhat (US\$83), with the sentence of imprisonment suspended for two years.
21 July 2011 Criminal Case No. 752/2554	Daoruang Chaimat	Charged at Chaiyaphum Provincial Police Station for possessing wild animals without permission and concealing, distributing and taking wild animals committing crimes pursuant to the Wild Animal Reservation and Protection Act of B.E. 2535.	The prosecutor of Chaiyaphum issued a final order not to press charges.
4 April 2012 Criminal Case No. 270/2555	Daoruang Chaimat	Charged at Chaiyaphum Police station for possession of protected wild animals (two tiger cubs) without permission.	The prosecutor of Chaiyaphum issued a final order not to press charges.
16 October 2012 Criminal Case No. 900/2555	Daoruang Chaimat	Charged for possession of protected wild animals (tigers) without permission and providing assistance to conceal, distribute, take, purchase or accept wild animals or wild animal remains acquired illegally.	The prosecutor issued a final order not to press charges on 16 October 2012.

Date unknown	Daoruang Chaimat	Implicated by police captain Somkuan Buasawai as the person who commissioned him to transport 20 ivory tusks.	The prosecutor gave a final order not to prosecute because evidence was insufficient.
24 April 2009 Criminal Case No. 77/2552	Pongpat Chaimat	Charged at Pen Police Station, Udonthani, for trading and possessing protected wild animals and protected wild animal remains with Kampanart.	The prosecutor in Udonthani issued an order not to prosecute.
Date unknown Criminal Case No. 19/2557	Pongpat Chaimat	Charged by the Ban Khwao Police for possession of more than 20 trees or sections of Siamese rosewood without marks of royalty fees or the government and possession of more than two cubic metres of Siamese rosewood, which is a crime pursuant to the Forestry Act of B.E. 2484 (A.D. 1941).	The case is under consideration by the Attorney General.
19 October 2009 Black Case 1095/2552, Red Case 931/2552	Piromya Chaimat	Arrested by Ho Kam Police Station in Beung Kan, Nong Khai.	Outcome not confirmed.
1 August 2009	Piromya and Pongpat Chaimat	Arrested with possession of 104 pangolins by Ho Kam police in Beung Kan, Nong Khai.	Beung Kan Provincial Court rendered a final verdict declaring both defendants to be guilty pursuant to articles 19, 47, 58 and Article 83 of the Wild Animal Reservation and Protection Act of B.E. 2535 (A.D. 1992). Both defendants were sentenced to two years' imprisonment. However, because both defendants confessed, the court reduced the sentence to imprison both defendants for one year and seize the evidence. Both defendants appealed. The Court of Appeal Region 4 reduced the sentence by half to imprison both defendants for three months.
25 May 2012 Black Case No. 63/2555, Red Case No. 1833/2555	Ketkamon Chaimat	Judged in Khon Kaen Provincial Court to have been in possession of three bags of methamphetamine hydrochloride (ice) with a net weight of 1 600 grams for distribution without permission pursuant to the Narcotics Act of B.E. 2522 (A.D. 1979).	Outcome unconfirmed.

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