

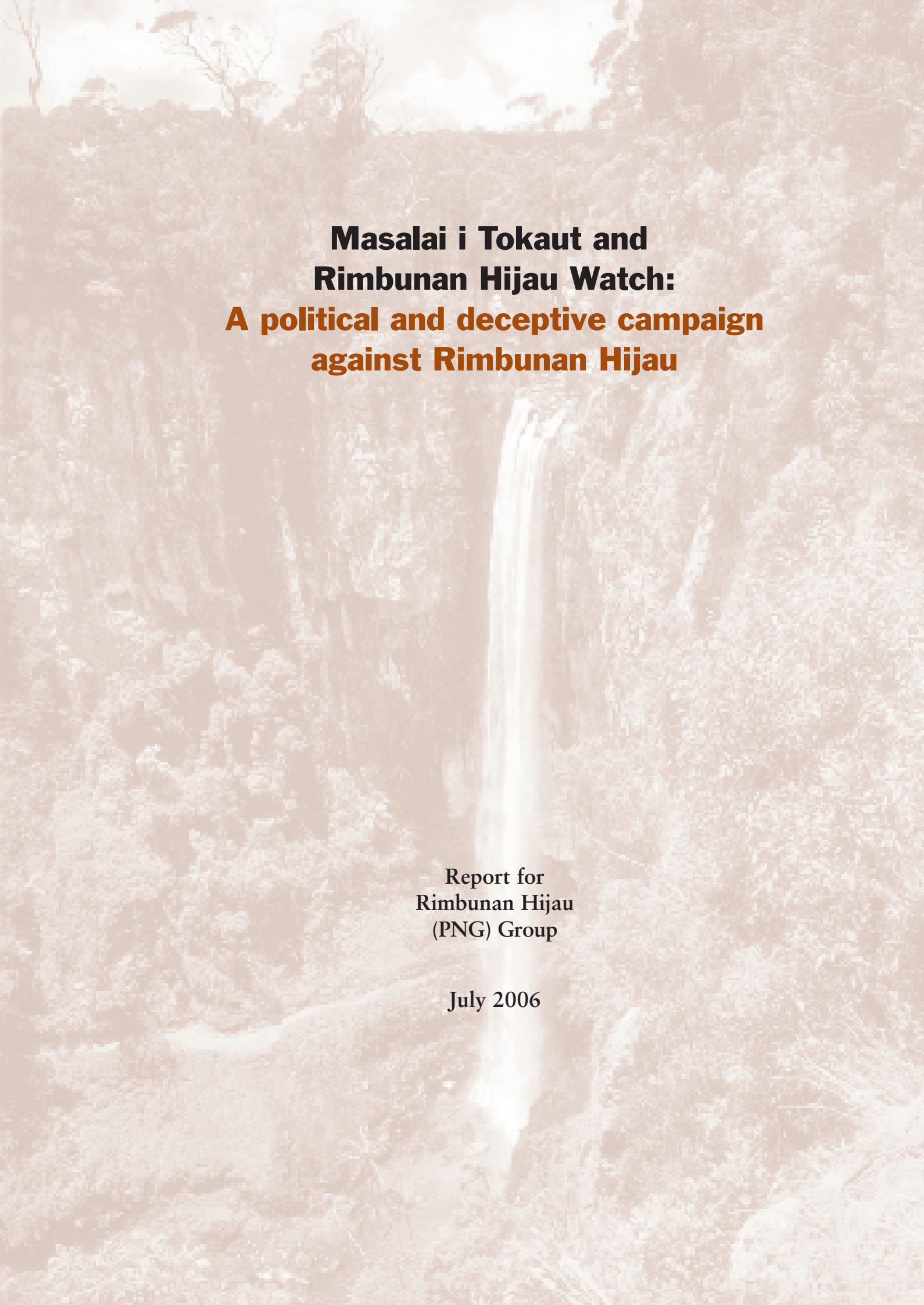


**Masalai i Tokaut and Rimbunan Hijau Watch:
A political and deceptive campaign
against Rimbunan Hijau**

Report for Rimbunan Hijau (PNG) Group



ITS Global
Consultants on Global Issues



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July 2006

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Acronyms

DCD	Department of Community Development
DEC	Department of Environment and Conservation
DOL	Department of Labour and Employment
FCP	Forestry and Conservation Project (World Bank)
FSC	Forest Stewardship Council
JI	Jemiah Islamiah
ITR	Independent Review Team
MIT	Masalai i Tokaut
NFB	National Forest Board
NGO	Nongovernmental Organisation
NIO	National Intelligence Organisation (PNG)
PFMC	Provincial Forest Management Committee
PNG	Papua New Guinea
PNGFA	Papua New Guinea Forest Authority
PNGFIA	Papua New Guinea Forest Industry Association
RH	Rimbunan Hijau (PNG) Group
RHW	Rimbunan Hijau Watch PNG
RPNGC	Royal Papua New Guinea Constabulary
SBS	Special Broadcasting Service (Australia)
SGS	Societe Generale de Surveillance



Executive summary

Two anonymous websites have mounted a slander campaign against the forestry industry and, specifically, Rimbunan Hijau (PNG) Group, the largest forestry business in Papua New Guinea (PNG). *Masalai i Tokaut* is a web-based newsletter which circulates allegations of corruption and mismanagement in the forestry industry. *Rimbunan Hijau Watch* is a website whose sole purpose seems to be to disparage and undermine the credibility and business interests of Rimbunan Hijau.

The websites are sensationalist tools in the long running campaign to halt commercial forestry in PNG.

ITS Global Asia Pacific (ITS Global) was commissioned by Rimbunan Hijau to undertake an independent critique of these websites and their key claims of wrongdoing by the company.

Masalai i Tokaut

Masalai i Tokaut (Masalai) distributes a regular electronic newsletter which carries allegations of corruption and mismanagement in the forest industry. It is sent to people with influence on forest policy in PNG, including government officials, politicians and the donor community. Rimbunan Hijau is a primary target. It has featured in more than half of Masalai's 46 newsletters to date. The real aim appears to be to discredit Rimbunan Hijau. These newsletters also target Rimbunan Hijau's business interests in other sectors and its business associates.

Masalai's style is scurrilous. It refuses to reveal its identity, principals, funding sources, or affiliations. It carries rumours and reproduces allegedly "leaked" and "official" documents which warrant only the status of fiction since the website will not accept responsibility for publishing them.

Rimbunan Hijau Watch

Rimbunan Hijau Watch (RHW) was set up to exclusively target Rimbunan Hijau. It does not contribute any original material but serves as a portal to recycle reports and sites which are anti-forestry and anti-Rimbunan Hijau.

The website appears dedicated to damaging the credibility and business interests of Rimbunan Hijau. It urges people to boycott the company. It has published material considered defamatory, which was removed when contested. Like Masalai, it does not reveal its principals or sources of funding.

The claims against Rimbunan Hijau

The claims against Rimbunan Hijau made on these websites are emotive and frequently slanderous.

Masalai asserts that Rimbunan Hijau is '...a Malaysian multi-national that is destroying lives, raping our country and destroying our natural resources for its own gain and it is assisted by the selfish interests of corrupt politicians and public servants and protected by its own newspaper, *The National*'.¹

Both websites accuse Rimbunan Hijau of engaging in corruption and benefiting from political patronage. They also accuse the company of bribing police and being responsible for police conduct at its operations, including incidents of alleged human rights abuses. Rimbunan Hijau is also accused of labour rights abuses and illegal logging.

1 Masalai i Tokaut, Government Department reports slam Rimbunan Hijau: RH workers 'treated like slaves'. Number 30, 10 July 2004, <http://www.masalai-i-Tokaut.com>, accessed 25 February 2005.

RHW claims Rimbunan Hijau is responsible for environmental damage (invariably using Greenpeace as its source). Masalai largely ignores environmental issues.

ITS Global examined these claims against Rimbunan Hijau and specific allegations of wrongdoing. We found they were based on a surprisingly narrow set of sources. Moreover, those sources had been misappropriated through quoting out of context, and misrepresented by being given undue credibility.

The majority of sources used by the websites appear to derive from work prepared for five Reviews of aspects of management of forestry in PNG. The Reviews were commissioned by the World Bank: two as conditions for providing the Governance Adjustment Loan (GPAL)² between 2000 and 2002, and three as conditions for funding the Forestry and Conservation Project (FCP)³, between 2003 and 2005.

The FCP was highly controversial. It was to provide nearly US \$40 million to improve governance in management of the forestry industry and enhance management of biodiversity. Among its goals were institutionalizing the influence of NGOs in forestry management and conservation⁴, and promotion of eco-forestry ahead of industrial logging or commercial native forestry. The Reviews were conducted by Groups commonly referred to as “Independent Review Teams” (IRT). The Reviews supported the FCP goals. The Reviews generated a large number of individual reports and “audits”, many of which were not verified or endorsed. Key claims in that work have been found to be false, in error, unreliable or unverifiable.

The PNG Government subsequently withdrew from the FCP project and has not endorsed the Reviews commissioned as part of it. Following the cancellation of the FCP there was a significant increase in the fervour of the accusations against commercial forestry and Rimbunan Hijau.

It was clear from our research that the work generated by Reviews was used to support the ongoing campaign against commercial forestry and Rimbunan Hijau. Masalai and RHW treated many of these unverified project audits and reports as verified and reliable source material. They used these sources to support the majority of allegations – that Rimbunan Hijau engages in illegal logging, corruption and political patronage, abuses human rights, and flouts labour laws.

Sources and accusations have also been recycled. RHW also uses Masalai newsletters and a Greenpeace report on Rimbunan Hijau⁵ as source material for attacks on the company. ITS Global has undertaken a separate review of the Greenpeace report⁶, and found that it also relied heavily on materials created by the Independent Review Teams.

Neither website presents a credible or accurate account of Rimbunan Hijau’s activities or business. This is clearly not their purpose. Their principals evidently oppose commercial native forestry in PNG, and harbour a substantial grudge against Rimbunan Hijau. As Rimbunan Hijau is the largest forestry business in PNG, the attack on the company is a proxy attack on commercial forestry in PNG.

Forestry in PNG is an important contributor to PNG’s Gross Domestic Product. It also contributes significantly to provision of physical and social infrastructure in remote areas of PNG. Curbing commercial forestry would curtail those benefits. This is evidently of little concern to those who want to stop commercial forestry.

2 Reviews of “Forest harvesting projects being developed towards a timber permit or timber authority” and of “The forest revenue system”.

3 Reviews of “Disputed timber permits and permit extensions; “Current logging projects” ; and “Compliance audits”.

4 The World Bank and the Global Environment Facility were each to provide nearly half of the funding. A Conservation Trust Fund to manage forest biodiversity was envisaged. The GEF were to provide US\$10 million seed funding provided it was matched. This was to be a non governmental body

5 Greenpeace International (2004) *The Untouchables: Rimbunan Hijau’s world of forest crime & political patronage*, Greenpeace International, Amsterdam, 3 February

6 “Whatever it takes”. ITS Global, 2006. The report is available on www.forestryanddevelopment.com



1. Introduction

The Rimbunan Hijau (PNG) Group is one of the largest foreign investors in PNG. It is a subsidiary of the Rimbunan Hijau conglomerate, based in Sarawak, Malaysia and is the largest forestry operator in PNG.

Attitudes to forestry in PNG have become highly polarised. Many nongovernmental organisations (NGOs) associated with the PNG eco-forestry movement are opposed to any native forestry that is not community-based and certified by the Forest Stewardship Council (which is run by WWF). Some NGOs, such as Greenpeace, have mounted a campaign against the industry and Rimbunan Hijau (PNG) Group (hereafter Rimbunan Hijau) with the goal of stopping large scale commercial forestry.

Two websites have mounted a slander campaign against the forestry industry and, specifically, Rimbunan Hijau. *Masalai i Tokaut*, a web-based newsletter, publishes allegations of corruption and mismanagement in the forestry industry. *Rimbunan Hijau Watch* is a website dedicated to attacking the credibility and undermining the business interests of Rimbunan Hijau. Both websites are anonymous and highly slanderous.

Rimbunan Hijau commissioned ITS Global to undertake an independent critique of these websites and their key claims of wrongdoing by the company.

This report is based on desk research and two field trips to PNG to meet with stakeholders in the forestry industry and to visit Rimbunan Hijau's operations. ITS Global reviewed the websites, their supporting material, and relevant government and private sector documentation. Rimbunan Hijau provided ITS Global with a substantial amount of material which contributed to this assessment.

The conclusions are the authors'.

2. The websites

Rimbunan Hijau Watch PNG (<http://www.rimbunan-hijau-watch.org>) and Masalai i Tokaut (<http://www.masalai-i-Tokaut.com>) are anti-forestry websites, which specifically target Rimbunan Hijau. They are both anonymous and make radical and defamatory statements about the company.

A. Masalai i Tokaut

Masalai i Tokaut (Masalai) (which means *spirits talking* in Pidgin Tok Pisin), has been operating since June 2002. It publishes and electronically distributes periodic newsletters. These purport to be exposés of alleged incidents of corruption and wrongdoing in the forest industry.

Masalai has produced 46 newsletters⁷, including titles such as “Forest Minister “wrongful and corrupt””, “RH treated workers like slaves” and “The Rape of Gulf Province”. Most newsletters are directed at the Forest Minister and government officials, but roughly half target Rimbunan Hijau and its non-forestry business interests and business associates.⁸

The newsletter is e-mailed to government officials, politicians, donor agencies and others with influence on forestry policy in PNG.

Masalai’s *modus operandi* is scurrilous. It is anonymous⁹ and will not reveal funding sources or other associations. It claims this is to protect the authors and their sources.¹⁰

B. Rimbunan Hijau Watch

In contrast to Masalai, Rimbunan Hijau Watch (RHW) was set up to exclusively target Rimbunan Hijau.

It acts as a portal for reports and sites that are anti-forestry and anti-Rimbunan Hijau. It does not post any original material but includes quotes from “leaked” or “official” government reports. It posts scurrilous reports by others.

RHW recently posted “Terror-razing the Forest” – a report by a radical activist of the Free Papuan movement, which accuses the company of collaborating with the Indonesian military and Sir Michael Somare to facilitate an Indonesian takeover of PNG. The report also describes the Australian Government as racists and rapists, and accuses AusAID (the Australian development assistance agency) of building the road to enable Indonesian invasion (see Section 3 : Unsubstantiated allegations).

The focus of the website is to damage the credibility and business interests of Rimbunan Hijau. It seeks to identify the extent of Rimbunan Hijau’s business interests, arguing that this foreign-owned firm has gained significant influence in PNG’s media, forestry sector and political arena. It urges people to boycott Rimbunan Hijau’s business (including media and general trading) and to write to the media and the company to protest its activities.¹¹

Although RHW is anonymous, it provides links to NGOs such as the Eco-Forestry Forum in PNG, the World Rainforest Movement and the Environmental Investigation Agency.¹² All of

7 As at 16/06/2006

8 Masalai i Tokaut, Profiting from Destruction: The ANZ Bank and the PNG logging industry, Number 42, <http://www.masalai-i-Tokaut.com>, accessed 18 March 2006

9 The producers of Masalai i Tokaut have assured their anonymity in the hosting of the website and the distribution of the newsletter by using hosting enterprises in the United States, which specialise in anonymous hosting. The producers have used Katz Global Media and Cotse.Net, businesses that specialise in anonymous hosting, privacy protection for e-mailing and on-line security.

10 <http://www.masalai-i-Tokaut.com/>, accessed 4 April 2006

11 Anonymous, “Rimbunan Hijau Watch PNG”, <http://www.rimbunan-hijau-watch.org>, accessed 16 March 2006.

12 Anonymous, “Rimbunan Hijau Watch PNG – Links”, <http://www.rimbunan-hijau-watch.org/docs/links.htm>, accessed 25 February 2006



these groups oppose industrial logging. There appears to be an affiliation between RHW and the Forest Network, an anti-forestry group hosted by Friends of Earth in Australia.¹³ RHW's homepage also provides a link to Masalai.

Although both websites attack Rimbunan Hijau using emotive language and extreme claims, their approaches differ. Masalai appears to have established itself as somewhat of a maverick in anti-logging circles. It appears to target decision-makers and to provide fresh material for anti-logging attacks. RHW does not state its purpose. The effect of its activity is to serve as an information exchange for anti-forestry groups, to publicize the anti-commercial forestry of critics such as Greenpeace, and to foster anti-forestry activism.

C. The claims against Rimbunan Hijau

Masalai and RHW make many specific allegations about the conduct and impact of Rimbunan Hijau's forestry operations. The primary sources of those claims and the credibility of specific allegations are addressed in Section 3. Allegations made on the websites are assessed thematically in the Appendix.

Masalai asserts 'Rimbunan Hijau operates almost totally outside the law with no regard for the rights of Papua New Guinean people or the interests of the country. It is a Malaysian multinational that is destroying lives, raping our country and destroying our natural resources for its own gain and it is assisted by the selfish interests of corrupt politicians and public servants and protected by its own newspaper, The National.'¹⁴

Masalai bases its newsletters on specific cases, reports or incidents, focusing on corruption and misconduct. Illegal logging and corrupt dealings with the police are recurring claims against Rimbunan Hijau. However, Masalai has also published newsletters claiming that the company is guilty of specific offences, including labour abuses, human rights abuses, and gun and drug smuggling.

RHW sets out five areas of complaint against Rimbunan Hijau: human rights; environmental destruction; corruption; labour rights; and control over the media, politics and the logging industry. It is similar to Greenpeace's criticism of Rimbunan Hijau.

Environmental destruction is not a major theme.¹⁵ There appears to be two reasons. First, while there are plenty of allegations about environmental destruction, there is little hard evidence – the only source provided is Greenpeace's report¹⁶ "The Untouchables: Rimbunan Hijau's world of forest crime & political patronage".¹⁷ Second, these websites are primarily targeted at decision- and policy-makers in PNG, with whom such claims have little weight.

Both websites also target Rimbunan Hijau's other business interests. RHW provides information on Rimbunan Hijau's business interests in PNG, Australia and New Zealand, as part of its agenda to encourage a boycott of all Rimbunan Hijau businesses. Masalai has also specifically targeted The National, a newspaper owned by Rimbunan Hijau.¹⁸

13 RHW advises on its homepage, "If you find yourself unable to connect to Rimbunan Hijau Watch go to the Forest Network [hyperlink provided] for a current address." RHW and Forest Trends host featured links to each others' site. See <http://www.forest-network.org/index1.htm>

14 Masalai i Tokaut, Government Department reports slam Rimbunan Hijau: RH workers 'treated like slaves', Number 30, 10 July 2004, <http://www.masalai-i-Tokaut.com>, accessed 25 February 2006.

15 Masalai has not issued any newsletters focusing primarily on environmental destruction.

16 Anonymous, "Rimbunan Hijau Watch – Environmental Damage". <http://www.rimbunan-hijau-watch.org/docs/damage.htm>, accessed on 10 March 2006. This allegation by Greenpeace has been found to be unsubstantiated. See section 3.

17 The text is wholly copied (unreferenced) from the Greenpeace report, *The Untouchables*. ITS Global has undertaken an analysis of the Untouchables and found that the report provides no evidence of environmental destruction. See ITS Global (2006) 'Whatever it takes – Greenpeace's anti-forestry campaign in Papua New Guinea', Report for Rimbunan Hijau (PNG) Group

18 Masalai i Tokaut, Sales of 'The National' collapse as public abandon logger's newspaper, Number 33, 27 November 2004, <http://www.masalai-i-Tokaut.com>, accessed 1 March 2006.

3. Unsubstantiated allegations

The claims against Rimbunan Hijau on the websites, specific allegations, and evidence for those allegations, are assessed in detail in the Appendix. The outcomes from that assessment are set out below.

A. Analysis of the evidence – only a few sources

The claims by RHW and Masalai are based on surprisingly few formal sources of evidence. We found that these sources were either acutely biased, have been subsequently discredited, or have been misrepresented in the case against Rimbunan Hijau. Disturbingly, quotes and information from these sources are reported out of context, exaggerated, and applied with the effect of misleading.

The World Bank forest industry Reviews

The majority of sources used by RHW and Masalai are from material developed by the Reviews of the PNG forestry industry which the World Bank mandated as condition for assistance.¹⁹ It required five Reviews to be undertaken as conditions for two loans, the more important being the three Reviews to support the Forest and Conservation Project (FCP).²⁰

The FCP was highly controversial. It aimed to improve management of landholder rights, institutionalize NGOs in forest management and management of forest biodiversity, and to promote eco-forestry ahead of industrial logging. Funding was to be nearly US \$40 million, mostly provided by the World Bank and the Global Environment Facility.²¹

A condition for the facility was a requirement that the PNG government imposes a moratorium on new logging projects.²²

The three Reviews supported the FCP goals. So did the staff involved. One expert employed had previously jointly co-authored a report with Greenpeace.²³ Another former World Bank consultant, a “PNG Forest and Environment Specialist”, is an anti-forestry activist.²⁴

The PNG Government withdrew from the FCP project in May 2005, and has not endorsed or adopted the Reviews.²⁵ Many of the individual audit and research reports which were commissioned for the Review²⁶ were not officially endorsed by the Reviews and have not been officially released. They have, however, been widely circulated in PNG among NGO circles, and are used by groups such as Masalai to substantiate claims against the forestry industry.

19 The World Bank funded the Reviews and jointly agreed on the team and terms of reference with the Papua New Guinea Government.

20 Those reviews were: “The Independent Review of Disputed Timber Permits and Permit Extensions” (2003), “The Review of Current Logging Projects” (2004-5) and “Compliance Audits” (2004-5)

21 The World Bank and the Global Environment Facility were each to provide nearly half of the funding. A Conservation Trust Fund to manage forest biodiversity was envisaged. The GEF were to provide US\$10 million seed funding provided it was matched. This was to be a non governmental body

22 Navroz Dubash and Colin Filer argue the moratorium was the result of WWF’s influence over World Bank forestry policy. Dubash, N. and Filer, C. (2000) *The Right Conditions: The World Bank, Structural Adjustment and Forest Policy Reform*, World Resources Institute, Washington D.C., p. 48

23 The IRT on Logging Projects commissioned a consultant who had previously jointly authored a report with Greenpeace to write the socioeconomic analysis, which argued that the forestry industry was economically unsustainable.

24 The consultant now runs the anti-forestry website www.forests.org as well as hosting other radical ecological activist websites.

25 PNG Chief Secretary Kalinoe objected publicly to what he called the World Bank’s “blackmail technique”. ‘PNG rejects World Bank ‘blackmail’ on forests’, *Sydney Morning Herald*, 29 October 2002, <http://www.smh.com.au/articles/2002/10/28/1035683358570.html>

26 The World Bank funded the Reviews and jointly agreed on the team and terms of reference with the Papua New Guinea Government.

Masalai and RHW use many of the individual project audits and research reports prepared for the Independent Review Teams for the Reviews on existing logging projects and disputed logging projects²⁷ as primary sources to substantiate their allegations about abuse of human rights,²⁸ labour abuses and illegal activities.²⁹

An inspection report of the Kamusi sawmill operation by Donald Lunen for the Department of Labour and Employment³⁰, commissioned as part of the IRT review of existing logging projects, is a case in point. It reported that Rimbunan Hijau treats workers “like slaves” and that working conditions (including wage rates and living conditions) are appalling at Wawoi Guavi. This report was not adopted by the Review and subsequently was comprehensively discredited by the Department which found the company was in full compliance with labour laws.

Nevertheless, Masalai and RHW still claim there are labour abuses, citing the discredited Lunen report as the source.

Our research of the sources of the allegations (which is detailed in the Annex) shows that these sources are few in number and, when examined, show up as unsubstantiated, unverifiable, seriously exaggerated or as having been countermanded.

SBS Dateline broadcasts

Both websites have used two broadcasts by the SBS Dateline program in Australia to substantiate allegations of human rights abuses: “Papua New Guinea – Wilderness laid waste by corruption”³¹ (2001), and “PNG – Jungle Justice”³² (2004). The transcript of the 2004 broadcast is posted on the RHW site. Excerpts of both broadcasts are included in Masalai newsletters.

Both broadcasts alleged human rights abuses by police, and that police were acting on behalf of Rimbunan Hijau. The 2001 broadcast also contained allegations of lack of landowners’ consent, and of corruption.

SBS has since removed the transcripts and all references to these broadcasts from their website. The 2004 broadcast relied almost entirely on the testimony of a former police officer who had been suspended due to corruption.³³ The claims made in the broadcasts were subsequently investigated but could not be substantiated.³⁴

27 These audits were commissioned, not undertaken, by the IRT. The accountability of the authors was questionable, especially in one case where an individual made seriously damaging findings on labour rights under the auspices of the Department of Labour. The audit was discredited by the Minister for Labour and a subsequent audit contradicted the earlier findings of labour rights abuses, and noted performance above minimum legislative requirements in many cases.

28 Tom Diwai Vigus, *Report to the Independent Review committee into the operations of the RPNGC*. Masalai i Tokaut, <http://www.masalai-i-Tokaut.com/Police%20Review%20Committee%20Submission,%20June%202004.pdf> (accessed on March 30, 2006); Donald Lunen, *Wawoi Guavi Timbers, Kamusi (Western Province)*, inspection report for the Department of Labour and Employment, PNG, 2004; Independent Forest Review Team. *Final Project Report – Wawoi Guavi Blocks 1, 2 & 3 (consolidated)*, Western Province. Forest Trends. <http://www.forest-trends.org/documents/publications/PNG2006/png.php>; Independent Forest Review Team, *Final Project Report – Vailala TRP Blocks 2 & 3, Gulf Province*. Forest Trends. <http://www.forest-trends.org/documents/publications/PNG2006/png.php>

29 Individual project reviews are quoted rather than the final reports.

30 Donald Lunen, *Wawoi Guavi Timbers, Kamusi (Western Province)*, inspection report for the Department of Labour and Employment, PNG, 2004; Department for Community Development. *Draft individual project review report – Wawoi Guavi & Panakawa*. PNG, 2004; Independent Forest Review Team. *Final Project Report – Wawoi Guavi Blocks 1, 2 & 3 (consolidated)*, Western Province. Forest Trends. <http://www.forest-trends.org/documents/publications/PNG2006/png.php>.

31 SBS, Dateline, *Papua New Guinea – Wilderness laid waste by corruption*. Broadcast on 2 May 2001.

32 SBS, Dateline, *PNG: Jungle Justice*. Broadcast on 3 November 2004.

33 “PNG Govt furious over logging corruption report”, 4 November 2004, ABC Online, PM, reported by Shane McLeod, <http://www.abc.net.au/pm/content/2004/s1235088.htm>

34 Police brutality probe stalls, PNG Post Courier, 15/11/2004; “PNG Govt furious over logging corruption report”, 4 November 2004, ABC Online, PM, reported by Shane McLeod, <http://www.abc.net.au/pm/content/2004/s1235088.htm>

Ombudsman Commission report

RHW and Masalai both claim that an investigation by the Ombudsman Commission in 2002 demonstrates how patronage and corruption by Rimbunan Hijau underpinned a decision by the PNG Government to allow a new area to be opened for forestry.

The investigation was into the decision of the National Forest Board to award a Rimbunan Hijau subsidiary the first right to submit a proposal for an area to be developed for forestry.³⁵ The decision provided for the area to become an extension of an existing forestry concession held by Rimbunan Hijau, which is adjacent to the proposed area.

The Ombudsman Commission investigation was critical of government processes. Most recommendations relate to the activities and responsibilities of government bodies and officials.³⁶ There was no evidence that Rimbunan Hijau had engaged in corruption. In respect of Rimbunan Hijau, the Commission recommended that ‘...all forest projects being undertaken by the Rimbunan Hijau group of companies be carefully audited and monitored to ensure that all legislative and administrative requirements are strictly complied with...’³⁷

RHW and Masalai use that recommendation to argue that the report of the Commission demonstrates corruption and political patronage. This is a misrepresentation of the recommendations by the Ombudsman Commission.

Greenpeace’s report: The Untouchables

RHW provides a link to the Greenpeace report, *The Untouchables: Rimbunan Hijau’s world of forest crime & political patronage*, to support its claim of human rights abuses. It also quotes directly from the Greenpeace report to assert that Rimbunan Hijau is an environmentally destructive forestry operation.

In “The Untouchables”,³⁸ Greenpeace sets out a detailed case against Rimbunan Hijau. It alleges that the company has engaged in secret and fraudulent corporate conduct, corruption, illegal logging, environmental destruction, and human and labour rights abuses. Greenpeace also argues that ‘logging by Rimbunan Hijau in PNG is among the most environmentally destructive of any selective logging operations studied anywhere on the planet.’ The claim is sensational; however, it is not supported by evidence.

Five sources were cited. Two relate to a concession operated by another company (Vanimo). Another is a study by a PNG post-graduate student about a Rimbunan Hijau concession on Manus Island, which copies much of its content and its findings from one of the reports on Vanimo.

The other two reports were environmental impact assessments of the Wawoi Guavi concession, commissioned by Greenpeace and undertaken without the consent of Rimbunan Hijau. They claim extensive breaches of law but do not provide details of any of the alleged breaches. The reports have not been released.

The evidence provided is dubious and deceptively presented. Greenpeace’s opposition to industrial activity in ‘ancient forests’ (including Western Province) clearly precludes any objective assessment of the environmental impact of Rimbunan Hijau’s forestry operations.

Greenpeace’s sources for claims of human rights abuses are the same as Masalai and RHW – the SBS reports and audits undertaken for the IRT.

35 Ombudsman Commission of Papua New Guinea (2002) *Investigation into a Decision of the National Forest Board to Award Kamula Doso to Wawoi Guavi Timber Company (a Subsidiary of Rimbunan Hijau) as an Extension to the Wawoi Guavi Timber Resource Permit*, Final Report, July 2002.

36 The finding by the Commission also did not recognise that the decision still required the tender to be subject to standard assessment and allocation processes. If the tender is successful, the decision then supports the consolidation of the two permits in line with the Forestry Act 1991.

37 <http://www.rimbunan-hijau-watch.org/docs/corruption.htm>

38 Greenpeace International (2004). *The Untouchables: Rimbunan Hijau’s world of forest crime & political patronage*. Greenpeace International, Amsterdam, 3 February 2004.

ITS Global has undertaken a careful assessment of Greenpeace’s case against Rimbunan Hijau.³⁹ We found that the case is designed to support Greenpeace’s broader agenda to end logging in “ancient forests” (which includes most of PNG’s forests). It does not provide independent or objective evidence of wrongdoing. It relies on biased and unpublished sources; particularly on papers or articles written by other environmental NGOs, or commissioned by Greenpeace. There are numerous instances where source material has been framed misleadingly.

Many of the allegations of improper or corrupt conduct by Rimbunan Hijau in fact relate to governance or regulatory problems in PNG, rather than actions by the company. Many of the governance problems are beyond the control, let alone the scope of accountability, of the company.

Terror-Razing the Forest

The report “Terror-Razing the Forest: Guns, Corruption, Illegal logging, JI and the Indonesian Military in Papua Niugini” was recently posted on the RHW homepage. It was written by Nick Chesterfield, an activist who has written for “Green Left Weekly” (a Marxist-leaning newspaper), who is also an officer of the West Papua Coalition for Liberation.

The accusations in “Razing the Forest” are the most extreme yet. The author claims that Rimbunan Hijau is in league with the Indonesian Military and PNG Prime Minister, Sir Michael Somare, to foster an Indonesian takeover of PNG. He says it is engaged in gun running and that Jemiah Islamiah, the Indonesian radical Islamic group, has been introduced into PNG under the cover of these associations. The Australian Government, described as “racists and rapists”, is accused of being involved. The Australian Government’s development agency, AusAID, is accused of building “the invasion road” for the Indonesian military from West Papua into PNG.

The allegations of involvement by Rimbunan Hijau are entirely gratuitous and peripheral. More importantly, the material is grossly slanderous and factually incorrect. Rimbunan has no connection to the mentioned forestry company (Shanti), and does not operate in the Hawain concession area. Rimbunan Hijau does not have any business interests in the East Sepik Province.

The link to this paper is an indication that RHW is willing to use deeply flawed and malicious material to damage the credibility of Rimbunan Hijau. It is also clear that no material on RHW should be accepted as credible without adequate verification.

Unsubstantiated allegations

Masalai newsletters include excerpts of leaked and unpublished reports, including materials commissioned for the World Bank Reviews.

The website also produces stories using unverifiable assertions, leaked memos and correspondence, newsletter reports, receipts and other materials, which are strung together to make a story.⁴⁰ The credibility of the anonymous newsletters is weak given that they make offensive and libellous allegations based on often weak and unverifiable evidence, and that the author is unwilling to take responsibility for publishing the material in their name. Many claims are not based on any independent evidence at all, but rumours or reports which are unverifiable, unpublished or clearly biased. This is particularly the case with the accusations of corruption. They warrant treatment as fiction.

RHW seek to demonstrate Rimbunan Hijau’s alleged environmental damage through photos, including shots of poor bridge construction and oil leaks. The photos are not dated or referenced to a location.

The claims made by both websites lack independence, verifiability and credibility.

39 “Whatever it takes”. ITS Global, 2006. The report is available on www.forestryanddevelopment.com

40 Leaked documents are generally pasted into Masalai newsletters or quoted. Identifying features such as dates and names are often removed.

B. Allegations against Rimbunan Hijau – an insight

ITS Global investigated specific allegations posted on RHW and Masalai.

In this section we review a representative sample of specific allegations, and examine their sources and their merit. A detailed analysis of allegations on the two websites is set out in the Appendix.

Labour rights abuses

Both websites accuse Rimbunan Hijau of providing “appalling employment conditions.”⁴¹ Masalai claims that RH “treats its local staff like slaves.”⁴² Commonly cited accusations include wage irregularities, inadequate living conditions, and exorbitantly high food prices.

As mentioned above, these accusations are based on the audit of labour conditions at Wawoi Guavi, carried out for the IRT by an individual from the Department of Labour and Employment (DOL). Following that audit, a formal review of labour conditions was undertaken by the DOL. The results of that review show that workers on Rimbunan Hijau concessions enjoy wages that are above the minimum level (in fact, on average 2.7 times the minimum wage). They have adequate residential facilities, including access to clean water, sufficient housing, and electricity. Food rations are free of charge.⁴³

Masalai claims that ‘wages paid by Rimbunan Hijau are criminally low... and wages have not increased for more than ten years’. However, the DOL reported that ‘...there are no underpayments of wages because all wages rates paid are over and above the current determined minimum wage rate... both the workers and company representatives did agree that wages and salaries for all the workers increase by a certain percent in the first month of every year. There are also pay increases made within the year.’⁴⁴

These incorrect allegations by Masalai and RHW are sourced to a report prepared as an input to the IRT. The information was inaccurate and misappropriated.

Illegal logging

RHW and Masalai repeatedly allege that Rimbunan Hijau engages in “illegal logging”, citing unlawful extensions and non-compliance with environmental laws. As the report “Whatever it takes”⁴⁵ shows, Rimbunan Hijau’s logging and most logging in PNG is legal. The claims are unsubstantiated and erroneous.

Masalai claims that in granting an extension to Rimbunan Hijau’s Wawoi Guavi extension, the requirement to consult local communities had not been satisfied, and therefore the decision was not legal. Its evidence was that ‘the National Forest Board had not received any report, satisfactory or otherwise, from the Provincial Forest Management Committee’ (PFMC).⁴⁶ However, the review of Wawoi Guavi undertaken for the IRT report states that the PFMC report to the National Forest Board was received on 28 January 2002;⁴⁷ Rimbunan Hijau has also

41 Anonymous, “Rimbunan Hijau Watch PNG – Illegal labour & other abuses”, <http://www.rimbunan-hijau-watch.org/docs/illegal.htm>. Accessed on 14 March 2006

42 Masalai i Tokaut, Sold into slavery by Patrick Pruaitch, Number 37, 20 March 2005. <http://www.masalai-i-Tokaut.com>, accessed on 5 March 2006.

43 Messrs Lohia Bodibo, Aloyisus Aoa, Moses Make, *General labour inspection – Kamusi and Panakawa logging camps, general labour inspection report prepared for the Department of Labour and Employment*, PNG, 2004, 1-8.

44 Ibid., pp. 3, 5.

45 Its Global, 2006, detailed analysis of the case in Greenpeace reports that most logging in PNG is illegal, available on www.forestryanddevelopment.com

46 Masalai i Tokaut, RH and the illegal Wawoi Guavi extension, Number 6, 26 June 2002. <http://www.masalai-i-Tokaut.com>, accessed on 11 March 2006.

47 Independent Forest Review Team, *Final Project Report – Wawoi Guavi Blocks 1, 2 & 3 (consolidated)*, Western Province. Forest Trends. <http://www.forest-trends.org/documents/publications/PNG2006/png.php>.

provided the transcript of the report.⁴⁸

RHW states that Rimbunan Hijau ‘...often ignores the prescriptions in the PNG Logging Code of Practice.’⁴⁹ Rimbunan Hijau has produced compliance reports and environmental planning approvals for a number of its operations.⁵⁰

The National Forest Board reviews annually the compliance of individual forestry operations with regulatory requirements.

Monitoring and enforcement of forestry laws in PNG is constrained by inadequate government resources and the remoteness of many logging sites. A lack of monitoring and enforcement by government does not support the conclusion that companies do not comply with legal prescriptions.

Human rights abuses

RHW claims that ‘Rimbunan Hijau has been linked to human rights abuses by the Southern Command Police Task Force in Western Province.’⁵¹ Masalai makes a similar claim of ‘human rights atrocities committed by police officers on behalf of Rimbunan Hijau in remote logging camps.’⁵²

The claims by Masalai and RHW are an egregious misrepresentation of actions by the company to assist local communities to maintain order. They do not acknowledge the acute law and order problem in PNG. A report to the Asian Development Bank noted: “Crime is catastrophe in Papua New Guinea. Law and order has deteriorated to a level at least as bad as anywhere in the world, with profound consequence on the integrity of property rights and business activity.”⁵³ In 2004, the Royal PNG Constabulary (RPNGC) Administrative Review noted that the security problem was often due to lack of Government funding of the police force.⁵⁴ Lawlessness is most acute in isolated areas (such as the Western Province), where there is a serious lack of police presence.

As a result, forestry and mining companies generally have to support local government and police, to ensure a police presence at townships in remote locations (such as Wawoi Guavi in Western Province).

In a specific example, the Provincial Government requested financial and logistical support to

48 Provincial Forest Management Committee, *Report to the Board by a Provincial Forest Management Committee on an application for an extension or renewal of the term of a timber permit – Wawoi Guavi Timber Project*, Port Moresby, 2002

49 Anonymous, “Rimbunan Hijau Watch PNG – Environmental Damage”, <http://www.rimbunan-hijau-watch.org/docs/damage.htm>, accessed on 19 March 2006.

50 See, for example, John Sambeok, *Rimbunan Hijau Group of Companies (RH) Ongoing Logging Operations, Southern Region*, a field compliance monitoring & inspection report no: 2:2003, prepared for the Department of Environment and Conservation, PNG, 2003, 19. The report states that ‘the Vailala Block 2&3 TRP environmental concerns are minimal... remedial management strategies have been deployed or mitigated as to address the issue... this is indicative for Frontier Holding’s Limited environmental commitment’. Also, Terry Warra (Managing Director, National Forest Service, PNGFA), “Approval of three year (2004-2007) Forest Working Plan – Wawoi Guavi Consolidated TRP”. Letter to Mr. Yeap Yun Huat (Managing Director, Wawoi Guavi Timber Company Ltd), 18 March 2004

51 Anonymous, “Rimbunan Hijau Watch PNG – Human rights abuses”, <http://www.rimbunan-hijau-watch.org/docs/hra.htm>.

52 Masalai i Tokaut, Police Chief Inguba covering for Rimbunan Hijau atrocities, Number 34, 5 November 2004. <http://www.masalai-i-Tokaut.com>, accessed on 5 March 2006.

53 The Enterprise Research Institute (2003) Papua New Guinea – A Private Sector Assessment, Report prepared by ERI for the Asian Development Bank, June, p. 10.

54 ‘The effectiveness of the constabulary in maintaining law and order is in a state of decline, and the pace of deterioration is accelerating... Government funding to police has not kept pace with population growth... an injection of resources is now essential if the Police are to be able to make serious inroads into the law and order situation’. RPNGC Administrative Review Committee, *Report of the Royal Papua New Guinea Constabulary Administrative Review committee to the Minister for Internal Security Hon. Bire Kimisopa*, Port Moresby, 2004, 7, 49.

establish a police presence in the Ihu District, Gulf Province.⁵⁵ The request followed complaints of unattended crime in the area, ranging from rape and arson to murder. Rimbunan Hijau fulfilled the request, contributing more than 200,000 Kina (PNG Currency) towards the project, which included construction and rehabilitation of police stations and barracks.⁵⁶

Private sector support for the presence of law and order at remote operations is routine in countries without adequate police resources. However, it does not follow that companies are responsible for the actions of the Government police force, or that they direct those actions.

It appears these activities have been intentionally misrepresented to create an impression of corruption and police patronage.

⁵⁵ Rimbunan Hijau's Vailala Blocks 2 and 3 operations are located in this district.

⁵⁶ Hon. Charles Maiu, MPA (Deputy Governor, Gulf Province, PNG). Untitled letter to Mr. Axel Wilhelm, Rimbunan Hijau (PNG), 2 February 2004.



4. Conclusion

Neither RHW nor Masalai present a credible or accurate account of the business activities of Rimbunan Hijau; that is clearly not their purpose. The producers of these websites are opposed to industrial logging in PNG and there appears to be a substantial grudge against Rimbunan Hijau. As the largest forestry company in PNG, Rimbunan Hijau is evidently a proxy for an attack on commercial forestry.

These groups choose to hide behind their anonymity and repeatedly propagate accusations intended to smear key industry players, by creating suspicion and damaging credibility among decision makers, donors and Rimbunan Hijau's business associates.

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Appendix

I. Thematic assessment of allegations against Rimbunan Hijau made by Masalai i Tokaut and Rimbunan Hijau Watch

ISSUE 1 – LABOUR ABUSES					
KEY CLAIMS	WEBSITE	REFERENCES	CRITIQUE OF REFERENCES	FACTS/RESPONSES	SOURCE OF RESPONSE
Rimbunan Hijau has exceeded the number of permitted non-citizen employees.	Masalai i Tokaut (MIT) Rimbunan Hijau Watch PNG (RHW)	Donald Lunen, <i>Wawoi Guavi Timbers, Kamusi (Western Province)</i> , inspection report for the Department of Labour and Employment, PNG, 2004. The report states that “there are more non-citizens employed than the number of positions approved.” Anonymous, “Masalai 1 – an illegal workforce in Rimbunan Hijau operations”, http://www.masalai-i-tokaut.com , (accessed on 1 March, 2006).	The Department of Labour (DOL) review was conducted by a single employee of the department, and formed a part of the World Bank FCP. The statements made in the report were subsequently discredited in a letter written by the Minister for Labour and Industrial relations, to Rimbunan Hijau (1), which stated that the report was ‘biased’ and did not ‘accurately reflect the actual position in the Wawoi Guavi Timber Co’. The Minister also stated that Wawoi Guavi Timber Company’s operations were in compliance with all relevant laws. The authenticity of the MIT list cannot be verified due to the anonymous nature of the website. The evidence is thus unreliable.	A subsequent DOL report (2) has discredited the claims, stating that “the 54 non citizens employed all have valid work permits and their work permits will expire in January, 2007.” The claim is thus unsubstantiated.	1 – Hon. Roy Biyama, MP, “The World Bank commissioned labour inspection report dated 21 March 2004”. Letter to Mr. James Lau, Managing Director, Rimbunan Hijau (PNG), 29 October 2004. 2 – Messrs Lohia Bodibo, Aloyisus Aoae, Moses Make, <i>General labour inspection – Kamusi and Panakawa logging camps</i> , general labour inspection report prepared for the Department of Labour and Employment, PNG, 2004.
Lack of training arrangements.	MIT, RHW	Donald Lunen, ‘Inspection report – Wawoi Guavi Timbers’. The report states that “our consultations with the citizen employees at various work locations... reveal that issues on training, training implementation and localisation is non-existent at Wawoi Guavi Timbers.”	For critique of the DOL report, see above.	A subsequent DOL report (1) has discredited the claims, stating that “the workers are trained in their respective field of work. After training a letter of recognizing is issued to the worker... those who complete training are not only recognized but are also recommended for pay increases”. The report also states that the training of PNG nationals is hindered by their tendency to “abandon employment at will.” Overall, the claim is unsubstantiated.	1 – Messrs Lohia Bodibo, Aloyisus Aoae, Moses Make, <i>General labour inspection – Kamusi and Panakawa logging camps</i> , general labour inspection report prepared for the Department of Labour and Employment, PNG, 2004.
Poor occupational safety practices.	MIT, RHW	Donald Lunen, <i>Inspection report – Wawoi Guavi Timbers</i> . The report states that “the level of safety practices and implementation at Wawoi Guavi Timbers is appalling and cannot be measured against any standard... safe work practices is non-existent.” Department for Community Development. <i>Draft individual project review report – Wawoi Guavi & Panakawa</i> , PNG, 2004. The report states, that “health safety measures are not observed at the work place.”	For critique of the DOL report, see above. It is unclear who conducted the report for the Department for Community Development (DCD), as the author(s) are unnamed. The report sought no input from the company nor the workers, instead relying on “meetings/discussions with landowners, forest resource owners and the community at large.”	A subsequent DOL report (1) stated that, “although workers are provided with... basic safety equipments, most of them had not been using them at their work places.” Rimbunan Hijau advised that it had purchased safety equipment but that occupational health and safety practices were a challenge in PNG. (2) The company has also stated its commitment to ongoing improvements in its occupational safety practices. (3)	1 – Messrs Lohia Bodibo, Aloyisus Aoae, Moses Make, <i>General labour inspection – Kamusi and Panakawa logging camps</i> , general labour inspection report prepared for the Department of Labour and Employment, PNG, 2004. 2 – ITS Global field visit to PNG, 16 March 2006. 3 – James Lau (Managing Director, Rimbunan Hijau Group, PNG), “Re: Draft observations and recommendations report/ Responses from Rimbunan Hijau (PNG) Ltd”. Letter to Mr. Ben Everts, Review of Current Logging Projects, PNG, 6 August 2004, p.9

ISSUE 1 – LABOUR ABUSES

KEY CLAIMS	WEBSITE	REFERENCES	CRITIQUE OF REFERENCES	FACTS/RESPONSES	SOURCE OF RESPONSE
Wage and leave irregularities.	MIT, RHW	Donald Lunen, <i>'Inspection report – Wawoi Guavi Timbers'</i> . The report states that workers' salaries are "totally insufficient to cater for their travel and living expenses and... in breach of the terms and conditions of employment... non-payments of consumer price index awards and increases... no leave tickets and entitlements are paid to citizen employees hired by the company from outside of Western province." The report also claims that the company deducts payments for food from employee wages.	See above.	A subsequent DOL report (1) stated that "there are no underpayments of wages because all wage rates are over and above the current determined minimum wage... both the workers and company representatives did agree that wages and salaries for all the workers increase by a certain percent in the first month of every year... all employees are paid annual leaves for two weeks after they have completed twelve months continuous services with the company... there is no deduction made for food provided by the company to its workers." Overall, the claims are unsubstantiated.	1 – Messrs Lohia Bodibo, Aloyisus Aoa, Moses Make, <i>General labour inspection – Kamusi and Panakawa logging camps</i> , general labour inspection report prepared for the Department of Labour and Employment, PNG, 2004.
Inadequate residential facilities for employees.	MIT, RHW	Donald Lunen, <i>'Inspection report – Wawoi Guavi Timbers'</i> . The report states that "Employee living conditions is appalling with overcrowding and is totally unsafe... a room about 6 * 4 metres accommodates 6 single employees, while a room approximately 4 * 3 metres accommodates an entire family of average 5 people... drinking water contaminated with oil and dust blown from the sawmill blower." Department for Community Development, <i>Draft individual project review report – Wawoi Guavi & Panakawa</i> . The report states that "accommodation condition is very poor. Seven people live in one room (4*4). Similarly, two families share a 4*4 room."	For critiques of the DOL and DCD reports, see above.	A subsequent DOL report (1) stated that "the employees are supplied with free accommodation, water, and electricity. One condition for an employee... is that extended families must not stay with employee whom the accommodation was issued for. Apparently the workers do not comply with this condition... we physically witnessed employees have invited and entertained their extended families... this therefore has caused overcrowding." The evidence clears RH of any wrongdoing.	1 – Messrs Lohia Bodibo, Aloyisus Aoa, Moses Make, <i>General labour inspection – Kamusi and Panakawa logging camps</i> , general labour inspection report prepared for the Department of Labour and Employment, PNG, 2004.
Cultural discrimination against PNG nationals.	MIT, RHW	Donald Lunen, <i>'Inspection report – Wawoi Guavi Timbers'</i> . The report mentions "high turnover rate for the company's citizen labour force... certain non-citizens have been visually identified performing duties that should be done by citizen employees." Department for Community Development. <i>Draft individual project review report – Wawoi Guavi & Panakawa</i> . The report states that "private business is restricted to expatriate workers only, no nationals are allowed to do business at project sites... expatriates of Malaysian origin are allowed to conduct themselves more freely than the others... double standard in term of sexual relations."	For critiques of the DOL and DCD reports, see above.	A subsequent DOL report (1) stated that position differences reflect skill levels, and that "basically and logically most of the land owner employees are unskilled". The training of citizen employees is said to be hindered by their tendency to 'stay away from work for up to 12 months without leave." Labour turnover of the citizen employees is said to be "created by the landowner employees themselves," and "no employee is terminated unfairly by the company... workers are terminated for breach of those rules and guidelines stipulated under their employment contract." CONTINUED NEXT PAGE	1 – Messrs Lohia Bodibo, Aloyisus Aoa, Moses Make, <i>General labour inspection – Kamusi and Panakawa logging camps</i> , general labour inspection report prepared for the Department of Labour and Employment, PNG, 2004. 2 – James Lau (Managing Director, Rimbunan Hijau Group, PNG), "Re: Draft observations and recommendations report/ Responses from Rimbunan Hijau (PNG) Ltd". Letter to Mr. Ben Everts, Review of Current Logging Projects, PNG, 6 August 2004, p.7, 10. CONTINUED NEXT PAGE

ISSUE 1 – LABOUR ABUSES

KEY CLAIMS	WEBSITE	REFERENCES	CRITIQUE OF REFERENCES	FACTS/RESPONSES	SOURCE OF RESPONSE
Cultural discrimination against PNG nationals.	MIT, RHW			<p>In regards to business opportunities for PNG citizens, RH has denied discrimination, stating that, unfortunately, “landowner aspirations are often very short term and focus on consuming monetary benefits only” (2). This claim is also supported by observation of IRT (3) – “landowners... are generally characterised by... a very high social discount rate for cash. One Kina today is worth sacrificing a great deal tomorrow. Landowners are not fully considering the impact which logging projects will have on them; neither are they investing in their futures.”</p> <p>In regards to sexual discrimination, RH stated that it “maintains an employment policy regulating the co-habitation of single status employees and employees with dependants without discrimination of race... intimate interrelations are not tolerated at any time... disciplinary measures are applied in case of offences... breaches of these employment conditions are consequently followed by termination of contract without discrimination of gender or race.” (2) Living arrangements were confirmed during an ITS Global field visit to Panakawa. (4)</p> <p>The claims are thus unsubstantiated.</p>	<p>3 – Independent Forest Review Team, <i>Towards sustainable timber production – a review of existing logging projects: draft observations and recommendation report</i>, report for the Government of Papua New Guinea, 2004, p.19-20.</p> <p>4 – ITS Global field visit to PNG, 16 March 2006.</p>
Recruitment of sex workers on RH concessions.	MIT, RHW	Department for Community Development. <i>Draft individual project review report – Wawoi Guavi & Panakawa</i> . The report states, that “there is an allegation of Indonesians (women) recruited as sex workers. Those who fall pregnant are sent back home.”	For critique of the DCD report, see above.	<p>RH has denied the claims, stating that it “maintains an employment policy regulating the co-habitation of single status employees and employees with dependants without discrimination of race... intimate interrelations are not tolerated at any time... disciplinary measures are applied in case of offences... breaches of these employment conditions are consequently followed by termination of contract without discrimination of gender or race.”</p> <p>(1) Living arrangements were confirmed during an ITS Global field visit to Panakawa. (2)</p>	<p>1 – James Lau (Managing Director, Rimbunan Hijau Group, PNG), “Re: Draft observations and recommendations report/Responses from Rimbunan Hijau (PNG) Ltd”. Letter to Mr. Ben Everts, Review of Current Logging Projects, PNG, 6 August 2004, p.10.</p> <p>2 – ITS Global field visit to PNG, 16 March 2006.</p>

ISSUE 2 – HUMAN RIGHTS ABUSES

KEY CLAIMS	WEBSITE	REFERENCES	CRITIQUE OF REFERENCES	FACTS/RESPONSES	SOURCE OF RESPONSE
Physical and sexual abuse of female workers by the Rimbunan Hijau.	MIT, RHW	Department for Community Development. <i>Draft individual project review report – Wawoi Guavi & Panakawa</i> . The report states that “there is an allegation by national female & male workers that the former boss... of the Personnel Department... physically abused females who refused to entertain his request (for sexual favours to the expatriates).”	For critique of the DCD report, see above.	See above.	1 – James Lau (Managing Director, Rimbunan Hijau Group, PNG), “Re: Draft observations and recommendations report/Responses from Rimbunan Hijau (PNG) Ltd”. Letter to Mr. Ben Everts, Review of Current Logging Projects, PNG, 6 August 2004, p.10. 2 – ITS Global field visit to PNG, 16 March 2006.
Physical abuse of workers and landowners by Task Force Police, at the request of RH.	MIT, RHW	Department for Community Development. <i>Draft individual project review report – Wawoi Guavi & Panakawa</i> . <i>Papua New Guinea – Wilderness laid waste by corruption</i> , broadcast on 2 May 2001 by SBS Dateline. Filmed and reported by John Bennett. Transcript obtained on Forest Conservation Portal, http://forests.org/archived_site/to/day/recent/2001/sbsscript.htm (accessed on 1 March 2006). <i>PNG: Jungle Justice</i> , broadcast on 3 November 2004 by SBS Dateline. Filmed and reported by Bronwyn Adcock. Transcript obtained on RHW PNG, http://www.rimbunan-hijau-watch.org/docs/datetime.htm (accessed on 3 March 2006). Anonymous, “Masalai 34 – Is the Police Commissioner covering up RH atrocities?”. http://www.masalai-i-tokaut.com/ . Tom Diwai Vigus, <i>Report to the Independent Review committee into the operations of the RPNGC</i> . Masalai i Tokaut, http://www.masalai-i-tokaut.com/Police%20Review%20Committee%20Submission,%20June%202004.pdf (accessed on March 30, 2006). Donald Lunen, <i>‘Inspection report – Wawoi Guavi Timbers’</i> . Greenpeace, <i>‘The Untouchables: Rimbunan Hijau’s world of forest crime and political patronage’</i> . (Amsterdam: Greenpeace International, 2004). IRT, <i>Review of Disputed Forest Allocations</i> , PNG, 2003. Independent Forest Review Team, <i>Towards sustainable timber production – a review of existing logging projects: draft observations and recommendation report</i> , report for the Government of Papua New Guinea, 2004.	The 2001 SBS report was produced by an unaccompanied reporter (John Bennett). The human rights accusations made in the report stem from statements made by landowners; however, the background information gathered could not substantiate the allegations. The 2004 SBS Dateline report predominantly relies on the testimony by Emmanuel Bani, a former member of the Southern command Taskforce, regarding the actions of police in the Wawoi Guavi concession. PNG Prime Minister Sir Michael Somare had stated that Mr Bani was previously suspended from the police force for corrupt activity (2); this, combined with his self-confessed financial aspirations, diminishes the credibility of Mr Bani’s allegations. Overall, his claims are unreliable. SBS has removed both transcripts and all references to these broadcasts for “legal reasons.”	Investigations into the police actions in the Western Province which followed the 2001 and 2004 SBS reports had both stalled due to the lack of collaborative statements from alleged victims and witnesses (8). Rimbunan Hijau has denied the charges (7), and has produced documents which indicate that the company goes to great lengths in order to improve the law and order situation in PNG, in collaboration with the local government and the police force. This included satisfying a governmental request for financial and logistical support, in order to establish police presence at the Ihu district, Gulf Province. (9-14). The claims are false or not backed by reliable evidence, and are hence unsubstantiated.	1 – Independent Forest Review Team, <i>Towards sustainable timber production – a review of existing logging projects: draft observations and recommendation report</i> . p.19-21, 34. 2 – <i>PNG Govt furious over logging corruption report</i> , broadcasted on 4 November 2004 by ABC Radio National. Reported by Shane McLeod. Transcript obtained on ABC PM website, http://www.abc.net.au/pm/content/2004/s1235088.htm (accessed on 1 March 2006). 3 – PNG Forest Industries Association (PNGFIA), “FIA submission – Draft Observations and Recommendations Report, May 2004”. Port Moresby, 2004. 4 – Axel Wilhelm (Manager – Environmental Policy, Rimbunan Hijau Group, PNG), “Re: LumberBank New Zealand Limited”. Letter to Mr Glaister Ennor, Barristers Solicitors & Notary Public, Auckland, New Zealand, 6 April 2004, p.6-7.

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ISSUE 2 – HUMAN RIGHTS ABUSES

KEY CLAIMS	WEBSITE	REFERENCES	CRITIQUE OF REFERENCES	FACTS/RESPONSES	SOURCE OF RESPONSE
Physical abuse of workers and landowners by Task Force Police, at the request of RH.	MIT, RHW		<p>Whilst the PNG Department of Planning and Monitoring report supports the claims, it was compiled by Tom Diwai Vigus (a team leader of the IRT) as a part of the World Bank-initiated FCP (FCP, 2001-2005). The IRT process was mandated by the World Bank loan conditions and funded by the Bank. The team included an 'ecological economist' associated with Greenpeace and the World Bank employed an anti-forestry activist as a 'PNG Forest and Environment' specialist to conduct meetings with industry stakeholders. The reports produced by the Review Team came under criticism from PNG political circles for being predisposed to serving the interests of environmental NGOs (3-6). Whilst draft IRT reports were circulated, the PNG government did not approve them and withdrew from the project in 2005. (7) In summary, the reports cannot be considered balanced or impartial.</p> <p>MIT #34 provides an extract from a Post Courier newspapers, as well as personal letters by landowners in which they claim to be abused by Task Force Police Force in the Kamusi Area of Western Province. There is, however, no evidence linking the actions of the police to Rimbunan Hijau. As noted above, the statements by landowners are likely to be unreliable. Other evidence provided by MIT #34 is suspect, such as letters with no letterheads.</p> <p>The Department of Labour report does not mention human rights abuses.</p> <p>It is unclear who conducted the report for the Department for Community Development (DCD), as the author(s) are unnamed. The report sought no input from the company nor the workers, instead relying on "meetings/discussions with landowners, forest resource owners and the community at large." As noted above, statements from landowners are difficult to verify and can be subject to leading questioning.</p> <p>Greenpeace <i>'The Untouchables'</i> relies on the SBS 2001 report, and IRT 2003 and 2004 reports for evidence (all of which are discussed above).</p>		<p>5 – <i>The National</i>, (Port Moresby), November 26, 2004.</p> <p>6 – Hon. Michael Ogio, MP, "Open Letter to Mr Sasa Zibe Kokino, Chairperson of the Papua New Guinea Eco-Forestry Forum", Ministry of Forests, Papua New Guinea.</p> <p>7 – Axel Wilhelm (Manager – Environmental Policy, Rimbunan Hijau Group, PNG), "Re: Greenpeace Report / Partners in Crime". Letter to Mr. Ahmad Loman, Ministry of Plantation Industries and Commodities, Malaysia, 24 November, 2005, pp.6, 11.</p> <p>8 – Gabriel Bego, "Police brutality probe stalls", <i>Post Courier</i> (PNG), November 16, 2004.</p> <p>9 – J. Andrew (Assistant Commissioner, Southern Division Command, RPNGC), "Deployment to Purari / Escort on MV Swift II, 17/1/2001". Letter to Rimbunan Hijau (PNG), 16 January 2001.</p> <p>10 – Zaidul B Jahar (Administration Manager, Rimbunan Hijau PNG), "Unethical conduct of duty police personnel at Teredau Camp, East Kikori". Letter to the Divisional commander, Southern Division Command, RPNGC, 17 April 2001.</p> <p>11 – J. Biamaga (SDHQ Task Force Commander), "Arrest Brief". Letter to CSP John Marru, Acting Commander, Southern Division Headquarters, 29 April 2001.</p> <p>12 – J. Andrew (Assistant Commissioner, Southern Division Command, RPNGC), "Re: Request assistance to airlift eight (8) drug suspects from Baimuru to Kerema". Letter to Rimbunan Hijau (PNG), 3 May 2001.</p> <p>13 – J. Biamaga (SDHQ Task Force Commander), "Transportation arrangements for a news reporter and Task Force member". Letter to Rimbunan Hijau (PNG), 28 January 2002.</p> <p>14 – Hon. Charles Maiu, MPA (Deputy Governor, Gulf Province, PNG). Untitled letter to Mr. Axel Wilhelm, Rimbunan Hijau (PNG), 2 February 2004.</p>

ISSUE 3 – POLITICAL PATRONAGE

KEY CLAIMS	WEBSITE	REFERENCES	CRITIQUE OF REFERENCES	FACTS/RESPONSES	SOURCE OF RESPONSE
Unlawful relationship between RH and PNG's Task Force Police, including acts of bribery.	MIT, RHW	<p>Anonymous, <i>'Draft individual project review report – Wawoi Guavi & Panakawa'</i>.</p> <p>SBS Dateline, <i>'PNG: Jungle Justice'</i>.</p> <p>Anonymous, "Masalai 34 – Is the Police Commissioner covering up RH atrocities?".</p> <p>Anonymous, "Masalai 35 – The Police Commissioner and RH – Part II".</p> <p>SBS Dateline, <i>'Papua New Guinea – Wilderness laid waste by corruption'</i>.</p> <p>PNG Department of Planning and Monitoring (2004). <i>Report to the independent review committee into the operations of the RPNGC</i>.</p>	<p>MIT, issue #35 alleges 'the Police have been smuggling drugs on behalf of RH'. The claim is accompanied by an alleged letter from RPNGC, in which Sgt J. Biamaga requested K500 'for purchase of drugs for 10kg' from Mr Wong Keh Yee, Straits Marine Manager. The authenticity of the document could not be verified due to the anonymous nature of MIT.</p> <p>For critiques of other documents, see above.</p>	<p>Rimbunan Hijau has denied the charges (1), and has produced documents, which indicate that the company cooperates with police and the government as necessary, to support the maintenance of law and order in the areas where it works. This included satisfying a governmental request for financial and logistical support, in order to establish a police presence in the Ihu district, Gulf Province. (2-7)</p> <p>ITS Global questioned RH about claims of using police in drug smuggling operations. RH advised that it had responded to police requests for logistical support to facilitate an operation to combat drug smuggling (8). Relevant documentation supports these claims (4-5). MIT had misleadingly reported this case in order to make unsubstantiated claims against the company.</p>	<p>1 – Axel Wilhelm (Manager – Environmental Policy, Rimbunan Hijau Group, PNG), "Re: Greenpeace Report/Partners in Crime", p.11.</p> <p>2 – J. Andrew (Assistant Commissioner, Southern Division Command, RPNGC), "Deployment to Purari/Escort on MV Swist II, 17/1/2001".</p> <p>3 – Zaidul B Jahar (Administration Manager, Rimbunan Hijau PNG), "Unethical conduct of duty police personnel at Teredau Camp, East Kikori".</p> <p>4 – J. Biamaga (SDHQ Task Force Commander), "Arrest Brief".</p> <p>5 – J. Andrew (Assistant Commissioner, Southern Division Command, RPNGC), "Re: Request assistance to airlift eight (8) drug suspects from Baimuru to Kerema".</p> <p>6 – J. Biamaga (SDHQ Task Force Commander), "Transportation arrangements for a news reporter and Task Force member".</p> <p>7 – Hon. Charles Maiu, MPA (Deputy Governor, Gulf Province, PNG). Untitled letter to Mr. Axel Wilhelm, Rimbunan Hijau (PNG).</p> <p>8 – ITS Global, Field Trip to Rimbunan Hijau Logging Concessions, 15-19 March 2006.</p>

ISSUE 3 – POLITICAL PATRONAGE

KEY CLAIMS	WEBSITE	REFERENCES	CRITIQUE OF REFERENCES	FACTS/RESPONSES	SOURCE OF RESPONSE
Rimbunan Hijau is receiving political patronage from the State of PNG as a result of corruption.	RHW, MIT	<p>Anonymous, “Masalai 29 – Pruaitch, Iamo and RH – the TRIAD”.</p> <p>Anonymous, “Masalai 38 – RH puts the squeeze on Forest Minister”.</p> <p>Anonymous, “Masalai 39 – Forest Minister protects RH, again!”.</p> <p>Ombudsman Commission of Papua New Guinea, <i>Investigation into a decision by the National Forest Board to award Kamula Doso to Wawoi Guavi Timber Company (a subsidiary of Rimbunan Hijau) as an extension to the Wawoi Guavi Timber Resource Permit – Final Report</i>, Port Moresby, 2002. Obtained via Forest Trends, http://www.forest-trends.org/documents/publications/PNG2006/png.php#.</p> <p>National Intelligence Organisation (NIO), <i>Field trip report: Baimaru, 09th-19th June 2000</i>. Masalai i Tokaut, http://www.masalai-i-tokaut.com/National%20Intelligence%20Organisation%20Field%20Report,%20June%202000.pdf</p> <p>NIO, <i>Violation of forestry laws and landowner rights</i>, 12 September 2000, Masalai i Tokaut, http://www.masalai-i-tokaut.com/National%20Intelligence%20Organisation%20Report,%2012%20September%202000.pdf</p> <p>IRT, <i>Review of Disputed Forest Allocations</i>, PNG, 2003.</p>	<p>The MIT documents contain alleged letters from James Lau (Managing Director, RH PNG) to Forest Minister Patrick Pruaitch, protesting the issuance of ‘show cause’ notice on the RH-operated Vailala Blocks 2 & 3 by the National Forest Board (NFB). Subsequent letters from the Forest Minister to the NFB, directing a censure of the ‘show cause’ notice are also included. However, there is no evidence of RH engaging in corruption.</p> <p>The Ombudsman Commission found that PNG Forest Minister Andrew Baing had acted outside his jurisdiction by giving directions to the NFB on specific matters – namely, trying to speed up proceedings on handing the Kamula Dosa to RH as an extension of its Wawoi Guavi Permit. However, the Commission did not find RH guilty of undue or illegal conduct.</p> <p>The alleged NIO reports accuse Turama Forest Industries and Frontier Holdings (subsidiaries of RH) of bribing government officials. However, the validity of the alleged NIO report is dubious due to a complete lack of official certification (letterheads, stamps, etc) on the documents. The authenticity of the reports cannot be verified due to the anonymous nature of MIT website.</p> <p>For critique of IRT, see above.</p>	<p>The company has denied the allegations of corruption, stating that “...the allegation that Rimbunan Hijau pays bribes in any form is spread with malicious intent and to bring the company’s name into disrepute. We vehemently deny and resent any acts of bribery and dismiss the allegations because they are beyond any standards of ethics.” (1).</p> <p>There is no substantive evidence implicating Rimbunan Hijau in corruption.</p>	<p>1 – Axel Wilhelm (Liaison Manager, Rimbunan Hijau Group, PNG), “Re: Logging in Papua New Guinea/Allegations”. Letter to Mr Greg Roberts, <i>The Australian</i>, Australia, 7 March 2006.</p>

ISSUE 4 – LEGALITY OF OPERATIONS

KEY CLAIMS	WEBSITE	REFERENCES	CRITIQUE OF REFERENCES	FACTS/RESPONSES	SOURCE OF RESPONSE
Illegal extensions granted by PNGFA to Rimbunan Hijau.	RHW, MIT	<p>IRT, <i>Review of Disputed Forest Allocations</i>.</p> <p>IRT, <i>Towards sustainable timber production – a review of existing logging projects: draft observations and recommendation report</i>.</p> <p>Both reports claim that logging concessions granted before the passage of the 1991 PNG Forestry Act (the so-called “saved permits”, which form the majority of RH operations) were never meant to be granted extensions, and are hence “illegal”.</p> <p>Greenpeace, <i>‘The Untouchables’</i>.</p>	Greenpeace <i>‘The Untouchables’</i> relies on IRT 2003 and 2004 reports for evidence. For critique of the IRT, see above.	<p>MIT and RHW have exploited a difference of interpretation of the Forestry Act 1991 between the IRT and the PNG Government, about whether the Act provides for extensions in time for permits which predate the enforcement of the Act.</p> <p>The PNG government and RH sought professional legal advice which confirmed that granting of extensions for saved permits was consistent with the PNG Forest Act (1).</p> <p>RH has produced official documents verifying the legality of its extensions (3-5).</p> <p>The claim is thus unsubstantiated.</p>	<p>1 – State Solicitor, “Re: Extension of timber permits under sections 137(1) and 78 of the Forestry Act”, Letter to the Managing Director of the PNG Forest Authority, Office of the State Solicitor, Department of Justice and Attorney General, 25 February 2004.</p> <p>2 – Hon. Michael Ogio (Minister for Forest, PNG), <i>Timber Permit extension, Vailala Blocks 2&3 TRP, Gulf Province</i>, Independent State of Papua New Guinea, 25 July 2003.</p> <p>3 – Hon. Michael Ogio (Minister for Forest, PNG), <i>Timber Permit extension, Wawoi Guavi Blocks 1,2,3 TRP, Western Province</i>, Independent State of Papua New Guinea, 4 February 2002.</p> <p>4 – Provincial Forest Management Committee, <i>Report to the Board by a Provincial Forest Management Committee on an application for an extension or renewal of the term of a timber permit – Wawoi Guavi Timber Project</i>, Port Moresby, 2002.</p>
Illegal original permits granted to RH, as landowner rights were not consulted properly.	RHW, MIT	IRT, <i>Review of Disputed Forest Allocations</i> .	For critique of the IRT, see above.	<p>Under the PNG Forestry Act, logging rights are obtained from the traditional landowners by the government, not the logging company.</p> <p>There is hence no evidence of illegal conduct by RH.</p> <p>RH confirmed the 1992 FMAs for Vailala Blocks 2 and 3, between the PNGFA and landowners were not concluded properly. Therefore, RH did not enter the area until after the 1995 FMAs concluded in compliance with the Forestry Act (4).</p> <p>Rimbunan Hijau has produced documented evidence of 1995 Forest Management Agreements between the PNGFA and Vailala landowners (1-2).</p> <p>In a related legal dispute between RH subsidiary Frontier Holdings Pty Ltd and PNG Government in 1996, PNG National Court of Justice declared the Vailala 2 & 3 Timber Permit as “valid and subsisting... until otherwise terminated in accordance with its terms and conditions.” (3)</p>	<p>1 – PNGFA, <i>Forest Management Agreement – Vailala Block 2, Ihu District, Gulf Province</i>, PNG, 1995.</p> <p>2 – PNGFA, <i>Forest Management Agreement – Vailala Block 3, Ihu District, Gulf Province</i>, PNG, 1995.</p> <p>3 – National Court of Justice (PNG), <i>Order – Dispute between Frontier Holdings PTY Ltd (plaintiffs) and the Independent State of Papua New Guinea (first defendant) and Andrew Baing MP (second defendant)</i>. PNG, 3 January 1996.</p> <p>4 – ITS Global, <i>Field Trip to Rimbunan Hijau Logging Concessions</i>, 15-19 March 2006.</p>

ISSUE 5 – ENVIRONMENTAL IMPACT

KEY CLAIMS	WEBSITE	REFERENCES	CRITIQUE OF REFERENCES	FACTS/RESPONSES	SOURCE OF RESPONSE
RH engages in environmentally destructive logging.	RHW	<p>Greenpeace, 'The Untouchables'. Melick, Dr D (2003), <i>A preliminary environmental investigation of the logging operations in the Wawoi Guavi area, Western Province, Papua New Guinea</i>. Unpublished report for Greenpeace.</p> <p>Erskine (1999a), <i>An environmental impact assessment of logging operations in Block 3 of the Wawoi Guavi TRP, Kamusi, Western Province, Papua New Guinea</i>.</p> <p>Pwesei (2000), <i>Environmental and social impact assessment of logging operations in the West Coast of Manus Area, Manus Province</i>.</p> <p>Florence Brunois (1997). <i>Avenir des Peuples des Forêts Tropicales, Working Paper</i>.</p>	<p>The Untouchables references Erskine 1999a, Pwesei 2000 and Melick 2003, in its claims of environmental destruction, providing no evidence of its own.</p> <p>Despite an extensive search, the author was unable to locate Erskine 1999a, Melick 2003 and Brunois 1997.</p> <p>The Melick and Erskine reports were both commissioned by Greenpeace. They have not been published and the details of alleged environmental destruction have not been released or included in Greenpeace's publications targeting RH.</p> <p>Pwesei 2000 is a report by an alleged post-graduate student from PNG; the report copies much of its content, including its findings from Erskine (1999b), <i>Environmental and social impact assessment of logging operations in the Vanimo Timber Area, Sandaun Province, Papua New Guinea</i>, and is hence not a reliable reference.</p> <p>Overall, the evidence is unreliable.</p>	<p>RH stated that 'PNGFA Projects Supervisors and Monitoring Officers are strictly enforcing full compliance (with the Logging Code of Practice) since 1997. In addition, each individual Timber Permit stipulates annual maximum harvesting quotas and all of our operations adhere to the set quotas. Initiated in 1994, the independent evaluation and monitoring of log exports was outsourced to the internationally recognised firm Societe Generale de Surveillance (SGS)' (1).</p> <p>RH has revealed a number of documents produced by PNGFA and Department of Environment and Conservation (DEC), which verify its close compliance with the Forestry Act and the Logging Code of Practice (2-4). As confirmed by DEC, occasional minor divergences from the norm are promptly dealt with by the company (5).</p> <p>RH has also established two projects 'where active regeneration management and plantation development are applied' (<i>Re:Forest sector</i>, p.20-21) (6), and pays reforestation levies to the PNGFA, which is responsible for reforestation. (7).</p>	<p>1 – Axel Wilhelm (Liaison Manager, Rimbunan Hijau Group, PNG), "Re: Forest Sector/ Intimidation by anonymous web site publications". Letter to Mr Jim Yap, ANZ Banking Group (PNG) Limited, Port Moresby, 15 October 2005, p.17.</p> <p>2 – Thomas Nen (Managing Director, National Forest Service, PNGFA), "Approval of third phase five-year Forest Working Plan (2005-2007) over Vailala Block 2&3 FMA Project (TP 2-16)". Letter to Mr Yeap Yun Yuat (General Manager, Frontier Holdings Ltd, PNG), 18 February 2002.</p> <p>3 – Dr. Wari Iamo (Secretary, Department of Environment and Conservation), "Environment (Water Discharge) Permit". Letter to Niugini International Corporation Ltd, undated.</p> <p>4 – Brown H. Kiki (Acting Managing Director, National Forest Service, PNGFA), "Approval of 2005-2006 Annual Logging Plan, Vailala Blocks 2&3 TRP (TP2-16). Letter to the Forest Manager, Frontier Holdings Ltd, PNG, 2 September 2005.</p> <p>5 – John Sambeok, <i>Rimbunan Hijau Group of Companies (RH) Ongoing Logging Operations</i>, Southern Region, a field compliance monitoring & inspection report no: 2:2003, prepared for the Department of Environment and Conservation, PNG, 2003.</p> <p>6 – Axel Wilhelm (Liaison Manager, Rimbunan Hijau Group, PNG), "Re: Forest Sector / Intimidation by anonymous web site publications", pp.20-21.</p> <p>7 – PNG Forest Industries Association (PNGFIA), "FIA submission – Draft Observations and Recommendations Report, May 2004", Port Moresby, 2004.</p>

ISSUE 6 – SUSPECT CORPORATE BEHAVIOUR

KEY CLAIMS	WEBSITE	REFERENCES	CRITIQUE OF REFERENCES	FACTS/RESPONSES	SOURCE OF RESPONSE
RH engages in intimidation of local media.	RHW, MIT	Both RHW and MIT websites contain an alleged letter written by RH to the Post Courier and PNG Forest Watch. The letter states "...we strong advice you to remove all the reference to the RH group which is not party to any of the allegations in the defamatory press release. We further reserve our legal rights on this matter and would accordingly direct our solicitors to institute legal proceedings without further notice".		This letter is a response to a potential media report of a perceived defamatory nature. It does not support the conclusion of intimidation of local media.	
RH is involved in drug smuggling.	MIT	Anonymous, "Masalai 35 – The Police Commissioner and RH – Part II". The website alleges "the Police have been smuggling drugs on behalf of RH." The claim is accompanied by an alleged letter from RPNGC, in which Sgt J. Biamaga requested K500 "...for purchase of drugs for 10kg" from Mr Wong Keh Yee, Straits Marine Manager.	The authenticity of the document could not be verified due to the anonymous nature of MIT.	RH had responded to police requests for logistical support to facilitate an operation to combat drug smuggling after police had caught a suspect smuggling drugs from the Southern Highlands to Daru (1). Relevant documentation supports these claims (2-3). MIT had misleadingly reported this case in order to make unsubstantiated claims against the company.	<p>1 – ITS Global, <i>Field Trip to Rimbunan Hijau Logging Concessions</i>, 15-19 March 2006.</p> <p>2 – J. Biamaga (SDHQ Task Force Commander), "Arrest Brief".</p> <p>3 – J. Andrew (Assistant Commissioner, Southern Division Command, RPNGC), "Re: Request assistance to airlift eight (8) drug suspects from Baimuru to Kerema".</p>
RH involved in gun smuggling.	MIT	IRT, <i>Brief (point form) Situation Report Wawoi Guavi Project, TP 1-07</i> , Masalai i Tokaut, http://www.masalai-i-tokaut.com/Situation%20Report%20on%20Wawoi%20Guavi,%20April%202004.pdf	The IRT report implicates RH in gun smuggling from its Wawoi Guavi concession, in collaboration with the Task Force Police – 'Mode of operations appears to be that when the Cessna 206 flies to Mendi for service, it carries bags of guns disguised as saksak and returns with marijuana which is then sent to Balimo and overseas. Guns come in on logships and offloaded and stored in a workshop opposite sawmill, under curfew imposed at the camp by Task Force Police'.	Rimbunan Hijau has denied the allegations (7). It has also provided documents which indicate that the company goes to great lengths in order to improve the law and order situation in PNG, in collaboration with the local government and the police force. This includes satisfying a governmental request for financial and logistical district support (1-6).	<p>1 – J. Andrew (Assistant Commissioner, Southern Division Command, RPNGC), "Deployment to Purari/Escort on MV Swift II, 17/1/2001".</p> <p>2 – Zaidul B Jahar (Administration Manager, Rimbunan Hijau PNG), "Unethical conduct of duty police personnel at Teredau Camp, East Kikori".</p> <p>3 – J. Biamaga (SDHQ Task Force Commander), "Arrest Brief".</p> <p>4 – J. Andrew (Assistant Commissioner, Southern Division Command, RPNGC), "Re: Request assistance to airlift eight (8) drug suspects from Baimuru to Kerema".</p> <p>5 – J. Biamaga (SDHQ Task Force Commander), "Transportation arrangements for a news reporter and Task Force member".</p> <p>6 – Hon. Charles Maiu, MPA (Deputy Governor, Gulf Province, PNG). Untitled letter to Mr. Axel Wilhelm.</p> <p>7 – ITS Global, <i>Field Trip to Rimbunan Hijau Logging Concessions</i>, 15-19 March 2006.</p>

ISSUE 6 – SUSPECT CORPORATE BEHAVIOUR

KEY CLAIMS	WEBSITE	REFERENCES	CRITIQUE OF REFERENCES	FACTS/RESPONSES	SOURCE OF RESPONSE
Manipulation of local media via ownership and self-driven control of 'The National' newspaper.	MIT	Anonymous, "Masalai 10 – The extent of forest corruption in PNG – The documents". The document states 'the National has carried editorials personally attacking named NGO activists, carried news stories that make fantastical claims about the benefits that will flow from new logging permits and has attacked the findings of the Ombudsman Commission in its recent report on Kamula Dosa'.	The claim regarding RH's ownership of 'The National' newspaper is correct. MIT does not provide any references or evidence to substantiate the remaining claims. These claims are thus unsubstantiated.	Rimbunan Hijau's ownership of 'The National' newspaper is entirely within the law. Commendations of RH and criticisms of NGOs have been located in other media sources, such as the Post Courier (1-4).	<p>1 – "RH set to tackle HIV / AIDS", <i>Post Courier</i> (PNG), 3 August, 2005</p> <p>2 – "Kids will now enjoy games", <i>Post Courier</i> (PNG) 19 April, 2005.</p> <p>3 – "Pruaitch defiant – maintains loggers doing the right thing". <i>Post Courier</i> (PNG), 16 March 2005.</p> <p>4 – Alex Rheeney, "Give alternatives or leave us alone". <i>Post Courier</i> (PNG), 5 April 2005.</p>
Bribery of landowner representatives.	RHW, MIT	<p>Anonymous, "Masalai 27 – RH Vailala landowners bribed by RH to avoid court". The newsletter contains an alleged transcript by Jack Eta and Max Mera (Chairman and Deputy Chairman of Vailala Purara Investments Ltd respectively, a landowner group for Vailala Blocks 2 & 3) of being approached by RH and getting paid K3000 in return for signatures. The copy of the alleged signed document is provided.</p> <p>NIO, <i>Violation of forestry laws and landowner rights</i>. The alleged report accuses RH of bribing landowner representatives – 'the Frontier Holdings then bribed handful of Muro People in Ihu District namely Robert Pura, Lucas Hariva and Peter Waime to force the department to recognise permit no. 2-16 in Vailala.</p>	The authenticity of the documents cannot be verified due to the anonymous nature of the website.	<p>Messrs Eka and Mera instigated legal proceedings to challenge the extension of the Timber Permit TP 2-16 Vailala Block 2 and 3 in 2004. This was accompanied by a mail campaign to smear RH. During this time, various parties approached RH for monetary payment. RH provided documentation including letters of requests for funds. The legal challenge was settled out of court later in 2004. RH was not responsible for the actions of these gentlemen.</p> <p>The claim that Messrs Pura and Waime forced the Department to recognise the permit appears implausible given their roles as directors of two of many landowner companies and the prerogative of the Department to secure defensible and effective timber permits.</p> <p>These claims appear to be inflammatory distortions of actual situations.</p>	





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